ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2015

REGISTRATION NUMBER: 2006/019240/06

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

Company information

Directors	**Appointment date**
Executive	
N Celliers (Chief executive officer)	23 July 2012
WL Greeff (Financial Director)	21 May 2009
Non-executive	
JF Mouton (Chairman)	21 August 2006
GD Eksteen*	1 September 2009
WA Hanekom**	7 October 2013
AE Jacobs	8 April 2013
PJ Mouton	30 April 2012
CA Otto**	21 August 2006
MS du P le Roux**	*Resigned 20 June 2014*
LP Retief**	*Resigned 25 July 2014*

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

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

ZEDER INVESTMENTS LIMITED
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

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ZEDER INVESTMENTS LIMITED
REPORT OF THE AUDIT AND RISK COMMITTEE
FOR THE YEAR ENDED 28 FEBRUARY 2015

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

This committee also acted as the statutory audit committee of those public company subsidiaries that are legally required to have such a committee, except Capespan Group Ltd, which has its own committee.

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

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

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

The committee has evaluated the annual financial statements of the company and group for the year ended 28 February 2015 and, based on the information provided to the committee, considers that these comply, in all material respects, with the requirements of International Financial Reporting Standards; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the requirements of the Companies Act of South Africa; and the JSE Listings Requirements.

CA Otto
Chairman

8 April 2015
Stellenbosch

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

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

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

The annual financial statements set out on pages 3 to 5 and 7 to 66 were approved by the board of directors of Zeder Investments Ltd and are signed on its behalf by:

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

8 April 2015
Stellenbosch

DECLARATION BY THE COMPANY SECRETARY

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

PSG Corporate Services (Pty) Ltd
Per PJR de Wit
Company secretary

8 April 2015
Stellenbosch

OVERVIEW

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

OPERATING RESULTS

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

The earnings attributable to equity holders of the group for the year under review were R241.8m (2014: R306.8m). During the year under review, recurring headline earnings per share increased by 15.4% to 35.3 cents (2014: 30.6 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), 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), 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 previous year included the first-time consolidation of Capespan Group Ltd, which formed part of the group for 8 months during the previous year.

STATED CAPITAL

During the year under review, the company issued 463,655,674 (2014: 2,099,814) 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). 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) per share in respect of the year ended 28 February 2015, which is payable on 4 May 2015.

EVENTS SUBSEQUENT TO THE REPORTING DATE

Audited

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.

DIRECTORS

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

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

DIRECTORS' EMOLUMENTS

Directors' emoluments are paid by the PSG Group Ltd ("PSG Group") group in terms of the management agreement (refer note 26.1 to the annual financial statements). Directors' emoluments include the following cash-based remuneration:

Audited	**Basic salary R'000**	**Company contributions R'000**	**Performance -related R'000**	**Fees R'000**	**Total 2015 R'000**	Total 2014 R'000
Executive						
N Celliers [1]	**2 172**	**28**	**3 300**		**5 500**	4 000
WL Greeff [3]					**-**	-
Non-executive						
GD Eksteen				**115**	**115**	108
WA Hanekom				**100**	**100**	20
AE Jacobs[2]	**1 451**	**282**			**1 733**	1 625
JF Mouton [3]					**-**	-
PJ Mouton [3]					**-**	-
CA Otto [3]					**-**	-
MS du Pré le Roux [4]				**55**	**55**	108
LP Retief [4]				**80**	**80**	114
	3 623	**310**	**3 300**	**350**	**7 583**	5 975

1 *Performance-related emoluments were paid in respect of the 2015 year.*

2 *The basic salary and company contributions received by AE Jacobs relates to his employment as chief executive officer of Zaad, a subsidiary.*

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.*

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) Zeder and 21,924 (2014: 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.

DIRECTORS' EMOLUMENTS (continued)

Awarded share options will vest as follows:

	Number of shares	
Audited	**Zeder**	**PSG Group**
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**

The weighted average strike price per share for the aforementioned Zeder and PSG Group share options is R3.99 and R74.86, respectively.

SHAREHOLDING OF DIRECTORS

	Beneficial		**Non-beneficial**	**Total shareholding 2015**		Total shareholding 2014	
Audited	**Direct**	**Indirect**	**Indirect**	**Number**	**%**	Number	%
N Celliers		3 411 514		**3 411 514**	**0.236**	2 635 933	0.269
GD Eksteen		6 683 585	250 000	**6 933 585**	**0.480**	250 000	0.026
WL Greeff	80 000			**80 000**	**0.006**	80 000	0.008
AE Jacobs		70 000		**70 000**	**0.005**	70 000	0.007
JF Mouton			80 000	**80 000**	**0.006**	80 000	0.008
MS du Pré le Roux*				**-**	**-**	250 000	0.026
CA Otto			80 000	**80 000**	**0.006**	80 000	0.008
	80 000	**10 165 099**	**410 000**	**10 655 099**	**0.739**	3 445 933	0.352

* *Resigned 20 June 2014*

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

SECRETARY

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

AUDITOR

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

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

We have audited the consolidated and separate financial statements of Zeder Investments Ltd set out on pages 7 to 66, which comprise the statements of financial position as at 28 February 2015, and the income statement, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes thereto, comprising a summary of significant accounting policies and other explanatory information.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zeder Investments Ltd as at 28 February 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act
As part of our audit of the consolidated and separate financial statements for the year ended 28 February 2015, we have read the directors' report, the audit and risk committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc
Director: NH Döman
Registered auditor

8 April 2015
Stellenbosch

ZEDER INVESTMENTS LIMITED
STATEMENTS OF FINANCIAL POSITION
AT 28 FEBRUARY 2015

		GROUP		COMPANY	
		2015	2014*	**2015**	2014
	Notes	**R'000**	R'000	**R'000**	R'000
ASSETS					
Non-current assets		**8 003 349**	3 637 184	**6 214 060**	2 125 732
Property, plant and equipment	1	**1 223 209**	924 975		
Intangible assets	2	**600 729**	375 795		
Biological assets	9	**181 524**	117 121		
Investment in subsidiary	3			**6 214 060**	2 125 732
Investment in ordinary shares of associates	4.1	**5 703 989**	1 821 814		
Loans to associates	4.2	**30 030**	18 239		
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		
Loans and advances	7	**114 409**	78 614		
Deferred income tax assets	17	**63 869**	59 388		
Employee benefits	8	**34 462**	33 090		
Current assets		**3 132 123**	3 122 922	**-**	-
Biological assets	9	**92 808**	83 447		
Inventories	10	**988 105**	955 724		
Trade and other receivables	11	**1 259 979**	1 045 000		
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		
Non-current assets held for sale	14	**30 378**	177 570		
Total assets		**11 165 850**	6 937 676	**6 214 060**	2 125 732
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	15	**5 095 256**	1 748 061	**5 095 256**	1 748 061
Other reserves	16	**54 067**	76 121		
Retained earnings		**1 983 375**	1 796 330	**413 893**	309 620
		7 132 698	3 620 512	**5 509 149**	2 057 681
Non-controlling interest		**607 845**	544 679		
Total equity		**7 740 543**	4 165 191	**5 509 149**	2 057 681
Non-current liabilities		**1 273 712**	1 028 346	**-**	-
Deferred income tax liabilities	17	**105 627**	119 768		
Borrowings	18	**969 938**	738 533		
Derivative financial liabilities	19	**63 644**	45 666		
Employee benefits	8	**134 503**	124 379		
Current liabilities		**2 151 595**	1 744 139	**704 911**	68 051
Borrowings	18	**902 373**	459 699	**701 911**	68 051
Trade and other payables	20	**1 153 236**	1 176 719		
Derivative financial liabilities	19	**417**	15 236		
Current income tax payables		**30 928**	19 299	**3 000**	
Employee benefits	8	**64 641**	73 186		
Total equity and liabilities		**11 165 850**	6 937 676	**6 214 060**	2 125 732

* *Restated as set out in note 33.*

ZEDER INVESTMENTS LIMITED
INCOME STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

		GROUP		COMPANY	
		2015	2014 *	**2015**	2014
	Notes	**R'000**	R'000	**R'000**	R'000
Revenue	21	**8 691 968**	5 977 508		
Cost of sales	22	**(7 423 794)**	(5 204 533)		
Gross profit		**1 268 174**	772 975		
Income					
Change in fair value of biological assets	9	**144 019**	134 150		
Investment income	23	**74 848**	65 854	**151 380**	25 000
Net fair value gains	24	**37 717**	143 953		
Other operating income	25	**44 714**	16 342		
Total income		**301 298**	360 299	**151 380**	25 000
Expenses					
Management fees	26.1	**(235 514)**	(118 044)		
Marketing, administration and other expenses	26.2	**(1 129 819)**	(660 828)		
Total expenses		**(1 365 333)**	(778 872)	**-**	-
Income from associates and joint ventures					
Share of profits of associates and joint ventures	4 & 5	**299 892**	218 011		
Impairment of associates and joint ventures	4 & 5	**(132)**	(21 421)		
Loss on disposal of investment in associates			(3 836)		
Net income from associates and joint ventures		**299 760**	192 754	**-**	-
Profit before finance costs and taxation		**503 899**	547 156	**151 380**	25 000
Finance costs	27	**(142 864)**	(85 962)		
Profit before taxation		**361 035**	461 194	**151 380**	25 000
Taxation	28	**(77 289)**	(104 686)	**(3 000)**	
Profit for the year		**283 746**	356 508	**148 380**	25 000
Profit attributable to:					
Owners of the parent		**241 816**	306 753	**148 380**	25 000
Non-controlling interest		**41 930**	49 755		
		283 746	356 508	**148 380**	25 000
Earnings per share (cents)	32				
Attributable - basic and diluted		**20.6**	31.3		

* *Restated as set out in note 33.*

ZEDER INVESTMENTS LIMITED
STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2015

	GROUP		COMPANY	
	2015	2014 *	**2015**	2014
	R'000	R'000	**R'000**	R'000
Profit for the year	**283 746**	356 508	**148 380**	25 000
Other comprehensive (loss)/income for the year, net of taxation	**(30 963)**	118 138	**-**	-
Items that will be reclassified to profit or loss				
Currency translation movements	**(19 012)**	157 391		
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		
Reclassification of gains on available-for-sale investments		(678)		
Share of other comprehensive (loss)/income of associates	**(12 725)**	31 200		
Reclassification of share of associates' other comprehensive income and equity movements upon disposal		(55 887)		
Cash flow hedges	**(5 709)**	(15 428)		
Recycling of cash flow hedges	**25 010**			
Items that will not be reclassified to profit or loss				
Movement in actuarial (losses)/gains on employee defined benefit plans	**(18 304)**	1 149		
Total comprehensive income for the year	**252 783**	474 646	**148 380**	25 000
Attributable to:				
Owners of the parent	**217 522**	377 110	**148 380**	25 000
Non-controlling interest	**35 261**	97 536		
	252 783	474 646	**148 380**	25 000

* *Restated as set out in note 33.*

ZEDER INVESTMENTS LIMITED
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 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)/income			**(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.*

COMPANY	Stated/share capital R'000	Share premium R'000	Retained earnings R'000	Total R'000
Balance at 1 March 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

- 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)

ZEDER INVESTMENTS LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2015

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

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.

3. CONSOLIDATION (continued)

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.

3.1. Subsidiaries (continued)

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.

3.4. 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. CONSOLIDATION (continued)

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:

5. FOREIGN CURRENCY TRANSLATION (continued)

5.3. Group companies

	2015 Average rand per foreign currency unit	**2015** Closing rand per foreign currency unit	2014 Average rand per foreign currency unit	2014 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
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 licences are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

7.3. Customer lists

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

7. INTANGIBLE ASSETS (continued)

7.4. Computer software

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

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

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

7.5. Capitalised product development costs

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

7.6. Amortisation of intangible assets

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

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

8. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

9. FINANCIAL INSTRUMENTS

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

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

10. OFFSETTING FINANCIAL INSTRUMENTS

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

11. FINANCIAL ASSETS

The group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, 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.

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. FINANCIAL ASSETS (continued)

11.3. Impairment of financial assets

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

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

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 recognized 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 recognized asset or liability or a highly probable forecast transaction, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The ineffective portion is recognised in profit or loss. When the forecast transaction results in the recognition of a financial asset or financial liability, the cumulative gain or loss is reclassified from other comprehensive income in the same period in which the hedged forecast cash flow/hedged item affects profit or loss. Otherwise the cumulative gain or loss is removed from other comprehensive income and recognised in profit or loss at the same time as the hedge transaction.

12. DERIVATIVE FINANCIAL INSTRUMENTS

12.3. Cash flow hedges (continued)

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

18.1. 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. FINANCIAL LIABILITIES

18.2. Trade and other payables

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

19. TAXATION

19.1. Current and deferred income tax

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

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

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

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

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

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

19.2. 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.

20. EMPLOYEE BENEFITS (continued)

20.1. Pension obligations (continued)

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.

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 recognized 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.

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. PROVISIONS AND CONTINGENT LIABILITIES (continued)

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.

24.2. 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.

26.4. 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%).

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

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

The main assumptions used in the valuation of key customer lists are the useful lives of these assets and the future profitability and cancellation rate of the underlying revenue streams. The useful life of a key customer list is estimated based on the cancellation experience of the existing business and the useful life of customer lists of other players in the market. For the key customer lists recognised during the year, useful lives ranging between 2 and 5 years were assumed and average cancellation rates ranging between 15% and 85% (2014: ranging between 15% and 85%) were assumed.

If useful lives were increased/decreased by 10%, the intangible assets recognised would have been approximately R2.5m (2014: approximately R2m) 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. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

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.

26.8. 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)**
	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)
	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

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

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 2015	Remaining amortisation period 2014	Carrying value 2015 R'000	Carrying value 2014 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

2. INTANGIBLE ASSETS (continued)

Goodwill allocation

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

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

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). 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) per irrigated hectare of land. Had the price per irrigated hectare been adjusted downward by 10%, the recoverable amount would still exceed the carrying value. Mpongwe Milling's fair value less cost to sell 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 R'000	2014 R'000
3. INVESTMENT IN SUBSIDIARY		
Unlisted shares at cost less provision for impairment	**6 214 060**	2 125 732

The company holds 100% (2014: 100%) of the issued share capital of Zeder Financial Services Ltd.

Refer to note 4.2 for further details.

	GROUP 2015 R'000	2014 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
	5 703 989	1 821 814
4.2. Loans to associates	**30 030**	18 239
- Klein Karoo Akademie (Pty) Ltd	**2 305**	3 472
- Klein Karoo Seed Zimbabwe	**27 725**	14 767

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

	GROUP 2015 R'000	2014 R'000
Reconciliation of ordinary share investments:		
Balance at beginning of year	**1 821 814**	2 126 535
Subsidiaries acquired		181 047
Acquisitions		
- Cash	**87 301**	242 184
- 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
- Dividends received	**(126 644)**	(63 549)
- Other comprehensive income	**(12 725)**	31 200
Impairment of associates[3]	**(65)**	(21 421)
Fair value gain on step-up acquisition		17 205
Transfer from equity securities	**254 387**	
Transfer to non-current asset held for sale[4]		(311 195)
Transfer to subsidiaries	**(7 946)**	(503 999)
Disposals		(95 543)
Exchange rate movement	**1 723**	39 742
Balance at end of year	**5 703 989**	1 821 814
Market value of listed investments	**9 763 816**	
Market value of unlisted investments (based on a rolling PE basis per associate)	**962 923**	2 513 516

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) includes the reversal of other comprehensive income of associates of Rnil (2014: R55.9m) 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) (refer note 5).

3 The impairment of associates for the current year consists of a R0.1m (2014: R7.4m) 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).

4. INVESTMENT IN ASSOCIATES (continued)

2015 acquisitions

Significant acquisitions included Zeder's offer to acquire all the shares in Agri Voedsel, (which in turn held an 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.

Further information

Refer Annexure B for further details regarding investments in associates.

		GROUP	
		2015	2014
		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
6.	**EQUITY SECURITIES**		
	Available-for-sale	**4 729**	3 756
	- Unlisted but quoted	**1 321**	1 007
	- Unquoted	**3 408**	2 749
	At fair value through profit or loss	**46 279**	202 772
	- Listed		163 792
	- Unquoted	**46 279**	38 980
		51 008	206 528

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).

6. EQUITY SECURITIES (continued)

GROUP	Available-for-sale R'000	Fair value through profit or loss R'000	Total R'000
Reconciliation			
Balance at 1 March 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**

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

Secured loans include a production loan of R48.7m (2014: R44.9m) from Capespan to Kaspernek Orchards (supplier to Capespan) and loans to non-controlling shareholders of a subsidiary amounting to R29.7m (2014: R16.4m). The loan to Kaspernek carried 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:

GROUP	2015 Assets R'000	2015 Liabilities R'000	2015 Net R'000	2014 Assets R'000	2014 Liabilities R'000	2014 Net R'000
Short-term employee benefits						
Performance-based remuneration		**(45 096)**	**(45 096)**		(40 800)	(40 800)
Leave pay		**(18 705)**	**(18 705)**		(17 612)	(17 612)
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)
Termination employee benefits		**(2 525)**	**(2 525)**			-
	34 462	**(199 144)**	**(164 682)**	33 090	(197 565)	(164 475)
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)

8. EMPLOYEE BENEFITS (continued)

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.

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			2014		
	Capespan Group Ltd			Capespan Group Ltd		
	Assets 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)

8. EMPLOYEE BENEFITS (continued)

	2015			2014		
		Capespan Europe			Capespan Europe	
	Assets 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)

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

	Capespan Group Ltd	Capespan Europe SACCE	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 Limited			Capespan Europe		
	Change in assumption	Increase	Decrease	Change in assumption	Increase	Decrease
28 February 2015						
Capespan Group Limited						
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						
Capespan Group Limited						
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
	R'000	R'000
9. BIOLOGICAL ASSETS		
Balance at beginning of year	**200 568**	31 264
Subsidiaries acquired		144 106
Exchange rate movement	**(1 335)**	5 622
Additions	**172 577**	135 640
Harvests	**(231 617)**	(209 082)
Disposals		(32 551)
Depreciation	**(9 880)**	(8 581)
Change in fair value due to biological transformation	**144 019**	134 150
Balance at end of year	**274 332**	200 568
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	**92 808**	83 447
Maize[2]	**24 127**	6 396
Soya[2]	**24 797**	33 567
Orchards[3]	**17 220**	12 885
Vineyards[3]	**12 395**	14 262
Sugar cane[3]	**14 269**	16 337
	274 332	200 568

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.

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

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

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

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

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

	GROUP 2015 R'000	GROUP 2014 R'000
12. DERIVATIVE FINANCIAL ASSETS		
Forward currency exchange contracts (refer note 35)	**24**	1 299
13. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS		
Bank balances	**347 478**	632 261
Money market fund	**422 521**	382 507
	769 999	1 014 768

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.

	GROUP 2015 R'000	GROUP 2014 R'000
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
- Net fair value gains	**15 888**	59 049
- Disposals	**(193 458)**	(490 520)
	30 378	177 570

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:

	2015 R'000
Property, plant and equipment	**29 998**
Cash and cash equivalents	**106**
Net receivables	**274**
	30 378

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
15. STATED CAPITAL				
Ordinary shares				
Authorised				
2,000,000,000 (2014: 2,000,000,000) ordinary shares with no par value				
Issued				
1,443,843,985 (2014: 980,188,331) ordinary shares with no par value	**5 095 256**	1 748 061	**5 095 256**	1 748 061

Cumulative, non-redeemable, non-participating preference shares

Authorised

250,000,000 (2014: 250,000,000) shares with no par value

During the prior 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). This charge was credited to other reserves and non-controlling interest.

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

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

Granting (net of forfeited) of Agrivision Africa ordinary share options occurred as follows:	**Number of shares**	**Price R**	**Volatility %**	**Dividend yield %**	**Risk-free rate %**	**Fair value R**
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.

15. STATED CAPITAL (continued)

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.

Reconciliation of outstanding share options:	**2015 Number**
Number of share options granted during the year	**14 745 737**
Number of share options forfeited during the year	**(906 344)**
	13 839 393

Analysis of outstanding scheme shares by financial year of maturity:	**2015 Weighted average strike price (R)**	**2015 Number**
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

Granting (net of forfeited) of Capespan Group Ltd ordinary share options occurred as follows:	**Number of shares**	**Price R**	**Volatility %**	**Dividend yield %**	**Risk-free rate %**	**Fair value R**
1 January 2014	**2 256 798**	0.99	31.2	4.4	6.1 - 7.3	2.07
1 January 2014	**1 325 801**	1.08	31.2	4.4	6.1 - 7.3	2.00
1 January 2014	**2 636 918**	1.45	31.2	4.4	6.1 - 7.3	1.72
1 January 2014	**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 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.*

17. DEFERRED INCOME TAX

	GROUP 2015 R'000	GROUP 2014 R'000
Deferred income tax assets	**63 869**	59 388
Deferred income tax liabilities	**(105 627)**	(119 768)
Net deferred income tax liability	**(41 758)**	(60 380)
Deferred income tax assets		
To be recovered within 12 months		
To be recovered after 12 months	**63 869**	59 388
	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)
	(105 627)	(119 768)

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 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%). 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	**2015 R'000**	2014 R'000
18. BORROWINGS				
Non-current				
Secured redeemable preference shares	**300 000**	300 000		
Secured loans	**665 938**	414 475		
Unsecured loans	**4 000**	24 058		
	969 938	738 533		
Current				
Secured loans	**213 684**	76 021		
Unsecured loans	**8 547**		**701 911**	68 051
Bank overdrafts	**674 035**	377 571		
Accrued preference dividends	**6 107**	6 107		
	902 373	459 699	**701 911**	68 051

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), 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) term loan from ABSA, which carries interest at prime less 1.5% and has fixed repayment terms.

Capespan has a R16m (2014: 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) 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).

18. BORROWINGS (continued)

Secured loans (continued)

Zaad has a R19m (2014: 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), 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), which amortises over a period of 5 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%.

Bank overdrafts

Zaad has Euro-denominated bank overdrafts of R30m (2014: R97m) from ABN Amro Bank N.V. and a R215m (2014: R132m) 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%).

	GROUP	
	2015	2014
	R'000	R'000
19. DERIVATIVE FINANCIAL LIABILITIES		
Non-current		
Non-controlling interest put option liability*	**63 644**	45 666
Current		
Forward currency exchange contracts (refer note 35)	**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	
	2015	2014
	R'000	R'000
20. TRADE AND OTHER PAYABLES		
Trade payables *	**915 088**	912 323
Management fee payable (refer note 26.1)	**226 277**	102 402
Deferred purchase consideration - associate		113 342
Unsettled share trades and other payables	**11 871**	48 652
	1 153 236	1 176 719

* Includes non-financial assets of R39m (2014: 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	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
21. REVENUE				
Agricultural produce	**8 107 208**	5 376 678		
Logistical services	**584 760**	600 830		
	8 691 968	5 977 508		
22. COST OF SALES				
Changes in finished goods	**7 119 669**	5 052 305		
Raw material and consumables used	**294 519**	129 543		
Transportation expenses	**4 427**	16 385		
Commission	**5 179**	6 300		
	7 423 794	5 204 533		
23. INVESTMENT INCOME				
Interest income	**68 675**	52 275		
Loans and advances	**7 062**	4 537		
Trade and other receivables	**19**	799		
Cash and short-term funds	**61 594**	46 939		
Dividend income	**6 173**	13 579	**151 380**	25 000
Equity securities held at fair value through profit or loss	**3 788**	3 496		
Equity securities held as available-for-sale	**26**	140		
Non-current assets held for sale	**2 359**	9 943		
Subsidiary company			**151 380**	25 000
	74 848	65 854	**151 380**	25 000
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)		
Equity securities - available-for-sale				
Fair value gain on step-up acquisition of an associate and joint venture to a subsidiary	**3 295**	17 205		
Net foreign exchange (loss)/gains	**(19 082)**	7 566		
Loss on derivative financial instruments	**4 777**			
Non-current asset held for sale (refer note 14)		59 049		
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		
25. OTHER OPERATING INCOME				
Management and other fee income	**3 046**	1 818		
Profit on sale of property, plant and equipment	**4 411**	336		
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		
	44 714	16 342		

26. EXPENSES

26.1. Management fees

	GROUP 2015 R'000	GROUP 2014 R'000
Base fee expense	**117 757**	59 022
Performance fee expense	**117 757**	59 022
	235 514	118 044

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). Consequently, the starting hurdle share price at 1 March 2015 is R4.95 (2014: R3.99).

26.2. Marketing, administration and other expenses

	GROUP 2015 R'000	GROUP 2014 R'000
Depreciation	**106 808**	73 890
- Land	**6 935**	5 626
- Buildings	**15 016**	7 737
- Vehicles and plant	**65 189**	45 780
- Office equipment	**9 788**	6 166
- Biological assets (bearer plants) *	**9 880**	8 581
Amortisation of intangible assets	**25 329**	20 354
Operating lease rentals	**112 714**	44 628
- Properties	**85 042**	26 887
- Equipment	**27 672**	17 741
Auditors remuneration	**13 065**	9 033
- Audit services - current year	**11 351**	7 764
- Audit services - prior year	**445**	1 170
- Other services	**1 269**	99
Employee benefit expenses	**586 216**	341 899
- Salaries, wages and allowances *	**557 139**	323 366
- Equity-settled share-based payment costs	**1 280**	1 676
- Pension costs - defined contribution and benefits plans	**24 427**	14 654
- Medical costs - defined contribution plans	**3 370**	2 203
Sub-total	**844 132**	489 804

* *Restated as set out in note 33.*

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
26. EXPENSES (continued)				
26.2. Marketing, administration and other expenses (continued)				
Sub-total	**844 132**	489 804		
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		
Repairs, maintenance and vehicle costs	**58 496**	54 158		
Marketing and administration costs	**38 244**	27 591		
- Administration fees	**362**	413		
- Marketing	**7 128**	3 797		
- Professional fees	**30 754**	23 381		
Insurance	**24 567**	15 604		
Communication costs	**15 677**	10 713		
Commission paid	**14 390**	12 756		
Other costs *	**115 135**	38 891		
	1 129 819	660 828		

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

* *Restated as set out in note 33.*

	GROUP		COMPANY	
27. FINANCE COSTS				
Redeemable preference shares	**24 676**	24 681		
Secured loans	**40 157**	18 213		
Unsecured loan	**20 812**	17 042		
Bank overdrafts	**49 604**	25 585		
Other	**7 615**	441		
	142 864	85 962		
28. TAXATION				
Current taxation				
- Current year	**55 634**	48 824		
- Prior year	**3 402**	51	**3 000**	
Deferred taxation				
- Current year	**(42 231)**	24 591		
Foreign current taxation				
- Current year	**64 089**	35 394		
Foreign deferred taxation				
- Current year	**(3 605)**	(4 174)		
	77 289	104 686	**3 000**	-

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	R'000	R'000	**R'000**	R'000
Reconciliation of effective tax rate:	**%**	%	**%**	%
South African standard tax rate	**28.0**	28.0	**28.0**	28.0
Adjusted for:				
- Non-taxable income	**(13.0)**	(1.8)	**(28.0)**	
- Capital gains tax rate differential	**(3.1)**	(4.0)		
- Non-deductible charges	**22.4**	10.9		
- Income from associates and joint ventures	**(23.4)**	(10.6)		
- Foreign tax rate differential	**2.8**	0.9		
- Special tax allowances	**(0.9)**	(0.4)		
- Deferred tax purchase consideration	**5.1**			
- Other	**0.6**	0.7		
- Deferred tax assets written off / not recognised	**2.6**	0.9		
- 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	**2.0**	28.0
Tax charges relating to components of other comprehensive income				
- Currency translation movements	**848**	(1 488)		
- Fair value gains on available-for-sale investments		(73)		
- 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)		

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 notes 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) received from PSG Online Securities and R15,756,000 (2014: R18,681,000) 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) paid to PSG Corporate Services for corporate finance and tax services relating to acquisitions made during the year.

29. RELATED-PARTY TRANSACTIONS AND BALANCES (continued)

Brokerage and administration fees of R15,000 (2014: R15,000) 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) and to Pioneer Foods amounting to R3,150,000 (2014: 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) and by Zaad from Kaap Agri amounting to R1,006,000 (refer note 22).

Included in investment in ordinary shares of associates is R5,728,000 (2014: Rnil) 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).

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

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) (refer note 13) and the management fee payable (refer note 20).

	GROUP	
	2015	2014
	R'000	R'000
30. CAPITAL COMMITMENTS AND CONTINGENCIES		
Operating lease commitments		
Operating leases - premises		
- Due within 1 year	**89 239**	69 396
- Due within 1 to 5 years	**380 776**	313 519
- Due after more than 5 years	**514 418**	466 259
	984 433	849 174
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
- Due within 1 to 5 years	**9 659**	22 761
	16 292	40 139
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
	R'000	R'000
31. NOTES TO THE STATEMENTS OF CASH FLOWS		
31.1. Cash generated from operations		
Profit before taxation	**361 035**	461 194
Interest income	**(68 675)**	(52 275)
Dividend income	**(6 173)**	(13 579)
Finance costs	**142 864**	85 962
Depreciation	**106 808**	73 890
Amortisation	**25 329**	20 354
Net profit on sale of property, plant and equipment	**(4 331)**	3 838
Net fair value gains	**(122 456)**	(143 953)
Change in fair value of biological assets	**(144 019)**	(134 150)
Impairments	**7 337**	28 558
Net gain on disposal of investment in associates		3 836
Share of profits of associates	**(299 892)**	(218 011)
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)
Sub-total	**123 771**	112 606
Changes in working capital	**(199 470)**	188 036
(Decrease)/increase in trade and other payables	**(52 929)**	165 920
(Increase)/decrease in trade and other receivables	**(253 779)**	88 863
Decrease in inventories	**180 795**	24 786
Increase in biological assets	**(73 764)**	(128 860)
Employee benefits	**207**	37 327
	(75 699)	300 642
31.2. Taxation paid		
Current taxation charged to profit or loss	**(123 125)**	(84 269)
Movement in net taxation liability	**14 121**	(217)
	(109 004)	(84 486)

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 R3.2 m. 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, inceased 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.

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.

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

31.3. Subsidiaries acquired (continued)

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.

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/(liabilities)	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.

32. EARNINGS PER SHARE

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

	GROUP 2015 R'000	GROUP 2014* R'000
Earnings attributable to equity holders of the company	**241 816**	306 753
Non-headline items of associates and joint ventures	**20 377**	11 377
- Gross	**20 437**	11 561
- Non-controlling interest	**(60)**	(184)
Net loss on disposal of investments in associates (gross)		3 836
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)
- Gross	**(3 295)**	(17 205)
- 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)
- Gross	**(4 331)**	3 838
- Non-controlling interest	**689**	(89)
- Tax effect	**758**	(3 815)
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

	GROUP 2015 R'000	GROUP 2014 R'000
32. EARNINGS PER SHARE (continued)		
Sub-total	**260 770**	267 228
Fair value adjustment on non-current asset held for sale	**-**	727
- Gross		1 210
- Non-controlling interest		(290)
- Tax effect		(193)
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
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
- 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
Earnings per share (cents)		
- Attributable - basic and diluted	**20.6**	31.3
- Headline - basic and diluted	**22.0**	26.6

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
Restatement 1 - profit for the year			171
Restatement 2 - profit for the year			15 264
Restatement 2 - other movements			(1 852)
Non-controlling interest[2]	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 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 therefore and 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. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

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

GROUP	At fair value through profit or loss R'000	Available-for-sale R'000	Loans and receivables R'000	Held for sale R'000	Total R'000
Financial assets at 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

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**

35. FINANCIAL RISK MANAGEMENT (continued)

	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 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

Market risk

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

Price risk

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

The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of market price fluctuations. The analysis is based on the assumption that marked-to-market prices increase/decrease by 20% (2014: 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	**2015 20% decrease R'000**	2014 20% decrease R'000
Impact on post-tax profit	**8 299**	61 866	**(8 299)**	(61 866)
Impact on post-tax other comprehensive income		611		(611)

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
Loans and preference share investments in associates		
Fixed rate and interest-free	**30 030**	18 239
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
Fixed rate and interest-free	**409 696**	232 127
Cash, money market investments and other cash equivalents		
Floating rate	**769 999**	1 014 768
Borrowings		
Floating rate	**(1 124 213)**	(797 645)
Fixed rate and interest-free	**(748 098)**	(400 587)
Total	**185 886**	912 870
Floating rate	**486 766**	1 055 674
Fixed rate and interest-free	**(300 880)**	(142 804)

35. FINANCIAL RISK MANAGEMENT (continued)

Cash flow and fair value interest rate risk (continued)

The table below summarises the sensitivity of the group's post-tax net profit for the year to interest rate fluctuations. The analysis is based on the assumption that interest rates were 1% (2014: 1%) higher/lower for the full year, with all other variables (e.g. effective tax rate, interest carrying balances) held constant.

GROUP	**2015 1% increase R'000**	2014 1% increase R'000	**2015 1% decrease R'000**	2014 1% decrease R'000
Impact on post-tax profit	**3 505**	8 193	**(3 505)**	(8 193)

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

35. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

A "cash flow hedge" is a hedge of the exposure to variability in cash flows associated with a recognised asset or liability or a highly probable forecast transaction that is attributable to a particular risk and could affect profit or loss. Capespan entered into forward currency exchange contracts in respect of fruit import/export transactions and Agrivision 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

The table below shows the sensitivity of post-tax profits of the group to a 20% (2014: 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	**2015 20% Decrease R'000**	2014 20% Decrease R'000
Impact on post-tax profit	**31 552**	27 666	**(31 552)**	(27 666)
Impact on post-tax other comprehensive income	**139 939**	111 993	**(139 939)**	(111 993)

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.

35. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

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

GROUP	P1 Moody's R'000	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 asset held for sale				**30 378**	**30 378**
Loans and advances				**114 409**	**114 409**
Trade and other receivables		**11 700**		**1 131 978**	**1 143 678**
Derivative financial assets	**24**				**24**
Cash and cash equivalents - bank balances		**190 011**	**157 467**		**347 478**
Cash and cash equivalents - money market fund				**422 521**	**422 521**
	24	**201 711**	**157 467**	**1 780 405**	**2 139 607**
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

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 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

35. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

GROUP	**2015 R'000**	2014 R'000
Reconciliation of allowance for impairment of trade receivables:		
Balance at beginning of year	**18 724**	345
Subsidiaries acquired		28 473
Amounts written off	**(85)**	(11 662)
Impairment provision	**328**	1 568
Balance at end of year	**18 967**	18 724

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

COMPANY	**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

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".

35. FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation (continued)

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.

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 asset 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 asset held for sale	177 570			177 570
	342 352	1 316	41 729	385 397
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.

35. 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.

36. SHAREHOLDER ANALYSIS

	Shareholders		Shares held	
	Number	%	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**	**100.1**
Major shareholders holding 5% or more at 28 February 2015				
PSG Financial Services Ltd			**488 446 910**	**33.8**
Allan Gray*			**117 652 327**	**8.1**
Public Investment Corporation*			**105 584 481**	**7.3**
Coronation*			**71 718 409**	**5.0**
			783 402 127	**53.3**

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

37. EVENTS SUBSEQUENT TO THE REPORTING DATE

Refer to Directors' Report for further information with regards to events subsequent to the reporting date.

Subsidiary	Country of incorporation [1]	Nature of business	Effective interest held directly or indirectly [2] 2015 %	2014 %	Profit or loss attributable to non-controlling interest 2015 R'000	2014 R'000	Carrying value of non-controlling interest 2015 R'000	2014 R'000
Zeder Financial Services Ltd	South Africa	Investment holding	100.0	100.0				
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	South Africa [3]	Agricultural	92.0	92.0	**10 043**	4 768	**83 889**	76 400
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	**(6 991)**	(4 712)	**126 602**	140 594
Total					**41 601**	42 886	**607 375**	535 958

[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
Zaad Holdings Ltd (previously Agricol Holdings Ltd)[1]	**62 406**	**44 938**	**946 573**	46 875	54 435	465 417
Capespan Group Ltd[2/3]	**117 428**	**141 382**	**7 392 421**	132 474	276 679	7 149 021
Agrivision Africa (previously Chayton Africa)	**(29 515)**	**(56 154)**	**352 974**	(15 235)	22 807	137 940

[1] Represents the year ended 28 February 2015 (2014: 28 February 2014).
[2] Represents the year ended 31 December 2014 (2014: 31 December 2013).
[3] Prior year include Capespan's results for the 8 months ended 31 December 2013.

Subsidiary	Dividends paid: 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
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)			**-**			-

Subsidiary	Assets: 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
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**412 286**	**865 142**	**1 277 428**	336 844	744 401	1 081 245
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

Subsidiary	Liabilities: 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
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**185 822**	**530 586**	**716 408**	137 555	500 045	637 600
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

Associate	Country of incorporation *	Nature of business	Effective interest held directly or indirectly ** 2015 %	2014 %	Dividends received during the year 2015 R'000	2014 R'000	Carrying value at year-end 2015 R'000	2014 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	17 521	34 320		1 158 375
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	18 252	13 984	453 146	412 961
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
Thembeka OVB (Pty) Ltd [3]	South Africa	Investment company with an effective interest of 20% in Overberg Agri Ltd				975		
NWK Ltd [3]	South Africa	Agricultural				5 931		
Other immaterial associated companies (aggregated)							38 504	18 719
Total					126 644	63 549	5 703 989	1 821 814

* 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.

Profitability (100%)

Associate [1]	Profit/(loss) for the year 2015 R'000	Total comprehensive income/(loss) for the year 2015 R'000	Revenue 2015 R'000	Profit for the year 2014 R'000	Total comprehensive income for the year 2014 R'000	Revenue 2014 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)

Associate	Profit for the year 2015 R'000	Total comprehensive income for the year 2015 R'000	Profit/(loss) for the year 2014 R'000	Total comprehensive income/(loss) for the year 2014 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)

Assets

Associate	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
Agri Voedsel Ltd			-	2 067 645	6 203	2 073 848
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
Quantum Foods Holdings Ltd	1 061 357	985 291	2 046 648			-
NWK Ltd			-	935 900	1 477 300	2 413 200

Liabilities

Associate	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
Agri Voedsel Ltd			-		4 177	4 177
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
Quantum Foods Holdings Ltd	195 922	389 502	585 424			-
NWK Ltd			-	251 600	780 300	1 031 900

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 interests	**(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 associates' carrying value[3]	**3 790 937**
Associates' carrying value	**4 774 246**

1 Amounts 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 eminating from lag period accounting adjustments.

The group is organised into four reportable segments, namely i) food, beverages and related services, ii) agri – related retail, trade and services, iii) agri – inputs and iv) agri – production.

The segments represent different sectors in the broad agribusiness industry.

Segments operate mainly in the Republic of South Africa, while some 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	2014
	R'000	R'000
Recurring headline earnings		
Food, beverages and related services	**417 011**	247 304
Agri-related retail, trade and services	**64 130**	74 062
Agri-inputs	**73 728**	49 554
Agri-production	**(14 278)**	(4 796)
Recurring headline earnings from investments	**540 591**	366 124
Net interest, taxation and other income and expenses	**(8 621)**	(7 081)
Management (base) fee	**(117 757)**	(59 022)
Recurring headline earnings	**414 213**	300 021
Management (performance) fee	**(117 757)**	(59 022)
Other non-recurring headline earnings	**(39 150)**	19 539
Headline earnings	**257 306**	260 538
Non-headline items	**(15 491)**	46 209
Attributable earnings	**241 815**	306 747
SOTP segmental analysis		
Segments		
Food, beverages and related services	**11 226 333**	3 340 859
Agri-related retail, trade and services	**681 017**	567 899
Agri-inputs	**885 284**	678 805
Agri-production	**562 818**	560 394
Cash and cash equivalents	**338 382**	376 102
Other net liabilities	**(439 389)**	(365 383)
SOTP value	**13 254 445**	5 158 676

ZEDER INVESTMENTS LIMITED
ANNEXURE C - SEGMENT REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015

Income segmental analysis

	GROUP	
	2015	2014
	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
Agri-inputs	**951 117**	467 780
Revenue from sale of goods	**946 573**	465 417
Investment income	**4 544**	2 363
Agri-production	**352 974**	137 947
Revenue from sale of goods	**352 974**	137 940
Investment income	**-**	7
Unallocated investment income (mainly head office interest income)	**24 699**	23 173
IFRS Revenue	**8 766 816**	6 075 054