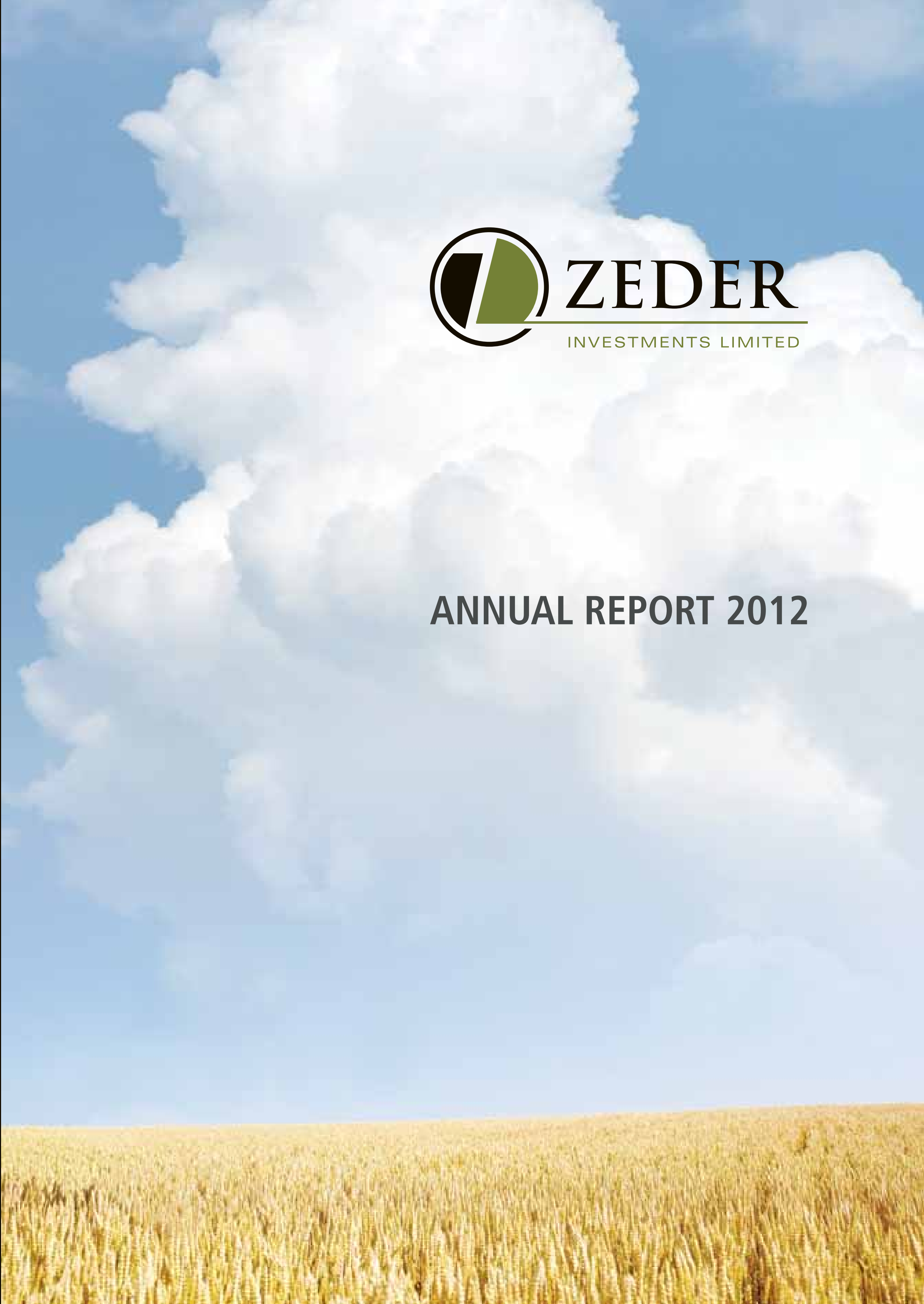

ZEDER
INVESTMENTS LIMITED

ANNUAL REPORT 2012

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INVESTMENTS LIMITED

LEADERSHIP ... THE ABILITY TO SEE WHAT NO-ONE ELSE SEES, TO LISTEN WHEN OTHERS TALK AND THE ABILITY TO BE OPTIMISTIC WHEN OTHERS ARE PESSIMISTIC.

George W Cummings

Johannes Fredericus Mouton (65)

CHAIRMAN

BCom (Hons), CA(SA), AEP

Directorships: Non-executive chairman of PSG Group Ltd, non-executive director of Steinhoff International Holdings Ltd and Pioneer Food Group Ltd.

Antonie Egbert Jacobs (47) *

CHIEF EXECUTIVE OFFICER

BAcc, BCompt (Hons), CA(SA), MCom (Tax), LLB

Directorships: Executive chairman of Agricol Holdings Ltd **, Non-executive director of Capespan Group Ltd, MGK Business Investments Ltd and Pioneer Food Group Ltd.

Petrus Johannes Mouton (35)

ACTING CHIEF EXECUTIVE OFFICER **

BCom (Mathematics)

Directorships: Chief executive officer of PSG Group Ltd and non-executive director of Capitec Bank Holdings Ltd.

George Douglas Eksteen (70)

NON-EXECUTIVE DIRECTOR ^

Directorships: Non-executive chairman of Kaap Agri Ltd and Agri Voedsel Beleggings Ltd, non-executive director of Swartland Investments Ltd.

Wynand Louw Greeff (42)

FINANCIAL DIRECTOR

BCompt (Hons), CA(SA)

Directorships: Financial director of PSG Group Ltd.

Michiel Scholtz du Pré le Roux (62)

NON-EXECUTIVE DIRECTOR ^

BCom, LLB

Directorships: Non-executive chairman of Capitec Bank Holdings Ltd.

Chris Adriaan Otto (62)

NON-EXECUTIVE DIRECTOR ^

BCom, LLB

Directorships: Non-executive director of PSG Group Ltd, Capitec Bank Holdings Ltd, Capevin Holdings Ltd, Distell Group Ltd and Kaap Agri Ltd.

Lambert Phillips Retief (59)

NON-EXECUTIVE DIRECTOR ^

BCom (Hons), CA(SA), OPM (HBS)

Directorships: Non-executive chairman of Paarl Media Group (Pty) Ltd, non-executive director of Media24 Ltd, Naspers Ltd and Pioneer Food Group Ltd.

^ *Independent*

* *Resigned with effect from 30 April 2012*

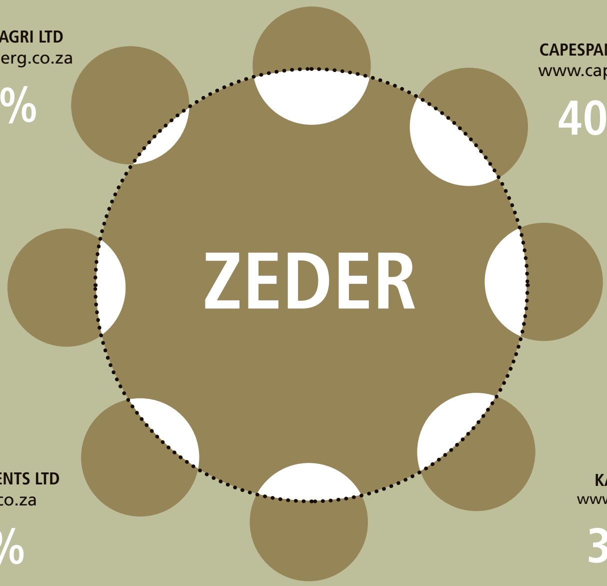
** *Effective 1 May 2012*

OUR INVESTMENTS

AGRI VOEDSEL BELEGGINGS LTD
www.pioneerfoods.co.za
44,7%

OVERBERG AGRI LTD
www.overberg.co.za
10%

CAPESPAN GROUP LTD
www.capespan.co.za
40,9%



NWK LTD
www.nwk.co.za
19,9%

CAPEVIN HOLDINGS LTD
www.capevin.com
39,8%

SUIDWES INVESTMENTS LTD
www.suidwes.co.za
23,7%

KAAP AGRI LTD
www.kaapagri.co.za
33,4%

AGRICOL HOLDINGS LTD
www.agricol.co.za
25,1%

THE ESTABLISHED BUSINESSES WITHIN ZEDER'S INVESTMENT PORTFOLIO HAVE PROMISING ASSET VALUES, WELL-ESTABLISHED BRANDS AND GOOD MANAGEMENT IN PLACE.

OVER THE NEXT YEAR WE WILL CONTINUE SEEKING AND EXPLOITING VALUE ENHANCING OPPORTUNITIES WITHIN OUR CORE SOUTH AFRICAN MARKET AND EXISTING PORTFOLIO, WHILE ALSO EVALUATING INVESTMENTS IN THE SUB-SAHARAN REGION.

THE ACQUISITION OF MORE SIGNIFICANT INTERESTS IS AN ADDITIONAL STRATEGY TO THE ARBITRAGE OPPORTUNITY AND AGRI-EVOLUTION.

Zeder was listed on the JSE six years ago to house the food, agri and beverage interests of the PSG Group and to look for new opportunities in these sectors. The two main investment strategies at that stage were the "arbitrage opportunity" and the so-called "agri-evolution".

- The **arbitrage opportunity** was that one could buy quality listed companies at a discount when investing in unlisted agricultural companies such as Kaap Agri (Pioneer) and KWV (Distell). We have made a concerted effort to unlock these discounts over the last number of years, and have been successful in doing so.
- The **agri-evolution** refers to the transition whereby the old agricultural co-operatives (co-ops) are converted to companies with a profit motive as its primary objective. Pioneer Foods is a good example of a successful agri-evolution. However, in many other co-ops we have found that it may still take a long time for them to become more shareholder orientated.

The recent transactions announced by Zeder indicate an additional strategy for the company. Zeder has historically only taken non-controlling strategic stakes in businesses in its chosen sector. The acquisition of controlling interests in both Agricol and Chayton will allow Zeder to play a more active role in determining strategy and to help expand the respective businesses.

Africa

Africa has been called many things, but it is no longer viewed as the "dark continent". Instead, it is nowadays seen as the "land of opportunity" with investment into Africa being topical around the world. With gloomy outlooks in many parts of the developed countries, investors and businesses are looking at developing markets, and specifically Africa, for growth. We have always said that there are enough investment opportunities in South Africa at much lower risk. However, we have realised that we cannot afford to miss out on the vast opportunities that Africa present. As South Africans, I believe we might be better positioned to compete in Africa than some of our counterparts elsewhere in the world. We are positive about the role that Africa, with its vast agricultural potential and resources, could play in addressing the growing global demand for food.

Subsequent to year-end, Zeder acquired an interest of 81% in Chayton, a large scale commercial farming operation in Zambia. This investment will further contribute to Zeder's reach and will create new opportunities for its current South African-based investments.

Over the next year we will continue seeking and exploiting value enhancing opportunities within our core South African market and existing portfolio, while also evaluating investments in the sub-Saharan region.

THANKS

Effective 30 April 2012, Antonie Jacobs resigned as CEO and from the Zeder board to join Agricol on a full-time basis as executive chairman. We would like to thank Antonie for his contribution over the past six years and wish him well at Agricol. Piet Mouton will act as interim CEO until such time that a new CEO has been appointed.

A further word of thanks to:

- the Zeder board members and management team for their efforts;
- our investee companies, their boards, management and shareholders, for the constructive manner in which we are welcomed into your worlds; and
- to our valuable shareholders for entrusting us with your capital.

Jannie Mouton
Chairman

ZEDER'S RECURRING HEADLINE EARNINGS INCREASED BY 3,1% TO 27,9 CENTS PER SHARE AND ITS SUM-OF-THE-PARTS VALUE BY 15% TO R3,15 PER SHARE.

YEAR ENDED FEBRUARY	2010	2011	2012
Headline earnings (Rm)	152,1	184,8	299,9
Headline earnings per share (cents)	17,3	18,9	30,7
Recurring headline earnings (Rm)	208,1	264,7	273,0
Recurring headline earnings per share (cents)	23,6	27,1	27,9
Dividend per share (cents)	4,0	4,0	4,0

OVERVIEW

Zeder is an investor in companies in the agriculture, food, and related sectors. The current value of its portfolio amounts to R3,1bn, of which Agri Voedsel Beleggings (with its interest of 31,1% in Pioneer Foods) and Capevin Holdings (with its effective interest of 14,8% in Distell) represent 62,4%.

During the year under review, Zeder invested R338m to increase its interest in existing investments trading at attractive values.

RESULTS

The two key benchmarks Zeder believes to measure performance by are *recurring headline earnings* per share and *sum-of-the-parts* ("SOTP") value per share.

	2010 Rm	2011 Rm	**2012** **Rm**
Recurring earnings	236,2	316,8	**323,4**
Food and agri	190,3	256,5	**265,1**
Beverages	45,9	60,3	**58,3**
Net interest and other income and expenses	16,5	1,1	**(2,4)**
Management fee and taxation	(44,6)	(53,2)	**(48,0)**
Recurring headline earnings	208,1	264,7	**273,0**
Non-recurring headline earnings			
Investments marked to market and one-off items *	(56,1)	(79,9)	**26,9**
Headline earnings	152,0	184,8	**299,9**
Non-headline items	(28,4)	74,3	**34,7**
Attributable earnings	123,6	259,1	**334,6**
Recurring headline earnings per share (cents)	23,6	27,1	**27,9**
Headline earnings per share (cents)	17,3	18,9	**30,7**
Attributable earnings per share (cents)	14,0	26,5	**34,2**
Dividend per share (cents)	4,0	4,0	**4,0**

* *The one-off items mainly relate to the impact of Pioneer Foods' Competition Commission settlement.*

Zeder's consolidated *recurring headline earnings* is the sum of its effective interest in that of each of its underlying investments. The result is that equity investments which Zeder does not equity account in terms of accounting standards, are included in the calculation of *recurring headline earnings*. This provides management and investors with a more realistic and simplistic way of evaluating Zeder's earnings performance.

Recurring headline earnings per share increased by 3,1% to 27,9 cents. *Headline earnings* per share increased by 62,3% to 30,7 cents, and *attributable earnings* per share by 29,1% to 34,2 cents. The significant increase in *headline earnings* mainly relates to the prior year impact of Pioneer Foods' Competition Commission settlement. The lower increase in *attributable earnings*, when compared to *headline earnings*, reflects the prior year's R65,6m non-headline profit on the disposal of Zeder's interest in KWV.

During the year under review, Zeder's *SOTP value* per share (calculated using quoted market prices) increased by 15% to R3,15. The *SOTP value* is analysed in the table below:

	2010		2011		**2012**	
Company	Interest %	Value Rm	Interest %	Value Rm	**Interest %**	**Value Rm**
Agri Voedsel Beleggings					**44,7**	**1 230,4**
Kaap Agri *	41,3	812,8	43,9	1 270,4	**33,4**	**205,5**
Capevin Holdings	37,0	552,5	39,5	691,3	**39,8**	**713,1**
KWV Holdings **	31,3	214,6				
Capespan	14,6	54,5	22,7	84,7	**40,9**	**293,0**
Agricol	20,3	10,1	25,1	27,1	**25,1**	**49,8**
Suidwes	18,4	53,4	21,8	76,1	**23,7**	**82,7**
Other investments		267,7		348,8		**541,3**
Total investments		1 965,6		2 498,4		**3 115,8**
Cash and cash equivalents		121,6		206,0		**77,5**
Other net liabilities		(20,9)		(28,6)		**(108,6)**
SOTP value		2 066,3		2 675,8		**3 084,7**
SOTP value per share (rand)		2,11		2,74		**3,15**
Number of shares in issue (m)		978,1		978,1		**978,1**

* *Kaap Agri unbundled from Agri Voedsel Beleggings (December 2011)*
** *KWV Holdings unbundled from Capevin Holdings (July 2009) and disposed of (February 2011)*

Agri Voedsel Beleggings (Pioneer Foods)

Kaap Agri's operational assets were unbundled during December 2011. Following the unbundling, Zeder is invested in two separate entities – Agri Voedsel Beleggings (AVB) (with its 31,1% interest in Pioneer Foods) and Kaap Agri (housing Kaap Agri's operational assets). The unbundling created approximately R219m in value for Kaap Agri shareholders.

AVB currently trades at a 10% to 15% discount to the see-through value of Pioneer Foods.

Pioneer Foods' performance for its financial year ended September 2011 was adversely impacted by input cost pressures, delayed price increases and volume strain, which resulted in *adjusted headline earnings* declining by 18,5%.

Pioneer Foods' results can be viewed at *www.pioneerfoods.co.za.*

Kaap Agri

Kaap Agri's own operations produced a steady set of results with its *headline earnings* increasing marginally to R78,4m for the year ended September 2011. Zeder's interest in Kaap Agri's own operations diluted as part of a BEE transaction which was concluded during the year under review.

Kaap Agri's results can be viewed at *www.kaapagri.co.za.*

Capevin Holdings (Distell)

Zeder owns a 39,8% interest in Capevin Holdings (CVH). CVH holds an indirect interest of 14,8% in Distell and, although CVH shareholders receive virtually the same dividend as Distell shareholders, CVH trades at a 20% to 25% discount to the Distell see-through price. On 4 April 2012, CVH and Capevin Investments announced a merger by means of a scheme of arrangement. If successful, the discount at which CVH trades could reduce.

Distell recently reported interim results for the six months ended December 2011, reflecting a 23,7% increase in profit after tax. Distell's cider and RTD (ready-to-drink) brands continued their strong performance locally and their wine portfolio showed a marginal increase in sales volumes. Results were also favourably impacted by a weaker rand, which largely contributed to the net operating margin improving to 14,6% (2010: 13,8%).

Distell's results can be viewed at *www.distell.co.za.*

Capespan

During the year under review, Zeder made an offer to acquire the entire issued share capital of Capespan. Through the offer and market purchases, Zeder managed to increase its shareholding to 40,9%.

Capespan delivered impressive results for its financial year ended December 2011, with *headline earnings* increasing by 24,4% to R64m.

Zeder remains optimistic about Capespan's growth potential in both its fruit and logistical divisions.

Capespan's results can be viewed at *www.capespan.co.za.*

Other investments

During the past year, Zeder simplified its investment portfolio through the disposal of interests in MGK, OVK Bedryf and Tuinroete Agri for total cash proceeds of R97,3m.

Zeder invested a further R176,5m in its existing other investments. Although small when compared to the aforementioned companies, the rest of our investment portfolio continues to yield attractive returns.

Jannie Mouton
Chairman

Antonie Jacobs
Chief executive officer

CORPORATE GOVERNANCE

ZEDER IS COMMITTED TO THE FOUR VALUES UNDERPINNING GOOD CORPORATE GOVERNANCE: RESPONSIBILITY, ACCOUNTABILITY, FAIRNESS AND TRANSPARENCY.

Zeder is managed by PSG Group Ltd (PSG) in terms of a formal management agreement and adheres to PSG's corporate governance policies. For more detail regarding these policies, refer to PSG's annual report which is available at www.psggroup.co.za.

Zeder is committed to the four values underpinning good corporate governance – responsibility, accountability, fairness and transparency – as also advocated in the King Code of Governance Principles (King III). Zeder's corporate governance policies have been applied accordingly during the year under review. The group's major subsidiaries and associated companies are similarly committed having, inter alia, their own audit and risk, and remuneration committees.

Due to the size and nature of the company, the board does not consider application of all principles contained within King III appropriate. Where specific principles have not been applied, explanations for these are contained within this section of the annual report.

Board of directors

There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making. The Zeder board of directors remains autonomous, albeit that there is a formal management agreement in place between Zeder and PSG Corporate Services (Pty) Ltd (PSG Corporate Services). Details of Zeder's directors are provided on page 1 of this annual report. The independence of the non-executive directors is considered on an ongoing basis by the board as a whole.

Although certain of the non-executive directors are not classified as independent in terms of King lll, all of the non-executive directors are independent of thought and action. The board believes that all directors should own shares in the company. A director, as a shareholder, will thus share proportionally in the consequences of any good or bad decision.

The board met four times during the past year as set out in the table below. Mr PJ Mouton was appointed to the board subsequent to year-end on 28 March 2012. Mr JF Mouton fills the role of non-executive chairman, Mr PJ Mouton that of interim chief executive officer (following the resignation of Mr AE Jacobs on 30 April 2012), and Mr WL Greeff that of financial director. Consideration will be given to the appointment of a lead independent director.

Zeder does not have a nomination committee, and director appointments are considered to be a matter for the board as a whole with all appointments being made in a formal and transparent manner.

Due to the nature and size of the business of the company, the experience of the directors and the knowledge that directors have regarding the particular business of the company, induction as well as ongoing training and development of directors are not driven through formal processes.

Zeder's memorandum of incorporation requires one third of the non-executive directors of the company to retire by rotation and offer themselves for re-election by shareholders at the annual general meeting. In accordance with the company's memorandum of incorporation, Messrs GD Eksteen, PJ Mouton and LP Retief retire by rotation and have offered themselves for re-election. Brief curricula vitae for these three directors are included on pages 55 to 56 of this annual report.

Board attendance	11 April 2011	25 July 2011	3 October 2011	10 February 2012
JF Mouton (chairman)	√	√	√	√
GD Eksteen	√	√	√	√
WL Greeff	√	√	√	√
AE Jacobs	√	√	√	√
MS du Pré le Roux	√	√	√	√
CA Otto	√	√	√	√
LP Retief	√	√	√	√

√ – Present

The board's key roles and responsibilities are:

- promoting the interests of stakeholders;
- formulation and approval of strategy;
- retaining effective control; and
- ultimate accountability and responsibility for the performance and affairs of the company.

The board does not conduct regular appraisals of its members and committees. Consideration will be given to same in future.

The board has appointed an audit and risk committee consisting of three independent non-executive directors, namely Messrs LP Retief (chairman), MS du Pré le Roux and GD Eksteen. Messrs Retief and Le Roux have been members for more than five years and Mr Eksteen has been a member for the past two and a half years. The audit and risk committee met on 11 April 2011 and 3 October 2011.

Attendance	11 April 2011	3 October 2011
LP Retief (chairman)	√	√
GD Eksteen	√	√
MS du Pré le Roux	√	√

√ – Present

The audit and risk committee has formal terms of reference and their report is on page 18 of this annual report.

The board has not appointed a remuneration committee as PSG Corporate Services fulfils this role in terms of the formal management agreement. The remuneration paid to Messrs AE Jacobs, GD Eksteen, MS du Pré le Roux and LP Retief is disclosed in the directors' report on page 21 of this annual report. Messrs WL Greeff, JF Mouton and CA Otto received remuneration from PSG Corporate Services for services rendered to PSG and its subsidiaries in general.

Executive committee

The executive committee responsible for the management of Zeder comprises Messrs JF Mouton (chairman), WL Greeff, JA Holtzhausen, AE Jacobs (up to 30 April 2012), WJS Meyer, PJ Mouton and CA Otto. This committee meets regularly, at least twice a month, and is primarily responsible for the allocation and investing of the company's resources, including capital.

Internal control and risk management

Internal control and risk management is overseen by the audit and risk committee whose report is included on page 18 of this report.

Based on the functions performed by the audit and risk committee and PSG Corporate Services, in terms of the formal management agreement, the board is confident that the system of internal controls and current risk management processes are effective and aligned to the business needs and that it is not necessary to establish an internal audit function.

Based on the size and nature of the business, the audit and risk committee believes that certain governance mechanisms are not warranted. These include implementation of a combined assurance model, implementation of an IT governance framework and obtaining assurance on the effectiveness of the risk management process.

As IT does not play a significant role in the sustainability of Zeder's business at a group level due to its nature and size, the investment and expenditure in IT at group level are insignificant. The board is accordingly satisfied that the current systems of IT governance at group level are appropriate.

Integrated Reporting and Disclosure

Zeder is an investment holding company that rarely gets involved in the management of its underlying investments. Part of the philosophy of Zeder is to invest in companies with strong management. Zeder therefore relies on them to apply the principles of King III regarding sustainability reporting and disclosure, to the extent appropriate to their business.

Zeder will, going forward, apply the principles of integrated reporting at company level to the extent that such principles are considered appropriate.

Social Responsibility

Zeder also subscribes to the philosophy of black economic empowerment (BEE) and encourages its investments to undertake BEE initiatives. Zeder has participated and facilitated BEE transactions and has a strategic and trusted BEE partner, which it introduces to its investments.

Financial reporting and stakeholder communication

Zeder has identified its two major stakeholders as its shareholders and investment companies. Ongoing communication and engagement are therefore focused on these groups, as detailed below. Financial reports are provided to shareholders twice a year. Details regarding significant transactions undertaken are reported as required by the JSE Listings Requirements.

Communication with investment companies is done on an ongoing basis. The annual general meeting serves as platform for interactive communication with stakeholders. The company's communication officer's contact details are available on Zeder's website should stakeholders wish to direct queries to the company.

ANNUAL FINANCIAL STATEMENTS

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ZEDER
INVESTMENTS LIMITED

These annual financial statements were compiled under the supervision of Mr WL Greeff, a CA(SA) and financial director of the company, and audited as set out in the independent auditor’s report on page 19.

REPORT OF THE AUDIT AND RISK COMMITTEE
for the year ended 29 February 2012

The audit and risk committee ("the committee") reports that it has considered the matters set out in the Companies Act, 71 of 2008, as amended, and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc. The committee has considered and recommended the fees payable to the external auditor and is satisfied with the extent of non-audit-related services performed.

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

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

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

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

The committee has evaluated the annual financial statements of Zeder Investments Ltd and the group for the year ended 29 February 2012 and, based on the information provided to the committee, considers that the group complies, in all material respects, with the requirements of the Companies Act, 71 of 2008, as amended, and International Financial Reporting Standards.

LP Retief
Chairman

10 April 2012
Stellenbosch

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 29 February 2012

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 accounting 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 International Financial Reporting Standards ("IFRS"), including the AC 500 standards, the manner required by the Companies Act of South Africa and the JSE Listings Requirements, and incorporate full and responsible disclosure. Appropriate and recognised accounting policies are consistently applied.

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

The annual financial statements set out on pages 20 to 54 were approved by the board of directors of Zeder Investments Ltd and are signed on its behalf by:

JF Mouton
Chairman

AE Jacobs
Chief executive officer

10 April 2012
Stellenbosch

INDEPENDENT AUDITOR'S REPORT

to the members of Zeder Investments Ltd

We have audited the group annual financial statements and annual financial statements of Zeder Investments Ltd, which comprise the consolidated and separate statements of financial position as at 29 February 2012, and the consolidated and separate income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 20 to 54.

Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these 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 whether the 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 the 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 financial statements present fairly, in all materials respects, the consolidated and separate financial position of Zeder Investments Ltd as at 29 February 2012, 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 in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc
Director: NH Döman
Registered Auditor

10 April 2012
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 and that all such returns are true, correct and up to date.

PSG Corporate Services (Pty) Ltd
Per WL Greeff
Company secretary

10 April 2012
Stellenbosch

DIRECTORS' REPORT
for the year ended 29 February 2012

OVERVIEW
Zeder Investments Ltd is an investor with a portfolio comprising agriculture, food and related investments.

During the year under review, Zeder invested R338m to increase its interest in already existing investments trading at attractive values, and disposed of its interests in MGK Business Investments Ltd, OVK Bedryf Ltd and Tuinroete Agri Ltd for total proceeds of R97,3m.

RESULTS
Recurring headline earnings and recurring headline earnings per share for the year increased by 3,1% to R273m and 27,9 cents respectively. Headline earnings per share increased by 62,3% to 30,7 cents, and attributable earnings per share increased by 29,1% to 34,2 cents. The significant increase in headline earnings mainly relates to the prior year impact from Pioneer Foods' Competition Commission penalties, which had an adverse impact on share of profits of associated companies. Attributable earnings' lower increase, compared to headline earnings, reflects the prior year's R65,6m non-headline profit made on the disposal of KWV.

Effective 1 September 2010 the group undertook an internal restructuring, whereby the company disposed of its entire long-term investment portfolio and other assets and liabilities to Zeder Financial Services Ltd. Zeder Financial Services Ltd is a wholly owned subsidiary of the company, accordingly the group retained control over all assets and liabilities. As such, the company's earnings and cash flow information are not entirely comparable.

SHARE CAPITAL
During the year under review the number of shares in issue remained unchanged at 978 088 517. Details regarding the authorised and issued share capital are disclosed in note 6 to the annual financial statements.

DIVIDENDS
During the year, a final dividend of 4 cents per share (2011: 4 cents) was declared and paid in respect of the year ended 28 February 2011.

EVENTS SUBSEQUENT TO THE REPORTING DATE
Subsequent to the reporting date:
- the group acquired two businesses as set out in note 24;
- changes to the effective capital gains tax rate, increasing it from 14% to 18,6%, became effective; and
- the company declared and paid a final dividend of 4 cents per share in respect of the year ended 29 February 2012.

The directors are unaware of any other 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
No changes occurred to the board of directors during the year under review. The directors of the company at the date of this report were:

Executive	Non-executive
AE Jacobs	JF Mouton (Chairman)
WL Greeff	GD Eksteen *
	MS du Pré le Roux *
	CA Otto *
	LP Retief *
	PJ Mouton **

* *Independent*
** *Appointed 28 March 2012*

DIRECTORS (continued)

Directors' emoluments are paid by PSG Group in terms of the management agreement (refer note 13 to the annual financial statements). Directors' emoluments include the following cash-based remuneration:

	Basic salary R'000	Company contributions R'000	Performance-related* R'000	Fees R'000	**Total 2012 R'000**	Total 2011 R'000
Executive						
AE Jacobs **	1 382	18	350		**1 750**	1 496
WL Greeff ***						
Non-executive						
JF Mouton ***						
CA Otto ***						
GD Eksteen				95	**95**	83
MS du Pré le Roux				95	**95**	95
LP Retief				100	**100**	100
	1 382	18	350	290	**2 040**	1 774

* *Paid in respect of prior year performance.*

** *Mr AE Jacobs was the holder of 245 683 PSG Group share options at 29 February 2012, issued in separate tranches at an average strike price of R19,58 per share. Each tranche of the options vests over a period of five years, and the related costs are carried by PSG Group in terms of the management agreement.*

*** *These directors receive directors' emoluments from PSG Group for services rendered to PSG Group and its investee companies. In addition to these directors the company's prescribed officers include Messrs PJ Mouton and JA Holtzhausen, the members of PSG Group's executive committee, which manages the group (as set out in note 13) and whose remuneration is disclosed in PSG Group's annual report. No directors remuneration was paid by the company or its subsidiaries to any of these directors.*

SHAREHOLDING OF DIRECTORS

	Beneficial		**Non-beneficial**		**Total shareholding**	
29 February 2012	**Direct**	**Indirect**	**Direct**	**Indirect**	**Number**	**%**
AE Jacobs		**130 000**			**130 000**	**0,013**
WL Greeff	**80 000**				**80 000**	**0,008**
JF Mouton				**80 000**	**80 000**	**0,008**
MS du Pré le Roux				**250 000**	**250 000**	**0,026**
CA Otto				**80 000**	**80 000**	**0,008**
	80 000	**130 000**	**–**	**410 000**	**620 000**	**0,063**

The shareholding of directors remained unchanged for the year under review. Also refer to the shareholder analysis in note 22 to the annual financial statements.

SECRETARY

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

AUDITOR

PricewaterhouseCoopers Inc will continue in office in accordance with the Companies Act of South Africa, 71 of 2008.

STATEMENTS OF FINANCIAL POSITION
as at 29 February 2012

		GROUP		COMPANY	
		2012	2011	**2012**	2011
	Notes	**R'000**	R'000	**R'000**	R'000
ASSETS					
Non-current assets		**2 850 743**	2 350 290	**2 117 521**	2 117 521
Investment in subsidiary	1			**2 117 521**	2 117 521
Investment in associated companies	2	**2 633 205**	2 143 608		
Equity securities	3	**217 538**	206 682		
Current assets		**131 984**	207 611	**–**	–
Trade and other receivables	4	**54 501**	1 602		
Current income tax receivable		**5**	9		
Cash and cash equivalents	5	**77 478**	206 000		
Total assets		**2 982 727**	2 557 901	**2 117 521**	2 117 521
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	6	**9 781**	9 781	**9 781**	9 781
Share premium		**1 730 071**	1 730 071	**1 730 071**	1 730 071
Other reserves		**9 856**	10 100		
Retained earnings		**1 067 318**	771 830	**312 835**	351 959
		2 817 026	2 521 782	**2 052 687**	2 091 811
Non-current liabilities		**132 636**	5 899	**–**	–
Deferred income tax	7	**2 636**	5 899		
Borrowings	8	**130 000**			
Current liabilities		**33 065**	30 220	**64 834**	25 710
Borrowings	8	**703**		**64 801**	25 677
Trade and other payables	9	**32 362**	30 220	**33**	33
Total equity and liabilities		**2 982 727**	2 557 901	**2 117 521**	2 117 521

INCOME STATEMENTS
for the year ended 29 February 2012

	Notes	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
Income					
Investment income	10	**63 722**	22 794		31 918
Net fair value gains	11	**51 237**	32 032		251 147
Other operating income	12	**577**	782		350
Total income		**115 536**	55 608	**–**	283 415
Expenses					
Management fee	13.1	**(47 953)**	(53 178)		(26 222)
Other	13.2	**(3 188)**	(233)		(13)
Total expenses		**(51 141)**	(53 411)	**–**	(26 235)
Share of profits of associated companies	2	**285 756**	201 200		
Loss on dilution of interest in associated company	2	**(7 856)**			
Loss on impairment of associated company	2		(1 444)		
(Loss)/gain on disposal of investment in associated company	2	**(125)**	81 342		
Results of operating activities		**342 170**	283 295	**–**	257 180
Finance costs	14	**(7 185)**	(2 346)		(198)
Profit before taxation		**334 985**	280 949	**–**	256 982
Taxation	15	**(373)**	(21 829)		2 091
Profit for the year		**334 612**	259 120	**–**	259 073
Attributable to equity holders of the company		**334 612**	259 120	**–**	259 073
Earnings per share (cents)	20				
Attributable – basic and diluted		**34,2**	26,5		
Headline – basic and diluted		**30,7**	18,9		

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 29 February 2012

	GROUP		COMPANY	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
Profit for the year	**334 612**	259 120	**–**	259 073
Other comprehensive (loss)/income, net of taxation	**(244)**	19 792	**–**	–
Share of other comprehensive income of associated companies	**55 320**	8 409		
Other equity movements of associated companies	**(15 192)**	1 284		
Disposal of investment in associated company		10 099		
Reversal of other comprehensive income of associated company	**(40 372)**			
Total comprehensive income for the year	**334 368**	278 912	**–**	259 073
Attributable to equity holders of the company	**334 368**	278 912	**–**	259 073

STATEMENTS OF CHANGES IN EQUITY
for the year ended 29 February 2012

	Share capital R'000	Share premium R'000	Other reserves R'000	Retained earnings R'000	Total R'000
GROUP					
Balance at 1 March 2010	9 781	1 730 089	(9 692)	551 834	2 282 012
Profit for the year				259 120	259 120
Other comprehensive income	–	–	19 792	–	19 792
Share of other comprehensive income of associated companies			8 409		8 409
Other equity movements of associated companies			1 284		1 284
Disposal of investment in associated company			10 099		10 099
Total comprehensive income	–	–	19 792	259 120	278 912
Transactions with owners	–	(18)	–	(39 124)	(39 142)
Share issue costs		(18)			(18)
Dividend paid				(39 124)	(39 124)
Balance at 28 February 2011	9 781	1 730 071	10 100	771 830	2 521 782
Profit for the year				**334 612**	**334 612**
Other comprehensive income	**–**	**–**	**(244)**	**–**	**(244)**
Share of other comprehensive income of associated companies			**55 320**		**55 320**
Other equity movements of associated companies			**(15 192)**		**(15 192)**
Reversal of other comprehensive income of associated company			**(40 372)**		**(40 372)**
Total comprehensive income	**–**	**–**	**(244)**	**334 612**	**334 368**
Transactions with owners					
Dividend paid				**(39 124)**	**(39 124)**
Balance at 29 February 2012	**9 781**	**1 730 071**	**9 856**	**1 067 318**	**2 817 026**

STATEMENTS OF CHANGES IN EQUITY *(continued)*
for the year ended 29 February 2012

	Share capital R'000	Share premium R'000	Retained earnings R'000	Total R'000
COMPANY				
Balance at 1 March 2010	9 781	1 730 089	132 010	1 871 880
Profit for the year			259 073	259 073
Transactions with owners	–	(18)	(39 124)	(39 142)
Share issue costs		(18)		(18)
Dividend paid			(39 124)	(39 124)
Balance at 28 February 2011	9 781	1 730 071	351 959	2 091 811
Transactions with owners				
Dividend paid			**(39 124)**	**(39 124)**
Balance at 29 February 2012	**9 781**	**1 730 071**	**312 835**	**2 052 687**

Final dividends per share

2010: 4 cents (declared and paid during April/May 2010)
2011: 4 cents (declared and paid during April/May 2011)
2012: 4 cents (declared on 7 March 2012 and paid on 2 April 2012)

STATEMENTS OF CASH FLOWS
for the year ended 29 February 2012

		GROUP		COMPANY	
		2012	2011	**2012**	2011
	Notes	**R'000**	R'000	**R'000**	R'000
Cash flow from operating activities		**21 348**	27 048	**–**	12 145
Cash utilised by operations	19.1	**(103 917)**	(45 830)		(19 020)
Interest received		**4 198**	2 682		1 881
Dividends received		**128 586**	89 213		28 673
Interest paid		**(3 887)**	(1 607)		(9)
Taxation (paid)/refunded	19.2	**(3 632)**	(17 410)		620
Cash flow from investment activities		**(240 746)**	96 487	**–**	(94 610)
Acquisition of associated companies	2	**(264 476)**	(183 588)		(78 928)
Acquisition of equity securities	3	**(73 536)**	(28 189)		(13 268)
Loan payable settled			(31)		(657)
Proceeds from disposal of associated company		**44 469**	257 108		
Proceeds from disposal of equity securities		**52 797**	38 835		
Capital redemption of preference share investment			12 352		
Cash and cash equivalents transferred upon intergroup disposal (refer note 1)					(1 757)
Cash flow from financing activities		**90 876**	(39 142)	**–**	(39 142)
Dividend paid		**(39 124)**	(39 124)	**(39 124)**	(39 124)
Share issue costs paid			(18)		(18)
Increase in borrowings		**130 000**		**39 124**	
Net (decrease)/increase in cash and cash equivalents		**(128 522)**	84 393	**–**	(121 607)
Cash and cash equivalents at beginning of year		**206 000**	121 607	**–**	121 607
Cash and cash equivalents at end of year	5	**77 478**	206 000	**–**	–

ACCOUNTING POLICIES
for the year ended 29 February 2012

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

BASIS OF PREPARATION

The consolidated and standalone financial statements of Zeder Investments Ltd have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including the AC 500 standards, the manner required by the Companies Act of South Africa and the JSE Listings Requirements. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets carried at fair value through profit or loss.

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 financial statements are disclosed further in the accounting policies below.

Standards, interpretations and amendments to published standards that are effective for the first time in 2012 and relevant to the company and group's operations

No new standards, interpretations and amendments were relevant to the company's operations.

Standards, interpretations and amendments to published standards that are effective for the first time in 2012 and not currently relevant to the company and group's operations

- Amendment to IAS 1 Presentation of Financial Instruments *(effective 1 January 2011)*
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates *(effective 1 July 2010)*
- Amendments to IAS 24 Related Party Disclosures *(effective 1 January 2011)*
- Amendments to IAS 27 Consolidated and Separate Financial Statements *(effective 1 July 2010)*
- Amendments to IAS 28 Investments in Associates *(effective 1 July 2010)*
- Amendments to IAS 31 Interests in Joint Ventures *(effective 1 July 2010)*
- Amendments to IAS 34 Interim Financial Reporting *(effective 1 January 2011)*
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards *(effective 1 July 2010)*
- Amendments to IFRS 3 Business Combinations *(effective 1 January 2011)*
- Amendments to IFRS 7 Financial Instruments: Disclosures *(effective 1 January 2011)*
- Amendments to IFRIC 13 Customer Loyalty Programmes *(effective 1 January 2011)*
- Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement *(effective 1 January 2011)*
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments *(effective 1 April 2010)*
- Improvements to IFRS 2010 *(effective 1 January 2011)*

These standards, interpretations and amendments have no impact on recognition, measurement or disclosure in the current or prior years.

Standards, interpretations and amendments to published standards that are not yet effective but relevant to the company and group's operations

- Amendments to IAS 1 Presentation of Financial Statements *(effective 1 July 2012)*
  New requirements to group together items within other comprehensive income that may be reclassified to the profit or loss section of the income statement in order to facilitate the assessment of their impact on the overall performance of an entity.
- IFRS 9 Financial Instruments *(effective 1 January 2013)*
  This standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. IFRS 9 applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. IFRS 9 also results in one impairment method, replacing the numerous impairment methods in IAS 39 that arise from the different classification categories. This standard is not relevant to the company.

- IFRS 10 Consolidated Financial Statements *(effective 1 January 2013)*
  New standard that replaces the consolidation requirements in SIC 12 Consolidation – Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 12 Disclosure of Interests in Other Entities *(effective 1 January 2013)*
  New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- IFRS 13 Fair Value Measurement *(effective 1 January 2013)*
  This standard explains how to measure fair value and aims to enhance fair value disclosures; it does not prescribe when to measure fair value, nor does it require additional fair value measurements.

Standards, interpretations and amendments to published standards that are not yet effective nor relevant to the company and group's operations

- Amendments to IAS 12 Income Taxes *(effective 1 January 2012)*
- Amendments to IAS 19 Employee Benefits *(effective 1 January 2013)*
- Amendments to IAS 27 Consolidated and Separate Financial Statements *(effective 1 January 2013)*
- Amendments to IAS 28 Investments in Associates *(effective 1 January 2013)*
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards *(effective 1 January 2011 and 1 July 2011)*
- Amendments to IFRS 7 Financial Instruments: Disclosures *(effective 1 July 2011)*
- IFRS 11 Joint Arrangements *(effective 1 January 2013)*
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine *(effective 1 January 2013)*

GROUP FINANCIAL STATEMENTS

The group annual financial statements comprise those of the company, its subsidiaries and associated companies.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group and are no longer consolidated from the date on which control ceases.

The group uses the acquisition method of accounting 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 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. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

In the standalone financial statements of the company, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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 group's share of the identifiable net assets acquired is recorded as goodwill. If this 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.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the group.

Transactions and non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between 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.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, 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.

Associated companies

Associated companies 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 associated companies are accounted for by the equity method of accounting and are initially recognised at cost. The group's investment in associated companies includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer note 2).

Where equity securities are transferred to investment in associated companies upon gaining significant influence ("step acquisition"), the investment is transferred at its fair value. Goodwill is calculated at each stage of step acquisitions.

Certain associated companies have year-ends that differ from that of the group. The results of associated companies are accounted for according to the equity method, based on their most recent published financial statements or latest management information. Equity accounting involves recognising the group's share of its associated companies' post-acquisition profits or losses in the income statement, and its share of post-acquisition movements in other comprehensive income and equity, in the statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Unrealised gains on transactions between the group and its associated companies are eliminated to the extent of the group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Cross-holdings between the group and its associates are eliminated in accordance with normal consolidation procedure. Associates' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising on the investment in associated companies are recognised in the income statement.

After applying the equity method, investments in associated companies 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 value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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 are reclassified to profit or loss where appropriate.

Investments in associated companies' preference shares are disclosed as part of the carrying value of the investment.

The company accounts for investment in associated companies at cost less provision for impairment.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. 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.

FINANCIAL INSTRUMENTS

Financial instruments recognised on the statement of financial position includes preference share investments, equity securities, trade and other receivables, cash and cash equivalents, trade and other payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

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.

FINANCIAL ASSETS

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

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.

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

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.

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 the financial assets are included in the income statement in the period in which they arise.

Dividends on "at fair value through profit or loss" 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.

The group does not apply hedge accounting.

Impairment of financial assets

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 the income statement, and reversed through the income statement.

IMPAIRMENT OF INVESTMENT IN ASSOCIATED COMPANIES

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

RECEIVABLES

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 the receivable. 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.

CASH AND 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.

SHARE CAPITAL

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

Non-redeemable preference shares, where the dividend declaration is subject to discretion of the board, is classified as equity.

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 and trade and other payables.

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

Borrowings and trade and other payables

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

TAXES

Current and deferred income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company operates 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 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 company 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.

Secondary tax on companies

South African resident companies are subject to a dual corporate tax system, one part of the tax being levied on taxable income and the other, a secondary tax ("STC"), on distributed income. A company incurs STC charges on the declaration or deemed declaration of dividends (as defined under South African tax law) to its shareholders. STC is not a withholding tax on shareholders, but a tax on companies.

The STC tax consequence of dividends is recognised as a taxation charge in profit and loss in the same period that the related dividend is accrued as a liability. The STC liability is reduced by dividends received during the dividend cycle. Where dividends declared exceed the dividends received during a cycle, STC is payable at the current STC rate on the net amount. Where dividends received exceed dividends declared within a cycle, there is no liability to pay STC. The potential tax benefit related to excess dividends is carried forward to the next dividend cycle as an STC credit. Deferred tax assets are recognised on unutilised STC credits to the extent that it is probable that the company will declare dividends in the following year to utilise such STC credits.

REVENUE RECOGNITION

Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend income from financial assets that are classified as at fair value through profit or loss is included in investment income.

Interest income

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

DIVIDEND DISTRIBUTIONS

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

CONTINGENCIES

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 rather disclosed in note 17.

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 that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

Directors' valuation of unlisted associated companies

Directors valuation of unlisted associated companies are determined with reference to market prices, assessing the fair value of underlying investments as well as the published net asset value or valuation techniques. Valuation techniques used include applying a market-related price/earnings ratio, ranging between 4 and 8 (2011: 4 and 8), to operational earnings.

Fair value of unlisted financial instruments

The fair value of unquoted equity securities is determined with reference to over-the-counter (OTC) market prices.

Impairment of investment in associated companies

An impairment of investment in associated companies 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. The value in use is calculated with reference to the assumptions noted above.

The directors are satisfied that the group's investment in associated companies are fairly stated.

Acquisition of associated companies

Details regarding significant new and further investments in associated companies are disclosed in note 2. In accounting for these transactions management had to apply judgement in allocating the purchase price to the identifiable assets and liabilities of the associated companies acquired, or the portion acquired when an additional interest was acquired.

	COMPANY	
	2012	2011
	R'000	R'000
1. INVESTMENT IN SUBSIDIARY		
Unlisted shares at cost less provision for impairment	**2 117 521**	2 117 521

Effective 1 September 2010 the group undertook an internal restructuring, whereby the company disposed of its entire long-term investment portfolio and other assets and liabilities to Zeder Financial Services Ltd. Zeder Financial Services Ltd is a wholly owned subsidiary of the company, and accordingly the group retained control over all assets and liabilities. The disposal was effected through an asset-for-share exchange. The asset-for-share exchange gave rise to an investment in Zeder Financial Services Ltd to the value of R2 117 521 000. Refer to the annexure for more details regarding investments in subsidiaries.

	GROUP		COMPANY	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
2. INVESTMENT IN ASSOCIATED COMPANIES				
Carrying value of ordinary share investments				
Unlisted but quoted	**2 567 104**	2 081 949		
Carrying value of preference share investments				
Thembeka OVB Holdings (Pty) Ltd	**66 101**	61 659		
	2 633 205	2 143 608	**–**	–
Reconciliation of ordinary share investments:				
Carrying value at beginning of year	**2 081 949**	1 892 476		1 482 344
Acquisitions				
Cash	**264 476**	183 588		78 928
Equity accounting				
Share of profits of associated companies *	**245 384**	201 200		
Loss on dilution of interest in associated company	**(7 856)**			
Dividends received	**(73 503)**	(67 791)		
Other comprehensive income	**40 128**	9 693		
Impairment loss		(1 444)		
Transfer from equity securities at fair value	**61 120**	56 060		
Disposal of investment in associated company	**(44 594)**	(191 833)		
Intergroup disposal of investment in associated companies (refer note 1)				(1 561 272)
Carrying value at end of year	**2 567 104**	2 081 949	**–**	–
Market value of unlisted investments (based on published over-the-counter prices)	**2 863 199**	2 229 485		

* *Share of profits of associated companies comprise R285 756 000, as per the income statement, together with a reversal of other comprehensive income of an associated company of R40 372 000 as per the statement of comprehensive income.*

Refer to the critical accounting estimates and judgements, included as part of the accounting policies, for details supporting the testing for impairment.

2. INVESTMENT IN ASSOCIATED COMPANIES (continued)

2012 acquisitions and disposals
Acquisitions made in cash during the year mainly relates to increasing the group's already existing interest (fair value of R61,1m) in NWK Ltd by investing a further R117,6m. This caused the group to obtain significant influence over NWK Ltd. Furthermore, the group also invested an additional R114,1m in Capespan Group Ltd. The group disposed of its interest, with a carrying value of R44,6m, in MGK Business Investments Ltd. This gave rise to a loss of R0,1m.

2011 acquisitions and disposals
Acquisitions during the prior year mainly related to increasing the group's interest in already existing associated companies; Capespan Group Ltd, Capevin Holdings Ltd, Kaap Agri Ltd and KWV Holdings Ltd. During February 2011, the group disposed of its entire shareholding in KWV Holdings Ltd at a profit of R81,3m.

Further information
The preference shares issued by Thembeka OVB Holdings (Pty) Ltd carry a dividend rate equal to prime. Capital and accrued dividends are redeemable on 3 March 2016.

More details regarding investments in associated companies are disclosed in the annexure to the annual financial statements.

The group's loss/gain on disposal of its investment in an associated company has been included in the income statement as part of operating activities, and the comparative figure has been reclassified to ensure consistency.

3. EQUITY SECURITIES

	GROUP		COMPANY	
	2012 R'000	2011 R'000	**2012 R'000**	2011 R'000
Listed	**43 378**			
Unlisted but quoted	**3**	96 884		
Unquoted	**174 157**	109 798		
	217 538	206 682	**–**	–
Reconciliation of equity securities at fair value through profit or loss:				
Carrying value at beginning of year	**206 682**	215 187		215 187
Acquisitions				
Cash	**73 536**	28 189		13 268
Retained interest transferred from investment in associated company at fair value		26 168		
Transfer to investment in associated companies at fair value	**(61 120)**	(56 060)		
Disposals	**(42 993)**	(34 368)		
Unrealised net fair value gains	**41 433**	27 566		
Intergroup disposal of equity securities (refer note 1)				(228 455)
Carrying value at end of year	**217 538**	206 682	**–**	–

3. EQUITY SECURITIES (continued)

The investment in equity securities forms part of a strategic investment portfolio and the group's stated long-term investment strategy.

The unquoted equity securities relate to 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.

	GROUP		COMPANY	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
4. TRADE AND OTHER RECEIVABLES				
Unamortised structuring fee		1 484		
Value added tax	**3 670**			
Sundry receivables	**50 831**	118		
	54 501	1 602	**–**	–

During the prior year, a structuring fee was paid to FirstRand Bank Ltd (acting through its Rand Merchant Bank Division) in the process of obtaining a R250m funding facility. During the year, the facility was increased to R495m (extending to 30 September 2012) and consequently an additional structuring fee was paid, whereafter the facility was drawn on, and accordingly the unamortised structuring fee is reflected as part of borrowings (refer note 8).

Sundry debtors at the reporting date included a loan advanced to a prospective investment to the amount of R0,8m, which carries interest at prime plus 1%, as well as an interest-free loan of R3,2m advanced to an existing investment. The remaining sundry debtors balance of R46,8m relates mainly to dividends receivable.

	GROUP		COMPANY	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
5. CASH AND CASH EQUIVALENTS				
Bank balances	**11 553**	5 781		
Money market fund	**65 925**	200 219		
	77 478	206 000	**–**	–

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		COMPANY	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
6. SHARE CAPITAL				
Authorised				
1 500 000 000 (2011: 1 500 000 000) ordinary shares with a par value of 1 cent each	**15 000**	15 000	**15 000**	15 000
250 000 000 (2011: 250 000 000) cumulative, non-redeemable, non-participating preference shares with a par value of 1 cent each	**2 500**	2 500	**2 500**	2 500
Issued				
978 088 517 (2011: 978 088 517) ordinary shares with a par value of 1 cent each	**9 781**	9 781	**9 781**	9 781
7. DEFERRED INCOME TAX				
Deferred income tax liabilities				
To be settled after more than 12 months	**2 636**	5 899	**–**	–

	Tax loss R'000	Unrealised profits R'000	STC credits R'000	Total R'000
Movement in the deferred tax balance:				
GROUP				
Balance at 1 March 2010	424	(5 025)	2 934	(1 667)
Charged to income statement				
Reversal of deferred tax on previous fair value gains on equity securities transferred to investment in associated companies		2 832		2 832
Current year movement	(424)	(3 706)	(2 934)	(7 064)
Balance at 28 February 2011	–	(5 899)	–	(5 899)
Charged to income statement				
Reversal of deferred tax on previous fair value gains on equity securities transferred to investment in associated companies or on disposal of equity securities		**2 782**		**2 782**
Current year movement		**481**		**481**
Balance at 29 February 2012	**–**	**(2 636)**	**–**	**(2 636)**
COMPANY				
Balance at 28 February 2010	424	(5 025)	2 934	(1 667)
Charged to income statement	(424)	5 025	(2 934)	1 667
Balance at 28 February 2011	–	–	–	–

Unutilised STC credits for the group amounted to R201,2m (2011: R111,8m) at the reporting date.

Deferred income tax on temporary differences relating to equity securities that are classified as at fair value through profit or loss, which forms part of the group's long-term investment strategy, is calculated using the effective capital gains tax rate of 14%. Deferred income tax was calculated on all other temporary differences using an effective tax rate of 28%.

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
8. BORROWINGS				
Secured loan				
FirstRand Bank Ltd (acting through its Rand Merchant Bank Division) *	**130 703**	–		
Non-current				
Capital outstanding	**130 000**			
Current				
Accrued interest	**1 895**			
Unamortised structuring fee (also refer note 4)	**(1 192)**			
Unsecured loan				
Zeder Financial Services Ltd **			**64 801**	25 677
	130 703	–	**64 801**	25 677

* *Borrowings are secured by investments in associated companies with a market value of R2 731 727 000, carry interest at the three-month JIBAR rate plus 220 bps and is repayable or convertible to preference share funding by 30 September 2012.*

The remainder of the company's investments in associated companies and equity securities are subject to a negative pledge.

The total borrowing facility available amounts to R495m (2011: R250m).

** *Zeder Financial Services Ltd is a subsidiary of the company. The loan is interest-free and repayable on demand.*

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
9. TRADE AND OTHER PAYABLES				
Management fee payable (refer note 13)	**29 896**	26 956		
Unsettled share trades and other payables	**2 466**	3 264	**33**	33
	32 362	30 220	**33**	33
10. INVESTMENT INCOME				
Interest income	**4 198**	2 682	**–**	1 881
Trade and other receivables	**421**			
Cash and cash equivalents	**3 777**	2 682		1 881
Dividend income	**59 524**	20 112	**–**	30 037
Equity securities held at fair value through profit or loss	**53 798**	13 753		7 313
Associated companies				
Ordinary share investments				18 862
Preference share investments	**5 726**	6 359		3 862
Investment income	**63 722**	22 794	**–**	31 918

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
11. FAIR VALUE GAINS AND LOSSES				
Net fair value gains on equity securities	**51 237**	32 032		
Realised fair value gains and losses	**9 804**	4 466		
Unrealised fair value gains and losses	**41 433**	27 566		
Net fair value gain on intergroup disposal (refer note 1)				251 147
	51 237	32 032	–	251 147
12. OTHER OPERATING INCOME				
Rebate received on funds invested with PSG Money Market Fund	**108**	49		49
Sundry income	**469**	733		301
	577	782	–	350
13. EXPENSES				
13.1 Management fee expense				
Management base fee expense	**47 953**	53 178		26 222

A management fee is payable to PSG Group Ltd or its nominee (PSG Group), the group's ultimate holding company, in terms of a management agreement. In accordance with the management agreement, PSG Group provides all investment, administrative, advisory, financial and corporate services to the Zeder group of companies.

Management fees payable consist of a base fee and a performance fee element. The base fee is calculated at 2% p.a. (exclusive of VAT) on the net asset value of the group (excluding cash) at the end of every month and 0,15% p.a. (exclusive of VAT) on the daily average cash balances. The base fee is accrued at the end of every month. The performance fee is calculated on the last day of the financial year at 10% p.a. on the outperformance of the group's equity portfolio above the equally weighted FTSE-JSE Beverage Total Return Index (TRI041) and the FTSE-JSE Food Producers Total Return Index (TRI043) over any financial year. No performance fee was payable during the current or prior year.

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
13.2 Other expenses				
Bank charges and acquisition cost of investments held as "at fair value through profit or loss"	**3 188**	233		13

	GROUP		COMPANY	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
14. FINANCE COSTS				
Interest paid – PSG Corporate Services (Pty) Ltd	**330**	1 324		9
Interest paid – Borrowings	**4 332**			
Interest paid – Other	**1 120**	283		
Amortisation of structuring fee	**1 403**	739		189
	7 185	2 346	**–**	198

PSG Corporate Services (Pty) Ltd is a fellow subsidiary of the group.
Interest was calculated on outstanding balances at prime plus 1%.

	GROUP		COMPANY	
15. TAXATION				
Current taxation				
Current year	**3 636**	18 021		
Deferred taxation				
Current year	**(3 263)**	874		(5 025)
Secondary tax on companies				
Deferred taxation		2 934		2 934
	373	21 829	**–**	(2 091)
Reconciliation of effective tax rate:	**%**	%	**%**	%
South African standard tax rate	**28,0**	28,0		28,0
Adjusted for:				
Exempt income	**(5,0)**	(2,0)		(3,3)
Non-deductible charges	**4,5**	4,7		1,9
Income from associated companies	**(23,2)**	(20,0)		
Capital gains tax rate differential	**(4,2)**	(3,9)		(28,6)
Secondary tax on companies		1,0		1,2
Effective tax rate	**0,1**	7,8	**–**	(0,8)

16. 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
PSG Corporate Services (Pty) Ltd	Subsidiary of ultimate holding company
PSG Online Securities (Pty) Ltd	Subsidiary of ultimate holding company
PSG Money Market Fund	Subsidiary of ultimate holding company

Related-party transactions during the year included dividends received from associated companies (refer notes 2 and 10), rebates received on funds invested with PSG Money Market (refer note 12), the management fee expense (refer note 13) and interest paid (refer note 14). Furthermore, in the prior year the intergroup disposal (refer notes 1 and 11) was effected.

Included in the group's interest income (refer note 10) is R60 000 (2011: R91 000) received from PSG Online Securities (Pty) Ltd and R2 658 000 (2011: R1 870 000) received from PSG Money Market Fund. Included in the company's interest income (refer note 10) during the prior year is R54 000 received from PSG Online Securities (Pty) Ltd and R1 720 000 received from PSG Money Market Fund.

Included in the group's other expenses is professional fees of R12 000 (2011: R116 000) paid to PSG Corporate Services (Pty) Ltd for services not covered by the management fee (refer note 13).

Administration fees of R9 000 (2011: R28 000) were incurred with PSG Online Securities (Pty) Ltd during the year. These fees related to trades that took place via the group's BDA accounts.

Previously PSG Corporate Services (Pty) Ltd facilitated the process of the group obtaining an interest in an investee company. In exchange for waiver of the facilitation fee payable, PSG Corporate Services (Pty) Ltd is entitled to receive a portion of the dividends received each year from mentioned interest. This amounted to R204 000 (2011: R204 000) during the year under review.

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

Related-party balances outstanding at the reporting date included the preference share investment (refer note 2), cash invested with PSG Money Market Fund (refer note 5) and the management fee payable (refer note 9).

17. CAPITAL COMMITMENTS AND CONTINGENCIES

In terms of an investment mandate the group has a capital commitment to invest a further R49,2m (2011: R28,9m) in equity securities.

At the current and prior reporting date, the company and its subsidiaries had no contingent liabilities.

18. BORROWING POWERS

In terms of the company's memorandum of incorporation, borrowing powers are unlimited.

	GROUP		COMPANY	
	2012 R'000	2011 R'000	**2012 R'000**	2011 R'000
19. NOTES TO THE STATEMENTS OF CASH FLOWS				
19.1 Cash utilised by operations				
Profit before taxation	**334 985**	280 949		256 982
Interest income	**(4 198)**	(2 682)		(1 881)
Dividend income	**(59 524)**	(20 112)		(30 037)
Fair value gains and losses	**(51 112)**	(113 374)		(251 147)
Impairment loss		1 444		
Share of profits of associated companies	**(285 756)**	(201 200)		
Loss on dilution of interest in associated company	**7 856**			
Finance cost	**7 185**	2 346		198
Structuring fee paid	**(1 112)**	(2 223)		(2 223)
	(51 676)	(54 852)	**–**	(28 108)
Changes in working capital	**(52 241)**	9 022	**–**	9 088
Increase in trade and other receivables	**(54 383)**	(76)		(1 292)
Increase in trade and other payables	**2 142**	9 098		10 380
	(103 917)	(45 830)	**–**	(19 020)
19.2 Taxation (paid)/refunded				
Current taxation charged to income statement	**(3 636)**	(18 021)		
Movement in current income tax receivable	**4**	187		196
Other		424		424
	(3 632)	(17 410)	**–**	620

	GROUP	
	2012	2011
	R'000	R'000

20. EARNINGS PER SHARE

	2012 R'000	2011 R'000
The calculation of earnings per share is based on the following:		
Earnings attributable to equity holders of the company	**334 612**	259 120
Non-headline items of associated companies, gross and net of taxation	**(43 303)**	(10 199)
Loss on dilution of interest in associated company	**7 856**	
Loss/(gain) on disposal of investment in associated company	**711**	(65 558)
Gross	**125**	(81 342)
Tax effect	**586**	15 784
Impairment of investment in an associated company, gross and net of taxation		1 444
Headline earnings	**299 876**	184 807
The calculation of the weighted number of shares is as follows:		
Number of shares at beginning and end of year (thousands)	**978 089**	978 089
Earnings per share (cents)		
Attributable – basic and diluted	**34,2**	26,5
Headline – basic and diluted	**30,7**	18,9

21. FINANCIAL RISK MANAGEMENT

21.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price 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. The group is not directly exposed to currency risk, nor does it make use of derivative financial instruments to hedge risk exposures.

Risk management is carried out under policies approved by the board of directors.

21. FINANCIAL RISK MANAGEMENT (continued)

21.1 Financial risk factors (continued)

Financial instruments are grouped into the following classes in order to facilitate effective financial risk management and disclosure in terms of IFRS 7 – *Financial Instruments – Disclosures:*

Financial assets at 29 February 2012	Fair value through profit or loss R'000	Loans and receivables R'000	Total R'000
GROUP			
Equity securities	**217 538**		**217 538**
Investment in preference shares of associated companies		**66 101**	**66 101**
Trade and other receivables		**50 831**	**50 831**
Cash and cash equivalents		**77 478**	**77 478**
	217 538	**194 410**	**411 948**
Financial assets at 28 February 2011			
Equity securities	206 682		206 682
Investment in preference shares of associated company		61 659	61 659
Trade and other receivables		1 602	1 602
Cash and cash equivalents		206 000	206 000
	206 682	269 261	475 943

COMPANY

The company had no financial assets at the current or prior reporting date.

21. FINANCIAL RISK MANAGEMENT (continued)

21.1 Financial risk factors (continued)

Financial liabilities at 29 February 2012	At amortised cost R'000	Total R'000
GROUP		
Borrowings	**703**	**703**
Trade and other payables	**32 362**	**32 362**
	33 065	**33 065**
COMPANY		
Borrowings	**64 801**	**64 801**
Trade and other payables	**33**	**33**
	64 834	**64 834**
Financial liabilities at 28 February 2011		
GROUP		
Trade and other payables	30 220	30 220
COMPANY		
Borrowings	25 677	25 677
Trade and other payables	33	33
	25 710	25 710

21.1.1 Market risk

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

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

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. The group manages price risk by investing in a portfolio of investments and monitoring equity securities' prices on a regular basis. The group is not directly exposed to commodity price risk.

At 29 February 2012, if the closing market prices of the equity securities that the group holds had been 20% (2011: 20%) higher/lower, with all other variables held constant, the profit after taxation for the year would have been R37 417 000 (2011: R35 549 000) higher/lower.

Cash flow and fair value interest rate risk
The group's interest rate risk arises from investment in an associated company's preference shares carrying a prime-linked dividend rate (refer note 2), cash balances held with financial institutions (refer note 5) and borrowings (refer note 8).

At 29 February 2012, if the prime interest rate and three-month JIBAR rate had been 100 basis points (2011: 200 basis points) higher/lower, with all other variables held constant for the year, the group's profit after taxation for the year would have been R448 000 (2011: R4 200 000) higher/lower.

21. FINANCIAL RISK MANAGEMENT (continued)

21.1 Financial risk factors (continued)

21.1.2 Credit risk

Financial assets which potentially subject the group to credit risk, consist of the investment in an associated company's preference shares (refer note 2), trade and other receivables (refer note 4) and cash and cash equivalents (refer note 5).

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

GROUP – 29 February 2012	A3 credit rating (Moody's) R'000	Not rated R'000	Carrying value R'000
Investment in preference shares of associated company		**66 101**	**66 101**
Trade and other receivables		**50 831**	**50 831**
Unquoted equity securities		**174 157**	**174 157**
Cash and cash equivalents – bank balances	**11 553**		**11 553**
Cash and cash equivalents – money market fund		**65 925**	**65 925**
	11 553	**357 014**	**368 567**
GROUP – 28 February 2011			
Investment in preference shares of associated company		61 659	61 659
Trade and other receivables		1 602	1 602
Unquoted equity securities		109 798	109 798
Cash and cash equivalents – bank balances	5 781		5 781
Cash and cash equivalents – money market fund		200 219	200 219
	5 781	373 278	379 059

Credit risk relating to the preference shares held in an associated company is mitigated through the associated company's holding of quoted equity securities with a market value of R167,9m (2011: R134,3m) at the reporting date. The group exercises significant influence over the associated company through a 49% interest in the associated company's issued ordinary share capital.

Trade and other receivables relates mainly to dividends receivable at the reporting date, which were received subsequent to the reporting date.

The unquoted equity securities relate to advances which are linked to equity instruments. 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.

The unrated cash and cash equivalents relate to the group's investment in PSG Money Market Fund 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.

21. FINANCIAL RISK MANAGEMENT (continued)

21.1 Financial risk factors (continued)

21.1.3 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's cash resources and a R365m undrawn borrowing facility limits the group's liquidity risk.

The tables below analyses the group company's 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.

	Less than one year R'000	One to five years R'000	Total R'000
GROUP			
29 February 2012			
Borrowings	**11 705**	**154 916**	**166 621**
Trade and other payables	**32 362**		**32 362**
	44 067	**154 916**	**198 983**
28 February 2011			
Trade and other payables	30 220		30 220

	Less than one year R'000	No fixed repayment terms R'000	Total R'000
COMPANY			
29 February 2012			
Borrowings		**64 801**	**64 801**
Trade and other payables	**33**		**33**
	33	**64 801**	**64 834**
28 February 2011			
Borrowings		25 677	25 677
Trade and other payables	33		33
	33	25 677	25 710

21. FINANCIAL RISK MANAGEMENT (continued)

21.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following financial assets are measured at fair value:

	GROUP	
	2012	2011
	R'000	R'000
Level 1 – equity securities at quoted market prices	**43 381**	96 884
Level 2 – unquoted equity securities	**174 157**	109 798
	217 538	206 682

No financial liabilities were carried at fair value.

21.3 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 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.

22. SHAREHOLDER ANALYSIS

	Shareholders		Shares held	
	Number	%	Number	%
Range of shareholding				
1 – 20 000	2 455	68,1	17 334 782	1,8
20 001 – 50 000	538	14,9	18 885 719	1,9
50 001 – 100 000	262	7,3	19 853 770	2,0
100 001 – 500 000	204	5,7	45 575 289	4,7
500 001 – 1 000 000	48	1,3	33 735 781	3,4
Over 1 000 000	98	2,7	842 703 176	86,2
	3 605	100,0	978 088 517	100,0
Public and non-public shareholding				
Non-public				
Directors	5	0,1	620 000	0,1
PSG Financial Services Ltd	1	0,0	415 176 633	42,4
Public	3 599	99,9	562 291 884	57,5
	3 605	100,0	978 088 517	100,0

PSG Financial Services Ltd is the only individual shareholder holding 5% or more of the issued shares at 29 February 2012.

23. SEGMENTAL REPORTING

The group is organised into two reportable segments, namely: food and agri, and beverages. These segments represent the major associate and equity investments of the group. Both segments operate mainly in the Republic of South Africa.

Recurring headline earnings is calculated on a see-through basis. Zeder's consolidated recurring headline earnings is the sum of its effective interest in that of each of its underlying investments, regardless of its percentage shareholding. The result is that equity investments which Zeder does not equity account 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). Associated companies' one-off gains/losses (e.g. Competition Commission penalties and restructuring costs) are excluded from recurring headline earnings and included in non-recurring headline earnings.

Segmental income comprises dividends received and fair value gains and losses relating to equity securities, as well as income from associated companies and gains/losses on disposal of interests in associated companies, as per the income statement.

23. SEGMENTAL REPORTING (continued)

For the year ended 29 February 2012	Recurring headline earnings R'000	Non-recurring headline earnings R'000	Headline earnings R'000	Net asset value R'000
Food and agri	265 066	29 846	294 912	2 134 101
Beverages	58 302		58 302	714 176
	323 368	29 846	353 214	2 848 277
Net interest and other income and expenses	(2 422)	(3 176)	(5 598)	1 276
Management fees and taxation	(47 983)	243	(47 740)	(32 527)
Total	272 963	26 913	299 876	2 817 026
Non-headline items			34 736	
Attributable earnings			334 612	
Recurring headline earnings per share (cents)	27,9			

Segmental income analysis for the year ended 29 February 2012	Food and agri R'000	Beverages R'000	Unallocated income R'000	Total R'000
Investments income				
Interest income	421		3 777	4 198
Dividend income	59 524			59 524
Share of profits of associated companies	227 189	58 567		285 756
Loss on disposal of investment in associated company	(125)			(125)
Net fair value gains	51 237			51 237
Segmental income	338 246	58 567	3 777	400 590

23. SEGMENTAL REPORTING (continued)

For the year ended 28 February 2011	Recurring headline earnings R'000	Non-recurring headline earnings R'000	Headline earnings R'000	Net asset value R'000
Food and agri	256 497	(73 596)	182 901	1 671 372
Beverages	60 278	(34)	60 244	675 654
	316 775	(73 630)	243 145	2 347 026
Net interest and other income and expenses	1 112	(227)	885	207 602
Management fees and taxation	(53 178)	(6 045)	(59 223)	(32 846)
Total	264 709	(79 902)	184 807	2 521 782
Non-headline items			74 313	
Attributable earnings			259 120	
Recurring headline earnings per share (cents)	27,1			

Segmental income analysis For the year ended 28 February 2011	Food and agri R'000	Beverages R'000	Unallocated income R'000	Total R'000
Investments income				
Interest income			2 682	2 682
Dividend income	20 112			20 112
Share of profits of associated companies	138 021	63 179		201 200
Gain on disposal of investment in associated company		81 342		81 342
Loss on impairment of associated company	(1 444)			(1 444)
Net fair value gains	32 032			32 032
Segmental income	188 721	144 521	2 682	335 924

24. EVENTS SUBSEQUENT TO REPORTING DATE – BUSINESS COMBINATIONS

Agricol Holdings Ltd ("Agricol")

At the reporting date, the group held 25,1% in the issued share capital of Agricol. Agricol is a seed company, whose activities include plant breeding, production, international trade, processing and distribution of seed.

On 29 March 2012 an agreement became effective whereby the group increased its interest in Agricol to 100%. The purchase consideration of such additional investment amounted to R150,4m, and was funded through existing cash resources and the unutilised borrowing facility (refer note 21.1.3).

At the date of approving these annual financial statements, the allocation of the cost of acquiring this business to identifiable assets, liabilities and contingent liabilities, is still to be determined.

Chayton Atlas Investments ("Chayton")

Chayton is an expanding commercial farming operation. On 29 March 2012 the group entered into agreements in terms of which it will obtain an initial interest of approximately 81% of the issued share capital of Chayton ("the initial investment"). The group will subscribe for the balance of the subscription shares in tranches, as and when suitable acquisition opportunities have been identified by Chayton ("the subscription balance"). Subsequent to the subscription by the group for the subscription balance, it will effectively hold an interest of 95,5% of the issued share capital of Chayton.

The consideration paid by the group in terms of the initial investment amounts to US$9,7m ("the acquisition consideration"). The acquisition consideration was funded through existing cash resources and the unutilised borrowing facility (refer note 21.1.3). The group will subscribe for the subscription balance, amounting to US$37m in tranches as and when suitable acquisition opportunities have been identified by Chayton.

At the date of approving these annual financial statements, the allocation of the cost of acquiring this business to identifiable assets, liabilities and contingent liabilities, is still to be determined.

ANNEXURE – INVESTMENTS
at 29 February 2012

	Nature of business	**2012** **%**	2011 %
INVESTMENT IN SUBSIDIARIES			
Zeder Financial Services Ltd	Investment holding company	**100,0**	100,0
Zeder Investments Corporate Services (Pty) Ltd	Management and investment services company	**100,0**	100,0
Thembeka Agri Holdings (Pty) Ltd *	Investment holding company		100,0
INVESTMENT IN ASSOCIATED COMPANIES			
Unlisted investments			
Kaap Agri Ltd **	Agricultural	**33,4**	43,9
Agri Voedsel Beleggings Ltd	Investment holding company with effective interest of 31% in Pioneer Food Group Ltd	**44,7**	43,9
Capevin Holdings Ltd	Investment holding company with effective interest of 15% in Distell Group Ltd	**39,8**	39,5
Capespan Group Ltd **	Transport of fresh produce	**40,9**	22,7
Suidwes Investments Ltd	Agricultural	**23,7**	21,8
Thembeka OVB Holdings (Pty) Ltd	Holding company of 20% in Overberg Agri Ltd	**49,0**	49,0
MGK Business Investments Ltd *	Agricultural		26,7
NWK Ltd ***	Agricultural	**19,9**	
Agricol Holdings Ltd	Agricultural	**25,1**	25,1

*	*Disposed of during the year*
**	*Economic interest held*
***	*Significant influence obtained during the year through additional interest acquired and board representation.*

SUMMARISED FINANCIAL INFORMATION IN RESPECT OF PRINCIPAL ASSOCIATED COMPANIES	**2012** **R'000**	2011 R'000
Assets	**5 292 064**	4 647 208
Liabilities	**901 310**	757 322
Revenues	**4 610 088**	4 236 678
Profit for the year	**621 050**	422 620

Principal associated companies comprise Kaap Agri Ltd, Agri Voedsel Beleggings Ltd and Capevin Holdings Ltd. The financial information presented are based on the principal associated companies' most recent published results.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the annual general meeting of shareholders of Zeder Investments Ltd ("**Zeder**" or "**the company**") to be held at Webersburg, Webersburg Wines, Annandale Road, Stellenbosch, on Friday, 22 June 2012, at 09:45 ("the AGM").

PURPOSE

The purpose of the meeting is to transact the business set out in the agenda below. For the avoidance of doubt, the memorandum and articles of association of the company are referred to as the memorandum of incorporation in accordance with the terminology used in the new Companies Act 2008 (Act 71 of 2008), as amended ("the Companies Act"), which became effective on 1 May 2011.

AGENDA

1. Presentation of the audited annual financial statements of the company, including the reports of the directors and the audit committee for the year ended 29 February 2012. The annual report of which this notice forms part, contains the complete audited annual financial statements and the aforementioned reports.

2. To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

   Note:

   For any of the ordinary resolutions numbers 1 to 9 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 10 to be adopted, at least 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

2.1 Retirement and re-election of directors

2.1.1 Ordinary resolution number 1

"Resolved that Mr GD Eksteen, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr GD Eksteen

Mr Eksteen farms in the Malmesbury area. He is currently the non-executive chairman of Kaap Agri Ltd and Agri Voedsel Beleggings Ltd and also serves on the board of Swartland Investments Ltd.

2.1.2 Ordinary resolution number 2

"Resolved that Mr LP Retief, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr LP Retief

Mr Retief obtained the BCom Hons degree from the University of Stellenbosch. He also qualified as Chartered Accountant (SA). He is non-executive chairman of Paarl Media Group (Pty) Ltd and non-executive director of Media24 Ltd, Zeder Investments Ltd, Naspers and Pioneer Food Group Ltd. Mr Retief has been involved in the printing and publishing business since 1978. He is a past chairman of the Provincial Press Association and current president of the Printing Industry Federation of South Africa.

2.1.3 Ordinary resolution number 3

"Resolved that Mr PJ Mouton, who retires as director in terms of the memorandum of incorporation of the company, and being eligible and offering himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr PJ Mouton

Mr Mouton obtained a BCom (Mathematics) degree from the University of Stellenbosch. He is the chief executive officer of the PSG Group and serves as a non-executive director on the boards of various PSG Group companies, including Curro Holdings Ltd and Paladin Capital Ltd. He serves as non-executive director on the boards of various other companies, including Capitec Bank and Thembeka Capital Ltd, a black-owned and controlled black empowerment investment holding company. He has been active in the investment and financial services industry since 1999.

The reason for ordinary resolution numbers 1 to 2 (inclusive) is that the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, require that a component of the non-executive directors rotate at the AGM and, being eligible, may offer themselves for re-election as directors. The reason for ordinary resolution number 3 is that Mr Piet Mouton is a new director that was appointed to the board with effect from 28 March 2012 and in accordance with the memorandum of incorporation of the company, and to the extent applicable, the Companies Act, is required to retire at this AGM and being eligible, may offer himself for re-election as director.

2.2 Re-appointment of the members of the audit and risk committee of the company

Note:

For avoidance of doubt, all references to the audit and risk committee of the company is a reference to the audit committee as contemplated in the Companies Act.

2.2.1 Ordinary resolution number 4

"Resolved that Mr MS du Pré le Roux, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

Summary curriculum vitae of Mr MS du Pré le Roux

Mr le Roux obtained his BCom and LLB degrees from the University of Stellenbosch. He is non-executive chairman of Capitec Bank Holdings Ltd and Capitec Bank Ltd and non-executive director of Zeder Investments Ltd. Mr le Roux has 30 years' working experience in commerce and banking. He was managing director of Distillers Corporation (SA) Ltd from 1979 to 1993, and from 1995 to 1998 managing director of Boland Bank Ltd, NBS Boland Ltd and BoE Bank Ltd. Mr le Roux was one of the founding members of the Capitec group and resigned from his position as chief executive officer effective 31 March 2004.

2.2.2 Ordinary resolution number 5

"Resolved that Mr GD Eksteen, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

A summary curriculum vitae of Mr GD Eksteen is set out in paragraph 2.1.1 above.

2.2.3 Ordinary resolution number 6

"Resolved that Mr LP Retief, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

A summary curriculum vitae of Mr LP Retief is set out in paragraph 2.1.2 above.

The reason for ordinary resolution numbers 4 to 6 (inclusive) is that the company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of a company.

2.3 Re-appointment of auditor

Ordinary resolution number 7

"Resolved that PricewaterhouseCoopers Inc be and is hereby re-appointed as auditor of the company for the ensuing year on the recommendation of the audit and risk committee of the company."

The reason for ordinary resolution number 7 is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the AGM of the company as required by the Companies Act.

2.4 Auditor's remuneration

Ordinary resolution number 8

"Resolved that the auditor's remuneration for the year ended 29 February 2012 as determined by the audit and risk committee of the company be and is hereby confirmed."

The reason for ordinary resolution number 8 is that the memorandum of incorporation of the company requires that the remuneration of the auditor be considered at the AGM.

2.5 Unissued shares placed under control of the directors

Ordinary resolution number 9

"Resolved that the unissued shares in the company, limited to 5% of the number of shares in issue at 29 February 2012, be and are hereby placed under the control of the directors until the next annual general meeting and that they be and are hereby authorised to issue any such shares as the directors may deem fit, subject to the Companies Act of 2008 (Act 71 of 2008), as amended, the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE Ltd, save that the aforementioned 5% limitation shall not apply to any shares issued in terms of a rights offer."

The reason for ordinary resolution number 9 is that the board requires authority from shareholders in terms of its memorandum of incorporation to issue shares in the company. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required, inter alia, in terms of capital raising exercises, to maintain a healthy capital adequacy ratio and to issue such shares to the Share Incentive Trust that may be required from time to time when participants exercise their options to subscribe for shares in the company. This general authority is subject to the restriction that it is limited to 5% of the number of shares in issue at 29 February 2012 on the terms more fully set out in ordinary resolution number 9 and subject to the further restrictions set out in ordinary resolution number 10 below.

2.6 General authority to issue shares for cash

Ordinary resolution number 10

"Resolved that the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of its unissued shares for cash placed under their control as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE Ltd ("the JSE"), and subject to the proviso that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 5% of the issued share capital at 29 February 2012, provided that:

– the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date of this resolution;
– a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published after any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of shares in issue prior to such issue;
– the general issues of shares for cash in the aggregate in any one financial year may not exceed 5% of the applicant's issued share capital (number of securities) of that class. For purposes of determining whether the aforementioned 5% has been or will be reached, the securities of a particular class will be aggregated with the securities that are compulsorily convertible into securities of that class and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible. The number of securities of a class which may be issued shall be based on the number of securities of that class in issue at the date of such application less any securities of the class issued during the current financial year, provided that any securities of that class to be issued pursuant to a rights issue (announced and irrevocable and

underwritten) or acquisition (concluded up to the date of application) may be included as though they were securities in issue at the date of application;

- in determining the price at which an issue of shares will be made in terms of this authority the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in 4.25 to 4.27 of the Listings Requirements of the JSE and not to related parties; and
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue."

For listed entities wishing to issue shares for cash, it is necessary for the board not only to obtain the prior authority of the shareholders as may be required in terms of their memorandum of incorporation, contemplated in ordinary resolution number 9 above, but it is also necessary to obtain the prior authority of shareholders in accordance with the Listings Requirements of the JSE. The reason for ordinary resolution number 10 is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the Listings Requirements of the JSE.

At least 75% of the shareholders present in person or by proxy and entitled to vote at the AGM must cast their vote in favour of this resolution.

3. To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

Note:

For the special resolutions to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

3.1 Intercompany financial assistance

3.1.1 Special resolution number 1: Intercompany financial assistance

"Resolved in terms of section 45(3)(a)(ii) of the Companies Act of 2008 (Act 71 of 2008), as amended ("the Companies Act"), as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the company may deem fit to any company or corporation that is related or inter-related ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) to the company, on the terms and conditions and for amounts that the board of the company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company."

The reason for and effect of special resolution number 1 is to grant the directors of the company the authority until the next AGM to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the company. This means that the company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

3.1.2 Special resolution number 2: Financial assistance for acquisition of shares in a related or inter-related company

"Resolved that in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 44(1) and 44 (2) of the Companies Act), that the board of the company may deem fit to any company or corporation that is related or inter-related to the company ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act), on the terms and conditions and for amounts that the board of the company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by a related or inter-related company, or for the purchase of any shares or securities of a related or inter-related company, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company."

The reason for and effect of special resolution number 2 is to grant the directors the authority until the next AGM to provide financial assistance to any company or corporation which is related or inter-related to the company for the purpose of or in connection with the subscription or purchase of options, shares or other securities in any such related or inter-related company or corporation. This means that the company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in its subsidiaries. A typical example of where the company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

3.2 Share repurchases by the company and its subsidiaries

3.2.1 Special resolution number 3: Share buy-back by Zeder

"Resolved as a special resolution that the company be and is hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act of 2008 (Act 71 of 2008), as amended ("the Companies Act"), the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd ("the JSE") and the requirements of any other stock exchange on which the shares of the company may be quoted or listed, including, inter alia, that:

– the general repurchase of the shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the company and the counterparty;
– this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
– an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
– the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
– a resolution has been passed by the board of directors approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the group;
– the general repurchase is authorised by the company's memorandum of incorporation;
– repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
– the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf;
– the company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(g) of the Listings Requirements of the JSE; and
– the company must ensure that its sponsor provides the JSE with the required working capital letters before it commences the repurchase of any shares."

The reason for and effect of special resolution number 3 is to grant the directors a general authority in terms of its memorandum of incorporation and the Listings Requirements of the JSE for the acquisition by the company of shares issued by it on the basis reflected in the special resolution.

In terms of the Listings Requirements of the JSE any general repurchase by the company must, inter alia, be limited to a maximum of 20% of the company's issued share capital in any one financial year of that class at the time the authority is granted.

3.2.2 Special resolution number 4: Share buy-back by subsidiaries of Zeder

"Resolved as a special resolution that the company, insofar as it may be necessary to do so, hereby approves, as a general approval, and authorises the acquisition by any subsidiary of the company ("the subsidiary" or "the acquiree") of shares issued by such subsidiary and/or shares issued by the company, upon such terms and conditions and in such amounts as the directors of any such subsidiary may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act of 2008 (Act 71 of 2008), as amended ("the Companies Act"), the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd ("the JSE") and the requirements of any other stock exchange on which the shares of the subsidiary may be quoted or listed, including, inter alia, that:

- the general repurchase of shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the acquiree and the other counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the acquiree has acquired shares constituting, on a cumulative basis, 3% of the number of shares of the acquiree company in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- this general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the acquiree's issued share capital at the time the authority is granted, subject to a maximum of 10% in the aggregate in the event that it is the company's share capital that is repurchased by a subsidiary;
- a resolution has been passed by the board of directors approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the group;
- the general purchase is authorised by the company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the securities have not traded in such five business day period;
- the company and/or subsidiary may at any point in time only appoint one agent to effect any repurchase(s) on the subsidiary company's behalf;
- the subsidiary company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(g) of the Listings Requirements of the JSE; and
- the company must ensure that its sponsor provides the JSE with the required working capital letters before it commences the repurchase of any shares."

The reason for and effect of special resolution number 4 is to grant the board of directors of any subsidiary of the company a general authority in terms of the Listings Requirements of the JSE to acquire shares issued by such subsidiary and/or to acquire shares issued by the company on the basis reflected in the special resolution.

In terms of the Listings Requirements of the JSE, any general purchase by a subsidiary of shares must, inter alia, be limited to a maximum of 20% of the issued share capital of the acquiree company in any one financial year of that class at the time the authority is granted, subject to a maximum of 10% in the event that it is the company's share capital that is repurchased by a subsidiary.

3.3 Special resolution number 5: Adoption of a new memorandum of incorporation

"Resolved in terms of section 60(1)(c)(ii) of the Companies Act of 2008 (Act 71 of 2008), as amended ("the Companies Act") that the company hereby approves and adopts in terms of section 60(5)(a) of the Companies Act, a new memorandum of incorporation ("MOI"), a copy of which has been tabled at this annual general meeting and initialled by the chairman of this annual general meeting for identification purposes, in substitution for the existing memorandum of incorporation. The date on which the MOI becomes effective will be the date that this special resolution approving the MOI is adopted, irrespective of the date of filing thereof with the Companies and Intellectual Properties Commission."

The reason for special resolution number 5 is to obtain the approval of the shareholders of the company to replace the existing memorandum of incorporation (previously known as the memorandum of incorporation and articles of association) with a new memorandum of incorporation which is aligned with the requirements of the Companies Act. In terms of Schedule 5 of the Companies Act, every pre-existing company has until 1 May 2013 to amend its memorandum of incorporation in harmony with the Companies Act. A copy of the memorandum of incorporation proposed for adoption in terms of special resolution number 5 is available for inspection from 22 May 2012 up to 21 June 2012 at the registered office of the company at Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600.

The effect of this special resolution will be that the company will adopt a new memorandum of incorporation in compliance with the Companies Act.

4. Other business

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the company.

Information relating to the special resolutions

1. The directors of the company or its subsidiaries will only utilise the general authority to purchase shares of the company and/or the subsidiary as set out in special resolutions numbers 3 and 4 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the position of the company and its subsidiaries ("Zeder group") would not be compromised as to the following:

   – the Zeder group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the purchase;
   – the consolidated assets of the Zeder group will at the time of the AGM and at the time of making such determination be in excess of the consolidated liabilities of the Zeder group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Zeder group;
   – the ordinary capital and reserves of the Zeder group after the purchase will remain adequate for the purpose of the business of the Zeder group for a period of 12 months after the AGM and after the date of the share purchase; and
   – the working capital available to the Zeder group after the purchase will be sufficient for the Zeder group's requirements for a period of 12 months after the date of the notice of the annual general meeting

   and the directors have passed a resolution authorising the repurchase, resolving that the company or the subsidiary, as the case may be, has satisfied the solvency and liquidity test as defined in the Companies Act and resolving that since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the Zeder group.

   General information in respect of directors, major shareholders, directors' interest in securities and material changes and the share capital of the company is contained in the annual report of the company for the financial year ending 29 February 2012 ("the annual report") which has been delivered to the ordinary shareholder with this notice.

2. The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.

3. The directors, whose names appear on page 1 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the notice contains all information required by the Listings Requirements of the JSE.

4. Special resolution numbers 1, 3 and 4 are renewals of resolutions taken at the previous annual general meeting on 15 June 2011.

Information relating to the remuneration of directors

In terms of the management agreement between Zeder and PSG Corporate Services (Pty) Ltd ("PSG"), all directors' fees are paid by PSG. In the interest of transparency, shareholders are advised that fees payable to directors in the financial year ahead will be as set out below:

Per annum for serving as a director: R75 600

Per annum for serving on the audit and risk committee: R27 000

Note: Executive directors of the company are not personally remunerated for their services as directors of the company and/or its subsidiaries.

VOTING

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 18 May 2012.

2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this meeting is Friday, 15 June 2012, with the last day to trade being Friday, 8 June 2012.

3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly bring a copy of their identity document, passport or driver's licence to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

NOTICE OF ANNUAL GENERAL MEETING *(continued)*

4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.

5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the company at the address given below by not later than 12:00 on Wednesday, 20 June 2012.

6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

By order of the board

PSG Corporate Services (Pty) Ltd
Company secretary

15 May 2012
Stellenbosch

Registered office
Zeder Investments Ltd
Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Transfer secretaries
Computershare Investor Services (Pty) Ltd
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Sponsor
PSG Capital
Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
JSE share code: ZED
ISIN code: ZAE000088431
("Zeder" or "the company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

For use at the annual general meeting of ordinary shareholders of the company to be held at 09:45 at Webersburg, on Friday, 22 June 2012.

I/We (Full name in print) ______________________________

of (address) ______________________________

being the registered holder of ______________________________ ordinary shares hereby appoint:

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

3. the chairman of the meeting,

as my proxy to vote for me/us at the annual general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the special resolutions and ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes):

	Number of shares		
	In favour of	Against	Abstain
1. To accept the presentation of the audited annual financial statements			
2.1.1 Ordinary resolution number 1: To re-elect Mr GD Eksteen as director			
2.1.2 Ordinary resolution number 2: To re-elect Mr LP Retief as director			
2.1.3 Ordinary resolution number 3: To re-elect Mr PJ Mouton as director			
2.2.1 Ordinary resolution number 4: To re-appoint Mr MS du Pré le Roux as a member of the audit and risk committee			
2.2.2 Ordinary resolution number 5: To re-appoint Mr GD Eksteen as a member of the audit and risk committee			
2.2.3 Ordinary resolution number 6: To re-appoint Mr LP Retief as a member of the audit and risk committee			
2.3 Ordinary resolution number 7: To re-appoint PricewaterhouseCoopers Inc as the auditor			
2.4 Ordinary resolution number 8: To confirm the auditor's remuneration			
2.5 Ordinary resolution number 9: Unissued shares placed under control of the directors			
2.6 Ordinary resolution number 10: General authority to issue shares for cash			
3.1.1 Special resolution number 1: Intercompany financial assistance			
3.1.2 Special resolution number 2: Financial assistance for the acquisition of shares in a related or inter-related company			
3.2.1 Special resolution number 3: Share buy-back by Zeder			
3.2.2 Special resolution number 4: Share buy-back by subsidiaries of Zeder			
3.3 Special resolution number 5: Adoption of new memorandum of incorporation			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.

Signed at ______________ on this ______________ day of ______________ 2012.

Signature(s) ______________________________

Assisted by *(where applicable) (state capacity and full name)*

____

Each Zeder shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the company) to attend, speak and vote in his/her stead at the annual general meeting.

NOTES

1. A Zeder shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the annual general meeting". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A Zeder shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.

3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.

4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the company, Computershare Investor Services (Pty) Ltd (PO Box 61051, Marshalltown, 2107), by not later than 12:00 on Wednesday, 20 June 2012.

5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

ADMINISTRATION

DETAILS OF ZEDER INVESTMENTS LTD
Registration number 2006/019240/06
Share code: ZED
ISIN code: ZAE000088431

SECRETARY AND REGISTERED OFFICE
PSG Corporate Services (Pty) Ltd
Registration number 1996/004840/07
Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
PO Box 7403
Stellenbosch, 7599
Telephone +27 21 887 9602
Telefax +27 21 887 9619

TRANSFER SECRETARIES
Computershare Investor Services (Pty) Ltd
Ground Floor
70 Marshall Street
Johannesburg, 2001
PO Box 61051
Marshalltown, 2107

CORPORATE ADVISOR AND SPONSOR
PSG Capital

AUDITOR
PricewaterhouseCoopers Inc

PRINCIPAL BANKER
FirstRand Ltd

WEBSITE ADDRESS
www.zeder.co.za

SHAREHOLDERS' DIARY

	2012
Financial year-end	29 February
Profit announcement	10 April
Annual general meeting	22 June
Interim profit announcement	1 October

GREYMATTER & FINCH # 6278

ZEDER INVESTMENTS LIMITED ANNUAL REPORT 2012

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