ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2017

REGISTRATION NUMBER: 2006/019240/06

These annual financial statements were compiled under the supervision of JH le Roux, financial director of the group and Chartered Accountant (SA), and audited as set out in the audit report on pages 8 to 14.

Company information

Directors

Executive

N Celliers (Chief executive officer)	(Appointed 23 July 2012)
JH le Roux (Financial director)	(Appointed 8 September 2016)

Non-executive

JF Mouton (Chairman)	(Appointed 21 August 2006)
GD Eksteen*	(Appointed 1 September 2009)
PJ Mouton	(Appointed 30 April 2012)
WL Greeff	(Appointed 21 May 2009)
CA Otto**	(Appointed 21 August 2006)
ASM Karaan**	(Appointed 6 April 2016)
N Mjoli-Mncube**	(Appointed 1 June 2016)
WA Hanekom**	(Resigned 24 June 2016)
AE Jacobs**	(Resigned 24 June 2016)

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

Registration number	2006/019240/06
Registered address	2nd Floor Ou Kollege 35 Kerk Street Stellenbosch 7600
Postal address	PO Box 7403 Stellenbosch 7599
Auditor	PricewaterhouseCoopers Inc. Stellenbosch
Company secretary	Zeder Corporate Services (Pty) Ltd

ZEDER INVESTMENTS LIMITED
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

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ZEDER INVESTMENTS LIMITED
REPORT OF THE AUDIT AND RISK COMMITTEE
FOR THE YEAR ENDED 28 FEBRUARY 2017

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

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

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

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

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

The committee has evaluated the annual financial statements of the company and group for the year ended 28 February 2017 and, based on the information provided to the committee, considers that these comply, in all material respects, with the requirements of International Financial Reporting Standards; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the requirements of the Companies Act of South Africa; and the JSE Listings Requirements.

Chris Otto
Chairman

10 April 2017
Stellenbosch

ZEDER INVESTMENTS LIMITED
APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

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

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

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

The annual financial statements set out on pages 3 to 7 and 15 to 94 were approved by the board of directors of Zeder Investments Ltd and are signed on its behalf by:

JF Mouton
Chairman

N Celliers
Chief executive officer

JH le Roux
Financial director

10 April 2017
Stellenbosch

DECLARATION BY THE COMPANY SECRETARY

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

Zeder Corporate Services (Pty) Ltd
Per L van der Merwe
Company secretary

10 April 2017
Stellenbosch

OVERVIEW

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

OPERATING RESULTS

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

Earnings performance

- The modest 0.5% increase in recurring headline earnings per share for the year under review to 42.6 cents (2016: 42.4 cents) (2015: 35.3 cents) resulted from the higher number of shares in issue following the below mentioned internalisation of the PSG Group management agreement (refer to Corporate actions below) as well as the tough trading conditions experienced at Pioneer Foods, Capespan and Quantum Foods in particular, offset by commendable results from Kaap Agri, Zaad and Agrivision.
- Following the once-off management fee internalisation charge of R1.45bn to the income statement, Zeder’s headline earnings per share decreased significantly from a 36.5 cents per share profit (2015: 22.0 cents per share profit) in the prior year, to a loss of 47.5 cents per share in the current year.
- Loss for the year amounted to R741.7m (2016: profit of R788.1m) (2015: profit of R283.7m), while the earnings attributable to equity holders of the group amounted to a loss of R795.9m (2016: earnings of R781.9m) (2015: earnings of R241.8m).

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

- Zeder’s SOTP value per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, increased by 23.1% during the reporting period to R8.53 compared to a like-for-like R6.93 per share as at 29 February 2016, following the issue of 207.7m Zeder shares pursuant to the below-mentioned internalisation of the PSG management agreement.

Corporate actions

- On 29 August 2016, Zeder shareholders voted in favour of acquiring the rights to the management agreement from PSG Group in exchange for the issue of 207,661,758 Zeder shares, representing a 12% equity interest. PSG Group’s shareholding consequently increased from 34.5% to 42.1%, with no further management fees payable to PSG Group in terms of this agreement with effect from 1 September 2016. The base management fee payable to PSG Group for the six months to 31 August 2016, calculated as 1.5% p.a. of Zeder’s volume weighted average market capitalisation, amounted to R75m (2016: R155m) (2015: R117.8m). The rights to the PSG Group management agreement so acquired, valued at R1.45bn, did not meet the recognition criteria for intangible assets in terms of International Financial Reporting Standards (IFRS), and was consequently accounted for in the income statement as a non-recurring headline expense. It should be noted that this was a once-off charge, with Zeder benefiting from the related cost savings thereafter. This transaction should yield positive results for Zeder shareholders as free cash flow will improve significantly, while the large historical discount between Zeder’s share price and sum-of-the-parts (“SOTP”) value per share has already narrowed as anticipated. The existing PSG Group representatives continue to serve on both the Zeder Executive Committee and Zeder Board and assist in determining strategy and making investment decisions. PSG Group remains the largest shareholder in Zeder.
- Furthermore, the group invested R262.3m in cash in Capespan Group Ltd ("Capespan") and Zaad Holdings Ltd, all companies forming part of Zeder's existing core investments, in order to fund further growth.
- During the previous year, the company issued 69,557,939 ordinary shares to Capespan shareholders through a scheme of arrangement to effectively increase the Zeder group's interest in Capespan to 96.6% at the time. The company also issued 4,433,103 and 5,017,863 ordinary shares for additional interests in Kaap Agri and in Gebroeders Bakker Zaadteelt en Zaadhander B.V. ("Bakker"), respectively. During the previous year the company transferred the Capespan, Kaap Agri and Bakker shares to ZFS through an asset-for-share transaction.
- During the 2015 year, Zeder made an offer to acquire all the shares in Agri Voedsel Ltd ("Agri Voedsel") (which in turn held an interest of 26.0% in JSE-listed Pioneer Food Group Ltd) not already held by Zeder, whereby Agri Voedsel shareholders were offered 16.2 Zeder shares for every one Agri Voedsel share. This transaction was approved on 15 September 2014 and implemented on 20 October 2014. Following completion of same, Zeder owned a direct interest of 27.3% in Pioneer Food Group Ltd at the time. As purchase consideration, 463,655,654 Zeder shares were issued to Agri Voedsel shareholders.

STATED CAPITAL

During the year under review, the company issued 207,661,758 (2016: 79,008,905) (2015: 463,655,674) ordinary shares as part of asset-for-share transactions (mostly notably the aforementioned Management Fee Internalisation transaction) and thereby increased its total number of ordinary shares in issue to 1,730,514,648 (2016: 1,522,852,890) (2015:1,443,843,985). Details regarding the authorised and issued share capital are disclosed in note 15 to the annual financial statements.

Together with the aforementioned management fee internalisation transaction, Zeder constituted the Zeder Group Share Incentive Trust, in order to incentivise senior management of Zeder, to align their interests with those of Zeder Shareholders and to ensure continuity of senior management. Zeder acquired 7,892,310 Zeder ordinary shares (treasury shares) in order to enable the Zeder Group Share Incentive Trust to fulfil any obligations to participants in terms of the initial share options that were awarded to and accepted by the participants, prior to 28 February 2017 when the participants were still employees of PSG Corporate Services (Pty) Ltd ("PSGCS") under the aforementioned management agreement. Details regarding the treasury shares are disclosed in note 15 to the annual financial statements.

DIVIDENDS

On 10 April 2017, the company declared a final dividend of 11 cents (2016: 9 cents) (2015: 5.5 cents) per share from income resources in respect of the year ended 28 February 2017, which is payable on 8 May 2017.

EVENTS SUBSEQUENT TO THE REPORTING DATE

Zeder, through its subsidiary, Zaad Holdings Ltd, has concluded agreements for the acquisition of a 35% stake in the Turkish seed company May-Agro Tohumculuk Sanayi ve Ticaret Anonim Şirketi ("May Seed"), subject to the fulfilment of certain conditions precedent.

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

DIRECTORS

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

Executive	**Non-executive**
N Celliers (Chief executive officer)	JF Mouton (Chairman)
JH le Roux (Financial director)	GD Eksteen*
	PJ Mouton
	WL Greeff
	CA Otto*
	ASM Karaan*
	N Mjoli-Mncube*
	** Independent*

DIRECTORS' EMOLUMENTS

Cash-based remuneration:

Directors' emoluments (excluding Mr AE Jacobs' emoluments) were paid by PSGCS in terms of the aforementioned management agreement until 31 August 2016. As a result of the management fee internalisation transaction directors' emoluments were paid by the Zeder group, effective from 1 September 2016.

Audited	**Basic salary R'000**	**Company contributions and allowances R'000**	**Performance -related R'000**	**Fees R'000**	**Total 2017 R'000**	Total 2016 R'000	Total 2015 R'000
Executive							
N Celliers[1]	**2,784**	**33**	**3,432**		**6,249**	5,900	5,500
JH le Roux[1, 2, 4]	**793**	**9**	**1,284**		**2,086**		
Non-executive							
GD Eksteen				**131**	**131**	123	115
ASM Karaan[2]				**50**	**50**		
N Mjoli-Mncube[2]				**68**	**68**		
CA Otto[3]				**25**	**25**		
JF Mouton[3]					**-**		
PJ Mouton[3]					**-**		
WL Greeff[3]					**-**		
WA Hanekom[2]				**63**	**63**	123	100
AE Jacobs[1, 2, 5]	**567**	**99**	**750**		**1,416**	1,846	1,733
MS du Pré le Roux[2]					**-**		55
LP Retief[2]					**-**		80
	4,144	**141**	**5,466**	**337**	**10,088**	7,992	7,583

1 *Performance-related emoluments were paid in respect of the 2017 financial year, except for Mr AE Jacobs, where it was paid in respect of the 2016 financial year.*

2 *Messers JH le Roux, ASM Karaan and Mrs N Mjoli-Mncube were appointed during the year and Messers WA Hanekom and AE Jacobs resigned during the year. Messers MS du Pré le Roux and LP Retief resigned during the 2015 year.*

3 *These directors do not receive any emoluments for services rendered to the company, as the Zeder group were managed by PSGCS in terms of a management agreement. These directors only receive emoluments from PSGCS for services rendered to PSG Group Ltd and its investee companies (including the Zeder group). Effective from 1 September 2016, when the aforementioned management agreement were internalised, the Zeder group pay a strategic fee to PSGCS for services rendered to the company and in addition, a non-executive directors fee to Mr CA Otto.*

4 *The basic salary and company contributions received by Mr JH le Roux relates only to the period which he served as an executive director, except for the performance-related emoluments paid during that period, but related to the full 2017 financial year.*

5 *The basic salary and company contributions received by Mr AE Jacobs relates to his employment as chief executive officer of Zaad Holdings Ltd, a subsidiary, only for the period which he served as a non-executive director, except for the performance-related emoluments paid during that period, but related to the 2016 financial year.*

The members of the Zeder Executive Committee ("Exco") are regarded as being the prescribed officers of the company. The Exco comprises Messrs PJ Mouton (Chairman), N Celliers (Chief executive officer), JH le Roux (Financial director), WL Greeff and JF Mouton. Messrs N Celliers and JH le Roux's remuneration are included above and the other Exco members' remuneration is disclosed in PSG Group Ltd’s annual report available at *www.psggroup.co.za* .

DIRECTORS' EMOLUMENTS (continued)

Equity-based remuneration:

Audited	**Number of share options as at 29 Feb 2016**	**Number of share options during the year Granted**	**Vested**	**Market price per share on vesting date R**	**Vesting price per share R**	**Date granted**	**Number of share options as at 28 Feb 2017**
Zeder Investments Ltd share options granted by the Zeder Group Share Incentive Scheme Trust							
N Celliers	875,487		(437,743)	7.08	2.57	20/04/2012	**437,744**
	675,675		(337,838)	7.44	3.33	28/02/2013	**337,837**
	3,745,426		(1,248,476)	7.44	4.10	28/02/2014[5]	**2,496,950**
	525,292		(131,323)	7.44	7.71	28/02/2015	**393,969**
	789,990				4.97	29/02/2016	**789,990**
		1,792,402			7.29	28/02/2017	**1,792,402**
	6,611,870	1,792,402	(2,155,380)				**6,248,892**
JH le Roux	914,634		(304,878)	7.44	4.10	28/02/2014	**609,756**
	129,702		(32,426)	7.44	7.71	28/02/2015	**97,276**
	373,113				4.97	29/02/2016	**373,113**
		1,787,037			7.29	28/02/2017	**1,787,037**
	1,417,449	1,787,037	(337,304)				**2,867,182**
Total	8,029,319	3,579,439	(2,492,684)				**9,116,074**
PSG Group Ltd share options granted by the PSG Group Ltd Supplementary Share Incentive Trust							
N Celliers	7,913		(7,913)	251.43	47.39	29/02/2012	
	12,194		(6,098)	251.43	61.50	28/02/2013	**6,096**
	6,082		(2,028)	251.43	83.23	28/02/2014	**4,054**
	9,866		(2,467)	251.43	136.84	28/02/2015	**7,399**
	7,341				178.29	29/02/2016	**7,341**
	43,396	-	(18,506)				**24,890**
JH le Roux	3,467				178.29	29/02/2016	**3,467**
Total	46,863	-	(18,506)				**28,357**

5 *Included in the 28 February 2014 share option allocation is a once-off allocation of 4,500,000 Zeder Investments Ltd share options, which was made to appropriately incentivise the aforementioned director. Retention of the director's services are considered key to Zeder Investments Ltd's continued success. During the year under review, 25% (2016: 25%) (2015: 0%) of these share options vested.*

DIRECTORS' SHAREHOLDING

	Beneficial		Non-beneficial	Total shareholding 2017	
Audited	**Direct**	**Indirect**	**Indirect**	**Number**	**%**
N Celliers		**6,815,370**		**6,815,370**	**0.394**
JH le Roux		**647,682**		**647,682**	**0.037**
GD Eksteen		**6,683,585**	**250,000**	**6,933,585**	**0.401**
N Mjoli-Mncube		**48,983**		**48,983**	**0.003**
CA Otto			**80,000**	**80,000**	**0.005**
JF Mouton		**80,000**		**80,000**	**0.005**
WL Greeff		**80,000**		**80,000**	**0.005**
		14,355,620	**330,000**	**14,685,620**	**0.850**

	Total shareholding 2016		Total shareholding 2015	
Audited	Number	%	Number	%
N Celliers	4,659,990	0.306	3,411,514	0.236
GD Eksteen	6,933,585	0.455	6,933,585	0.480
CA Otto	80,000	0.005	80,000	0.006
JF Mouton	80,000	0.005	80,000	0.006
WL Greeff	80,000	0.005	80,000	0.006
AE Jacobs	70,000	0.005	70,000	0.005
	11,903,575	0.781	10,655,099	0.739

Also refer to the shareholder analysis in note 35 to the annual financial statements.

SECRETARY

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

AUDITOR

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

Independent auditor's report

To the Shareholders of Zeder Investments Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zeder Investments Limited (the Company) and its subsidiaries (together the Group) as at 28 February 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Zeder Investments Limited's consolidated and separate financial statements set out on pages 15 to 94 comprise:

- the group and company statements of financial position as at 28 February 2017;
- the group and company income statements for the year then ended;
- the group and company statements of comprehensive income for the year then ended;
- the group and company statements of changes in equity for the year then ended;
- the group and company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with *International Standards on Auditing* (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

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Our audit approach

Overview

Overall group materiality

- *R36.4 million, which represents 5% of profit before tax, after adjusting for the once off Zeder internalisation cost.*

Group audit scope

- *We conducted an audit of the three significant reporting units in the group and parent company.*
- *Specified audit procedures were further performed at two reporting units.*

Key Audit Matters

- *Impairment assessment of investment in associates and goodwill relating to subsidiaries with unobservable inputs*
- *Accounting treatment of the Management fee internalisation transaction*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	*Overall group materiality: R36.4 million.*
How we determined it	*5% of profit before tax, excluding the once off Zeder internalisation cost*
Rationale for the materiality benchmark applied	*We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.*

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group financial statements are a consolidation of 10 reporting units which comprise the parent company, the Group's holding company structure and sub-consolidations of the operating entities within the group, Zaad Holdings Limited ("Zaad"), Capespan Group Limited ("Capespan") and Agrivision Africa ("Agrivision").We conducted a full scope audit for Zaad, Capespan and Agrivision due to their financial significance to the group financial statements. A full scope audit was also performed on the financial information of the parent company as it is subject to a statutory audit in South Africa. To ensure we obtained sufficient and appropriate audit evidence to express an opinion on the Group financial statements we performed specific audit procedures over significant balances and transactions at two other reporting units, Pioneer Food Group Limited ("Pioneer") and Kaap Agri Limited ("Kaap Agri"). The group audit team centrally performed procedures over the Group consolidation (and review procedures over the Annual Report disclosures) and analytical reviews.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the reporting units by us, as the Group engagement team, or by component auditors from other PwC network firms or non PwC firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

Key audit matters

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

Consolidated financial statements

Key audit matter	***How our audit addressed the key audit matter***
Impairment assessment of investment in associates and goodwill relating to subsidiaries with unobservable inputs	
The investment in associates and goodwill relating to subsidiaries represents a substantial portion of the group's total assets (55%). The goodwill is tested annually by the audit committee and management as described in accounting policy note 7.1 and 8. The audit committee and management also considered whether there was any objective evidence that the investment in the associates is impaired. Refer to note 2, 3, annexure A and annexure B for the disclosure regarding the audit committee and management's assessment. The investment portfolio of the group includes actively traded investments (listed) and non-actively traded investments (unlisted). The impairment assessment of the investment in associates (R1.5bn)	• To assess the control environment in which the impairment reviews are performed we have satisfied ourselves that the final impairment calculations, including the final assumptions used, were approved by the appropriate personnel. • We obtained management's impairment calculations and tested the reasonableness of the key assumptions as detailed below for the two different techniques. • We substantively tested the integrity of supporting calculations and corroborated certain information with third party sources.

and goodwill (R357m) with unobservable inputs (unlisted) was considered to be a matter of most significance to our current year audit as the audit committee and management utilise two different valuation techniques that requires management to apply significant judgement. **Price/earnings (P/E) Ratio** The key judgements and estimates in determining the inputs are: ● Forecast recurring headline earnings per share; ● P/E multiple ranges and the reasonability of the P/E multiple range compared to similar entities; ● Reasonability of previous share transactions **Discounted cash flow model ("DCF")** This involves a number of key judgements and estimates in determining the input including: ● Revenue and earnings growth; ● Operating margins; ● Working capital requirements; and ● Discount rate. The impairment testing of the investment in associates and goodwill is contingent on various inputs and there is a risk that the investment is impaired if these inputs are not considered in detail.	**Price/earnings (P/E) Ratio** ● We assessed and considered the PE multiples applied by management and compared them to multiples of similar entities. We found that the PE multiples that management applied to be comparable with third-party and independently established rates. ● We agreed current recurring headline earnings per share to the financial results of investments. ● In order to test the robustness of management's forecasts, we compared actual results for 2017 to the forecasted information included in the prior year forecast. We determined that the actual results were within acceptable range to the forecasted information, after allowing for changes in economic assumptions and other relevant variables. **Discounted cash flow model ("DCF")** ● We assessed the projected future cash flows, operating margins, working capital and requirements used in the models by understanding the process followed by management to determine these forecasts and agreeing the forecasted information to management approved budgets and business plans. In order to test the robustness of management's projections and estimates, we compared actual results for 2017 to the 2017 forecasts included in the prior year forecast. We determined that the actual results were within acceptable range to the forecasted information, after allowing for changes in economic assumptions and other relevant variables. ● We compared the discount rate used by management in their calculation to our internally developed benchmarks. Our internal benchmarks were determined using our view of various economic indicators. We found that the discount rate applied by management were comparable with our internally developed benchmarks.
Accounting treatment of the management fee internalisation transaction During the year shareholders voted in favour of acquiring the rights to the management fee	To test the accounting treatment of the transaction,

agreement from PSG Corporate Services (Pty) Ltd (PSGCS) in exchange for the issue of 207,661,758 Zeder ordinary shares. This resulted, as disclosed in note 26.1, in a once off charge to the income statement of R1,45bn with a corresponding increase to share capital. The transaction was considered to be a matter of most significance to the current year audit due to the magnitude of the transaction and the impact it had on the income statement. In addition, if the accounting treatment of the transaction is not accurate, it could have a material impact on the financial position. Refer to the directors' report and note 26.1 for the disclosure and for further information.	we performed amongst other the following procedures: ● We attended the shareholders meeting where the shareholders approved the transaction. ● We obtained and examined the agreements entered into between Zeder and PSGCS to: ○ determine whether we acquired any other rights in terms of the agreement that might meet the recognition criteria of intangible assets in terms of IAS 38: Intangible Assets. None were found and the rights were subsequently accounted for in the income statement; ○ confirm the number of shares issued; and ○ confirm the price per share, that was included in the contract as the volume weighted average price ("VWAP"), at the effective date. We performed a recalculation of the VWAP and agreed it to management's calculation. The price calculated by management per share was found to be accurate. ● To confirm the number of shares used in the calculation of the expense is accurate, we obtained and inspected the shareholders register to confirm the number of shares issued. We found that the shares issued per contract agreed to the shareholders register and management's calculation.

Separate financial statements

We have determined that there are no key audit matters in respect of the separate financial statements.

Other information

The directors are responsible for the other information. The other information comprises the report of the audit and risk committee, the declaration by the company secretary and the directors' report as required by the Companies Act of South Africa and the approval of the annual financial statements, which we obtained prior to the date of this auditor's report, and Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Zeder Investments Limited for 11 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered Auditor
Stellenbosch
10 April 2017

ZEDER INVESTMENTS LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2017

		GROUP		
		2017	2016	2015
	Notes	**R'000**	R'000	R'000
ASSETS				
Non-current assets		**9,834,678**	9,180,814	7,951,068
Property, plant and equipment	1	**1,640,265**	1,561,748	1,223,209
Intangible assets	2	**666,134**	656,555	600,729
Biological assets (bearer plants)	9.1	**363,924**	278,636	181,524
Investment in ordinary shares of associates	3.1	**6,824,150**	6,455,232	5,703,989
Loans to associates	3.2	**76,998**		30,030
Investment in ordinary shares of joint ventures	4.1	**8,525**	576	39
Loans to joint ventures	4.2	**3,022**		81
Equity securities	5	**45,774**	50,192	51,008
Loans and advances	7	**110,932**	64,673	62,128
Deferred income tax assets	17	**57,562**	69,862	63,869
Employee benefits	8	**37,392**	43,340	34,462
Current assets		**3,335,949**	3,722,544	3,184,404
Biological assets (agricultural produce)	9.2	**122,325**	126,940	92,808
Inventories	10	**1,319,458**	1,291,297	988,105
Debt securities	6		22,854	
Trade and other receivables	11	**1,413,603**	1,575,351	1,259,979
Loans and advances	7	**35,526**	1,644	52,281
Derivative financial assets	12		42	24
Current income tax assets		**22,729**	20,138	21,208
Cash, money market investments and other cash equivalents	13	**422,308**	684,278	769,999
Non-current assets held for sale	14			30,378
Total assets		**13,170,627**	12,903,358	11,165,850
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Stated capital	15	**7,153,858**	5,704,822	5,095,256
Treasury shares	15	**(50,260)**		
Other reserves	16	**(372,387)**	31,708	54,067
Retained earnings		**1,559,805**	2,514,064	1,983,375
		8,291,016	8,250,594	7,132,698
Non-controlling interests		**407,329**	441,833	607,845
Total equity		**8,698,345**	8,692,427	7,740,543
Non-current liabilities		**1,320,269**	1,473,877	1,273,712
Deferred income tax liabilities	17	**94,181**	101,664	105,627
Borrowings	18	**1,015,416**	1,165,916	969,938
Derivative financial liabilities	19	**94,004**	65,424	63,644
Employee benefits	8	**116,668**	140,873	134,503
Current liabilities		**3,152,013**	2,737,054	2,151,595
Borrowings	18	**1,957,511**	1,275,970	902,373
Trade and other payables	20	**1,091,687**	1,328,052	1,153,236
Derivative financial liabilities	19	**128**		417
Current income tax liabilities		**36,809**	61,753	30,928
Employee benefits	8	**65,878**	71,279	64,641
Total liabilities		**4,472,282**	4,210,931	3,425,307
Total equity and liabilities		**13,170,627**	12,903,358	11,165,850

ZEDER INVESTMENTS LIMITED
INCOME STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Notes	**2017 R'000**	GROUP 2016 R'000	2015 R'000
Revenue	21	**10,209,139**	9,317,747	8,691,968
Cost of sales	22	**(8,545,655)**	(7,758,904)	(7,423,794)
Gross profit		**1,663,484**	1,558,843	1,268,174
Income				
Change in fair value of biological assets	9.2	**224,293**	243,556	144,019
Investment income	23	**66,528**	46,803	74,848
Net fair value (losses)/gains	24	**(7,216)**	(53,246)	37,717
Other operating income	25	**29,060**	51,097	44,714
Total income		**312,665**	288,210	301,298
Expenses				
Management fees	26.1	**(74,883)**	(154,643)	(235,514)
Management fee internalisation charge	26.1	**(1,449,479)**		
Marketing, administration and other expenses	26.2	**(1,561,499)**	(1,429,812)	(1,129,819)
Total expenses		**(3,085,861)**	(1,584,455)	(1,365,333)
Net income from associates and joint ventures				
Share of profits of associates and joint ventures	3 & 4	**628,727**	569,411	299,892
Impairment of associates and joint ventures	3 & 4			(132)
Net (loss)/profit on dilution of interest in associate	3 & 4	**(7,566)**	258,298	
Net income from associates and joint ventures		**621,161**	827,709	299,760
(Loss)/profit before finance costs and taxation		**(488,551)**	1,090,307	503,899
Finance costs	27	**(232,392)**	(180,123)	(142,864)
(Loss)/profit before taxation		**(720,943)**	910,184	361,035
Taxation	28	**(20,718)**	(122,103)	(77,289)
(Loss)/profit for the year		**(741,661)**	788,081	283,746
(Loss)/profit attributable to:				
Owners of the parent		**(795,962)**	781,909	241,816
Non-controlling interests		**54,301**	6,172	41,930
		(741,661)	788,081	283,746
(Loss)/earnings per share (cents)	32			
Attributable - basic		**(49.1)**	52.5	20.6
Attributable - diluted		**(51.3)**	49.4	20.6

ZEDER INVESTMENTS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017

	2017 R'000	2016 R'000	2015 R'000
(Loss)/profit for the year	**(741,661)**	788,081	283,746
Other comprehensive income for the year, net of taxation	**(469,243)**	(131,699)	(30,963)
Items that may be reclassified to profit or loss			
Currency translation adjustments	**(422,811)**	(130,723)	(19,012)
Reclassification of foreign exchange gains on long-term loan forming part of net foreign investment			(1,015)
Fair value gains on available-for-sale investments			792
Share of other comprehensive income of associates	**(42,545)**	(7,553)	(12,725)
Cash flow hedges		(2,637)	(5,709)
Reclassification of cash flow hedges			25,010
Items that may not be reclassified to profit or loss			
(Losses)/gains from changes in financial and demographic assumptions of post-employment benefit obligations	**(3,887)**	9,214	(18,304)
Total comprehensive income for the year	**(1,210,904)**	656,382	252,783
Attributable to:			
Owners of the parent	**(1,192,964)**	765,138	217,522
Non-controlling interests	**(17,940)**	(108,756)	35,261
	(1,210,904)	656,382	252,783

ZEDER INVESTMENTS LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total R'000
Balance at 1 March 2014	1,748,061	-	76,121	1,796,330	544,679	4,165,191
Total comprehensive income	-	-	(10,095)	227,617	35,261	252,783
Profit for the year				241,816	41,930	283,746
Other comprehensive income			(10,095)	(14,199)	(6,669)	(30,963)
Transactions with owners	3,347,195	-	(11,959)	(40,572)	27,905	3,322,569
Shares issued	3,347,195				10,890	3,358,085
Share-based payment costs - employees			10,709			10,709
Transactions with non-controlling interests			(20,263)	1,130	32,141	13,008
Transfer between reserves			(2,405)	2,405		-
Dividends paid				(44,107)	(15,126)	(59,233)
Balance at 28 February 2015	5,095,256	-	54,067	1,983,375	607,845	7,740,543
Total comprehensive income	-	-	(25,679)	790,817	(108,756)	656,382
Profit for the year				781,909	6,172	788,081
Other comprehensive income			(25,679)	8,908	(114,928)	(131,699)
Transactions with owners	609,566	-	3,320	(260,128)	(57,256)	295,502
Shares issued	609,566				364,752	974,318
Share-based payment costs - employees			3,265		6,020	9,285
Transactions with non-controlling interests				(180,662)	(413,464)	(594,126)
Subsidiaries acquired					4,952	4,952
Transfer between reserves			55	(55)		-
Dividends paid				(79,411)	(19,516)	(98,927)
Balance at 29 February 2016	5,704,822	-	31,708	2,514,064	441,833	8,692,427
Total comprehensive income	**-**	**-**	**(393,189)**	**(799,775)**	**(17,942)**	**(1,210,904)**
(Loss)/profit for the year				**(795,962)**	**54,301**	**(741,661)**
Other comprehensive income			**(393,189)**	**(3,813)**	**(72,241)**	**(469,243)**
Transactions with owners	**1,449,036**	**(50,260)**	**(10,906)**	**(154,484)**	**(16,563)**	**1,216,823**
Shares issued	**1,449,036**				**25,485**	**1,474,521**
Treasury shares purchased		**(61,624)**				**(61,624)**
Treasury shares sold		**11,364**				**11,364**
Share-based payment costs - employees			**8,675**		**2,426**	**11,101**
Transactions with non-controlling interests			**(18,577)**	**(18,431)**	**(31,172)**	**(68,180)**
Transfer between reserves			**(1,004)**	**1,004**		**-**
Dividends paid				**(137,057)**	**(13,302)**	**(150,359)**
Balance at 28 February 2017	**7,153,858**	**(50,260)**	**(372,387)**	**1,559,805**	**407,329**	**8,698,345**

Final dividends per share*

- 2014: 4.5 cents (declared on 7 April 2014 and paid on 5 May 2014)
- 2015: 5.5 cents (declared on 7 April 2015 and paid on 4 May 2015)
- 2016: 9 cents (declared on 11 April 2016 and paid on 9 May 2016)
- 2017: 11 cents (declared on 10 April 2017 and payable on 8 May 2017)

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

ZEDER INVESTMENTS LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Notes	2017 R'000	2016 R'000	2015 R'000
Cash flow from operating activities		**175,836**	120,486	(108,584)
Cash generated from/(utilised by) operations	31.1	**96,695**	107,389	(75,699)
Interest received		**64,900**	41,793	68,675
Dividends received		**249,555**	225,029	132,817
Interest paid		**(188,770)**	(158,268)	(125,373)
Taxation paid	31.2	**(46,544)**	(95,457)	(109,004)
Cash flow from investment activities		**(725,421)**	(741,801)	(741,132)
Acquisition of subsidiaries	31.3	**(114,311)**	(274,338)	(300,233)
Acquisition of associates and joint ventures	3 & 4	**(108,562)**	(58,136)	(264,849)
Loans granted to associates and joint ventures		**(69,142)**		
Acquisition of equity securities	5	**(439)**	(6,709)	
Additions to property, plant and equipment	1	**(310,501)**	(359,109)	(256,475)
Additions to intangible assets	2	**(89,316)**	(95,183)	(75,828)
Proceeds from disposal of non-current assets held for sale			13,086	193,458
Proceeds from disposal of property, plant and equipment		**34,903**	48,072	8,953
Proceeds from disposal of intangible assets				41
Increase in loans and advances		**(68,053)**	(9,484)	(46,199)
Cash flow from financing activities		**348,669**	557,621	579,514
Capital contributions by non-controlling interests		**25,485**	364,752	6,400
Transactions with non-controlling interests		**(52,433)**	(6,310)	(9,052)
Purchase of treasury shares		**(61,624)**		
Treasury shares sold		**11,364**		
Dividends paid to shareholders of the parent		**(137,057)**	(79,411)	(44,107)
Dividends paid to non-controlling interests		**(13,302)**	(19,516)	(15,126)
Borrowings repaid		**(289,381)**	(395,786)	(79,386)
Borrowings drawn		**865,617**	693,892	720,785
Net decrease in cash and cash equivalents		**(200,916)**	(63,694)	(270,202)
Cash and cash equivalents at beginning of year		**684,278**	769,999	1,014,768
Exchange (losses)/gains on cash and cash equivalents		**(61,054)**	(22,027)	25,433
Cash and cash equivalents at end of year	13	**422,308**	684,278	769,999

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

1. BASIS OF PREPARATION

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and standalone financial statements are disclosed in accounting policy note 28 below.

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

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

The following new standards, interpretations or amendments, which are relevant to the group's operations, became effective during the year:

- Amendments to IAS 1 – Presentation of financial statements – Disclosure initiative (effective 1 January 2016)
  Amendments encourage companies to apply professional judgement in determining what information to disclose in their financial statements.
- Amendment to IAS 16 – Property, plant and equipment and IAS 38 – Intangible assets – Clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016)
  Both standards are amended to clarify whether revenue based methods can be used to calculate the expected pattern of consumption of the future economic benefits of an asset. These methods are not appropriate when determining depreciation, and generally assumed to be an inappropriate basis for calculating amortisation.
- Amendment to IAS 27 – Separate financial statements – Equity method in separate financial statements (effective 1 January 2016)
  In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
- Amendments to IFRS 10 – Consolidated financial statements and IAS 28 – Investments in associates and joint ventures – Applying the consolidation exception (effective 1 January 2016)
  The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
- Amendment to IFRS 11 – Joint arrangements – Acquisition of an interest in a joint operation (effective 1 January 2016)
  This amendment provides new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.
- Amendments to IAS 16 – Property, plant and equipment and IAS 41 – Agriculture – Bearer plants (effective 1 January 2016)
  These standards are amended to include bearer plants, with the exception of the produce on bearers plants, within the scope of IAS 16 rather than IAS 41.
- Annual Improvements 2012-2014 cycle (effective 1 January 2016):

  IAS 19 – Employee benefits
  The standard is amended to clarify how to determine the discount rate in a regional market sharing the same currency.

  IAS 34 – Interim financial reporting
  The amendment clarifies the meaning of disclosure of information 'elsewhere in the interim financial report'.

These standards, interpretations and amendments have no material impact on measurements of assets and liabilities or disclosures in the current or prior financial years.

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

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

- Annual Improvements 2012-14 cycle (effective 1 January 2016):

  IFRS 5 – Non-current assets held for sale and discontinued operations
  These amendments clarify that a change in the manner of disposal of a non-current asset or disposal group held for sale is considered to be a continuation of the original plan of disposal, and accordingly, the date of classification as held for sale does not change.

  IFRS 7 – Financial instruments: disclosures
  The amendment clarifies that the IFRS7 disclosure regarding offsetting financial assets and financial liabilities is not required for interim financial statements.

  IFRS 7 – Financial instruments: disclosures
  The standard is amended to clarify under what circumstances an entity will have continuing involvement in a transferred asset as a result of a servicing contract.

- IFRS 14 – Regulatory deferral accounts (effective 1 January 2016)
  The standard permits first-time IFRS adopters to continue to recognise amounts relating to rate-regulated activities in accordance with their previous GAAP requirements, provided that the effect of rate regulation is separately disclosed.

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

The following new standards, interpretations and amendments have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2017 or later periods and have not been early adopted by the group:

- Amendments to IFRS 2 – Share-based payments - Clarifying how to account for certain types of share-based payment transactions. (effective 1 January 2018) *

  This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority.

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

  New standard to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard, inter alia, encompasses requirements in the following areas: Classification and measurement (replaces the multiple classification and measurement models with a single model that has only two categories: amortised cost and fair value); Impairment (introduces an ’expected credit loss’ model for the measurement of the impairment of financial assets); Hedge accounting (introduces a new hedge accounting model); Derecognition (carried forward from IAS 39).

- Amendment to IFRS 9 - Financial instruments - On general hedge accounting (effective 1 January 2018) ^

  The IASB has amended IFRS 9 to align hedge accounting more closely with an entity’s risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

- Amendments to IFRS 10 and IAS 28 – Investment Entities (effective 1 January 2016) *

- Amendments to IFRS 10 and IAS 28 – Sale or Contribution to Assets between an Investor and its Associate or Joint Venture (effective 1 January 2016) *

- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017) ^

  The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.

- Amendment to IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017) ^

  The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licenses of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

- IFRS 16 Leases (effective 1 January 2019) ^

  The new lease standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

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

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

- IFRS 4 Insurance contracts - Regarding the implementation of IFRS 9 Financial instruments *

  These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will: a)Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b)Give companies whose activities are predominantly connected with insurance an optional exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard – IAS 39.
- Amendment to IAS 7 – Statement of cash flows – Disclosure initiative (effective 1 January 2017)+

  The amendment introduces additional disclosure that will assist users of financial statements to evaluate changes in liabilities arising from financing activities, including whether the changes are from cash flows or non-cash items.
- Amendment to IAS 12 – Income taxes – Recognition of deferred tax assets for unrealised losses (effective 1 January 2017)+

  The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses . The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets.
- Amendments to IAS 40 – Investment property – Transfers of investment property (effective 1 January 2018)*

  These amendments clarify that to transfer to, or from, investment properties there must be a change in use.
- IFRIC 22 – Foreign currency transactions and advance consideration (effective 1 January 2018)^

  This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice.
- Annual improvements to IFRSs 2014 +

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

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

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

3. CONSOLIDATION

3.1 Subsidiaries

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

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

Acquisition-related costs are expensed as incurred.

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

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

3. CONSOLIDATION (continued)

3.1 Subsidiaries (continued)

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

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

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

3.2 Changes in ownership interests in subsidiaries without change of control

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

3.3 Disposal of subsidiaries

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

3.4 Associates

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

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

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

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

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

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

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

3. CONSOLIDATION (continued)

3.5 Joint arrangements

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

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

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

4. SEGMENT REPORTING

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

5. FOREIGN CURRENCY TRANSLATION

5.1 Functional and presentation currency

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

5.2 Transactions and balances

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

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

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

5.3 Group companies

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

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

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

5. FOREIGN CURRENCY TRANSLATION (continued)

5.3 Group companies (continued)

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

	2017		2016		2015	
	Average rand per foreign currency unit	**Closing rand per foreign currency unit**	Average rand per foreign currency unit	Closing rand per foreign currency unit	Average rand per foreign currency unit	Closing rand per foreign currency unit
British pound	**18.94**	**16.28**	19.52	23.01	17.83	17.99
Euro	**15.73**	**13.91**	14.17	16.97	14.14	14.05
Japanese yen	**0.13**	**0.12**	0.11	0.13	0.10	0.10
Mozambique new metical	**0.21**	**0.19**	0.31	0.35	0.35	0.34
United States dollar	**14.27**	**13.11**	12.76	15.53	10.84	11.60
Zambian kwacha	**1.47**	**1.35**	1.49	1.41	1.77	1.84

6. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

7. INTANGIBLE ASSETS

7.1 Goodwill

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

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

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

7.2 Trademarks

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

7.3 Customer lists

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

7. INTANGIBLE ASSETS (continued)

7.4 Computer software

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

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

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

7.5 Capitalised product development costs

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

7.6. Amortisation of intangible assets

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

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

8. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

9. FINANCIAL INSTRUMENTS

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

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

10. OFFSETTING FINANCIAL INSTRUMENTS

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

11. FINANCIAL ASSETS

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

11.1 Classification

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

11.2 Recognition and measurement of financial assets

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

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

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

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

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

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

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

11. FINANCIAL ASSETS (continued)

11.3 Impairment of financial assets

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

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

12. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

12.1 Non-controlling interest put option liabilities

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

12.2 Derivative financial instruments and hedging activities

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

12.3 Cash flow hedges

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

12. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

12.3 Cash flow hedges (continued)

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

13. BIOLOGICAL ASSETS

13.1 Agricultural produce

Agricultural produce are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Changes in the measurement of fair value less cost to sell are included in profit or loss for the period in which they arise. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs and incremental selling costs, including auctioneers' fees and commission paid to brokers and dealers. All costs incurred in maintaining the assets are included in profit or loss for the period in which they arise. Refer note 9.2 for further details regarding the valuation of biological assets.

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

13.2 Bearer plants

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

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

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

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

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

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

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

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

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

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

14. INVENTORY

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

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

15. TRADE AND OTHER RECEIVABLES

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

16. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS

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

17. STATED CAPITAL

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

17.1 Treasury shares

The cost of treasury shares acquired are debited to the treasury share reserve, and upon disposal of such shares, the reserve is credited with the weighted average calculated cost attributable to the shares disposed of.

Where any group company purchases the company's equity share capital (i.e. treasury shares), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects. Any net income in relation to treasury shares (both fair value movements and dividends) is eliminated from group profits for the year. The number of shares in the earnings per share calculation is reduced for treasury shares held during the period on a weighted average basis.

17.2 Share trust

Certain of the group's remuneration schemes are operated through the Zeder Group Share Incentive Trust. The share trust is considered to be a special-purpose entity controlled by the group and is therefore consolidated.

18. FINANCIAL LIABILITIES

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

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

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

18. FINANCIAL LIABILITIES (continued)

18.1 Borrowings

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

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

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

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

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

18.2 Trade and other payables

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

19. TAXATION

19.1 Current and deferred income tax

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

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

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

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

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

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

19.2 Dividend withholding tax

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

20. EMPLOYEE BENEFITS

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

20.1 Post-retirement pension and medical plans

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

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

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

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

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

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

20.2 Share-based compensation

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

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

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

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

20.3 Termination benefits

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

20.4 Annual leave

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

20. EMPLOYEE BENEFITS (continued)

20.5 Profit sharing and bonus plans

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

20.6 Other short-term employee benefits

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

21. PROVISIONS AND CONTINGENT LIABILITIES

21.1 Provisions

Provisions are recognised when:

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

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

21.2 Contingent assets and liabilities

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

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

22. LEASES

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

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

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

23. DIVIDEND DISTRIBUTIONS

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

24. REVENUE RECOGNITION

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

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

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

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

24.1 Sale of goods

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

24.2 Services rendered

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

24.3 Interest income

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

24.4 Dividend income

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

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

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

26. EARNINGS PER SHARE ACCOUNTING POLICY TO INCLUDE

26.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

26.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the dilutive earnings from the subsidiaries or associates due to the additional ordinary shares of that subsidiary or associates that would have been outstanding assuming the conversion of all dilutive potential ordinary shares of that subsidiary or associate
- by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

27. GOVERNMENT GRANTS

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the group will comply with all the attached conditions. Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to profit and loss on a straight-line basis over the expected useful lives of the related assets.

Grants related to income are deducted from the related expense.

28. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities are addressed below.

28.1 Estimated impairment of goodwill

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

28.2 Impairment of investment in associates

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

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

28.3 Acquisition of associates

Details regarding significant new investments in associates are disclosed in note 3. Furthermore, the group's interest in certain already existing associates were also increased. In accounting for these transactions management had to apply judgement in allocating the purchase price to the identifiable assets and liabilities of the associates acquired, or the portion acquired when an additional interest was acquired.

28.4 Recognition of intangible assets

With a business combination all identifiable assets are recognised at their respective fair values in the consolidated financial statements. The fair values of intangible assets acquired through business combinations are determined by using a discounted cash flow valuation method. The discount rate is based on the long-term risk-free rate with risk premiums added for market and other company and asset specific risks. Intangible assets acquired through business combinations in the previous years were valued using discount rates ranging between 5% and 8% for 2016 and 4% and 17% for 2015.

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

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

The main assumptions used in the valuation of key customer lists are the useful lives of these assets and the future profitability and cancellation rate of the underlying revenue streams. The useful life of a key customer list is estimated based on the cancellation experience of the existing business and the useful life of customer lists of other players in the market. For the key customer lists recognised during the year, useful lives ranging between 2 and 5 years were assumed and average cancellation rates ranging between 15% and 85% (2016: ranging between 15% and 85%) (2015: ranging between 15% and 85%) were assumed.

Product development costs are capitalised by the group when product projections indicates that the product would be a success and the cost can be reliably determined. The projections is based on the expected margin that would realise on the sale of the products in the future, the expected life cycle of the product, as well as the market share that the company expect to gain with the specific product.

If useful lives were increased/decreased by 10%, the intangible assets recognised would have been approximately R2.9m (2016: approximately R3.1m) (2015: approximately R2.5m) higher/lower. Future profit margins used in determining customer contracts and relationships values were consistent with the margins applied in determining the fair value of the related investment.

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

28.4 Recognition of intangible assets (continued)

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

28.5 Useful lives of property, plant and equipment

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

28.6 Fair value of biological assets

The fair value of these biological assets were determined using a discounted cash flow model, which incorporates significant variable inputs i.e. discount rate and useful life of the biological assets. Where an insignificant level of biological transformation had taken place since planting, the biological assets are valued at cost (refer note 9.2 for further details).

28.7 Money market funds

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

28.8 Recoverability of trade and other receivables

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

28.9 Deferred tax

Each group entity determines the recoverability of deferred tax assets and the recognition of estimated tax losses. The recognition is based on the entities' ability to utilise these losses based on expected future taxable earnings. Deferred tax assets in respect of tax losses set out in note 17.

1. PROPERTY, PLANT AND EQUIPMENT

	Land R'000	Buildings R'000	Vehicles, plant and equipment R'000	Office equipment R'000	Total R'000
At 28 February 2017					
Cost	**406,377**	**939,166**	**922,711**	**135,548**	**2,403,802**
Accumulated depreciation and impairment	**(25,813)**	**(220,636)**	**(421,673)**	**(95,413)**	**(763,535)**
	380,562	**718,530**	**501,038**	**40,135**	**1,640,265**
Reconciliation					
Balance at beginning of year	**387,680**	**642,060**	**481,186**	**50,822**	**1,561,748**
Additions	**36,152**	**137,284**	**116,789**	**20,276**	**310,501**
Disposals		**(13,137)**	**(6,883)**	**(14,146)**	**(34,166)**
Depreciation	**(5,714)**	**(26,878)**	**(90,674)**	**(14,424)**	**(137,690)**
Impairment		**(64)**	**(2,717)**	**(95)**	**(2,876)**
Exchange rate movements	**(37,556)**	**(52,398)**	**(42,630)**	**(3,178)**	**(135,762)**
Subsidiaries acquired		**31,663**	**45,967**	**880**	**78,510**
Balance at end of year	**380,562**	**718,530**	**501,038**	**40,135**	**1,640,265**
At 29 February 2016					
Cost	409,647	858,081	861,305	148,193	2,277,226
Accumulated depreciation and impairment	(21,967)	(216,021)	(380,119)	(97,371)	(715,478)
	387,680	642,060	481,186	50,822	1,561,748
Reconciliation					
Balance at beginning of year	376,078	373,503	433,901	39,727	1,223,209
Additions	20,930	191,882	123,648	22,649	359,109
Disposals	(298)	(4,286)	(13,953)	(4,046)	(22,583)
Depreciation	(6,895)	(26,031)	(80,342)	(11,551)	(124,819)
Impairment		(12,704)	(1,103)	(364)	(14,171)
Exchange rate movements	(41,788)	(2,852)	(44,973)	3,097	(86,516)
Subsidiaries acquired	39,653	122,548	64,008	1,310	227,519
Balance at end of year	387,680	642,060	481,186	50,822	1,561,748
At 28 February 2015					
Cost	390,981	389,391	552,464	56,006	1,388,842
Accumulated depreciation and impairment	(14,903)	(15,888)	(118,563)	(16,279)	(165,633)
	376,078	373,503	433,901	39,727	1,223,209
Reconciliation					
Balance at beginning of year	289,270	312,395	304,745	18,565	924,975
Additions	47,691	44,841	133,090	30,853	256,475
Disposals	(121)	(140)	(4,250)	(111)	(4,622)
Depreciation	(6,935)	(15,016)	(65,189)	(9,788)	(96,928)
Reversal of impairment		8,277	3,616		11,893
Transfer to held-for-sale		(20,454)	(9,533)	(11)	(29,998)
Exchange rate movements	(2,127)	(9,948)	193	(175)	(12,057)
Subsidiaries acquired	48,300	53,548	71,229	394	173,471
Balance at end of year	376,078	373,503	433,901	39,727	1,223,209

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

The current year impairment relates to the property, plant and equipment of a citrus and cane farm whose operation terminated at the end of the current year.

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

The 2015 year reversal of impairment relates to the property, plant and equipment of a subsidiary of Capespan Group Ltd, which was subsequently reclassified as a non-current asset held-for-sale and disposed of (refer note 14).

2. INTANGIBLE ASSETS

	Capitalised product development costs* R'000	Customer lists R'000	Trademarks, computer software and other R'000	Goodwill R'000	Total R'000
At 28 February 2017					
Cost	**301,800**	**39,592**	**107,439**	**357,377**	**806,208**
Accumulated amortisation and impairment	**(68,400)**	**(35,425)**	**(36,249)**		**(140,074)**
Balance at end of year	**233,400**	**4,167**	**71,190**	**357,377**	**666,134**
Reconciliation					
Balance at beginning of year	**199,444**	**10,412**	**71,055**	**375,644**	**656,555**
Additions	**71,513**		**17,803**		**89,316**
Amortisation	**(11,376)**	**(6,074)**	**(11,185)**		**(28,635)**
Impairment	**(1,612)**			**(3,561)**	**(5,173)**
Exchange rate movement	**(24,569)**	**(171)**	**(6,483)**	**(25,248)**	**(56,471)**
Subsidiaries acquired				**10,542**	**10,542**
Balance at end of year	**233,400**	**4,167**	**71,190**	**357,377**	**666,134**
At 29 February 2016					
Cost	258,281	39,965	109,826	375,644	783,716
Accumulated amortisation and impairment	(58,837)	(29,553)	(38,771)		(127,161)
Balance at end of year	199,444	10,412	71,055	375,644	656,555
Reconciliation					
Balance at beginning of year	127,560	19,681	37,378	416,110	600,729
Additions	59,493		35,690		95,183
Amortisation	(14,259)	(10,020)	(6,371)		(30,650)
Impairment	(2,926)			(5,024)	(7,950)
Exchange rate movement	28,597	(573)	2,499	(56,551)	(26,028)
Subsidiaries acquired	979	1,324	1,859	21,109	25,271
Balance at end of year	199,444	10,412	71,055	375,644	656,555
At 28 February 2015					
Cost	144,884	36,999	67,907	416,110	665,900
Accumulated amortisation and impairment	(17,324)	(17,318)	(30,529)		(65,171)
Balance at end of year	127,560	19,681	37,378	416,110	600,729
Reconciliation					
Balance at beginning of year	74,471	22,329	46,058	232,937	375,795
Additions	71,598		4,230		75,828
Disposals			(41)		(41)
Amortisation	(9,272)	(6,386)	(9,671)		(25,329)
Impairment	(3,894)		(9,166)	(5,953)	(19,013)
Exchange rate movement	(5,743)	133	250	27,985	22,625
Subsidiaries acquired	400	3,605	5,718	161,141	170,864
Balance at end of year	127,560	19,681	37,378	416,110	600,729

2. INTANGIBLE ASSETS (continued)

Intangible assets other than goodwill

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

	Remaining amortisation period			Carrying value		
				2017	2016	2015
	2017	2016	2015	**R'000**	R'000	R'000
Zaad						
- Capitalised product development costs*	**4 - 7 years**	< 7 years	< 8 years	**233,400**	199,444	127,560
Capespan						
- Metspan Hong Kong customer lists	**14 years**	15 years	16 years	**11,700**	10,412	13,372
- Software development	**5-8 years**	5 - 9 years		**45,688**	41,410	4,679
				290,788	251,266	145,611

* Capitalised product development costs are internally generated and are in respect of plant and seed breeding operations within the subsidiaries of Zaad Holdings Ltd. Each product needs to go through its normal plant life cycle to generate seed, which can vary between 4 to 8 months. Some plants are seasonal and can only be grown once a year. Line development normally takes up to 7 cycles before a product can be released for commercial testing and future commercialisation. Included in cost under capitalised product development costs are intangibles in use amounting to R132.7m (2016: R131.6m) which are currently being amortised.

Goodwill allocation

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

	2017	2016	2015
	R'000	R'000	R'000
Zaad			
- Agricol	**51,722**	51,722	51,722
- Klein Karoo Seed Marketing	**75,673**	69,065	69,065
- Agriseeds	**6,069**	6,228	
Agrivision Africa			
- Agrivision Zambia (previously Chobe Agrivision)	**30,069**	34,672	42,883
- Somawhe	**55,019**	63,441	78,467
- Mpongwe Milling	**121,987**	140,659	173,973
Capespan			
- Contour Logistics (acquired as Aspen Logistics)	**9,857**	9,857	
- Port Stevedores	**6,981**		
	357,377	375,644	416,110

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

2. INTANGIBLE ASSETS (continued)

Goodwill allocation (continue)

Zaad - Agricol and Klein Karoo Seed Marketing

A definite value distinction can be made between earnings on own Intellectual Property ("IP") and earnings from the various seed trading operations. The IP operation commands a much higher profit margin and due to significant research and development costs and long development timeframes, also means a considerable higher barrier to entry. Fair value less cost to sell of Agricol and Klein Karoo Seed Marketing is determined using unobservable inputs (level 3), by applying a range of price/earnings ratios to the various parts of the operations, equating to an effective group price/earnings ratio of 13 (2016: 12) (2015: 12). The price/earnings ratio applied was determined with reference to similar listed companies, adjusted for entity specific considerations. Had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value.

Zaad - Agriseeds

Fair value less cost to sell of Agriseeds was determined during the current year, using unobservable inputs (level 3), by applying a price/earnings ratio of 12. The price/earnings ratio was determined with reference to similar listed companies, adjusted for entity specific considerations. Had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value. During the prior year was determined using a discounted cash flow model, management-approved budgets and the following key inputs:

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

Agrivision Africa

The fair value less cost to sell of Agrivision Africa, which consists of three CGUs, namely Chobe Agrivision, Somawhe and Mpongwe Milling, is determined based on the net realisable value of the underlying assets, with reference to the fair value of land, buildings and other tangible assets (level 3 unobservable inputs). This was based mainly on a market-related valuation of all property, plant and equipment that was performed by an independent valuation specialist during the year and, in the prior year, at an average selling price of US$13,000 (2015: US$11,840) per irrigated hectare of land. Had the price per irrigated hectare been adjusted downward by 10%, the recoverable amount would still exceed the carrying value. Mpongwe Milling's fair value less cost to sell was determined using a discounted cash flow in the current year and price/earnings ratio of 10 (2016: 10 - 15) (2015: 10 - 15) in the prior years.

The current year discounted cash flow model included management-approved budgets and the following key inputs:

Discount rate	17.4%
Terminal growth rate	2.0%
Tax rate	17.5% - 35%

Capespan - Contour Logistics

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

Discount rate	15.6%
Terminal growth rate	2.0%
Tax rate	28.0%

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

	2017	2016	2015
	R'000	R'000	R'000
3. INVESTMENT IN ASSOCIATES			
3.1 Investment in ordinary shares of associates			
- Listed	**5,330,445**	5,133,863	4,916,986
- Unlisted but quoted	**612,417**	550,838	461,922
- Unlisted	**881,288**	770,531	325,081
	6,824,150	6,455,232	5,703,989

	2017 R'000	2016 R'000	2015 R'000
3. INVESTMENT IN ASSOCIATES (continued)			
3.2 Loans to associates			
- GAP Chemicals (Pty) Ltd*	**59,943**		
- Sorghum Solutions Africa (Pty) Ltd**	**6,610**		
- Tradekor Holdings (Pty) Ltd*	**5,985**		
- Sonkwasdrif (Pty) Ltd*	**4,460**		
- Klein Karoo Akademie (Pty) Ltd**			2,305
- Klein Karoo Seed Marketing Zimbabwe (Pvt) Ltd**			27,725
	76,998	-	30,030

* These loans are unsecured, carry interest at prime with no repayment terms.

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

Reconciliation of ordinary share investments:

	2017 R'000	2016 R'000	2015 R'000
Balance at beginning of year	**6,455,232**	5,703,989	1,821,814
Acquisitions			
- Cash[1, 2]	**108,724**	57,399	87,301
- Shares issued[3, 4]		36,354	3,335,322
- Other[1]	**67,445**		50,079
Equity accounting			
- Share of profits of associates[5]	**620,535**	569,611	300,743
- Dividends received	**(249,064)**	(223,242)	(126,644)
- Other comprehensive income	**(42,545)**	(7,553)	(12,725)
Impairment of associates[6]			(65)
Profit on dilution[7]	**18,607**	277,336	
Loss on dilution[8]	**(26,173)**	(19,038)	
Transfer from equity securities[4]			254,387
Transfer to subsidiaries		(197)	(7,946)
Fair value gain on step-up acquisition of an associate to a subsidiary		3,731	
Transfer from loan to associates		2,361	
Exchange rate movement	**(128,611)**	54,481	1,723
Balance at end of year	**6,824,150**	6,455,232	5,703,989
Market value of listed investments	**9,730,855**	7,741,374	9,763,816
Market value of unlisted but quoted investments (based on a rolling PE basis per associate)[9]	**1,320,903**	1,677,413	962,923

1 During the current year, the group, through Capespan Group Ltd, acquired 35% interest in a fruit marketer and distributer, Yupaa Fresh Private Ltd, for R40m, 50% interest in a logistical and terminal operator, Tradekor Holdings (Pty) Ltd for R60m (including deferred purchase consideration of R37.4m) and 49% interest in a pome farm, Sonkwasdrif (Pty) Ltd, for R6.5m, and acquired, through Zaad Holdings Ltd, 49.68% interest in GAP Chemicals (Pty) Ltd, a chemical distributor, for R59.9m (including deferred purchase consideration of R30m). Zeder also bought additional shares in Kaap Agri to the value of R9.4m.

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

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

4 During the 2015 year, Zeder made an offer to acquire all the shares in Agri Voedsel Ltd ("Agri Voedsel") (which in turn held an interest of 26% and 23.8% in Pioneer Food Group Ltd and Quantum Foods Holdings Ltd, respectively) not already held by Zeder, whereby Agri Voedsel shareholders were offered 16.2 Zeder shares for every one Agri Voedsel share. This transaction was approved on 15 September 2014 and implemented on 20 October 2014. Following the completion of same, Zeder held a direct interest of 27.3% in Pioneer Food Group Ltd and 25% in Quantum Foods Holdings Ltd. Subsequently, the direct interest in Quantum Foods Holdings Ltd was increased to 26.4%. Zeder issued 463,655,654 shares, valued at R3.3bn, to the Agri Voedsel shareholders through the aforementioned scheme of arrangement to effectively increase its interest in Pioneer Food Group Ltd and Quantum Foods Holdings Ltd. The group's existing direct interest (previously classified as equity securities) was transferred to investment in associates at fair value (refer note 5).

3. INVESTMENT IN ASSOCIATES (continued)

Reconciliation of ordinary share investments (continued)

[5] Equity accounted earnings as per the income statement of R628.7m (2016: R569.4m) (2015: R299.9m) includes the equity accounted earnings from the investment in joint ventures of R8.2m (2016: Rnil) (2015: Rnil) and losses Rnil (2016: R0.2m) (2015: R0.9m) (refer note 4).

[6] The 2015 year impairment relates to Blue Green Oceans (Pty) Ltd, an aqua culture operation.

[7] During the current year, the group through Capespan, incurred a further dilution in the interest in Golden Wing Mau to 10.46%, due to the issue of shares to a new shareholder in order to finalise the prior year agreed merger arrangements amounting to a dilution gain of R19m. During the prior year, Golden Wing Mau, an associate of Capespan Group Ltd, merged as equals with Joyvio. Both companies are leading players in China's fresh fruit business and the merger resulted in the group's interest in Golden Wing Mau diluting from 25% to 11.3% during the prior year. The group continues to exercise significant influence through, inter alia, board representation. The dilution gain of R277.3m consequently recognised by the group was determined with reference to the fair value at which the merger was concluded being above the carrying value of the investment. The fair value was determined by the appointed appraiser using the discounted cash flow method and price-to-sales ratios. The most significant inputs to the fair value determination were the discount rate applied ranging between 10.5% and 11.9% and the price-to-sale ratio ranging between 1.0257 to 3.9626, depending on the nature of the operations.

[8] The group's interest in Pioneer Food Group Ltd diluted due to changes in shareholding in the management and other share incentive schemes.

[9] Market value was determined during the current year, using observable inputs (earnings published in the market), by applying a price/earnings ratio of 15 (2016: 10) (2015: 10).

Further information

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

		2017 R'000	2016 R'000	2015 R'000
4.	**INVESTMENT IN JOINT VENTURES**			
4.1	**Investment in ordinary shares of joint ventures**	**8,525**	576	39
	Reconciliation of ordinary share investment:			
	Balance at beginning of year	**576**	39	67
	Additions	**162**	737	
	Impairment			(67)
	Equity accounted earnings/(losses)	**8,192**	(200)	(851)
	Other movements	**(405)**		890
	Balance at end of year	**8,525**	576	39
4.2	**Loans to joint ventures***	**3,022**		81
	* This loan is unsecured, interest-free with no repayment terms.			
5.	**EQUITY SECURITIES**			
	Available-for-sale	**6,716**	7,033	4,729
	- Unlisted but quoted	**1,321**	1,321	1,321
	- Unquoted	**5,395**	5,712	3,408
	At fair value through profit or loss			
	- Unquoted	**39,058**	43,159	46,279
		45,774	50,192	51,008

The unquoted equity securities include advances which are linked to equity instruments. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying equity securities and the dividends received on these securities. The advances are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value of the advances (refer to note 34 for fair value disclosures).

5. EQUITY SECURITIES (continued)

	Available-for-sale R'000	At fair value through profit or loss R'000	Total R'000
Reconciliation			
Balance at 1 March 2014	3,756	202,772	206,528
Net fair value gains	973	97,894	98,867
Transfer to associates		(254,387)	(254,387)
Balance at 28 February 2015	4,729	46,279	51,008
Additions	2,304	4,405	6,709
Net fair value losses		(7,525)	(7,525)
Balance at 29 February 2016	7,033	43,159	50,192
Additions		**439**	**439**
Net fair value losses	**(317)**	**(4,009)**	**(4,326)**
Exchange rate movement		**(531)**	**(531)**
Balance at 28 February 2017	**6,716**	**39,058**	**45,774**

	2017 R'000	2016 R'000	2015 R'000
6. DEBT SECURITIES			
At fair value through profit or loss (current)			
- Unquoted		22,854	

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

	2017 R'000	2016 R'000	2015 R'000
7. LOANS AND ADVANCES			
Secured loans	**95,689**	60,446	104,191
Unsecured loans	**50,769**	5,871	10,218
	146,458	66,317	114,409
Current	**35,526**	1,644	52,281
Non-current	**110,932**	64,673	62,128
	146,458	66,317	114,409

Secured loans include, inter alia, loans to Capespan Group Ltd ("Capespan") staff of R24.8m (2016: R21.6m) (2015: R21.2m), loans to non-controlling shareholders of Zaad Holdings Ltd amounting to R50m (2016: R32.3m) (2015: R29.7m), loans to Zeder directors amounting to R25.3m (2016: Rnil) (2015: Rnil) (refer note 29) and a production loan of Rnil (2016: Rnil) (2015: R48.7m) by Capespan to a supplier. The Capespan staff loans, as well as the Zeder directors' loans, carry interest at the SARS official interest rate, has fixed repayment terms and Capespan ordinary shares and Zeder ordinary shares serve as security, respectively, for the loans. The loans to the non-controlling shareholders carry interest at rates ranging between prime less 2% and prime, are repayable between July 2017 and August 2021, and are secured by the non-controlling shareholders' ordinary shares in Zaad Holdings Ltd. The loan to a supplier of Capespan carried interest at a rate of prime plus 1% had fixed repayment terms and the supplier's fruit produced served as security.

Unsecured loans comprise mainly a loan extended to Progene (Pvt) Ltd ("Progene") based in Zimbabwe. The loan was used to procure seed, which was produced and sold to the Zimbabwean government. Treasury bills issued by the government in favour of Progene have been ceded to the group as security for the repayment of the loan. The loan is interest free and have no repayment terms (refer note 6).

8. EMPLOYEE BENEFITS

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

	2017			2016		
	Assets R'000	**Liabilities R'000**	**Net R'000**	Assets R'000	Liabilities R'000	Net R'000
Short-term employee benefits						
Performance-based remuneration		**(24,648)**	**(24,648)**		(41,514)	(41,514)
Leave pay		**(24,438)**	**(24,438)**		(27,578)	(27,578)
Other			**-**			-
Post-employment defined benefit plans	**37,392**	**(116,668)**	**(79,276)**	43,340	(137,457)	(94,117)
Termination employee benefits		**(16,792)**	**(16,792)**		(5,603)	(5,603)
	37,392	**(182,546)**	**(145,154)**	43,340	(212,152)	(168,812)
Non-current portion	**37,392**	**(116,668)**	**(79,276)**	43,340	(140,873)	(97,533)
Current portion		**(65,878)**	**(65,878)**		(71,279)	(71,279)

	2015		
	Assets R'000	Liabilities R'000	Net R'000
Short-term employee benefits			
Performance-based remuneration		(45,096)	(45,096)
Leave pay		(18,705)	(18,705)
Post-employment defined benefit plans	34,462	(132,818)	(98,356)
Termination employee benefits		(2,525)	(2,525)
	34,462	(199,144)	(164,682)
Non-current portion	34,462	(134,503)	(100,041)
Current portion		(64,641)	(64,641)

Short-term employment benefits

These benefits comprise bonus and leave pay accruals.

Post-employment defined benefit plans (Capespan medical benefits)

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

Post-employment defined benefit plans (Capespan pension benefits)

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

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

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

8. EMPLOYEE BENEFITS (continued)

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

	2017			2016		
	Capespan medical benefits			Capespan medical benefits		
	Assets	**Liabilities**	**Net**	Asset	Liabilities	Net
	R'000	**R'000**	**R'000**	R'000	R'000	R'000
Present value of funded obligations		**(24,784)**	**(24,784)**		(25,700)	(25,700)
Opening balance		**(25,700)**	**(25,700)**		(23,823)	(23,823)
Interest expense		**(2,129)**	**(2,129)**		(1,922)	(1,922)
Gains/(losses) from changes in financial and demographic		**604**	**604**		(2,384)	(2,384)
Employer contributions		**2,441**	**2,441**		2,429	2,429
Balance at end of year	**-**	**(24,784)**	**(24,784)**	-	(25,700)	(25,700)

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

	2017			2016		
	Capespan pension benefits			Capespan pension benefits		
	Assets	**Liabilities**	**Net**	Asset	Liabilities	Net
	R'000	**R'000**	**R'000**	R'000	R'000	R'000
Fair value of plan assets	**37,392**		**37,392**	43,340		43,340
Present value of funded obligations		**(91,884)**	**(91,884)**		(109,570)	(109,570)
	37,392	**(91,884)**	**(54,492)**	43,340	(109,570)	(66,230)
Balance at beginning of year	**43,340**	**(109,570)**	**(66,230)**	34,462	(108,155)	(73,693)
Interest expense		**(13,848)**	**(13,848)**		(14,661)	(14,661)
Return on plan assets	**10,249**		**10,249**	14,191		14,191
(Losses)/gains from changes in financial and demographic assumptions		**(4,918)**	**(4,918)**		14,190	14,190
Employer contributions		**10,407**	**10,407**		10,255	10,255
Exchange differences	**(16,197)**	**26,045**	**9,848**	(5,313)	(11,199)	(16,512)
Balance at end of year	**37,392**	**(91,884)**	**(54,492)**	43,340	(109,570)	(66,230)

8. EMPLOYEE BENEFITS (continued)

	2015		
	Capespan pension benefits		
	Asset R'000	Liabilities R'000	Net R'000
Fair value of plan assets	34,462		34,462
Present value of funded obligations		(108,155)	(108,155)
	34,462	(108,155)	(73,693)
Balance at beginning of year	33,090	(89,786)	(56,696)
Interest expense		(16,227)	(16,227)
Return on plan assets	12,081		12,081
Losses from changes in financial and demographic assumptions		(17,338)	(17,338)
Benefits paid	(10,709)	12,517	1,808
Employer contributions		3,472	3,472
Exchange differences		(793)	(793)
Balance at end of year	34,462	(108,155)	(73,693)

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

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

	Capespan medical benefits	**Capespan pension benefits**		
		SACCE	**CCNV**	**CGG**
28 February 2017				
Discount rate	**8.7%**	**2.6%**	**1.0%**	**1.9%**
Future salary increases			**3.0%**	**2.0%**
Inflation	**8.0%**	**2.7%**	**2.0%**	**2.2%**
29 February 2016				
Discount rate	8.7%	3.7%	1.4%	2.0%
Future salary increases	1.0%		3.0%	3.5%
Inflation	9.0%	2.2%	2.0%	2.2%
28 February 2015				
Discount rate	8.5%	4.4%	1.2%	1.2%
Future salary increases	1.0%		3.0%	3.5%
Inflation	7.0%	2.8%	2.0%	2.2%

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

	Capespan medical benefits			**Capespan pension benefits**		
	Change in assumption	**Increase**	**Decrease**	**Change in assumption**	**Increase**	**Decrease**
28 February 2017						
Discount rate	**0.1%**	**894**	**(839)**	**0.5%**	**29,185**	**(28,591)**
Inflation	**1.0%**	**(1,532)**	**1,704**	**1.0%**	**(15,458)**	**15,102**
Mortality	**1 year**	**(1,150)**	**1,198**	**1 year**	**(22,503)**	**22,330**
29 February 2016						
Discount rate	0.5%	976	(913)	0.5%	30,220	(30,005)
Inflation	1.0%	(1,665)	1,860	1.0%	(17,020)	16,130
Mortality	1 year	(618)	647	1 year	(21,192)	20,804
28 February 2015						
Discount rate	0.5%	899	(842)	0.5%	6,645	(6,630)
Inflation	1.0%	(1,549)	1,726	1.0%	(1,569)	3,970
Mortality	1 year	(1,173)	1,217	1 year	(22,298)	21,726

	2017 R'000	2016 R'000	2015 R'000
9. BIOLOGICAL ASSETS			
9.1 Bearer plants[1]			
Orchards	**185,100**	122,686	57,062
Vineyards	**178,824**	155,950	124,462
	363,924	278,636	181,524
Reconciliation:			
Balance at beginning of year	**278,636**	181,524	117,122
Subsidiaries acquired	**40,168**	62,485	
Exchange rate movement		1,169	
Additions	**58,272**	44,912	74,282
Depreciation	**(13,152)**	(11,454)	(9,880)
Balance at end of year	**363,924**	278,636	181,524
9.2 Biological assets - agricultural produce			
Maize[2]	**15,276**	16,519	24,127
Soya[2]	**35,659**	32,275	24,797
Orchards[3]	**49,909**	39,820	17,220
Vineyards[3]	**10,285**	13,238	12,395
Sugar cane[3]		14,414	14,269
Timber[4]	**10,674**	10,674	
Sorghum and other[3]	**522**		
Balance at end of year	**122,325**	126,940	92,808
Reconciliation:			
Balance at beginning of year	**126,940**	92,808	83,446
Exchange rate movement	**(6,175)**	(11,360)	(1,335)
Additions	**94,745**	130,739	98,295
Harvests	**(317,478)**	(328,803)	(231,617)
Change in fair value of biological assets	**224,293**	243,556	144,019
Balance at end of year	**122,325**	126,940	92,808

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

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

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

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

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

Above include elaboration on prior year disclosure to include a separate reconciliation for Bearer plants and Agricultural produce. Above elaboration do not have an impact on the earnings per share, headline earnings per share and/or amounts presented in the income statements and statements of financial position, comprehensive income, changes in equity and cash flows.

Biological assets comprised of the following:	**2017 Hectares**	2016 Hectares	2015 Hectares
Maize	**1,179**	1,299	2,922
Soya	**5,171**	5,170	3,345
Apples	**421**	395	168
Pears	**102**	95	32
Citrus	**296**	440	156
Grapes	**475**	477	475
Sugar cane		955	
Timber plantations	**720**	800	

9. BIOLOGICAL ASSETS (continued)

The abovementioned fair value of biological assets has been calculated using unobservable inputs (level 3). The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of fair value assumption fluctuations, mainly driven by commodity prices. The analysis is based on the assumption that the fair value increase/decrease by 10% (2016: 10%) (2015: 10%) at the reporting date:

	2017 10% increase R'000	**2017 10% decrease R'000**	2016 10% increase R'000	2016 10% decrease R'000	2015 10% increase R'000	2015 10% decrease R'000
Impact on post-tax profit	**8,807**	**(8,807)**	9,140	(9,140)	6,682	(6,682)

	2017 R'000	2016 R'000	2015 R'000
10. INVENTORIES			
Raw materials	**175,100**	135,707	169,699
Work in progress	**17,916**	17,646	8,148
Finished goods	**1,126,442**	1,137,944	810,258
	1,319,458	1,291,297	988,105

Inventory to the value of R11m (2016: R32m) (2015: R8m) was written off during the year.

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

	2017 R'000	2016 R'000	2015 R'000
11. TRADE AND OTHER RECEIVABLES			
Trade receivables	**1,141,970**	1,260,912	1,044,407
Provision for impairment of trade receivables	**(31,235)**	(49,047)	(18,967)
Value added tax*	**79,817**	56,707	42,031
Prepayments and sundry receivables*	**223,051**	306,779	192,508
	1,413,603	1,575,351	1,259,979

* Total non-financial assets of R295m (2016: R296m) (2015: R174m) included in above.

	2017 R'000	2016 R'000	2015 R'000
12. DERIVATIVE FINANCIAL ASSETS			
Forward currency exchange contracts (refer note 35)		42	24
13. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS			
Bank balances	**254,037**	566,843	347,478
Money market fund	**168,271**	117,435	422,521
	422,308	684,278	769,999

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

	2017 R'000	2016 R'000	2015 R'000
14. NON-CURRENT ASSETS HELD FOR SALE			
Carrying value at beginning of year		30,378	177,570
Transfer from subsidiaries			30,378
Net fair value gains			15,888
Disposals		(30,378)	(193,458)
Carrying value at end of year	**-**	-	30,378

At 1 March 2014, non-current assets held for sale consisted mainly of JSE-listed Capevin Holdings Ltd shares, which was disposed of during the 2015 year.

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

	2017 R'000	2016 R'000	2015 R'000
Property, plant and equipment			29,998
Cash and cash equivalents			106
Net receivables			274
			30,378

15. STATED CAPITAL

15.1 Ordinary shares

Authorised

3,000,000,000 (2016: 2,000,000,000) (2015: 2,000,000,000) ordinary shares with no par value

	2017 R'000	2016 R'000	2015 R'000
Issued			
Balance at beginning of year	**5,704,822**	5,095,256	1,748,061
Shares issued	**1,449,036**	609,566	3,347,195
Balance at end of year	**7,153,858**	5,704,822	5,095,256
Number of shares in issue ('000)			
In issue (gross of treasury shares)	**1,730,515**	1,522,853	1,443,844
Held by share incentive trust	**(5,837)**		
Held by a company controlled by a director through a loan funding advance	**(2,636)**		
In issue (net of treasury shares)	**1,722,041**	1,522,853	1,443,844

Unissued shares, limited to 5% of the company's number of shares in issue (amounting to 76,142,644 ordinary shares), are placed under the control of the directors until the next annual general meeting. The directors are authorised to buy back shares subject to certain limitations and the JSE Listings Requirements.

During the year under review, the company issued 207,661,758 (2016: 79,008,905) (2015: 463,655,674) ordinary shares as part of asset-for-share transactions and thereby increased its total number of ordinary shares in issue to 1,730,514,648 (2016: 1,522,852,890) (2015:1,443,843,985). Refer to the Corporate Actions section under the Directors' Report for more details on the shares issued.

Previously, a loan in the amount of R9.9m was advanced to a company controlled by a director, in order to acquire 2,635,933 JSE-listed Zeder ordinary shares ("the Zeder shares"). Effective 1 September 2017, after the internalisation of the management fee, the group acquired the loan, amounting to R12.6m, from PSG Corporate Services (Pty) Ltd ("PSGCS") (an indirect subsidiary of the ultimate holding company, PSG Group Ltd). In terms of accounting standards, the loans receivable were eliminated on consolidation and the Zeder shares accounted for as treasury shares (refer note 29).

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

Authorised

250,000,000 (2016: 250,000,000) (2015: 250,000,000) shares with no par value

15. STATED CAPITAL (continued)

15.3 Share incentive schemes

During the year, the company operated a single equity-settled share incentive scheme, being the share option scheme. In terms of the scheme, share options are granted to executive directors and senior management. In the previous year and the first half of the current year, the scheme was operated by PSGCS and they accounted for the share-based payment effect in their income statement, but subsequent to the internalisation of the management agreement (effective 1 September 2016), the group founded the Zeder Group Share Incentive Trust ("Zeder SIT"). Other share option schemes operated by subsidiaries include that of Agrivision Africa and Capespan Group Ltd.

In terms of the aforementioned schemes, share options are allocated to participants on grant date at market price. The settlement of the purchase consideration payable by the employee in terms of the shares granted occurs on vesting.

The total equity-settled share-based payment amounted to R11.1m (2016: R9.2m) (2015: R1.2m). This charge, net of the related tax effect, was recognised in the income statement and credited to other reserves (refer note 26.2) and only include the second half of the current year's share-based payment expense.

i) Share option scheme

The Zeder SIT currently holds 5,837,369 (2016: nil) (2015: nil) ordinary shares, with 9,449,649 (2016: nil) (2015: nil) share options having been allocated and unvested at a total consideration of R53m (2016: Rnil) (2015: Rnil). In the prior year, under PSGCS, the 8,330,053 (2015: 9,432,505) share options having been allocated and unvested at a total consideration of R36.6m (2015: R39.1m).

The weighted average strike price of share options exercised in terms of this equity-settled share scheme during the year under review was R3.96 (2016: Rnil) (2015: Rnil) per ordinary share and in the prior year under PSGCS, R3.70 (2015: R2.86) per ordinary share.

The maximum number of ordinary shares which may be offered in terms of the scheme is 173,051,465 shares, while the maximum number of shares that may be offered to any single participant is 34,610,293 shares. To date, 2,492,684 (2016: nil) (2015: nil) shares have been exercised by way of the scheme and accordingly a further 170,558,781 (2016: nil) (2015: nil) shares may be exercised in future by way of the scheme.

Reconciliation of outstanding share options:	**2017 Number**	2016* Number	2015* Number
Number of share options allocated at beginning of the year	**8,330,053**	9,432,505	10,101,861
Number of share options vested during the year*	**(2,492,684)**	(2,328,935)	(890,856)
Number of share options forfeited during the year	**(59,339)**		(670,848)
Number of share options allocated during the year	**3,671,619**	1,226,483	892,348
Number of share options allocated at end of the year	**9,449,649**	8,330,053	9,432,505

Outstanding share options per tranche allocated:	**Number of shares**	Price R	Volatility %	Dividend yield %	Risk-free rate %	Fair value R
20 April 2012	**437,744**	2.57	27.1	0.7	6.5	0.71
28 February 2013	**337,837**	3.33	24.3	1.4	5.9	0.78
28 February 2014	**3,106,706**	4.10	32.7	1.1	7.6	1.29
28 February 2015	**669,260**	7.71	28.6	0.5	6.8	2.27
29 February 2016	**1,226,483**	4.97	35.6	2.8	8.2	1.48
28 February 2017	**3,671,619**	7.29	27.4	1.5	7.5	1.99
	9,449,649					

Vesting of shares occurs as follows:	%
2 years after grant date	25
3 years after grant date	25
4 years after grant date	25
5 years after grant date	25
	100

15. STATED CAPITAL (continued)

15.3 Share incentive schemes (continued)

i) Share option scheme (continued)

Analysis of outstanding scheme shares by financial year of maturity:	**2017** Weighted average strike price (R)	**2017** Number	2016* Weighted average strike price (R)	2016* Number	2015* Weighted average strike price (R)	2015* Number
29 February 2016					3.70	2,328,934
28 February 2017			4.05	2,552,022	4.05	2,552,022
28 February 2018	**4.15**	**2,858,644**	4.15	2,858,643	4.05	2,552,022
28 February 2019	**5.43**	**3,000,966**	4.61	2,083,060	4.55	1,776,440
29 February 2020	**6.86**	**1,447,610**	6.12	529,708	7.71	223,087
28 February 2021	**6.71**	**1,224,525**	4.97	306,620		
28 February 2022	**7.29**	**917,904**				
		9,449,649		8,330,053		9,432,505

* Comparative disclosure relates to the incentive scheme operated under PSGCS, before the internalisation of the management agreement (effective 1 September 2016). Consequently, the number of share options vested during the current year under review, include the vesting of 437,743 ordinary shares on 20 April 2016 under PSGCS.

ii) Material subsidiary share incentive schemes

Agrivision Africa

When the investment was made in the 2013 financial year in Agrivision Africa (previously Chayton Africa) a management company called Falcon Management was formed by the employees who would benefit from share options. During the current year, only 3 participants remained and the scheme was cash settled to close it out. In anticipation of the aforementioned a new equity-settled share incentive scheme was implemented on 1 January 2015 and is still in operation.

Reconciliation of outstanding share options:	**2017** **Number**	2016 Number	2015 Number
Number of share options allocated at beginning of the year	**137,058**	49,273	46,213
Number of share options vested during the year	**(9,154)**		
Number of share options forfeited during the year	**(64,484)**	(9,853)	
Number of share options allocated during the year	**40,352**	97,638	3,060
Number of share options allocated during the year	**103,772**	137,058	49,273

Analysis of outstanding scheme shares by financial year of maturity:	**2017** Weighted average strike price (USD)	**2017** Number	2016 Weighted average strike price (USD)	2016 Number	2015 Weighted average strike price (USD)	2015 Number
2015/16					54.62	9,855
2016/17			54.62	36,616	54.62	9,855
2017/18	**54.62**	**27,463**	54.62	38,593	54.62	9,855
2018/19	**54.62**	**30,099**	54.62	42,401	54.62	9,855
2019/20	**54.62**	**17,599**	54.62	15,640	54.62	9,853
2020/21	**54.62**	**15,623**	54.62	3,808		
2021/22	**54.62**	**12,988**				
		103,772		137,058		49,273

Outstanding share options per trance allocated:	**Number of shares**	Price USD*	Volatility %	Dividend yield %	Risk-free rate %	Fair value USD*
1 January 2015	**64,812**	54.62	26.8		7.9	15.63
1 January 2016	**38,960**	54.62	23.6		10.1	15.63
	103,772					

* The value of the options was calculated in USD, Agrivision's functional currency, using the Black-Scholes-Merton model.

15. STATED CAPITAL (continued)

15.3 Share incentive schemes (continued)

ii) Material subsidiary share incentive schemes (continued)

Capespan Group Ltd

During the 2015 year, Capespan Group Ltd replaced its long-term bonus scheme with a share option scheme.

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

During the year under review, 10,523,886 (2016: 1,374,580) (2015: 14,745,337) share options were granted to participants at a total consideration of R61.5m (2016: R66.6m) (2015: R37.5m). Each share option awarded entitles the participant to acquire one ordinary share in the issued share capital of Capespan Group Ltd. The maximum number of shares which may be offered to participants is 38,818,693. During the year under review, the Capespan Group Share Incentive Trust acquired 2,353,023 (2016: nil) (2015: 654,000) ordinary shares in Capespan Group Ltd in order to assist in meeting its obligations in terms of the share options granted.

Reconciliation of outstanding share options:	**2017 Number**	2016 Number	2015 Number
Number of share options allocated at beginning of the year	**13,401,285**	13,839,393	
Number of share options allocated during the year	**10,523,886**	1,374,580	14,745,737
Number of share options vested during the year	**(2,553,505)**		
Number of share options forfeited during the year	**(526,316)**	(1,812,688)	(906,344)
Number of share options allocated during the year	**20,845,350**	13,401,285	13,839,393

Analysis of outstanding scheme shares by financial year of maturity:	**2017** Weighted average strike price (R)	**2017** Number	2016 Weighted average strike price (R)	2016 Number	2015 Weighted average strike price (R)	2015 Number
2015/16					2.36	3,459,848
2016/17			2.22	3,006,676	2.36	3,459,848
2017/18	**3.10**	**5,777,176**	2.40	3,350,321	2.36	3,459,848
2018/19	**3.59**	**5,849,715**	2.40	3,350,321	2.36	3,459,849
2019/20	**3.59**	**5,849,715**	2.40	3,350,321		
2020/21	**5.62**	**2,843,038**	4.00	343,646		
2021/22	**5.81**	**525,706**				
		20,845,350		13,401,285		13,839,393

15. STATED CAPITAL (continued)

15.3 Share incentive schemes of subsidiaries (continued)

Capespan Group Ltd (continued)

Outstanding share options per tranche allocated:	**Number of shares**	Price R	Volatility %	Dividend yield %	Risk-free rate %	Fair value R
1 January 2014	**1,692,599**	0.99	31.2	4.4	6.1 - 7.3	2.07
1 January 2014	**994,351**	1.08	31.2	4.4	6.1 - 7.3	2.00
1 January 2014	**1,977,688**	1.45	31.2	4.4	6.1 - 7.3	1.72
1 January 2014	**4,808,562**	3.31	31.2	4.4	6.1 - 7.3	0.73
1 January 2015	**1,374,580**	4.00	29.0	6.1	6.8 - 7.3	0.72
1 January 2015	**7,894,739**	5.85	29.0	6.1	6.8 - 7.3	0.32
1 January 2016	**2,102,831**	5.81	32.5	4.5	7.9 - 8.2	1.42
	20,845,350					

16. OTHER RESERVES

	Available-for-sale R'000	**Foreign currency translation R'000**	**Share-based payment R'000**	**Other * R'000**	**Total R'000**
Balance at 1 March 2014	56	115,013	1,339	(40,287)	76,121
Currency translation adjustments		(11,977)			(11,977)
Fair value gains on available-for-sale investments	792				792
Share of other comprehensive loss of associates				(12,725)	(12,725)
Share-based payment costs - employees			10,709		10,709
Cash flow hedges				(7,009)	(7,009)
Recycling of cash flow hedges		3,623		18,216	21,839
Transfer between reserves				(2,405)	(2,405)
Recycling of foreign exchange gains on long-term loan classified as part of net foreign investment		(1,015)			(1,015)
Transactions with non-controlling interests				(20,263)	(20,263)
Balance at 28 February 2015	848	105,644	12,048	(64,473)	54,067
Currency translation adjustments		(15,579)			(15,579)
Share of other comprehensive income of associates				(7,553)	(7,553)
Share-based payment costs - employees			3,265		3,265
Cash flow hedges				(2,547)	(2,547)
Transfer between reserves				55	55
Balance at 29 February 2016	848	90,065	15,313	(74,518)	31,708
Currency translation adjustments		**(351,200)**			**(351,200)**
Share of other comprehensive loss of associates				**(42,319)**	**(42,319)**
Share-based payment costs - employees			**8,675**		**8,675**
Transfer between reserves	**(422)**		**(3,164)**	**2,582**	**(1,004)**
Transactions with non-controlling interests				**(18,247)**	**(18,247)**
Balance at 28 February 2017	**426**	**(261,136)**	**20,824**	**(132,502)**	**(372,387)**

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

	2017 R'000	2016 R'000	2015 R'000
17. DEFERRED INCOME TAX			
Deferred income tax assets	**57,562**	69,862	63,869
Deferred income tax liabilities	**(94,181)**	(101,664)	(105,627)
Net deferred income tax liability	**(36,619)**	(31,802)	(41,758)
Deferred income tax assets			
To be recovered within 12 months	**3,641**	26,786	7,523
To be recovered after 12 months	**53,921**	43,076	56,346
	57,562	69,862	63,869
Deferred income tax liabilities			
To be recovered within 12 months	**(24,112)**	(20,432)	(13,997)
To be recovered after 12 months	**(70,069)**	(81,232)	(91,630)
	(94,181)	(101,664)	(105,627)

	Tax losses R'000	Provisions R'000	Unrealised profits R'000	Intangible assets and other differences R'000	Total R'000
Balance at 1 March 2014	50,450	5,344	(37,589)	(78,585)	(60,380)
Subsidiaries acquired	1,116	(2,865)		(25,242)	(26,991)
Credited/(charged) to profit and loss	4,794	(601)	32,138	9,505	45,836
Credited to other comprehensive income			1,243	6,506	7,749
Exchange rate movements		76	71	(8,119)	(7,972)
Balance at 28 February 2015	56,360	1,954	(4,137)	(95,935)	(41,758)
Subsidiaries acquired				(3,891)	(3,891)
Credited/(charged) to profit and loss	46,485	22,590	(2,340)	(61,486)	5,249
Charged to other comprehensive income				(2,897)	(2,897)
Exchange rate movements	(956)	6,954	317	5,180	11,495
Balance at 29 February 2016	101,889	31,498	(6,160)	(159,029)	(31,802)
Subsidiaries acquired				**(929)**	**(929)**
Credited/(charged) to profit and loss	**1,549**	**4,271**	**(5,898)**	**(6,529)**	**(6,607)**
Charged to other comprehensive income			**8,943**	**516**	**9,459**
Exchange rate movements	**(6,030)**	**16**	**251**	**(977)**	**(6,740)**
Balance at 28 February 2017	**97,408**	**35,785**	**(2,864)**	**(166,948)**	**(36,619)**

Deferred tax on tax losses are mainly only recognised on a subsidiary's tax loss, when the underlying subsidiary support a profits history of at least 2 years and then only will the group limit the recognition of a deferred tax asset to 3 years.

Deferred income tax on temporary differences relating to equity securities that are classified as at fair value through profit or loss and available-for-sale, is calculated using South Africa's effective capital gains tax rate of 22.4% (2016: 22.4%) (2015: 18.6%). Deferred income tax was otherwise calculated on temporary differences using the applicable tax rate as per the tax jurisdiction it relates to.

		2017 R'000	2016 R'000	2015 R'000
18.	**BORROWINGS**			
	Non-current	**1,015,416**	1,165,916	969,938
	Secured redeemable preference shares		300,000	300,000
	Secured loans	**614,553**	864,011	665,938
	Unsecured loans	**400,863**	1,905	4,000
	Current	**1,957,511**	1,275,970	902,373
	Secured redeemable preference shares (including accrued dividends)	**306,073**	6,107	6,107
	Secured loans	**178,638**	288,001	213,684
	Unsecured loans	**531,770**	35,929	8,547
	Bank overdrafts	**941,030**	945,933	674,035
	Total	**2,972,927**	2,441,886	1,872,311

Secured redeemable preference shares

The preference shares, issued by Zeder Financial Services Ltd, a wholly-owned subsidiary, are secured by investments in associates and subsidiaries with a fair value of R6.5bn (2016: R5.4bn) (2015: R6.2bn), carry a fixed dividend rate of 8.11% nominal annual compounded monthly, and are redeemable during September 2017.

Secured loans

The following significant borrowings are included in secured loans:

- Capespan has a secured loan of R110m (2016: Rnil) (2015: Rnil) from Capital Harvest (Pty) Ltd, which carries interest at prime less 0.3% (2016: n/a) (2015: n/a), is repayable in monthly instalments, with the first instalment due December 2018. The loan is secured by bonds of R110m (2016: Rnil) (2015: Rnil) over fixed and moveable assets and Capespan has provided an irrevocable and unconditional demand guarantee of R100m;
- Capespan has a secured loan of R50m (2016: Rnil) (2015: Rnil) from Capespan Capital (Pty) Ltd, which carries interest at prime less 0.5% (2016: n/a) (2015: n/a), is repayable in monthly instalments, with the first instalment due December 2018. The loan is secured by bonds of R60m (2016: Rnil) (2015: Rnil) over fixed and moveable assets and Capespan has provided an irrevocable and unconditional demand guarantee of R50m;
- Zaad has terms loans of R118m (2016: R82.1m) (2015: R134m) from FNB, which carries interest between prime and prime less 0.5% (2016: prime less 1.25%) (2015: prime less 1.25%), is repayable in annual instalments and is secured by a general covering mortgage bond over immovable property with a carrying value of R58.7m (2016: R51.7m) (2015: R59.3m);
- Agrivision has a United States dollar-denominated term loan of R96.2m (2016: R108.7m) (2015: R116m) from the African Agriculture and Trade Investment Fund, which carries a renegotiated variable interest rate of 3M LIBOR plus 7% (2016: fixed 5.75% plus variable success fee) (2015: fixed 5.75% plus variable success fee). The loan was repayable during October 2016, but subsequently extended and is secured by immovable property with a carrying value of R51.1m (2016: R66m) (2015: R75m); and
- Agrivision has a United States dollar-denominated term loan of R180.1m (2016: R267m) (2015: R230m) from Stanbic, which carries interest at 7.15% (2016: 7.15%) (2015: 7.15%), is repayable in semi-annual instalments and Agrivision's shareholding in two of its operational subsidiaries serve as security.

Unsecured loans

The following significant borrowings are included in unsecured loans:

- Capespan has a unsecured term loan of R97.4m (2016: Rnil) (2015: Rnil) from HSBC, which carries interest at JIBAR plus 2.8% (2016: n/a) (2015: n/a) and is repayable in 2020*;
- Capespan has a unsecured term loan of Rnil (2016: R100m) (2015: R100m) from ABSA, which carries interest at prime less 1.5% for the 2016 and 2015 years and was repaid during the current year*;
- Capespan has a unsecured term loan of R247.5m (2016: R300m) (2015: Rnil) from ABSA, which carries interest at JIBAR plus 2.3% and is repayable in quarterly instalments*;
- Capespan has a unsecured term loan of R60m (2016: R100m) (2015: R100m) from HSBC, which carries interest at JIBAR plus 2.1% (2016: JIBAR plus 2.1%) (2015: JIBAR plus 2.1%) and is repayable in quarterly instalments*;
- Capespan has a unsecured term loan of R53m (2016: R82.2m) (2015: Rnil) from HSBC, which carries interest at EURIBOR plus 2.2% (2016: EURIBOR plus 2.2%) (2015: n/a) and is repayable in quarterly instalments*; and
- Zaad's United States dollar-denominated loan of Rnil (2016: R25m) (2015: Rnil) from Royal Crown Pvt Ltd, which carries interest at 16%, was fully repaid in June 2016.
- Zeder have unsecured loans with PSG Fundco (Pty) Ltd, a subsidiary of PSG Group Ltd, the company's ultimate holding company, in total of R491.6m (2016: Rnil) (2015: Rnil). A total of R401.8m carries interest at prime less 1% and R89.8m carries interest at prime. All loans are repayable in October 2017.

** On a Capespan group level, these borrowings are secured by a guarantee from Capespan Group Ltd.*

18. BORROWINGS (continued)

Bank overdrafts

Zaad has Euro-denominated bank overdrafts of R97m (2016: R78m) (2015: R30m) and R265m (2016: R187m) (2015: R215m) from ABN Amro Bank and FNB, respectively.

Capespan has the following bank overdrafts:

- South African rand-denominated bank overdrafts of R160m (2016: R160m) (2015: R199m) from Standard Bank; R150m (2016: R85m) (2015: Rnil) from HSBC; R13m (2016: R75m) (2015: R3m) from CITI Bank and R35m (2016: R25m) (2015: R25m) from Investec;
- United States dollar-denominated bank overdraft of R49.2m (2016: R38m) (2015: R29m) from HSBC; and
- Euro-denominated bank overdraft of Rnil (2016: R32m) (2015: R30m) from KBC Bank.

Effective interest rates

The effective interest rates applicable to borrowings range between 2% and 22% (2016: 2% and 12%) (2015: 1.5% and 13.3%).

	2017 R'000	2016 R'000	2015 R'000
19. DERIVATIVE FINANCIAL ASSETS/LIABILITIES			
19.1 Derivative financial assets			
Current			
Forward currency exchange contracts (refer note 35)		42	24
19.1 Derivative financial liabilities			
Current			
Forward currency exchange contracts (refer note 35)	**(128)**		(417)
Non-current			
Non-controlling interests' put option liabilities	**(94,004)**	(65,424)	(63,644)
	(94,132)	(65,424)	(64,061)

Previously, the group entered into transactions with non-controlling shareholders of Zaad Holdings Ltd ("Zaad") (a subsidiary), which granted them the right to put their entire shareholdings to the group at a fixed price/earnings multiple that was market-related at the date of issue. The options are exercisable in July 2017 and November 2018 and the carrying value at the reporting date represents the present value of the possible exercise price. During September 2016, Zaad entered into transactions with non-controlling shareholders of Zaad, which grant them the right to put their shareholding to Zaad at a fixed price/earnings multiple that was market related at the date of issue. The options are exercisable in September 2021.

	2017 R'000	2016 R'000	2015 R'000
20. TRADE AND OTHER PAYABLES			
Trade payables*	**1,007,657**	1,244,250	915,088
Management fee payable (refer note 27.1)		83,802	226,277
Purchase consideration payable	**84,030**		
Unsettled share trades and sundry payables			11,871
	1,091,687	1,328,052	1,153,236

* Includes non-financial liabilities of R19m (2016: R29m) (2015: R39m).

		2017 R'000	2016 R'000	2015 R'000
21.	**REVENUE**			
	Agricultural inputs and produce	**9,697,931**	8,715,798	8,107,208
	Logistical services	**511,208**	601,949	584,760
		10,209,139	9,317,747	8,691,968
22.	**COST OF SALES**			
	Changes in finished goods	**8,040,584**	7,422,320	7,119,669
	Raw material and consumables used	**491,070**	325,937	294,519
	Transportation expenses	**8,094**	5,520	4,427
	Commission	**5,907**	5,127	5,179
		8,545,655	7,758,904	7,423,794
23.	**INVESTMENT INCOME**			
	Interest income	**66,047**	45,016	68,675
	Loans and advances	**14,723**	7,825	7,062
	Trade and other receivables	**107**	1,317	19
	Cash, money market investments and other cash equivalents	**51,217**	35,874	61,594
	Dividend income	**481**	1,787	6,173
	Equity securities held at fair value through profit or loss	**481**	1,787	3,788
	Equity securities held as available-for-sale			26
	Non-current assets held for sale			2,359
		66,528	46,803	74,848
24.	**NET FAIR VALUE (LOSSES)/GAINS**			
	Unrealised net fair value gains and losses			
	Equity securities - at fair value through profit or loss	**(4,009)**	(7,525)	97,894
	Fair value gain on step-up acquisition of an associate (2015: joint venture) to a subsidiary		3,731	3,295
	Foreign exchange losses	**(6,506)**	(53,051)	(19,082)
	Gains on derivative financial instruments	**3,299**	3,591	4,777
	Fair value loss on contingent consideration adjustment (refer note 33)			(65,657)
	Realised net fair value gains			
	Equity securities - at fair value through profit or loss		8	
	Non-current assets held for sale			16,490
		(7,216)	(53,246)	37,717
25.	**OTHER OPERATING INCOME**			
	Management and other fee income	**1,286**	1,073	3,046
	Profit on sale of property, plant and equipment	**1,863**	30,481	4,411
	Reversal of impairment on property, plant and equipment			11,893
	Profit on disposal of available-for-sale financial assets			3,559
	Government grant income	**5,494**		
	Sundry income	**20,417**	19,543	21,805
		29,060	51,097	44,714

		2017 R'000	2016 R'000	2015 R'000
26.	**EXPENSES**			
26.1	**Management fees and management fee internalisation charge**			
	Base fee expense	**74,883**	154,643	117,757
	Performance fee expense			117,757
	Management fees	**74,883**	154,643	235,514
	Management fee internalisation charge	**1,449,479**		

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

With regards to the PSG management agreement the base management fee was calculated at the end of every half-year as 1.5% p.a (exclusive of VAT) of the company's volume weighted average market capitalisation for that half-year. The performance management fee was calculated at the end of each financial year as 20% p.a. of the company's share price outperformance of the GOVI (comprising the most liquid government bonds, being the government bonds within the top 10 of the All Bond Index) yield plus 4%, adjusted for dividends ("hurdle price"). The performance management fee pertaining to a financial year may not exceed that year's base management fee. If the performance management fee exceeded the base management fee, the excess performance management fee was carried forward to the following financial year, by adjusting the starting hurdle price of the following year accordingly. The excess performance management fee at 29 February 2016 amounted to Rnil (2015: R634m). Consequently, the starting hurdle share price for performance fee determination purposes at 1 March 2016 was R5.65 and R4.95 as at 1 March 2015.

Effective 1 September 2016, Zeder internalised the management agreement, and issued 207,661,758 ordinary shares to PSGCS, valued at R1.45bn. The rights to the acquired management agreement, did not meet the recognition criteria for intangible assets in terms of IFRS, and was consequently accounted for in the income statement as a non-recurring headline expense. It should be noted that this was a once-off charge, with no further management fees payable to PSGCS in terms of this agreement. Refer to the directors' report for further information with regards to the above.

		2017 R'000	2016 R'000	2015 R'000
26.2	**Marketing, administration and other expenses**			
	Depreciation	**150,842**	136,273	106,808
	- Land	**5,714**	6,895	6,935
	- Buildings	**26,878**	26,031	15,016
	- Vehicles, plant and equipment	**90,674**	80,342	65,189
	- Office equipment	**14,424**	11,551	9,788
	- Biological assets (bearer plants)	**13,152**	11,454	9,880
	Amortisation of intangible assets	**28,635**	30,650	25,329
	Operating lease rentals	**133,302**	141,689	112,714
	- Properties	**104,646**	92,476	85,042
	- Equipment	**28,656**	49,213	27,672
	Auditors' remuneration	**17,404**	15,011	13,065
	- Audit services - current year	**13,606**	12,459	11,351
	- Audit services - previous year	**707**	584	445
	- Other services	**3,091**	1,968	1,269
	Employee costs*	**709,817**	665,398	586,216
	- Salaries, wages and allowances	**666,024**	625,424	557,139
	- Equity-settled share-based payment costs	**11,101**	9,285	1,280
	- Cash-settled share-based payment costs**	**323**		
	- Pension costs - defined contribution and benefit plans	**28,128**	26,600	24,427
	- Medical costs - defined contribution and benefit plans	**4,241**	4,089	3,370
	Sub-total	**1,040,000**	989,021	844,132

		2017 R'000	2016 R'000	2015 R'000
26.	**EXPENSES (continued)**			
26.2	**Marketing, administration and other expenses (continued)**			
	Sub-total	**1,040,000**	989,021	844,132
	Impairment losses	**8,049**	22,121	19,098
	- Property, plant and equipment	**2,876**	14,171	
	- Intangible assets	**5,173**	7,950	19,013
	- Loans and advances			85
	Loss on sale of property, plant and equipment	**1,126**	631	80
	Loss on sale of non-current assets held for sale		1,730	
	Repairs, maintenance and vehicle costs	**109,663**	96,593	58,496
	Marketing and administration costs	**27,101**	19,910	17,370
	- Marketing	**25,199**	19,666	17,008
	- Administration	**1,902**	244	362
	Professional fees	**36,129**	28,440	30,754
	Insurance costs	**25,882**	31,209	24,567
	Communication costs	**17,227**	16,893	15,677
	Commission paid	**19,081**	23,344	14,390
	Other costs	**277,241**	199,920	105,255
		1,561,499	1,429,812	1,129,819

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

** Cash-settled share-based payment costs was incurred during the year due to the Agrivision Africa Falcon equity-settled share-based payment scheme that was cash settled and during the current year.

		2017 R'000	2016 R'000	2015 R'000
27.	**FINANCE COSTS**			
	Redeemable preference shares	**24,780**	24,883	24,676
	Secured loans	**38,987**	38,280	40,157
	Unsecured loans	**47,349**	24,190	20,812
	Bank overdrafts	**114,085**	87,398	49,604
	Other	**7,191**	5,372	7,615
		232,392	180,123	142,864
28.	**TAXATION**			
	South Africa current taxation			
	- Current year	**15,679**	51,534	55,634
	- Previous year	**554**	206	3,402
	South Africa deferred taxation			
	- Current year	**17,792**	(14,764)	(42,231)
	Foreign current taxation			
	- Current year	**38,646**	45,761	64,089
	- Previous year	**(40,768)**	29,851	
	Foreign deferred taxation			
	- Current year	**(11,185)**	9,515	(3,605)
		20,718	122,103	77,289

	2017 R'000	2016 R'000	2015 R'000
28. TAXATION (continued)			
Reconciliation of effective tax rate:	**%**	%	%
South African standard tax rate	**28.0**	28.0	28.0
Adjusted for:			
- Non-taxable income/(loss)	**2.8**	(1.2)	(13.0)
- Capital gains tax rate differential		(0.5)	(3.1)
- Change in capital gains tax inclusion rate		0.1	
- Non-deductible charges	**(63.1)**	6.2	22.4
- Net income/(loss) from associates and joint ventures	**24.6**	(17.0)	(23.4)
- Dilution losses	**(0.3)**	(8.5)	
- Foreign tax rate differential	**1.7**	2.7	2.8
- Special tax allowances	**1.0**		(0.9)
- Deferred purchase consideration			5.1
- Deferred tax assets written off/not recognised	**(4.0)**	0.8	2.6
- Effect of tax losses utilised	**1.1**		(0.7)
- Prior period adjustments	**5.6**	3.2	1.0
- Other	**(0.3)**	(0.4)	0.6
Effective tax rate	**(2.9)**	13.4	21.4
Tax charges/(credits) relating to components of other comprehensive income			
- Currency translation movements	**9,032**		848
- Reclassification of foreign exchange gains on long-term loan forming part of net foreign investment			395
- Gains/(losses) from change in financial assumptions or change in demographic assumptions on employee defined benefit plans	**427**	(2,897)	6,506
	9,459	(2,897)	7,749

29. RELATED-PARTY TRANSACTIONS AND BALANCES

The following related parties were identified with which the company and/or group transacted during the year, and/or balances were outstanding at year-end:

Party	**Relationship**
PSG Group Ltd	Ultimate holding company
Zeder Financial Services Ltd ("ZFS")	Wholly-owned subsidiary
Zeder Corporate Services (Pty) Ltd (previously Rose Bridge 59 (Pty) Ltd)	Wholly-owned subsidiary of ZFS
Zeder Management Services (Pty) Ltd (previously Zeder Investments Corporate Services (Pty) Ltd)	Wholly-owned subsidiary of ZFS
Zeder Africa (Pty) Ltd	Wholly-owned subsidiary of ZFS
Cerula 23 (Pty) Ltd	Wholly-owned subsidiary of ZFS
Zaad Holdings Ltd	Subsidiary of ZFS
Chayton Corporate Services (Pty) Ltd, deregistered during the year	Wholly-owned subsidiary of Zeder Investments Corporate Services (Pty) Ltd
Pioneer Food Group Ltd ("Pioneer Foods")	Associate of Cerula 23 (Pty) Ltd
Kaap Agri Ltd ("Kaap Agri")	Associate of ZFS
Quantum Foods Holdings (Pty) Ltd ("Quantum Foods")	Associate of ZFS
PSG Corporate Services (Pty) Ltd ("PSGCS")	Indirect subsidiary of PSG Group Ltd
PSG Fundco (Pty) Ltd	Indirect subsidiary of PSG Group Ltd
PSG Online Securities (Pty) Ltd	Indirect subsidiary of PSG Group Ltd
PSG Money Market Fund	Indirect subsidiary of PSG Group Ltd
N Celliers and JH le Roux	Executive directors of the company
AE Jacobs	A former non-executive director of the company

29. RELATED-PARTY TRANSACTIONS AND BALANCES (continued)

Related-party transactions during the year included dividends received from associates (refer note 3), the management fee expense (refer note 26.1), the management fee internalisation charge (refer note 26.1), various administration expenses and professional fees (refer note 26.2), interest income (refer note 23) and interest paid (refer note 27).

Included in the group's interest income is R54,000 (2016: R17,000) (2015: R82,000) received from PSG Online Securities (Pty) Ltd and R1,853,000 (2016: R3,100,000) (2015: R15,756,000) received from PSG Money Market Fund.

Included in the group's marketing, administration and other expenses is professional fees of R1,457,000 (2016: R617,000) (2015: R5,208,000) paid to PSG Capital (a division of PSGCS) and R231,000 (2016: R161,000) (2015: R79,000) paid to Grayston Elliot (Pty) Ltd for corporate finance and tax services relating to acquisitions made and tax advice during the year. Also included in the group's marketing, administration and other expenses is R3,315,000 (2016: Rnil) (2015: Rnil) paid to PSGCS for strategic, payroll, IT services and rent. Included in transactions with non-controlling interest (2015: investment in ordinary shares of associates) is Rnil (2016: R2,855,000) (2015: R5,728,000) paid to PSG Capital for professional fees, and Rnil (2016: R56,000) (2015: R111,000) paid to Grayston Elliot (Pty) Ltd for tax services (refer note 3).

Brokerage and administration fees of R1,000 (2016: R1,000) (2015: R15,000) were paid to PSG Online Securities (Pty) Ltd. These fees related to trades that took place via the group's share trading accounts.

Included in the group's interest paid is R26,365,000 (2016: R2,752,000) (2015: Rnil) paid to PSG Fundco (Pty) Ltd.

The group previously entered into a written put agreement with AE Jacobs, a non-executive director of the company, that resigned during the year, and also a non-controlling shareholder in Zaad Holdings Ltd. The agreement grants him the right to sell his non-controlling interest to the group at a fixed market-related multiple in July 2017 (refer note 19).

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

Included under Loans and advances (refer note 7) are the following loans to directors of Zeder:

- R17,684,000 (2016: Rnil) (2015: Rnil) relates to a loan granted to Mr N Celliers and R2,849,000 (2016: Rnil) (2015: Rnil) to a loan granted to Mr JH le Roux, both with regards to shares obtained through the vesting of Zeder ordinary shares previously allocated to Messers N Celliers and JH le Roux, respectively. The loans carry interest at the SARS' official interest rate and are repayable three years from the respective date of advance. Serving as security for these loans are ordinary shares in Zeder to the value of R31,095,000 (2016: Rnil) (2015: Rnil) and R4,778,000 (2016: Rnil) (2015: Rnil) for Mr N Celliers' loan and Mr JH le Roux's loan respectively.
- R4,785,000 (2016: Rnil) (2015: Rnil) relates to a loan granted to Mr N Celliers, with regards to shares obtained through the vesting of PSG Group Ltd share options previously allocated to Mr N Celliers and which carries interest at the SARS' official interest rate and are repayable three years from the respective date of advance. Serving as security for this loan is ordinary shares in PSG Group Ltd to the value of R10,427,000 (2016: Rnil) (2015: Rnil).

A loan in the amount of R12,570,000 was advanced to Mr N Celliers, with regards to his previous acquisition of 2,635,933 Zeder ordinary shares. The Zeder shares serve as security for the loan receivable, carry interest at prime less 1% and is repayable during the financial year ending 28 February 2021. At the reporting date, the loans' carrying value amounted to R13,174,000 (2016: Rnil) and the market value of the Zeder shares serving as security amounted to R19,611,000 (2016: Rnil). In terms of the accounting standard, the loans receivable has been accounted for in terms of IFRS 2 *Share-based Payment*, with the resultant charge to the group's profit and loss for the year, amounting to R154,000 (2016: Rnil) (2015: Rnil). The charge was calculated using a Black-Sholes valuation model with the following inputs:

Price (R)	5.76
Volatility (%)	26.2
Dividend yield (%)	1.2
Risk-free rate (%)	6.0

Included in revenue are R16,312,000 (2016: R20,522,000) (2015: R18,512,000) goods sold to Kaap Agri and its subsidiaries, R825,000 (2016: R917,000) (2015: R3,150,000) goods sold to Pioneer Foods and its subsidiaries and R3,363,000 (2016: R3,272,000) (2015: Rnil) sold to Quantum Foods and its subsidiaries (refer note 21). Included in cost of sales is R3,034,000 (2016: R12,308,000) (2015: R6,549,000) in respect of purchases from Kaap Agri and its subsidiaries, R825,000 (2016: Rnil) (2015: Rnil) from Pioneer Foods and its subsidiaries and R384,000 (2016: R296,000) from Quantum Foods and its subsidiaries (refer note 22).

Included in trade and other receivables is an amount of R857,000 (2016: R144,000) (2015: Rnil) due by Kaap Agri (refer note 11), R249,000 (2016: Rnil) (2015: Rnil) due by Pioneer Foods and R731,000 (2016: R229,000) (2015: Rnil) due by Quantum Foods and included in trade and other payables is an amount payable of R571,000 (2016: R1,496,000) to Kaap Agri and R13,000 (2016: Rnil) (2015: Rnil) to Quantum Foods (refer note 20).

Related-party balances outstanding at the reporting date included cash invested with the PSG Money Market Fund amounting to R168,271,000 (2016: R117,435,000) (2015: R337,781,000) (refer note 13), unsecured loans with PSG Fundco (Pty) Ltd (refer note 18) and the management fee payable (refer note 20).

	2017 R'000	2016 R'000	2015 R'000
30. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES			
Operating lease commitments			
Operating leases - premises			
- Due within 1 year	**94,216**	85,395	89,239
- Due within 1 to 5 years	**405,430**	380,966	380,776
- Due after more than 5 years	**618,554**	863,412	514,418
	1,118,200	1,329,773	984,433
Operating leases - vehicles and plant			
- Due within 1 year	**7,334**	24,311	19,827
- Due within 1 to 5 years	**10,797**	19,240	30,400
	18,131	43,551	50,227
Operating leases - equipment			
- Due within one year	**18,895**	6,623	6,633
- Due within 1 to 5 years	**29,121**	7,812	9,659
	48,016	14,435	16,292
Capital expenditure commitments			
Property, plant and equipment authorised but not yet contracted	**236,566**	359,774	580,703
Property, plant and equipment contracted	**29,430**	89,009	8,643

Suretyship

A 49% associate of the group has a R250m facility with the Land Bank. The Capespan group has provided surety for the associate's facility in a maximum amount of R122.5m. The associate uses this facility to provide interest-bearing production loans to fruit producers. At year-end, the outstanding balance due by the associate to the Land Bank was R122.7m (2016: R124.2m), while the associate held loan receivable balances of R128.8 (2016: R131.2m) against fruit producers. The associate has met all obligations in terms of its facility with the Land Bank and the associate's loan receivable balances are secured by property, plant and equipment and inventory.

		2017 R'000	2016 R'000	2015 R'000
31.	**NOTES TO THE STATEMENTS OF CASH FLOWS**			
31.1	**Cash generated from/(utilised by) operations**			
	(Loss)/profit before taxation	**(720,943)**	910,184	361,035
	Interest income	**(66,047)**	(45,016)	(68,675)
	Dividend income	**(481)**	(1,787)	(6,173)
	Finance costs	**232,392**	180,123	142,864
	Depreciation	**150,842**	136,273	106,808
	Amortisation	**28,635**	30,650	25,329
	Net profit on sale of property, plant and equipment	**(737)**	(29,850)	(4,331)
	Net loss on sale of non-current asset held for sale		1,730	
	Net loss/(profit) on dilution of interest in associate	**7,566**	(258,298)	
	Net fair value losses/(gains)	**2,021**	203	(122,456)
	Management fee internalisation charge	**1,449,479**		
	Change in fair value of biological assets	**(224,293)**	(243,556)	(144,019)
	Impairments	**8,049**	22,121	7,337
	Share of profits of associates and joint ventures	**(628,727)**	(569,411)	(299,892)
	Profit on disposal of available-for-sale investments			(3,559)
	Equity-settled share-based payment costs	**11,101**	9,285	1,280
	Fair value loss on remeasurement of contingent consideration liability			65,657
	Net harvest short-term biological assets	**67,472**	43,877	43,484
	Non-cash translation movements	**(36,363)**	70,381	19,082
	Sub-total	**279,966**	256,909	123,771
	Changes in working capital	**(183,271)**	(149,520)	(199,470)
	Decrease/(increase) in trade and other receivables	**35,178**	10,080	(253,779)
	Decrease in inventories	**188,682**	82,435	180,795
	Increase in biological assets	**(153,017)**	(175,651)	(73,764)
	Decrease in trade and other payables	**(251,456)**	(75,320)	(52,929)
	(Decrease)/Increase in employee benefits payable	**(2,658)**	8,936	207
		96,695	107,389	(75,699)
31.2	**Taxation paid**			
	Current taxation charged to profit or loss	**(14,111)**	(127,352)	(123,125)
	Movement in net taxation liability	**(32,433)**	31,895	14,121
		(46,544)	(95,457)	(109,004)

31.3 Subsidiaries acquired

2017 acquisitions

Incotec laboratory division

During August 2016, the group, through Zaad Holdings Ltd ("Zaad"), acquired the laboratory division of Incotec South Africa (Pty) Ltd for a cash consideration of R7.8m. The laboratory support the research and development operations of Zaad. No goodwill arose in respect of this business combination. Accounting for Incotec's business combination has been finalised.

Loza Lodge

During October 2016, the group, through Agrivision Africa, acquired the business operations of Loza Lodge, for a cash consideration of R4m. Loza Lodge is a guest house in Mkushi, Zambia, forming part of farming operations previously acquired. Goodwill arose in respect of, inter alia, synergies pertaining to the reputation of the lodge and the current farming operations, but was subsequently impaired. Accounting for Loza Lodge's business combination has been finalised.

Groot Patrysvlei farming operations

During September 2016, the group, through Capespan Group Ltd ("Capespan"), acquired the farming operations of Groot Patrysvlei, a citrus fruit farm, for a cash consideration of R72.5m. Groot Patrysvlei complements the group's existing citrus farming operations in South Africa. No goodwill arose in respect of this business combination. Accounting for Groot Patrysvlei's business combination has been finalised.

Port Services (Pty) Ltd ("Port Stevedores")

During January 2017, the group, through Capespan, acquired 100% of the issued share capital of Port Stevedores for a cash consideration of R33.3m and a contingent consideration of R16.7m. Port Stevedores operates in the port logistics industry and goodwill arose in respect of, inter alia, expected synergies with Capespan's current logistical operations. Accounting for Port Stevedores's business combination is provisional.

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

31.3 Subsidiaries acquired (continued)

2017 acquisitions (continued)

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

	Incotec R'000	Loza Lodge R'000	Groot Patrysvlei R'000	Port Stevedores R'000	Total R'000
Property, plant and equipment	7,730	848	28,610	41,322	78,510
Biological assets (bearer plants)			40,168		40,168
Loans and advances				5	5
Inventories	108		3,722		3,830
Trade and other receivables				9,716	9,716
Cash, money market investments and other cash equivalents				3,390	3,390
Borrowings				(6,265)	(6,265)
Deferred income tax liabilities				(929)	(929)
Trade and other payables				(3,731)	(3,731)
Current income tax liabilities				(489)	(489)
Total identifiable net assets	7,838	848	72,500	43,019	124,205
Goodwill recognised		3,561		6,981	10,542
Total consideration	7,838	4,409	72,500	50,000	134,747
Total consideration	7,838	4,409	72,500	50,000	134,747
Indemnification asset		(366)			(366)
Contingent consideration				(16,680)	(16,680)
Total consideration transferred	7,838	4,043	72,500	33,320	117,701
Cash consideration paid	(7,838)	(4,043)	(72,500)	(33,320)	(117,701)
Cash and cash equivalents acquired				3,390	3,390
Net cash outflow from business combination	(7,838)	(4,043)	(72,500)	(29,930)	(114,311)

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

Had Incotec, Loza Lodge, Groot Patrysvlei and Port Stevedores been consolidated with effect from 1 March 2016 instead of their respective acquisition dates, the consolidated income statement would have reflected additional revenue of R96.8m and profit after tax of R8.2m.

2016 acquisitions

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

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

Novo Packhouse business operations ("Novo Packhouse")

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

Theewaterskloof farming operations ("Theewaterskloof")

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

Agriseeds Pvt Ltd ("Agriseeds")

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

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

31.3 Subsidiaries acquired (continued)

2016 acquisitions (continued)

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

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

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

	Aspen Logistics R'000	Novo Packhouse R'000	Theewaters-kloof R'000	Agriseeds R'000	KKSM Zimbabwe R'000	Total R'000
Property, plant and equipment	690	118,461	57,515	46,149	4,704	227,519
Intangible assets				2,074	2,088	4,162
Biological assets (bearer plants)			62,485			62,485
Loans and advances	463			19,720		20,183
Inventories	72	770		20,571	35,821	57,234
Trade and other receivables	42,885	4,269		34,656	34,569	116,379
Cash, money market investments and other cash equivalents	1,167			1,599	111	2,877
Borrowings				(68,755)	(45,558)	(114,313)
Deferred income tax liabilities				(3,605)	(286)	(3,891)
Employee benefits	(293)					(293)
Trade and other payables	(52,127)	(3,500)		(19,300)	(36,160)	(111,087)
Total identifiable net (liabilities)/assets	(7,143)	120,000	120,000	33,109	(4,711)	261,255
Non-controlling interests	1,786			(6,622)	(116)	(4,952)
Derecognition of investment in associate					(197)	(197)
Goodwill recognised	9,857			6,228	5,024	21,109
Total consideration	4,500	120,000	120,000	32,715	-	277,215
Cash consideration paid	(4,500)	(120,000)	(120,000)	(32,715)		(277,215)
Cash and cash equivalents acquired	1,167			1,599	111	2,877
Net cash outflow from business combination	(3,333)	(120,000)	(120,000)	(31,116)	111	(274,338)

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

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

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

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

31.3 Subsidiaries acquired (continued)

2015 acquisitions

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

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

Animalzone (Pty) Ltd ("Animalzone")

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

Gestao de Terminais SA

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

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

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

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

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

32. EARNINGS PER SHARE

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

	2017 R'000	2016 R'000	2015 R'000
(Loss)/earnings attributable to equity holders of the company	**(795,962)**	781,909	241,816
Non-headline items of associates and joint ventures	**12,165**	19,844	20,377
- Gross	**12,442**	19,844	20,437
- Non-controlling interests	**(1,023)**		(60)
- Tax effect	**746**		
Net loss/(profit) on dilution of interest in associates	**7,985**	(249,160)	-
- Gross	**7,566**	(258,298)	
- Non-controlling interests	**419**	9,138	
Loss on disposal of non-current assets held for sale	**-**	1,673	-
- Gross		1,730	
- Non-controlling interests		(57)	
Fair value gains on step-up acquisition of associates and joint ventures to subsidiaries	**-**	(3,430)	(3,031)
- Gross		(3,731)	(3,295)
- Non-controlling interests		301	264
Reversal of impairment of property, plant and equipment	**-**	-	(8,456)
- Gross			(11,893)
- Non-controlling interests			3,437
Impairment of investment in associates and joint ventures	**-**	-	126
- Gross			131
- Non-controlling interests			(5)
Net profit on sale of property, plant and equipment	**(342)**	(22,778)	(2,884)
- Gross	**(737)**	(29,850)	(4,331)
- Non-controlling interests	**229**	2,644	689
- Tax effect	**166**	4,428	758
Impairment of property, plant and equipment	**2,773**	9,138	-
- Gross	**2,876**	14,171	
- Non-controlling interests	**(103)**	(314)	
- Tax effect		(4,719)	
Impairment of intangible assets and goodwill	**3,465**	7,309	12,822
- Gross	**5,173**	7,950	19,013
- Non-controlling interests	**(1,708)**	(641)	(2,678)
- Tax effect			(3,513)
Recycling of foreign exchange gains on long-term loan	**-**	-	(935)
- Gross			(1,410)
- Non-controlling interests			81
- Tax effect			394
Profit on disposal of investments	**-**	-	(2,530)
- Gross			(3,559)
- Non-controlling interests			1,029
Headline (loss)/earnings	**(769,916)**	544,505	257,305

	2017	2016	2015
	R'000	R'000	R'000

32. EARNINGS PER SHARE (continued)

The calculation of the weighted number of shares in issue is as follows:

- Number of shares in issue at beginning of year ('000)	**1,522,853**	1,443,844	980,188
- Weighted number of shares issued during the year ('000)	**102,977**	46,584	191,814
- Net movement in treasury shares ('000)	**(3,701)**		
- Weighted number of shares at end of year ('000)	**1,622,129**	1,490,428	1,172,002
- Number of bonus element shares to be issued in terms of share incentive scheme ('000)	**2,009**		
- Diluted weighted number of shares at end of year ('000)	**1,624,138**	1,490,428	1,172,002

Basic

(Loss)/earnings attributable to ordinary shareholders	**(795,962)**	781,909	241,816
Headline (loss)/earnings	**(769,916)**	544,505	257,305
Weighted number of shares at end of year ('000)	**1,622,129**	1,490,428	1,172,002
Attributable/basic (loss)/earnings per share (cents)	**(49.1)**	52.5	20.6
Headline (loss)/earnings per share (cents)	**(47.5)**	36.5	22.0

Diluted

Diluted earnings and diluted headline earnings per share are calculated using earnings and headline earnings adjusted for the effect of all dilutive potential ordinary shares throughout the group, as well as by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares on a group level (arising from the share-based payment arrangements set out in notes 15). A calculation is performed to determine the number of shares that could have been acquired at fair value (determined using the annual volume weighted average JSE-listed share price of the company's shares) based on the monetary value of the shares/share options granted to participants.

Diluted (loss)/earnings attributable to ordinary shareholders	**(833,721)**		
Diluted headline (loss)/earnings	**(807,204)**		
Diluted weighted number of shares at end of year ('000)	**1,624,138**	1,490,428	1,172,002
Diluted attributable (loss)/earnings per share (cents)	**(51.3)**	49.4	20.6
Diluted headline (loss)/earnings per share (cents)	**(49.7)**	33.8	22.0

33. CONTINGENT CONSIDERATION PAID

During the 2015 year deferred purchase consideration of R177,5m was paid that related to an earn-out clause pertaining to the acquisition of a foreign associate. The contingent consideration paid was calculated with reference to the average net profit before tax for the past three years (refer note 24).

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

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

	At fair value through profit or loss R'000	Available-for-sale R'000	Loans and receivables R'000	Held for sale R'000	Total R'000
Financial assets at 28 February 2017					
- Loans to associates			**76,998**		**76,998**
- Loans to joint ventures			**3,022**		**3,022**
- Equity securities	**39,058**	**6,716**			**45,774**
- Loans and advances			**146,458**		**146,458**
- Trade and other receivables			**1,118,595**		**1,118,595**
- Cash and cash equivalents			**422,308**		**422,308**
	39,058	**6,716**	**1,767,381**	**-**	**1,813,155**
Financial assets at 29 February 2016					
- Equity securities	43,159	7,033			50,192
- Debt securities			22,854		22,854
- Loans and advances			66,317		66,317
- Trade and other receivables			1,222,373		1,222,373
- Derivative financial assets	42				42
- Cash and cash equivalents			684,278		684,278
	43,201	7,033	1,995,822	-	2,046,056
Financial assets at 28 February 2015					
- Loans to associates			30,030		30,030
- Loans to joint ventures			81		81
- Equity securities	46,279	4,729			51,008
- Non-current assets held for sale				30,378	30,378
- Loans and advances			114,409		114,409
- Trade and other receivables			1,143,678		1,143,678
- Derivative financial assets	24				24
- Cash and cash equivalents			769,999		769,999
	46,303	4,729	2,058,197	30,378	2,139,607

34. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

	At amortised cost R'000	At fair value through profit or loss R'000	Total R'000
Financial liabilities at 28 February 2017			
- Borrowings	**2,972,927**		**2,972,927**
- Derivative financial liabilities	**94,132**		**94,132**
- Trade and other payables	**1,072,752**		**1,072,752**
	4,139,811	**-**	**4,139,811**
Financial liabilities at 29 February 2016			
- Borrowings	2,441,886		2,441,886
- Derivative financial liabilities	65,424		65,424
- Trade and other payables	1,299,115		1,299,115
	3,806,425	-	3,806,425
Financial liabilities at 28 February 2015			
- Borrowings	1,872,311		1,872,311
- Derivative financial liabilities		64,061	64,061
- Trade and other payables	1,113,897		1,113,897
	2,986,208	64,061	3,050,269

Market risk

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

Price risk

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

The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of market price fluctuations. The analysis is based on the assumption that marked-to-market prices increase/decrease by 20% (2016: 20%) (2015: 20%) at the reporting date, with all other variables (e.g. effective tax rate) held constant.

	2017 20% increase R'000	**2017 20% decrease R'000**	2016 20% increase R'000	2016 20% decrease R'000	2015 20% increase R'000	2015 20% decrease R'000
Impact on post-tax profit	**7,104**	**(7,104)**	7,790	(7,790)	8,299	(8,299)

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

34. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Cash flow and fair value interest rate risk

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

	2017 R'000	2016 R'000	2015 R'000
Loans to associates			
Floating rate	**70,388**		30,030
Fixed rate	**6,610**		
Loans to joint ventures			
Fixed rate	**3,022**		81
Debt securities			
Fixed rate		22,854	
Loans and advances			
Floating rate	**126,637**	60,434	106,998
Fixed rate	**19,821**	5,883	7,411
Trade and other receivables			
Floating rate	**612,298**	701,204	733,982
Fixed rate	**506,297**	521,169	409,696
Cash, money market investments and other cash equivalents			
Floating rate	**414,881**	637,493	769,999
Fixed rate	**7,427**	46,785	
Borrowings			
Floating rate	**(2,499,269)**	(1,703,211)	(1,124,213)
Fixed rate	**(473,659)**	(738,675)	(748,098)
Total	**(1,205,546)**	(446,064)	185,886
Floating rate	**(1,275,064)**	(304,080)	486,766
Fixed rate	**69,518**	(141,984)	(300,880)

Fixed rate investments, loans to associates and joint ventures, loans and advances, receivables and borrowings include those bearing no interest.

The table below summarises the sensitivity of the group's post-tax net profit for the year to interest rate fluctuations. The analysis is based on the assumption that interest rates were 1% (2016: 1%) (2015: 1%) higher/lower for the full year, with all other variables (e.g. effective tax rate, interest carrying balances) held constant.

	2017 1% increase R'000	**2017 1% decrease R'000**	2016 1% increase R'000	2016 1% decrease R'000	2015 1% increase R'000	2015 1% decrease R'000
Impact on post-tax profit	**(9,180)**	**9,180**	(2,189)	2,189	3,505	(3,505)

34. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Foreign exchange risk

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

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

	British pound sterling R'000	United States dollar R'000	Euro R'000	Australian dollar R'000	Hong Kong dollar R'000	Sub-total A R'000
At 28 February 2017						
Financial assets						
- Loans and advances		39,836				39,836
- Trade and other receivables	8,652	233,040	77,833		13,859	333,384
- Cash and cash equivalents	1,563	20,359	2,831		6,057	30,810
Financial liabilities						
- Trade and other payables	(2,560)	(129,560)	(84,369)	(1,072)	(180)	(217,741)
- Borrowings		(108,830)	(75,364)			(184,194)
Total	7,655	54,845	(79,069)	(1,072)	19,736	2,095

	Sub-total A R'000	Chinese yuan renminbi R'000	Japanese yen R'000	Mozambique new metical R'000	Zambian kwacha R'000	Sub-total B R'000
At 28 February 2017						
Financial assets						
- Loans and advances	39,836				139	39,975
- Trade and other receivables	333,384	127,180	525,960	29,205	21,604	1,037,333
- Cash and cash equivalents	30,810		102,354	346,267	2,516	481,947
Financial liabilities						
- Trade and other payables	(217,741)	(14,653)	(194,361)	(2,648)	(3,003)	(432,406)
- Borrowings	(184,194)			(835)	(52,150)	(237,179)
Total	2,095	112,527	433,953	371,989	(30,894)	889,670

34. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Foreign exchange risk

	Sub-total B R'000	**New Zealand dollar R'000**	**Etiopian birr R'000**	**Swiss franc R'000**	**Malawi kwacha R'000**	**Total R'000**
At 28 February 2017						
Financial assets						
- Loans and advances	**39,975**					**39,975**
- Trade and other receivables	**1,037,333**		**28**	**38**	**109**	**1,037,508**
- Cash and cash equivalents	**481,947**					**481,947**
Financial liabilities						
- Trade and other payables	**(432,406)**	**(5,286)**				**(437,692)**
- Borrowings	**(237,179)**					**(237,179)**
Total	**889,670**	**(5,286)**	**28**	**38**	**109**	**884,559**

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

34. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Foreign exchange risk

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

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

34. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Foreign exchange risk (continued)

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

The group has entered into forward currency exchange contracts (some being designated as hedging instruments), which relate to specific foreign commitments in respect of the aforementioned transactions (hedged items). The carrying value of forward currency exchange contracts are set out in notes 12 and 19. Details of forward currency exchange contracts outstanding at the reporting date are as follows:

	Foreign amount '000	Average exchange rate	Rand exposure translated at closing rate R'000
2017			
Exports			
United States dollar	**1,882**	**14.67**	**27,609**
British pound sterling	**1,395**	**19.96**	**27,844**
Euro	**567**	**16.34**	**9,265**
Japanese yen	**346,129**	**0.14**	**48,458**
			113,176
Imports			
United States dollar	**360**	**13.76**	**5,040**
Euro	**455**	**15.04**	**6,825**
			11,865
2016			
Exports			
United States dollar	24,603	15.53	381,958
British pound sterling	7,230	23.01	166,273
Euro	11,229	16.97	190,544
Japanese yen	425,216	0.13	54,816
			793,591
Imports			
United States dollar	27	15.53	426
British pound sterling	2	23.01	34
Euro	11	16.97	193
			653
2015			
Exports			
United States dollar	16,534	11.56	191,196
British pound sterling	3,496	17.99	62,909
Euro	3,298	14.05	46,347
Japanese yen	201,432	14.05	19,454
			319,906
Imports			
United States dollar	254	10.84	2,834
British pound sterling	160	17.83	2,249
Euro	663	14.14	9,330
			14,413

34. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Foreign exchange risk (continued)

The table below shows the sensitivity of post-tax profits of the group to a 20% (2016: 20%) (2015: 20%) appreciation/depreciation in the South African rand exchange rate at year-end, with all other variables (e.g. effective tax rate) held constant.

	2017 20% appreciation R'000	**2017 20% depreciation R'000**	2016 20% appreciation R'000	2016 20% depreciation R'000
Impact on post-tax profit				
British pound	**(7,782)**	**7,782**	637	(637)
United States dollar	**(18,818)**	**18,818**	42,124	(45,021)
Euro	**12,843**	**(12,843)**	7,087	(7,087)
Hong Kong dollar	**2,145**	**(2,145)**	51	(51)
Chinese yuan renminbi	**(29,692)**	**29,692**	(11,278)	11,278
Japanese yen	**2,493**	**(2,493)**	(4,830)	4,830
Mozambique new metical	**7,593**	**(7,593)**	(5,169)	5,169
Zambian kwacha	**4,354**	**(4,354)**		
New Zealand dollar	**761**	**(761)**		
Australian dollar	**154**	**(154)**		
Ethiopian birr	**(4)**	**4**		
Swiss franc	**(5)**	**5**		
Malawi kwacha	**(16)**	**16**		
Impact on post-tax other comprehensive income				
British pound	**(26,472)**	**26,472**	(59,535)	59,535
United States dollar	**(11,416)**	**11,416**	(448)	(11,673)
Euro	**(29,190)**	**29,190**	(41,657)	41,657
Hong Kong dollar	**(7,774)**	**7,774**	(13,418)	13,418
Japanese yen	**(10,170)**	**10,170**	(8,086)	8,086
Mozambique new metical	**(14,052)**	**14,052**	(2,632)	2,632
Zambian kwacha	**(186)**	**186**	39,713	(39,713)

	2015 20% appreciation R'000	2015 20% depreciation R'000
Impact on post-tax profit	31,552	(31,552)
Impact on post-tax other comprehensive income	(121,221)	121,221

Credit risk

Financial assets which potentially subject the group to credit risk, consist of loans to associates (refer note 3), debt securities (refer note 6), loans and advances (refer note 7), trade and other receivables (refer note 11) and cash and cash equivalents (refer note 13). Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. In the case of loans and advances, management would take or insist on collateral or other form of securitisation as they deem fit.

34. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

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

	Aaa Moody's R'000	**Aa Moody's R'000**	**A Moody's R'000**	**Baa Moody's R'000**	**Ba Moody's R'000**	**Sub-total A R'000**
28 February 2017						
Trade and other receivables	**36,498**			**8,059**		**44,557**
Cash and cash equivalents - bank balances	**1,950**	**17,791**	**63,101**	**102,632**	**30**	**185,504**
	38,448	**17,791**	**63,101**	**110,691**	**30**	**230,061**

	Sub-total A R'000	**B Moody's R'000**	**Caa Moody's R'000**	**Not rated R'000**	**Past due but not impaired assets R'000**	**Carrying value R'000**
28 February 2017						
Loans to associates	**-**			**76,998**		**76,998**
Loans to joint ventures	**-**			**3,022**		**3,022**
Loans and advances	**-**			**146,458**		**146,458**
Trade and other receivables	**44,557**			**912,278**	**161,760**	**1,118,595**
Cash and cash equivalents - bank balances	**185,504**	**111**	**64,853**	**3,569**		**254,037**
Cash and cash equivalents - money market fund	**-**			**168,271**		**168,271**
	230,061	**111**	**64,853**	**1,310,596**	**161,760**	**1,767,381**

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

34. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

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

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

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

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

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

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

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

	0-2 months R'000	2-6 months R'000	6-12 months R'000	Total R'000
At 28 February 2017	**58,854**	**80,871**	**22,035**	**161,760**
At 29 February 2016	49,961	31,669	11,257	92,887
At 28 February 2015	31,669	70,110	46,358	148,137

	2017 R'000	2016 R'000	2015 R'000
Reconciliation of allowance for impairment of trade receivables:			
Balance at beginning of year	**49,047**	18,967	18,724
Amounts written off	**(20,183)**		(85)
Net impairment provision	**2,371**	30,080	328
Balance at end of year	**31,235**	49,047	18,967

34. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are available to meet future cash flow requirements.

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

	Less than one year R'000	One to five years R'000	Over five years R'000	Carrying value R'000
28 February 2017				
- Borrowings	**2,119,723**	**950,135**	**49,050**	**2,972,927**
- Derivative financial liabilities	**55,913**	**64,330**		**94,132**
- Trade and other payables	**1,076,823**			**1,072,752**
	3,252,459	**1,014,465**	**49,050**	**4,139,811**
29 February 2016				
- Borrowings	1,416,963	1,224,085	224,668	2,441,886
- Derivative financial liabilities		65,424		65,424
- Trade and other payables	1,299,115			1,299,115
	2,716,078	1,289,509	224,668	3,806,425
28 February 2015				
- Borrowings	937,639	1,095,098	28,472	1,872,311
- Derivative financial liabilities	417	85,533		64,061
- Trade and other payables	934,013			1,113,897
	1,872,069	1,180,631	28,472	3,050,269

34. FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation

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

Level 1

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

Level 2

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

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

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

Equity securities included in level 3 of the fair value hierarchy as at the most recent reporting date consisted of the unquoted equity securities set out in note 6. The unquoted equity securities include advances which are linked to equity securities traded in over-the-counter markets. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying over-the-counter traded equity securities and the dividends received on these securities. The advances are carried at the fair value of the underlying over-the-counter traded equity securities. Based on the assumption that the over-the-counter prices of the traded equity securities were 20% (2016: 20%) (2015: 20%) higher/lower for the full year, the fair value would have been R8.9m (2016: R9.8m) (2015: R9.9m) higher/lower than the current fair value.

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

Other derivative liabilities included in level 3 relate to put options held by non-controlling interests against the group. These fair values are calculated by applying the contractually agreed price/earnings multiple to the relevant subsidiary's board-approved budgeted profits and discounting it at a market-related interest rate. Based on the assumption that the interest rates were 1% (2016: 1%) (2015: 1%) higher/lower for the full year, with all other variables (e.g. the relevant subsidiary's board-approved budgeted profits) held constant, the fair value would have been R222,000 (2016: R159,000) (2015: R211,000) higher/lower than the current fair value.

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

The following financial assets are measured at fair value:

	Level 1 R'000	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
Assets				
28 February 2017				
Financial assets at fair value through profit or loss				
- Equity securities		**1,321**	**44,453**	**45,774**
	-	**1,321**	**44,453**	**45,774**

34. FINANCIAL RISK MANAGEMENT (continued)

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Fair value estimation (continued)				
Assets (continued)				
29 February 2016				
Financial assets at fair value through profit or loss				
- Derivative financial assets		42		42
- Equity securities		1,321	48,871	50,192
- Debt securities			22,854	22,854
	-	1,363	71,725	73,088
28 February 2015				
Financial assets at fair value through profit or loss				
- Derivative financial assets		24		24
- Equity securities		1,321	49,687	51,008
- Non-current asset held for sale			30,378	30,378
	-	1,345	80,065	81,410
Liabilities				
28 February 2017				
- Derivative financial liabilities		**128**	**94,004**	**94,132**
29 February 2016				
- Derivative financial liabilities			65,424	65,424
28 February 2015				
- Derivative financial liabilities		417	63,644	64,061

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

	Level 3		
	2017 R'000	2016 R'000	2015 R'000
Reconciliation of financial assets:			
Opening balance	**71,725**	80,065	41,729
Additions	**439**	29,563	
Transfer from subsidiaries to non-current assets held for sale			30,378
Disposal	**(22,854)**	(28,642)	
Fair value (losses)/gains	**(4,857)**	(9,261)	7,958
Closing balance	**44,453**	71,725	80,065
Reconciliation of financial liabilities:			
Opening balance	**65,425**	63,644	45,666
Additions	**24,751**		19,487
Fair value gains	**(3,299)**	(3,591)	(4,777)
Interest	**7,127**	5,372	3,268
Closing balance	**94,004**	65,425	63,644

34. FINANCIAL RISK MANAGEMENT (continued)

Capital risk management

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

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

35. SHAREHOLDER ANALYSIS

	Shareholders		Shares held	
	Number	**%**	**Number**	**%**
Range of shareholding				
1 - 20,000	**10,957**	**75.5**	**57,676,783**	**3.3**
20,001 - 50,000	**1,624**	**11.2**	**53,690,160**	**3.1**
50,001 - 100,000	**796**	**5.5**	**57,785,308**	**3.4**
100,001 - 500,000	**884**	**6.1**	**187,220,874**	**10.9**
500,001 - 1,000,000	**127**	**0.9**	**89,630,781**	**5.2**
Over 1,000,000	**130**	**0.8**	**1,278,673,373**	**74.1**
	14,518	**100.0**	**1,724,677,279**	**100.0**
Treasury shares				
- Employee share scheme	**1**		**5,837,369**	
	14,519		**1,730,514,648**	
Public and non-public shareholding				
Non-public				
- Directors*	**7**	**0.1**	**14,685,620**	**0.9**
- PSG Financial Services Ltd	**1**	**0.0**	**725,487,746**	**42.1**
Public	**14,510**	**99.9**	**984,503,913**	**57.0**
	14,518	**100.0**	**1,724,677,279**	**100.0**
Major shareholders holding 5% or more of shares in issue (net of treasury shares) at 28 February 2017				
PSG Financial Services Ltd (wholly-owned subsidiary of ultimate holding company, PSG Group Ltd)			**725,487,746**	**42.1**
Public Investment Corporation (including Government Employees Pension Fund)**			**151,121,907**	**8.8**
Allan Gray**			**97,492,775**	**5.7**
			974,102,428	**56.6**

* *Refer to the directors' report for further details on the directors' shareholdings.*
** *The shareholding includes shares held directly or indirectly by the entity and/or its clients.*

36. EVENTS SUBSEQUENT TO THE REPORTING DATE

Zeder, through its subsidiary, Zaad Holdings Ltd, has concluded agreements for the acquisition of a 35% stake in the Turkish seed company May-Agro Tohumculuk Sanayi ve Ticaret Anonim Şirketi ("May Seed"), subject to the fulfilment of certain conditions precedent.

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

ZEDER INVESTMENTS LIMITED
ANNEXURE A - SIGNIFICANT SUBSIDIARIES
FOR THE YEAR ENDED 28 FEBRUARY 2017

Subsidiary	Country of incorporation[1]	Nature of business	Economic interest held directly or indirectly[2] 2017 %	2016 %	2015 %	Profit or loss attributable to non-controlling interests 2017 R'000	2016 R'000	2015 R'000	Carrying value of non-controlling interests 2017 R'000	2016 R'000	2015 R'000
Zeder Financial Services Ltd	South Africa	Investment holding	**100.0**	100.0	100.0						
Zaad Holdings Ltd	South Africa[3]	Agricultural seed production/marketing	**91.4**	92.3	92.0	**14,361**	11,668	10,372	**100,193**	86,563	84,358
Capespan Group Ltd	South Africa[4]	Fruit, farming and logistics	**98.1**	96.6	71.1	**10,626**	25,857	38,549	**48,451**	93,325	396,884
Agrivision Africa	Mauritius[5]	Farming and milling	**55.6**	55.9	76.5	**29,314**	(31,353)	(6,991)	**258,685**	261,945	126,603
Total						**54,301**	6,172	41,930	**407,329**	441,833	607,845

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

Subsidiary	Profit from continuing operations 2017 R'000	Total comprehensive income for the year 2017 R'000	Revenue 2017 R'000	Profit/(loss) from continuing operations 2016 R'000	Total comprehensive income for the year 2016 R'000	Revenue 2016 R'000	Profit/(loss) from continuing operations 2015 R'000	Total comprehensive income for the year 2015 R'000	Revenue 2015 R'000
Zaad Holdings Ltd[1]	**108,734**	**59,615**	**1,314,157**	108,344	137,346	1,226,046	62,406	44,938	946,573
Capespan Group Ltd[2]	**89,137**	**(278,126)**	**8,311,292**	402,438	583,643	7,687,522	117,428	141,382	7,392,421
Agrivision Africa[2]	**66,649**	**(12,050)**	**583,690**	(86,927)	(363,641)	404,179	(29,515)	(56,154)	352,974

1 Represents the year ended 31 January 2017 (2016: 29 February 2016) (2015: 28 February 2015).
2 Represents the year ended 31 December 2016 (2016: 31 December 2015) (2015: 31 December 2014).

Subsidiary	Dividends paid: To non-controlling interests 2017 R'000	To owners of the parent 2017 R'000	Total 2017 R'000	To non-controlling interests 2016 R'000	To owners of the parent 2016 R'000	Total 2016 R'000	To non-controlling interests 2015 R'000	To owners of the parent 2015 R'000	Total 2015 R'000
Zaad Holdings Ltd			**-**			-			-
Capespan Group Ltd	**13,302**	**54,996**	**68,298**	19,516	37,943	57,459	15,126	33,346	48,472
Agrivision Africa			**-**			-			-

ZEDER INVESTMENTS LIMITED
ANNEXURE A - SIGNIFICANT SUBSIDIARIES
FOR THE YEAR ENDED 28 FEBRUARY 2017

					Assets				
	Non-current	**Current**	**Total**	Non-current	Current	Total	Non-current	Current	Total
	2017	**2017**	**2017**	2016	2016	2016	2015	2015	2015
Subsidiary	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000	R'000	R'000	R'000
Zaad Holdings Ltd	**792,799**	**1,267,144**	**2,059,943**	546,995	1,245,701	1,792,696	412,286	865,142	1,277,428
Capespan Group Ltd	**2,470,241**	**1,466,340**	**3,936,581**	2,372,641	1,817,040	4,189,681	1,486,163	1,532,302	3,018,465
Agrivision Africa	**615,486**	**415,900**	**1,031,386**	693,709	529,404	1,223,113	857,124	291,393	1,148,517

					Liabilities				
	Non-current	**Current**	**Total**	Non-current	Current	Total	Non-current	Current	Total
	2017	**2017**	**2017**	2016	2016	2016	2015	2015	2015
Subsidiary	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000	R'000	R'000	R'000
Zaad Holdings Ltd	**242,551**	**888,343**	**1,130,894**	179,284	796,444	975,728	185,822	530,586	716,408
Capespan Group Ltd	**708,670**	**1,277,678**	**1,986,348**	726,489	1,379,845	2,106,334	323,534	1,137,538	1,461,072
Agrivision Africa	**315,866**	**176,133**	**491,999**	244,599	437,992	682,591	313,652	345,340	658,992

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

The prior year's impact on equity attributable to owners of the parent resulting from transactions with non-controlling interests, as disclosed in the statement of changes in equity, relates mainly to the group's schemes of arrangements with Capespan Group Ltd as more fully set out in the directors' report and note 15.

Associate	Country of incorporation[1]	Nature of business	Economic interest held directly or indirectly[2] 2017 %	2016 %	2015 %	Dividends received during the year 2017 R'000	2016 R'000	2015 R'000	Carrying value at year-end 2017 R'000	2016 R'000	2015 R'000
Agri Voedsel Ltd[4]	South Africa	Investment company with an interest in Pioneer Food Group Ltd						17,521			
Pioneer Food Group Ltd[4]	South Africa[3]	Food and beverage distributer	**31.4**	31.5	31.7	**212,615**	193,392	90,871	**5,156,910**	4,976,007	4,774,246
Kaap Agri Ltd	South Africa[3]	Agricultural	**41.9**	41.5	39.9	**27,806**	23,688	18,252	**612,417**	541,782	453,146
Quantum Foods Holdings Ltd	South Africa[3]	Feeds and poultry business	**26.7**	26.4	26.4	**3,697**	6,162		**173,535**	157,856	142,769
Golden Wing Mau	China	Fruit procurement/ distribution	**10.5**	11.3	25.0				**591,290**	650,684	295,324
Other immaterial associated companies (aggregated)						**4,946**			**289,998**	128,903	38,504
Total						**249,064**	223,242	126,644	**6,824,150**	6,455,232	5,703,989

[1] Principle place of business is the country of incorporation, unless otherwise stated.
[2] Economic interests equal voting rights, except for Pioneer Food Group Ltd and Kaap Agri Ltd where voting interest amounts to 27.1% and 39.8%, respectively.
[3] Operating via various subsidiaries throughout southern Africa.
[4] During the 2015 year, Zeder made an offer to acquire all of the shares in Agri Voedsel Ltd (which in turn held an interest in JSE-listed Pioneer Food Group Ltd) not already held by Zeder, whereby Agri Voedsel Ltd shareholders were offered 16.2 Zeder shares for every one Agri Voedsel Ltd share. Following completion of same, Zeder owned a direct voting interest of 27.3% in Pioneer Food Group Ltd and 24.9% in Quantum Foods Holdings Ltd.

Profitability (100%)

Associate[1]	**Profit for the year 2017 R'000**	**Total comprehensive income for the year 2017 R'000**	**Revenue 2017 R'000**	Profit for the year 2016 R'000	Total comprehensive income for the year 2016 R'000	Revenue 2016 R'000	Profit/(loss) for the year 2015 R'000	Total comprehensive income for the year 2015 R'000	Revenue 2015 R'000
Pioneer Food Group Ltd	**1,690,173**	**1,487,733**	**20,599,725**	1,130,429	1,199,731	18,748,201	966,300	977,700	17,698,600
Kaap Agri Ltd	**210,422**	**209,995**	**5,652,843**	189,194	189,177	5,341,402	158,213	158,234	4,874,579
Quantum Foods Holdings Ltd	**91,354**	**114,097**	**3,913,078**	126,916	52,199	3,468,312	(8,487)	(28,176)	3,560,943

Profitability (group's interest)

Associate[1]	**Profit for the year 2017 R'000**	**Total comprehensive income for the year 2017 R'000**	Profit for the year 2016 R'000	Total comprehensive income for the year 2016 R'000	Profit for the year 2015 R'000	Total comprehensive income for the year 2015 R'000
Pioneer Food Group Ltd	**480,147**	**433,356**	401,960	413,851	77,407	73,670
Kaap Agri Ltd	**93,732**	**93,554**	75,885	75,878	58,268	58,268
Quantum Foods Holdings Ltd	**13,898**	**18,547**	40,676	21,238	6,999	6,999

Other income statement line items (100%)

Associate[1]	Interest income 2017 R'000	Depreciation and amortisation 2017 R'000	Finance cost 2017 R'000	Income tax expense 2017 R'000	Interest income 2016 R'000	Depreciation and amortisation 2016 R'000	Finance cost 2016 R'000	Income tax expense 2016 R'000	Interest income 2015 R'000	Depreciation and amortisation 2015 R'000	Finance cost 2015 R'000	Income tax (expense)/ income 2015 R'000
Pioneer Food Group Ltd	**42,679**	**(341,603)**	**(167,256)**	**(628,987)**	37,159	(335,618)	(142,114)	(588,638)	20,697	(326,040)	(137,999)	(451,759)
Kaap Agri Ltd	**96,898**	**(29,987)**	**(47,308)**	**(80,376)**	81,633	(24,914)	(35,635)	65,572	74,410	(19,548)	(29,443)	(56,350)
Quantum Foods Holdings Ltd	**7,736**	**(54,953)**	**(922)**	**(39,991)**	9,886	(56,272)	(1,887)	(45,764)	5,899	(55,344)	(4,974)	10,852

Assets

Associate[1]	Cash and cash equivalents 2017 R'000	Non-current 2017 R'000	Current 2017 R'000	Total excluding cash 2017 R'000	Cash and cash equivalents 2016 R'000	Non-current 2016 R'000	Current 2016 R'000	Total excluding cash 2016 R'000	Cash and cash equivalents 2015 R'000	Non-current 2015 R'000	Current 2015 R'000	Total excluding cash 2015 R'000
Pioneer Food Group Ltd	**1,000,791**	**7,011,690**	**6,518,816**	**13,530,506**	1,448,843	5,784,656	6,298,258	12,082,914	1,107,618	5,422,500	5,420,900	10,843,400
Kaap Agri Ltd	**16,983**	**807,695**	**2,325,180**	**3,132,875**	23,502	653,954	2,031,724	2,685,678	22,011	529,658	1,840,595	2,370,253
Quantum Foods Holdings Ltd	**79,511**	**1,071,729**	**1,194,300**	**2,266,029**	187,503	945,625	1,053,062	1,998,687	105,521	1,061,357	985,291	2,046,648

Liabilities

Associate[1]	Non-current 2017 R'000	Current 2017 R'000	Total 2017 R'000	Non-current 2016 R'000	Current 2016 R'000	Total 2016 R'000	Non-current 2015 R'000	Current 2015 R'000	Total 2015 R'000
Pioneer Food Group Ltd	**2,344,814**	**3,318,376**	**5,663,190**	2,273,487	2,900,902	5,174,389	2,308,600	3,920,700	6,229,300
Kaap Agri Ltd	**29,861**	**1,697,337**	**1,727,198**	31,193	1,399,263	1,430,456	30,875	1,224,010	1,254,885
Quantum Foods Holdings Ltd	**242,372**	**427,509**	**669,881**	220,747	346,772	567,519	195,922	389,502	585,424

[1] These figures are the latest published full year results publicly available for these companies.

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

	Pioneer Food Group Ltd[1]			**Kaap Agri Ltd[1]**		
	2017 R'000	2016 R'000	2015 R'000	**2017 R'000**	2016 R'000	2015 R'000
Total assets reported above	**13,530,506**	12,082,914	10,843,400	**3,132,875**	2,685,678	2,370,253
Total liabilities reported above	**(5,663,190)**	(5,174,389)	(6,229,300)	**(1,727,198)**	(1,430,456)	(1,254,885)
Net assets reported above	**7,867,316**	6,908,525	4,614,100	**1,405,677**	1,255,222	1,115,368
Non-controlling interests		(12,417)	(10,524)			
Equity attributable to owners of the parent	**7,867,316**	6,896,108	4,603,576	**1,405,677**	1,255,222	1,115,368
Non-current assets and liabilities held for sale[3]			(1,498,718)			
	7,867,316	6,896,108	3,104,858	**1,405,677**	1,255,222	1,115,368
Group's economic interest in the associate (%)	**31.4**	31.5	31.7	**41.9**	41.5	39.9
Group's interest in equity attributable to owners of the parent	**2,467,190**	2,175,032	983,309	**588,416**	520,541	445,032
Deemed goodwill included in associates' carrying value[2]	**2,689,720**	2,800,975	3,790,937	**24,001**	21,241	8,114
Associates' carrying value	**5,156,910**	4,976,007	4,774,246	**612,417**	541,782	453,146

[1] Amounts are most recently reported publicly available results as at 30 September 2016 (2016: 30 September 2015) (2015: 30 September 2014).

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

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

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

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

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

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

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

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

	2017	2016	2015
	R'000	R'000	R'000
Recurring headline earnings			
Segments			
Food, beverages and related services	**582,006**	661,802	417,011
Agri-related retail, trade and services	**88,624**	78,946	64,130
Agri-inputs	**123,866**	100,972	73,728
Agri-production	**26,162**	(37,073)	(14,278)
Recurring headline earnings from investments	**820,658**	804,647	540,591
Management (base) fee	**(74,883)**	(154,643)	(117,757)
Net interest, taxation and other income and expenses	**(55,023)**	(18,219)	(8,621)
Recurring headline earnings	**690,752**	631,785	414,213
Management fee internalisation charge	**(1,449,479)**		
Management (performance) fee			(117,757)
Other non-recurring headline earnings	**(11,189)**	(87,280)	(39,150)
Headline (loss)/earnings	**(769,916)**	544,505	257,306
Non-headline items	**(26,046)**	237,404	(15,491)
Attributable (loss)/earnings	**(795,962)**	781,909	241,815
Earnings per share (cents)			
Recurring headline earnings per share	**42.6**	42.4	35.3

ZEDER INVESTMENTS LIMITED
ANNEXURE C - SEGMENT REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2017

	2017 R'000	2016 R'000	2015 R'000
SOTP segmental analysis			
Segments			
Food, beverages and related services	**11,705,976**	9,767,997	11,226,333
Agri-related retail, trade and services	**1,359,770**	801,958	681,017
Agri-inputs	**1,531,477**	1,246,352	885,284
Agri-production	**614,000**	614,000	562,818
Cash and cash equivalents	**172,782**	117,503	338,382
Other net liabilities	**(677,699)**	(323,507)	(439,389)
SOTP value - pre management fee liability	**14,706,306**	12,224,303	13,254,445
Management fee liability*		(1,666,994)	(1,807,500)
SOTP value - post management fee liability	**14,706,306**	10,557,309	11,446,945
SOTP value per share (rand)			
SOTP value - pre management fee liability	**n/a**	8.03	9.18
SOTP value - post management fee liability	**8.53**	6.93	7.93

* *Calculated at 12% newly issued Zeder shares multiplied by Zeder SOTP value per share.*

	2017 R'000	2016 R'000	2015 R'000
Profit before tax segment analysis			
Segments			
Food, beverages and related services	**638,296**	912,907	358,891
Agri-related retail, trade and services	**89,178**	75,885	58,268
Agri-inputs	**123,238**	133,658	70,603
Agri-production	**28,730**	(46,499)	(29,768)
Management fees and other income and expenses	**(1,600,385)**	(165,767)	(96,959)
(Loss)/profit before tax	**(720,943)**	910,184	361,035
IFRS revenue (revenue and investment income) segment analysis			
Food, beverages and related services	**8,359,701**	7,719,964	7,438,026
Revenue	**8,311,292**	7,687,522	7,392,421
Investment income	**48,409**	32,442	45,605
Agri-inputs	**1,325,122**	1,231,430	951,117
Revenue	**1,314,157**	1,226,046	946,573
Investment income	**10,965**	5,384	4,544
Agri-production	**584,468**	404,196	352,974
Revenue	**583,690**	404,179	352,974
Investment income	**778**	17	
Unallocated investment income (mainly head office interest income)	**6,376**	8,960	24,699
IFRS revenue	**10,275,667**	9,364,550	8,766,816

ZEDER INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION
at 28 February 2017

	Notes	COMPANY 2017 R'000	2016 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	2	8,277,090	6,823,922
Current assets			
Trade and other receivables	3	324	
Income tax receivable		2	
Total assets		8,277,416	6,823,922
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	4	7,153,855	5,704,822
Other reserves		1,080	
Retained earnings		194,191	334,497
Total equity		7,349,126	6,039,319
Current liabilities		928,290	784,603
Borrowings	5	926,249	783,975
Trade and other payables	6	2,041	628
Total equity and liabilities		8,277,416	6,823,922

ZEDER INVESTMENTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2017

	Notes	COMPANY 2017 R'000	2016 R'000
Investment income	7	60	21
Administrative and other expenses	8	(3,294)	
(Loss)/profit before taxation		(3,234)	21
Taxation	9	(15)	(6)
(Loss)/profit and total comprehensive income for the year		(3,249)	15

ZEDER INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2017

	COMPANY			
	Stated capital R'000	**Retained earnings R'000**	**Other reserve* R'000**	**Total R'000**
Balance at 1 March 2015	5,095,256	413,893		5,509,149
Shares issued (refer note 4)	609,566			609,566
Profit and total comprehensive income for the year		15		15
Dividend paid		(79,411)		(79,411)
Balance at 29 February 2016	5,704,822	334,497	-	6,039,319
Loss and total comprehensive income for the year		**(3,249)**		**(3,249)**
Dividend paid		**(137,057)**		**(137,057)**
Shares issued (refer note 4)	**1,449,033**			**1,449,033**
Share-based payment costs - employees			**1,080**	**1,080**
Balance at 28 February 2017	**7,153,855**	**194,191**	**1,080**	**7,349,126**

** Comprise fully of Share-based payment reserve*

ZEDER INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
for the year ended 28 February 2017

		COMPANY	
	Notes	**2017 R'000**	**2016 R'000**
Cash flow utilised by operating activities		**(2,162)**	(2,357)
Cash (utilised by)/generated from operations	**11.1**	**(2,205)**	628
Interest received		**60**	21
Taxation paid	**11.2**	**(17)**	(3,006)
Cash flow from financing activities		**2,162**	2,357
Dividends paid		**(137,057)**	(79,411)
Increase in Borrowings		**140,759**	82,418
Repaid Borrowings		**(1,540)**	(650)
Net increase in cash and cash equivalents		**-**	-
Cash and cash equivalents at the beginning of the year*		**-**	
Cash and cash equivalents at end of the year*		**-**	-

** Amounts less than R1 000 in the current year. The company did not have a bank account in the beginning of the previous year.*

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The basis of preparation and accounting policies of the company are the same of the group, as set out in the group financial statements. These financial statements should be read in conjunction with the group financial statements.

	COMPANY	
	2017	**2016**
	R'000	**R'000**
2. INVESTMENT IN SUBSIDIARIES		
Unlisted shares at cost	**8,277,090**	6,823,922

The company holds 100% (2016: 100%) of the issued share capital of Zeder Financial Services Ltd.

The company's investment increased during the year following the asset-for-share transactions set out in note 4.

Further information

Refer to Annexure A of the group financial statements for further details regarding the investment in subsidiaries.

	2017	2016
3. TRADE AND OTHER RECEIVABLE		
Prepaid expense	**324**	

* Includes non-financial assets of R324,000 (2016:Rnil).

4. STATED CAPITAL

Ordinary shares

Authorised

3,000,000,000 (2016: 2,000,000,000) ordinary shares with no par value

Issued

	2017	2016
1,730,514,648 (2016: 1,522,852,890) ordinary shares with no par value	**7,153,855**	5,704,822

Cumulative, non-redeemable, non-participating preference shares

Authorised

250,000,000 (2016: 250,000,000) shares with no par value

On 29 August 2016, the company shareholders voted in favour of acquiring the rights to the management agreement from PSG Group in exchange for the issue of 207,661,758 ordinary shares, representing a 12% equity interest. The company obtained Zeder Corporate Services (Pty) Ltd ("ZCS") and subsequently transferred ZCS to Zeder Financial Services Ltd ("ZFS") (wholly-owned subsidiary) through an asset-for-share transaction.

During the prior year, the company issued 69,557,939 ordinary shares to Capespan Group Ltd ("Capespan") shareholders through a scheme of arrangement. The company also issued 4,433,103 and 5,017,863 ordinary shares for an additional interest in Kaap Agri Ltd ("Kaap Agri") and in Gebroeders Bakker Zaadteelt en Zaadhander B.V. ("Bakker"), respectively. Subsequently, the company transferred the Capespan, Kaap Agri and Bakker shares to ZFS through an asset-for-share transaction.

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

Unissued shares, limited to 5% of the company's number of shares in issue (amounting to 76,142,644 ordinary shares), are placed under the control of the directors until the next annual general meeting. The directors are authorised to buy back shares subject to certain limitations and the JSE Listings Requirements.

Refer to note 15 of the group financial statements for further details regarding the share inventive scheme that was operated by the company, for the first time during the current year.

	COMPANY	
	2017	2016
	R'000	R'000

5. BORROWINGS

	2017 R'000	2016 R'000
Zeder Financial Services Ltd ("ZFS")	**923,641**	783,975
Zeder Group Share Incentive Trust ("Zeder SIT")	**2,608**	
	926,249	783,975

The loans are unsecured, interest-free and have no fixed repayment terms. The Zeder Group Share Incentive Trust ("Zeder SIT") was founded by the company during the year and the company made a capital contribution to the Zeder SIT with regards to the initial capital, as well as the loss made during the year on the exercising of share options by the participants.

6. TRADE AND OTHER PAYABLES

	2017 R'000	2016 R'000
Trade payables	**2,041**	628

Trade payables comprise mainly of unclaimed dividends payable.

7. INVESTMENT INCOME

	2017 R'000	2016 R'000
Interest income - Cash and cash equivalents	**60**	21

8. ADMINISTRATIVE AND OTHER EXPENSES

	2017 R'000	2016 R'000
Admin fees and other expenses	**3,294**	

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

9. TAXATION

	2017 R'000	2016 R'000
Current taxation - current year	**17**	6
Current taxation - prior year	**(2)**	
	15	6
Tax reconciliation:		
(Loss)/profit before taxation	**(3,234)**	21
	%	**%**
Taxation at standard rate of 28%	**28.0**	28.0
Non-deductible expenses	**(28.5)**	0.6
	(0.5)	28.6

10. RELATED PARTY TRANSACTIONS AND BALANCES

The following related parties were identified with which transactions were entered into during the year and/or balances were outstanding at the reporting date:

Party	Relationship
Zeder Financial Services Ltd ("ZFS")	Wholly-owned subsidiary
Zeder Corporate Services (Pty) Ltd (previously Rose Bridge 59 (Pty) Ltd) ("ZCS")	Indirect wholly-owned subsidiary
Capespan Group Ltd	Indirect subsidiary
Kaap Agri Ltd	Indirect associate
Gebroeders Bakker Zaadteelt en Zaadhander B.V.	Indirect subsidiary of Zaad Holdings Ltd
Zaad Holdings Ltd	Indirect subsidiary
PSG Group Ltd	Ultimate holding company
PSG Corporate Services (Pty) Ltd ("PSGCS")	Indirect subsidiary of PSG Group Ltd
Grayston Elliot (Pty) Ltd	Indirect subsidiary of PSG Group Ltd

Related-party transactions during the current period included professional fees (refer note 8) of R1,088,000 (2016: Rnil) paid to PSGCS and R106,000 (2016: Rnil) to Grayston Elliot (Pty) Ltd in respect of the transaction costs incurred with the internalisation of the management agreement.

10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Refer to note 4 and directors' report for details regarding transactions with related parties.

Related party balances are set out in note 5.

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

	COMPANY	
	2017 R'000	2016 R'000
11. NOTES TO THE CASH FLOWS		
11.1 Cash (utilised by)/generated from operations		
(Loss)/profit before taxation	**(3,234)**	21
Interest income	**(60)**	(21)
Changes in working capital	**1,089**	628
Increase in trade and other receivables	**(324)**	
Increase in trade and other payables	**1,413**	628
	(2,205)	628
11.2 Taxation paid		
Current taxation charged to profit and loss	**(15)**	(6)
Movement in tax asset/liability	**(2)**	(3,000)
	(17)	(3,006)

12. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The company’s activities expose it to liquidity risk. The company is not exposed to credit, price, currency or foreign exchange risk. The company’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company’s financial performance.

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

The company had no financial assets (2016: Rnil) at the reporting date. Borrowings and trade and other payables are classified as financial liabilities carried at amortised cost. The carrying amounts of financial assets and liabilities carried at amortised cost approximate their fair values.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient availability of funding through an adequate amount of committed credit facilities.

All financial liability balances are due within 12 months and thus the impact of discounting is not significant.

FAIR VALUE ESTIMATION

At the reporting date the company had no financial assets or liabilities measured at fair value.

CAPITAL MANAGEMENT

The capital management of the company is determined by its directors. The directors have authority to issue ordinary shares up to 5% of the number of shares in issue.

13. GOING CONCERN

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

14. EVENTS SUBSEQUENT TO THE REPORTING DATE

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

15. GROUP FINANCIAL STATEMENTS

Separate group annual financial statements are prepared and published for this company and its subsidiaries. Refer to the group financial statements.