ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2015

FINANCIAL STATEMENTS
for the year ended 30 June 2015

REGULATORY APPROVALS

GROUP FINANCIAL STATEMENTS

COMPANY FINANCIAL STATEMENTS

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2015

The directors are responsible for the preparation and integrity of the annual financial statements of the company and the Group and other information included in this report which has been prepared in accordance with International Financial Reporting Standards. The directors are also responsible for the systems of internal control.

The directors, supported by the Audit Committee, are of the opinion, based on the information and explanations given by management and the internal auditors and on comment by the independent external auditors on the results of their statutory audit, that the Group's internal accounting controls are adequate, so that the financial records may be relied upon for preparing the financial statements and maintaining accountability for assets and liabilities. The directors believe that the Group's assets are protected and used as intended in all material respects with appropriate authorisation. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period.

In preparing the annual financial statements, the Group has used appropriate accounting policies, supported by reasonable judgements and estimates, and has complied with all applicable accounting standards. The directors are of the opinion that the annual financial statements present fairly the financial position of the company and the Group at 30 June 2015 and the results of its operations for the year then ended. The directors are also of the opinion that the Group will continue as a going concern in the year ahead.

The annual financial statements set out on pages 4 to 98, which have been prepared on the going concern basis, were approved by the Board of directors on 1 September 2015 and are signed on its behalf by:

JJ Durand
Non-executive Chairman

M Dally
Chief Executive Officer

1 September 2015

CERTIFICATE BY THE COMPANY SECRETARY

for the year ended 30 June 2015

I hereby certify that in respect of the year ended 30 June 2015, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of section 88(2) of the Companies Act of South Africa and that all such returns are true, correct and up to date.

JMJ Maher
Company Secretary

1 September 2015

REPORT OF THE DIRECTORS
for the year ended 30 June 2015

NATURE OF BUSINESS

RCL FOODS Limited's ("RCL FOODS") ambition is to build a profitable business of scale by creating food brands that matter.

It is the holding company of four principal operating subsidiaries, Foodcorp Proprietary Limited, Rainbow Farms Proprietary Limited, TSB Sugar RSA Proprietary Limited and Vector Logistics Proprietary Limited.

STATED CAPITAL

The issued share capital increased by 2 755 789 (2014: 284 553 675) ordinary shares during the year due to share options being exercised. At the reporting date, unexercised share options totalling 100 355 (2014: 2 748 473) had been granted to participants in the Rainbow Share Incentive Scheme. No further options will be issued and the scheme will be allowed to run its course. At the reporting date unexercised share appreciation rights totalling 60 400 318 (2014: 44 041 763) had been granted to participants. At reporting date the unexercised options relating to the Conditional Share Plan was 2 961 982 (2014: 2 715 498). These options and rights are granted at the discretion of the Remuneration and Nominations Committee.

Refer below for impact of BEE transactions on stated capital.

Shareholders will be asked to consider an ordinary resolution at the forthcoming annual general meeting for the unissued shares of the company to remain under the control of the directors until the following annual general meeting.

FINANCIAL RESULTS

The profit for the year attributable to owners of the parent amounted to R848,1 million (2014: R289,0 million loss). This translates into a headline earnings per share from continuing operations of 112,2 cents (2014: 47, 7 cents loss) based on the weighted average shares in issue during the year.

DIVIDENDS

Ordinary dividends declared in respect of the year under review are as follows:

Interim dividend
Number 80 amounting to 15,0 cents per ordinary share declared on 18 February 2015 and paid on 20 April 2015.

Final dividend
Number 81 amounting to 22,0 cents per ordinary share declared on 1 September 2015 and payable on 26 October 2015.

The salient dates of the declaration and payment of dividend number 81 are as follows:

Last date to trade ordinary shares "cum" dividend	Friday, 16 October 2015
Ordinary shares trade "ex" dividend	Monday, 19 October 2015
Record date	Friday, 23 October 2015
Payment date	Monday, 26 October 2015

BEE TRANSACTIONS

RCL FOODS BEE transactions were concluded during the prior financial year resulting in the issue of 44 681 162 shares to the RCL Employee Trust, 19 149 069 shares to Business Venture Investments 1763 Proprietary Limited and 6 928 406 shares to Malongoana Investments RF Proprietary Limited.

These transactions are treated as options and therefore has no impact on the per share calculations. The above transactions have impacted the current financial year, through the recurring employee portion of the option charge. Refer to note 33 on page 82 for further details.

SUBSIDIARIES

Details of RCL FOODS' interest in its subsidiaries are set out in note 37 on page 86.

HOLDING COMPANY

Remgro Limited is the ultimate holding company of RCL FOODS.

DIRECTORS

The names of the directors are listed on pages 24 and 25 of the integrated annual report available on our website www.rclfoods.com.

DIRECTORS' SHAREHOLDINGS

At the date of this report, the directors in aggregate held direct beneficial interests in 1 451 653 (2014: 1 451 653) ordinary shares in the company and had indirect beneficial interests in 4 481 038 (2014: 4 481 038) ordinary shares. Details of directors' shareholdings are set out in note 32 on page 76.

SUBSEQUENT EVENTS

On 31 July 2015, the Group acquired a 33,5% shareholding in Hudani Manji Holdings Limited, a private poultry producer in Uganda. The assessment of the accounting for the acquired entity will be finalised and reported on in the 2016 financial year.

INDEPENDENT AUDITOR'S REPORT
to the shareholders of RCL FOODS Limited for the year ended 30 June 2015

We have audited the consolidated and separate financial statements of RCL FOODS Limited set out on pages 4 to 98, which comprise the statements of financial position as at 30 June 2015, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of RCL FOODS Limited as at 30 June 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2015, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: H Ramsumer
Registered Auditor

Durban
1 September 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Note	2015 R'000	2014 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	1	**5 193 089**	5 132 889
Intangible assets	2	**5 675 862**	5 776 041
Biological assets	7	**549 608**	498 803
Investment in joint ventures	3	**416 626**	347 819
Investment in associate	4	**406 250**	356 013
Deferred income tax asset	17	**8 320**	8 678
Loan receivable	5	**1 555**	1 555
		12 251 310	12 121 798
Current assets			
Inventories	6	**2 761 151**	2 157 236
Biological assets	7	**548 525**	538 881
Trade and other receivables	8	**3 156 670**	3 041 277
Derivative financial instruments	9	**10 438**	2 841
Tax receivable		**9 923**	13 907
Loan receivable	5	**5 239**	
Investment in money market fund			446 000
Cash and cash equivalents		**873 397**	1 047 710
Assets of disposal group classified as held for sale	10	**76 542**	541 110
		7 441 885	7 788 962
Total assets		**19 693 195**	19 910 760
EQUITY			
Stated capital	11	**9 992 815**	9 955 700
Share-based payments reserve	12	**391 716**	330 338
Other reserves	13	**24 447**	2 462
Common control reserve		**(1 919 832)**	(1 919 832)
Retained earnings		**1 545 571**	1 005 921
Equity attributable to equity holders of the company		**10 034 717**	9 374 589
Non-controlling interests		**78 782**	61 697
Total equity		**10 113 499**	9 436 286
LIABILITIES			
Non-current liabilities			
Deferred income	20	**1 849**	5 153
Interest-bearing liabilities	15	**3 511 271**	367 556
Deferred income tax liabilities	17	**1 458 933**	1 362 670
Retirement benefit obligations	14	**187 656**	225 776
Trade and other payables	16	**8 567**	35 260
		5 168 276	1 996 415
Current liabilities			
Trade and other payables	16	**4 184 985**	3 604 363
Deferred income	20	**5 239**	3 059
Interest-bearing liabilities	15	**131 559**	4 627 716
Derivative financial instruments	9	**16 277**	10 389
Current income tax liabilities		**52 680**	25 388
Bank overdraft		**2 891**	20 993
Liabilities of disposal group classified as held for sale	10	**17 789**	186 151
		4 411 420	8 478 059
Total liabilities		**9 579 696**	10 474 474
Total equity and liabilities		**19 693 195**	19 910 760

CONSOLIDATED INCOME STATEMENT
for the year ended 30 June 2015

	Note	**2015 R'000**	Restated* 2014 R'000
Continuing operations			
Revenue		**23 428 206**	19 500 842
Operating profit before depreciation, amortisation and impairment (EBITDA)		**2 224 045**	1 122 220
Depreciation, amortisation and impairment	18	**(771 654)**	(588 177)
Operating profit	19	**1 452 391**	534 043
Finance costs	21	**(373 607)**	(1 043 458)
Finance income	22	**52 056**	148 283
Share of profits of joint ventures	3	**38 004**	16 854
Share of profit/(loss) of associate	4	**84 178**	(6 520)
Profit/(loss) before tax		**1 253 022**	(350 798)
Income tax expense	23	**(359 160)**	44 061
Profit/(loss) after tax from continuing operations		**893 862**	(306 737)
(Loss)/profit for the year from discontinued operation	10	**(31 905)**	29 755
Profit/(loss) for the year		**861 957**	(276 982)
Profit/(loss) for the year attributable to:			
Equity holders of the company		**848 121**	(289 039)
Non-controlling interests		**13 836**	12 057
		861 957	(276 982)
Earnings per share from continuing and discontinued operations attributable to equity holders of the company	24		
Basic earnings per share			
From continuing operations	(cents)	**102,4**	(45,7)
From discontinued operation	(cents)	**(3,7)**	4,3
From profit/(loss) for the year attributable to equity holders of the company	(cents)	**98,7**	(41,4)
Diluted earnings per share			
From continuing operations	(cents)	**101,7**	(45,7)
From discontinued operation	(cents)	**(3,7)**	4,3
From profit/(loss) for the year	(cents)	**98,0**	(41,4)

** Refer to note 38 for further details.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

	2015 R'000	2014 R'000
Profit/(loss) for the year	**861 957**	(276 982)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of retirement medical aid obligations	**(4 299)**	15 451
Share of associates other comprehensive income	**854**	
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges	**28 114**	(1 874)
Currency translation differences	**(6 129)**	3 295
Other comprehensive income for the year net of tax	**18 540**	16 872
Total comprehensive income/(loss) for the year	**880 497**	(260 110)
Total comprehensive income/(loss) for the year attributable to:		
Equity holders of the company	**866 661**	(272 167)
Non-controlling interests	**13 836**	12 057
	880 497	(260 110)
Total comprehensive income/(loss) attributable to equity holders of the company arises from:		
– Continuing operations	**898 566**	(301 685)
– Discontinued operation	**(31 905)**	29 518
	866 661	(272 167)

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 13 to the consolidated financial statements. The tax relating to the remeasurement of medical aid obligations was R1,7 million, (2014: R6,0 million).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Attributable to equity holders of the company							
	Stated capital R'000	Share-based payments reserve R'000	Other reserves R'000	Common control reserve R'000	Retained earnings R'000	Total R'000	Non-controlling interests R'000	Total R'000
Balance at 1 July 2013	5 079 194	185 188	1 041		1 468 691	6 734 114	311 306	7 045 420
Loss for the year					(289 039)	(289 039)	12 057	(276 982)
Other comprehensive income			1 421		15 451	16 872		16 872
Acquisition of non-controlling interest in subsidiary*							(493 269)	(493 269)
Transfer to retained earnings					(189 182)	(189 182)	189 182	
Acquisition of entity under common control*	4 000 000			(1 919 832)		2 080 168	42 421	2 122 589
BEE share-based payments charge		112 486				112 486		112 486
Pro rata issue of shares	790 184					790 184		790 184
Employee Share Incentive Scheme:								
– proceeds from shares issued	86 322					86 322		86 322
– value of employee services		32 664				32 664		32 664
Balance at 1 July 2014	9 955 700	330 338	2 462	(1 919 832)	1 005 921	9 374 589	61 697	9 436 286
Profit for the year					**848 121**	**848 121**	**13 836**	**861 957**
Other comprehensive income			**21 985**		**(3 445)**	**18 540**		**18 540**
Transfer of non-controlling interest to retained earnings					**(4 063)**	**(4 063)**	**4 063**	
BEE share-based payments charge		**17 600**				**17 600**		**17 600**
Employee Share Incentive Scheme:								
– proceeds from shares issued	**37 115**					**37 115**		**37 115**
– value of employee services		**43 778**				**43 778**		**43 778**
Ordinary dividends paid					**(300 963)**	**(300 963)**	**(814)**	**(301 777)**
Balance at 30 June 2015	**9 992 815**	**391 716**	**24 447**	**(1 919 832)**	**1 545 571**	**10 034 717**	**78 782**	**10 113 499**

** Refer to note 34 for further details.*

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2015

	Note	2015 R'000	2014 R'000
Cash flows from operating activities			
Cash generated by operations	A	**2 066 115**	1 174 003
Finance income received		**52 056**	77 197
Finance costs paid		**(374 614)**	(607 746)
Net cash inflows from operating activities – discontinued operation		**54 275**	43 918
Tax paid	B	**(280 896)**	(48 921)
Cash available from operating activities		**1 516 936**	638 451
Dividends received		**46 955**	27 673
Dividends paid		**(301 777)**	
Net cash inflow from operating activities		**1 262 114**	666 124
Cash flows from investing activities			
Replacement property, plant and equipment		**(476 459)**	(306 489)
Expansion property, plant and equipment		**(280 161)**	(347 532)
Intangible asset additions		**(6 927)**	(18 417)
Acquisition of biological assets			(9 495)
Acquisition of entity under common control	C		152 836
Acquisition of joint ventures		**(45 791)**	(123 275)
Proceeds on disposal of fishing division	D	**251 096**	
Proceeds on disposal of subsidiary	E	**(58)**	
Proceeds on disposal of property, plant and equipment and intangible assets		**31 580**	30 591
Proceeds on redemption of preference shares receivable			130 275
Investment in money market fund		**446 000**	4 000
Net cash outflow from investing activities – discontinued operation		**(17 510)**	(6 556)
Net cash outflow from investing activities		**(98 230)**	(494 062)
Cash flows from financing activities			
Repayment of interest-bearing liabilities		**(4 790 229)**	(5 736 216)
Advances of interest-bearing liabilities		**3 432 489**	4 565 711
Repayment of loan to Remgro			(604 000)
Acquisition of preference shares in subsidiary			(63 933)
Acquisition of non-controlling interest in subsidiary	F		(493 085)
Issue of shares		**37 115**	876 506
Net cash outflow from financing activities – discontinued operation		**(1 455)**	(3 519)
Net cash outflow from financing activities		**(1 322 080)**	(1 458 536)
Net movement in cash and cash equivalents		**(158 196)**	(1 286 474)
Cash and cash equivalents at the beginning of the year		**1 026 717**	2 313 191
Exchange rate translation		**1 985**	
Cash and cash equivalents at the end of the year (net of overdrafts)	G	**870 506**	1 026 717

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2015

		2015 R'000	2014 R'000
A.	**CASH GENERATED BY OPERATIONS**		
	Operating profit	**1 452 391**	534 043
	Adjusted for:		
	Depreciation, amortisation and impairment	**771 654**	588 177
	Amortisation of restraint of trade agreement		25 000
	Deferred income	**(1 124)**	3 333
	Profit on disposal of property, plant and equipment and intangible assets	**(5 227)**	(12 773)
	Movement in retirement benefit obligations	**(44 090)**	8 442
	Movement in derivative financial instruments – non-cash flow hedges	**7 390**	8 175
	Fair value adjustment in biological assets	**(358 166)**	(172 769)
	Foreign currency translation reserve released	**(727)**	
	Profit on sale of investment	**(1 546)**	
	Profit on purchase of preference shares		(15 940)
	Unrealised foreign exchange (gains)/losses	**(3 298)**	3 740
	Share-based payments – BEE charge	**17 600**	112 486
	Share-based payments – Employee Share Incentive Scheme	**43 778**	32 664
	Cash flow hedges released	**36 205**	(13 590)
	Other non-cash flow items	**(1)**	(206)
		1 914 839	1 100 782
	Working capital changes:		
	Movement in inventories	**(603 917)**	271 807
	Movement in biological assets	**267 402**	(2 129)
	Movement in trade and other receivables	**(67 973)**	(337 555)
	Movement in trade and other payables	**555 764**	141 098
		151 276	73 221
		2 066 115	1 174 003
B.	**TAX PAID**		
	Amount (payable)/refundable at the beginning of the year	**(11 481)**	30 982
	Acquisition of entity under common control		(27 544)
	Charged to the income statement	**(312 172)**	(63 840)
	Normal tax	**(299 394)**	(63 248)
	Prior year under provision	**(12 778)**	(587)
	Capital gains tax		(5)
	Amount payable at the end of the year	**42 757**	11 481
		(280 896)	(48 921)
C.	**ACQUISITION OF ENTITY UNDER COMMON CONTROL**		
	Cash acquired from business (TSB)		152 836
			152 836
D.	**PROCEEDS ON DISPOSAL OF FISHING DIVISION**		
	Cash guaranteed as per sale agreement	**395 000**	
	Less: Portion of cash not yet received	**(51 000)**	
	Less: Cash and cash equivalents disposed as part of sale	**(92 904)**	
		251 096	

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT continued

for the year ended 30 June 2015

		2015 R'000	2014 R'000
E.	**PROCEEDS ON DISPOSAL OF SUBSIDIARY**		
	Cash received on sale of subsidiary		
	Less: Cash and cash equivalents disposed as part of sale	**(58)**	
		(58)	
F.	**ACQUISITION OF NON-CONTROLLING INTEREST IN SUBSIDIARY**		
	Cash paid for subsidiary (Foodcorp)		(493 085)
			(493 085)

G. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are reported net of bank overdraft of R2,9 million (2014: R21,0 million) on the cash flow statement. The bank overdraft relates to overdrafts obtained from Absa and Standard Bank (prior year) for the purpose of working capital, which are unsecured and payable on demand. The overdrafts bear interest at prime.

Cash and cash equivalents include restricted balances of R80,3 million (2014: R89,2 million). Restricted cash balances consist of initial margin balances with the JSE Limited and Safex deposits with various financial institutions which serve as collateral for derivative positions held at year-end. This cash will only be accessible by the Group when the related derivative positions are closed.

Restricted cash balances also consist of funds received of R1,2 million (2014: R4,0 million) from the National Department of Rural Development and Land Reform in terms of a Mentorship agreement which is required to be administered and spent for the benefit of third party beneficiaries in terms of the Mentorship Agreement.

Certain cash and cash equivalents have been pledged as security for certain borrowings in the prior year (refer to note 15). The carrying amount of cash and cash equivalents approximates their fair value.

Cash and cash equivalents include amounts denominated in the following currencies:

	2015 R'000	2014 R'000
Rand	**818 056**	953 756
USD	**8 465**	28 351
GBP	**25 826**	27 333
Euro	**31**	6
Namibian Dollar	**5 552**	16 977
Mozambique Metical	**9 520**	238
Indonesian Rupee	**3 045**	56
Australian dollar	**6**	
UAE Dirham	**5**	
	870 506	1 026 717

ACCOUNTING POLICIES
for the year ended 30 June 2015

BASIS OF PREPARATION

The Group and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IFRIC interpretations, SAICA Financial Reporting guides, the requirements of the Companies Act of South Africa and the Listings Requirements of the JSE Limited under the supervision of the Chief Financial Officer, Robert Field CA(SA) and were authorised for issue on 1 September 2015 by the Board of directors. The financial statements have been prepared using the historical cost convention except for biological assets and financial instruments at fair value through profit and loss. The accounting policies comply with IFRS and have been consistently applied to all years presented except for the adoption of the following amended accounting standards.

RCL FOODS Limited has adopted the following revised accounting standards for the first time for the financial year beginning on or after 1 July 2014, which have not had a material impact on reported results:

- Amendment to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions
- Amendment to IAS 32 Financial Instruments: Presentation – clarification of some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- Amendment to IAS 36 Impairment of Assets – disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.
- Amendment to IAS 39 on novation of derivatives.
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 and IAS 27 for investment entities.
- Improvements to IFRS 2010 – 2012 Cycle.
- Improvements to IFRS 2011 – 2013 Cycle .

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 where assumptions and estimates are significant to the consolidated financial statements are disclosed on page 21.

BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured 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 these returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

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

The excess of the consideration transferred over 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 all the identifiable assets and liabilities and contingent liabilities acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in profit and loss.

Acquisitions by the Group of entities which are under common control are accounted for using pre-decessor accounting. The assets and liabilities of the acquired entity are recognised at the predecessor values; therefore no restatement of the acquiree's assets and liabilities to fair value are required. The difference between the consideration transferred and the carrying value of the net assets is recorded in equity in a common control reserve; as a result no goodwill is recognised on acquisition. The consolidated financial statements incorporate the acquired entity's results from the first day of the month in which the transaction took place. Consequently, the consolidated financial statements do not reflect the results of the acquired entity for the period before the transaction occurred. The corresponding amounts for the prior period are also not restated.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership in subsidiaries without change in 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 and losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries
When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit and loss. The fair value is the initial carrying amount for the purpose 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 and loss.

Associates
Associates are 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 after-tax 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 and loss where appropriate.

The Group's share of the post-acquisition after-tax profit or loss is recognised in the income statement, and its share of post-acquisition after-tax movements in other comprehensive income is 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 associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/loss of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate 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 the associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Joint arrangements
The Group applies IFRS 11 to all joint arrangements. Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. RCL FOODS Limited has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

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 and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment 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/losses 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.

Accounting treatment for subsidiaries in company financial statements
Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Dividend income from subsidiaries is recognised in the income statement when the right to receive payment is established.

FOREIGN CURRENCY TRANSLATION

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 the entity operates ("the functional currency"). The financial statements are presented in rands, which is the Group's presentation currency.

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, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and remeasurement of forward exchange contracts and participation hedges are presented in the income statement within "finance income or cost". All other foreign exchange gains and losses are presented in the income statement within "other gains/losses".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

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

- Assets and liabilities for each statement of financial position presented is translated at the closing rate at the date of that statement of financial position.
- 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).
- 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.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation less impairment losses, except for land which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Costs may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount 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. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on property, plant and equipment at rates that reduce the cost thereof to estimated residual values over the expected useful lives of the asset on a straight-line basis. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Where assets are identified as being impaired, that is when the recoverable amount has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement as part of operating profit.

Depreciation is calculated over the following estimated useful lives:

Buildings	20 to 50 years
Leasehold improvements	Shorter of useful life of 20 years or period of lease
Plant and equipment	
– Capitalised and owned	3 to 40 years
Vehicles	
– Capitalised and owned	3 to 8 years
Furniture	10 to 20 years
Aircraft	8 to 20 years

Capital work in progress, which comprises property, plant and equipment under construction, is not depreciated until such a time as the asset is available for use.

Land is not depreciated.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to prepare for its intended use is added to the cost of the asset, until such time as the asset is substantially complete. A substantial period of time is considered to be a period exceeding 12 months. Capitalisation is suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

ACCOUNTING POLICIES
for the year ended 30 June 2015

INTANGIBLE ASSETS

Trademarks and customer relationships
Separately acquired trademarks are shown at historical cost. Trademarks and customer relationships acquired in a business combination are recognised at fair value at the acquisition date.

The useful lives of trademarks are assessed to be either finite or indefinite. The useful lives of customer relationships are considered to be finite .Trademarks with finite lives and customer relationships are amortised over the useful life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and amortisation methods are reviewed annually.

The useful lives of intangible assets are as follows:

Trademarks	Indefinite or 15 to 20 years
Customer relationships	5 to 20 years

Trademarks with indefinite lives are not amortised but are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment to a finite life is made on a prospective basis.

Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. It is reported in the statement of financial position as a non-current asset and carried at cost less accumulated impairment losses. Goodwill is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Computer software
Costs associated with maintaining computer software programs 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 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 to use.
- There is an ability to use or sell the software product.
- The software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use 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.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 20 years and are stated at cost less accumulated amortisation.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill and certain trademarks, 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that were impaired, are reviewed for possible reversal of the impairment at each reporting date.

DISPOSAL GROUPS HELD FOR SALE

Disposal groups are classified as assets and liabilities 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.

INVENTORIES

Finished goods, raw materials, ingredients and consumables are valued at the lower of cost and net realisable value. Finished goods, raw materials, ingredients and consumables are determined on a first-in first-out basis for all Group companies except for TSB Sugar RSA Proprietary Limited ("TSB"). TSB inventory is valued at weighted average cost.

Costs include expenditure incurred in acquiring the inventories and bringing them to their present location and condition, all direct production costs and an appropriate portion of overheads based on normal capacity. Slaughtered chickens and sugar are transferred to inventory at fair value less estimated point-of-sale costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

BIOLOGICAL ASSETS

The fair value of the biological assets is determined on the following basis:

Growing crops and orchards – Growing crops and orchards comprise two elements:

- Bearer biological assets – sugar cane roots and banana plants.
- Consumable biological assets – standing sugar cane and bananas.

Bearer biological assets are valued at fair value based on the current replacement cost of planting and establishment, subsequently reduced in value over their productive lives.

Consumable biological assets are measured at their fair value, determined on current estimated market prices less estimated harvesting, transport, packing and point-of-sales costs:

- Standing cane is valued at estimated sucrose content, age and market price.
- Growing fruit is valued at estimated yields, quality standards, age and market prices.

Live broiler birds and breeding stock are measured at fair value less estimated point-of-sale costs at reporting dates. Fair value is determined based on market prices or, where market prices are not available, by reference to sector benchmarks.

The fair values of biological assets are level 3 fair values.

Breeding stock includes the Cobb grandparent breeding and the parent rearing and laying operations. Broiler hatching eggs are included in breeding stock.

Gains and losses arising on the initial recognition of biological assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs are recognised in the income statement in the period in which they arise.

STATED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

Shares in the company held by Group companies are classified as treasury shares and are held at cost. These shares are treated as a deduction from the issued number of shares and taken into account in the calculation of the weighted average number of shares. The cost price of the shares is deducted from the Group's equity.

CURRENT AND DEFERRED TAX

The tax expense for the period comprises current and deferred tax.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company and the company's subsidiaries 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 tax authorities.

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. Interest and penalties are included as part of other payables.

Deferred tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date in the countries where the company and the company's subsidiaries operate and generate taxable income, and that are expected to apply to the period when the liability is settled or asset realised. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax value used in the computation of taxable income. Deferred tax assets are raised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

A deferred tax liability is recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates, unless there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it 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.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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

CAPITAL GAINS TAX (CGT)

CGT is levied when capital assets are disposed of or deemed to be disposed off. CGT is levied on the difference between the proceeds on the sale of capital assets and the base cost (tax value) of the capital asset. The capital gain is included at a rate of 66,6% in the taxable income of the company. Capital losses are ringfenced.

EMPLOYEE BENEFITS

Retirement funds

The Group operates defined contribution plans.

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

The assets of the plans are held in separate trustee-administered funds. These plans are funded by payments from the employees and the Group, taking into account recommendations of independent qualified actuaries.

The Group's contributions to the defined contribution pension plans are charged to the income statement in the period to which they relate. The Group has no defined benefit pension plans in operation.

Post-retirement medical benefits – Defined benefit plan

For Rainbow Farms Proprietary Limited and Vector Logistics Proprietary Limited employees engaged pre-October 2003 and January 1997 respectively, the Group provides post-retirement medical benefits to its retirees. Foodcorp Proprietary Limited and TSB Sugar RSA Proprietary Limited provide post-retirement medical benefits to certain retired employees. The entitlement to post-retirement medical benefits is based on the employees remaining in service up to retirement age. The projected unit credit method of valuation is used to calculate the liability for post-retirement medical benefits and is calculated annually by independent actuaries.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded immediately in other comprehensive income, in the financial year in which they arise. Past service costs are recognised immediately in the income statement.

Bonus plan

The Group recognises a liability where contractually obliged or where there is past practice that has created a constructive obligation. Management participates in a bonus plan whereby bonuses are paid in respect of out-performance against targets. All bonuses are authorised by the Remuneration and Nominations Committee.

Share-based payments

The Group operates share-based compensation plans under which the Group receives services from employees as consideration for equity instruments (options and rights) of the Group. The fair value of the employees' services received in exchange for the grant of the options or rights is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are satisfied.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity, and is based on the Group's estimate of options that will eventually vest. Fair value is measured by the use of a binomial model excluding non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and rights that are expected to vest.

At each reporting date, the Group revises its estimates of the number of options or rights that are expected to vest based on non-market vesting conditions. The Group recognises the impact on the original estimates, if any, in the income statement with a corresponding adjustment to equity.

When the options or rights are exercised, the company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital when the options or rights are exercised.

The grant by the Group of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

BEE TRANSACTIONS

BEE transactions where the Group receives or acquires goods or services as consideration for the issue of equity instruments of the Group are treated as share-based payment transactions.

BEE transactions where employees are involved are measured and accounted for on the same basis as share-based payments, as disclosed above.

Transactions in which share-based payments are made to parties other than employees are measured by reference to the fair value of equity instruments granted if no specific goods or services are received. Vesting of the equity instrument occurs immediately and an expense and related increase in equity is recognised on the date that the instrument is granted. No further measurement or adjustments are required as it is presumed that the BEE credentials are received upfront. Incremental costs that are directly associated with the BEE transaction are expensed immediately in the determination of profit or loss.

LEASES

Leases of property, plant and equipment where the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Finance leased assets are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the future minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. The assets are depreciated over the shorter of the period of the lease or the period over which the particular category of asset is otherwise depreciated.

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

The Group ensures that the following two requirements are met in order for an arrangement transacted by the Group to be classified as a lease:

- Fulfilment of the arrangement is dependent on the use of an asset or assets, and this fact is not necessarily explicitly stated by the contract but rather implied.
- The arrangement in substance conveys a right to use the asset.

The Group's assessment of whether an arrangement contains a lease is made at the inception of the arrangement, with reassessment occurring in the event of limited changes in circumstances.

Where the Group concludes that it is impracticable to separate payments for the lease from other payments required by the arrangement:

- In the case of a finance lease, the Group recognises an asset and a liability at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate of interest.
- In the case of an operating lease, all payments under the arrangement are treated as lease payments.

REVENUE

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is disclosed net of value added tax, returns, rebates and discounts and after eliminating sales within the Group.

Sales of goods comprise the sale of milling, agricultural produce and consumer goods. Sales of services comprise logistics and distribution services where the Group acts as an agent on behalf of a principal and earns commission, as well as consulting services.

Revenue is recognised when a Group entity has delivered products to the customer (in the case of services when the underlying products have been delivered), the customer has accepted the products, the amount of revenue can be reliably measured, and collectability of the related receivable is reasonably assured.

Consulting services are recorded in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

The Group bases its estimates of incentive rebates and settlement discounts on historical results.

Interest income
Interest income is recognised using the effective interest 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 the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate. Interest income is disclosed under finance income in the income statement.

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

FINANCIAL INSTRUMENTS

Financial instruments recognised on the statement of financial position include investments, loans receivable and receivables, preference shares, derivative instruments, trade and other receivables, cash and cash equivalents, trade and other payables and interest-bearing debt.

The Group classifies its financial assets at fair value through profit and loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group classifies its financial liabilities apart from derivatives as other financial liabilities. Derivative financial liabilities are classified as financial liabilities at fair value through profit and loss.

Financial assets at fair value through profit and loss
Financial assets at fair value through profit and loss comprise investment in money market fund and derivative instruments, unless designated as hedges, are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit and loss are recognised in the income statement in the period in which they arise.

Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise, loans receivable, trade and other receivables, preference shares receivable and cash and cash equivalents in the statement of financial position.

Financial liabilities at fair value through profit and loss
Financial liabilities at fair value through profit and loss comprise derivative instruments unless designated as hedges. Gains or losses arising from changes in the fair value of the derivatives at fair value through profit and loss are recognised in the income statement in the period in which they arise.

Financial liabilities carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Other financial liabilities
Other financial liabilities consist of trade and other payables and interest-bearing borrowings. These represent financial liabilities which are not classified as financial liabilities at fair value through profit and loss. They are included in current liabilities, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current liabilities.

Derecognition
Financial assets (or a portion thereof) are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has substantially transferred all risks and rewards of ownership. On derecognition, the difference between the carrying amount of the financial asset and the proceeds receivable is included in the income statement.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability, and any amount paid is included in the income statement.

Recognition and measurement
Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets and liabilities at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and other financial liabilities are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit and loss" category are presented in the income statement in the period in which they arise. Dividend income from these assets is recognised in the income statement when the Group's right to receive payment is established.

Accounting for derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their 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. The Group designates certain derivatives as either a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge) ; b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in notes 9 and 29. Movements on the hedging reserve are recorded in other comprehensive income.

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group applies fair value hedge accounting for hedging foreign currency risk on certain foreign currency denominated balances. The gain or loss relating to the effective and ineffective portion is recognised in the income statement under foreign exchange gains/losses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest rate method is used is amortised to profit or loss over the period to maturity.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified in the income statement in the periods when the hedged item will affect profit and loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting and are accounted for at fair value through profit and loss. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement. Changes in the fair value of derivatives that are utilised for financing activities are recorded in finance costs.

Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

ACCOUNTING POLICIES
for the year ended 30 June 2015

Fair value estimation
The fair value of financial instruments and non financial assets traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the statement of financial position date. The quoted market price used for assets held by the Group is the current market price; the appropriate quoted market price for liabilities is the current ask price. These comprise level 1 fair values. The Group did not have any level 1 financial instruments or non financial assets in the current and previous financial year.

The fair value of financial instruments and non financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group used a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date. These comprise level 2 fair values.

Other financial instruments and non financial assets are valued using other techniques, such as estimated discounted cash flows. This relates to the fair values of the Group's biological assets which are level 3 fair values.

Trade and other receivables
Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method, less accumulated impairment losses. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included in current liabilities on the statement of financial position.

Trade and other payables
Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities

Preference shares
Preference shares are mandatorily redeemable on a specific date and are thus classified as liabilities. The dividends on these preference shares are recognised in the income statement as finance costs.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried 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.

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 the passage of time is recognised as an interest expense.

DEFERRED INCOME

Deferred income represents interest income not yet earned on loans received from the government as a result of the interest rate charged being below market-related rates. The deferred income is recorded in the income statement over the period of the loan in the same manner that the effective interest expense on the loan is charged to the income statement.

DIVIDEND DISTRIBUTION

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's Board.

OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

STATEMENT OF COMPREHENSIVE INCOME LINE ITEMS

The following additional line items, headings and subtotals are presented on the face of the statement of comprehensive income as management believes them to be relevant to the understanding of the Group's financial performance:

Operating profit before depreciation, amortisation and impairment being the trading income of the Group.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions and sources of estimation uncertainty at the reporting date that could have significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the new financial year:

Useful lives and residual values of assets
Items of property, plant and equipment are depreciated over their useful lives taking into account residual values. Useful lives and residual values are reviewed annually, taking into account factors such as the expected usage, physical output, market demand for the output of the assets and legal or similar limits on the assets.

Impairment of assets
The Rainbow and RCL FOODS Boards continue to assess the need for impairment of assets based on objective indicators. As at 30 June 2015, with the exception of Massingir (refer to note 1 on page 24), the indicators were assessed and no impairment was required.

Goodwill and trademarks
Goodwill and indefinite life trademarks are considered for impairment at least annually.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGUs to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value of future cash flows. Management estimates the discount rate using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the cash-generating units. The growth rates are based on industry and customer growth forecasts.

Determining whether trademarks are impaired requires an estimation of the value-in-use of the trademark. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the trademark and a suitable discount rate in order to calculate the present value of future cash flows. Management estimates the discount rate using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the CGUs. The growth rates are based on industry and customer growth forecasts.

The key assumptions used in the calculations and a sensitivity analysis are disclosed in note 2 on page 27.

Fair value assessment of biological assets
The key assumptions used in the calculation of the fair value of chicken, banana and cane stock and a sensitivity analysis is disclosed in note 29 on page 63.

Provision for sugar shortage
The provision relates to the sugar shortage at year-end, the purpose of the provision is to calculate on an acceptable method the handling losses in those stockholding areas where accurate stock counts cannot be performed and reliance is placed on the work of quantity surveyors.

Liability for post-retirement medical benefits
The liability is determined by annual actuarial assumptions. The key assumptions relating to the actuarial calculation and a sensitivity analysis are disclosed in note 14 on page 48.

Valuation of financial instruments
The value of the derivative instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the statement of financial position date.

IMPACT OF FUTURE AMENDMENTS TO ACCOUNTING STANDARDS AND INTERPRETATIONS

Management has considered all standards, interpretations and amendments that are in issue but not yet effective. Management has considered that these standards do not have a significant impact on the Group's financial statements. The standards, interpretations and amendments that are relevant to the Group but which the Group has not early adopted are as follows:

NUMBER	TITLE AND SUMMARY

IFRS 9 Financial instruments

The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value, through profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The standard is effective 1 July 2018.

IFRS 15 Revenue from contracts with customers

This is the converged standard on revenue recognition. It replaces IAS 11, "Construction contracts", IAS 18, "Revenue" and related interpretations.

Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard is effective 1 July 2018.

The amendments below are effective for the annual period beginning 1 July 2016.

Amendment to IFRS 11, "Joint arrangements" regarding acquisition of an interest in a joint operation

This amendment provides new guidance on how to account for the acquisition of an interest in a joint venture operation that constitutes a business. The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a "business". The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

NUMBER	TITLE AND SUMMARY

Amendment to IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets" regarding depreciation and amortisation

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to IAS 16, "Property, plant and equipment" and IAS 41, "Agriculture" regarding bearer plants

These amendments change the reporting for bearer plants, such as grape vines, rubber trees and oil palms. Bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. The amendments include them in the scope of IAS 16 rather than IAS 41. The produce on bearer plants will remain in the scope of IAS 41. The impact of this amendment will result in a classification change of bearer plants from non-current biological assets to property, plant and equipment.

Amendments to IFRS 10 and IAS 28 regarding the "Sale or contribution of assets between an investor and its associate or joint venture"

These amendments address an inconsistency between IFRS 10 and IAS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

Amendment to IAS 27, "Separate financial statements" regarding the equity method

The amendment allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Amendments to IAS 1, "Presentation of financial statements" disclosure initiative

This amendmen clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Improvements to IFRS 2012 to 2014

The amendments below are effective for the annual period beginning 1 July 2016.

Amendment to IFRS 5, "Non-current assets held for sale and discontinued operations"

The amendment clarifies that, when an asset (or disposal group) is reclassified from "held for sale" to "held for distribution", or *vice versa*, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as "held for sale" or "held for distribution" simply because the manner of disposal has changed. The amendment also explains that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as "held for sale".

Amendments to IFRS 7, "Financial instruments: Disclosures"

Servicing contracts – If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. The standard provides guidance about what is meant by continuing involvement. The amendment is prospective with an option to apply retrospectively. There is a consequential amendment to IFRS 1 to give the same relief to first time adopters.

Interim financial statements – The amendment clarifies that the additional disclosure required by the amendments to IFRS 7, "Disclosure – Offsetting financial assets and financial liabilities" is not specifically required for all interim periods unless required by IAS 34. This amendment is retrospective.

Amendment to IAS 19, "Employee benefits"

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented.

Amendment to IAS 34, "Interim financial reporting"

The amendment clarifies what is meant by the reference in the standard to "information disclosed elsewhere in the interim financial report". The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2015

1. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R'000	Plant, equipment and furniture R'000	Aircraft R'000	Vehicles R'000	Capitalised leased assets: Plant R'000	Capitalised leased assets: Vehicles R'000	Leasehold improvements R'000	Capital work-in-progress R'000	Total R'000
30 June 2015									
Cost									
At the beginning of the year	2 323 710	5 010 733	25 341	621 814	69 143	51 454	29 792	473 121	8 605 108
Transfers out of capital work-in-progress*								(173 630)	(173 630)
Transfers between categories	42 099	75 035		21 131	(35 793)	(10 401)		(99 345)	(7 274)
Transfers to non-current asset held for sale	(191)	(1 115)		(733)					(2 039)
Disposal of subsidiary**				(1 429)					(1 429)
Additions	105 997	427 977		63 309	5 538	2 944	1 519	321 478	928 762
Disposals	(17 946)	(138 322)		(37 625)		(47)	(4 679)	(869)	(199 488)
Exchange differences on translation of foreign operations		299		(68)				(1 114)	(883)
At the end of the year	2 453 669	5 374 607	25 341	666 399	38 888	43 950	26 632	519 641	9 149 127
Accumulated depreciation									
At the beginning of the year	713 441	2 472 156	3 948	256 225	13 220	6 712	6 517		3 472 219
Transfers between categories	8 883	86		5 474	(11 178)	(5 474)			(2 209)
Transfers to non-current asset held for sale	(8)	(255)		(317)					(580)
Disposal of subsidiary**				(156)					(156)
Impairment loss	683	9 608		547				80 478	91 316
Disposals	(11 570)	(127 683)		(30 104)		(47)	(3 731)		(173 135)
Depreciation	90 048	383 148	1 184	76 316	6 905	6 140	4 467		568 208
Exchange differences on translation of foreign operations		423		(48)					375
At the end of the year	801 477	2 737 483	5 132	307 937	8 947	7 331	7 253	80 478	3 956 038
Net book amount	1 652 192	2 637 124	20 209	358 462	29 941	36 619	19 379	439 163	5 193 089

* *Transfers out of capital work-in-progress have been disclosed within additions of each of the appropriate individual categories.*

** *Refer to note 39.*

1. PROPERTY, PLANT AND EQUIPMENT continued

	Land and buildings R'000	Plant, equipment and furniture R'000	Aircraft R'000	Vehicles R'000	Capitalised leased assets: Plant R'000	Capitalised leased assets: Vehicles R'000	Leasehold improve-ments R'000	Capital work-in-progress R'000	Total R'000
30 June 2014									
Cost									
At the beginning of the year	1 863 152	2 915 712		428 840	69 143	39 359	26 817	246 695	5 589 718
Transfers out of capital work-in-progress*								(202 435)	(202 435)
Transfers between categories	23 323	13 626		4 276				(59 708)	(18 483)
Acquisition of entity under common control**	313 670	1 826 340	25 341	185 507				172 889	2 523 747
Additions	130 361	346 738		47 854		12 503	2 975	316 025	856 456
Disposals	(6 796)	(91 958)		(44 631)		(408)		(259)	(144 052)
Exchange differences on translation of foreign operations		275		(32)				(86)	157
At the end of the year	2 323 710	5 010 733	25 341	621 814	69 143	51 454	29 792	473 121	8 605 108
Accumulated depreciation									
At the beginning of the year	555 865	1 223 039		156 522	5 000	1 161	925		1 942 512
Transfers between categories	1 130	(12 937)		10					(11 797)
Acquisition of entity under common control**	83 574	1 031 314	3 356	71 351					1 189 595
Impairment loss		3 731							3 731
Impairment loss reversed		(10 465)		(6)					(10 471)
Disposals	(5 709)	(84 749)		(35 822)		(311)			(126 591)
Depreciation	78 581	321 989	592	64 183	8 220	5 862	5 592		485 019
Exchange differences on translation of foreign operations		234		(13)					221
At the end of the year	713 441	2 472 156	3 948	256 225	13 220	6 712	6 517		3 472 219
Net book amount	1 610 269	2 538 577	21 393	365 589	55 923	44 742	23 275	473 121	5 132 889

* *Transfers out of capital work-in-progress have been disclosed within additions of each of the appropriate individual categories.*
** *Refer to note 34 for details of acquisition.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2015

1. PROPERTY, PLANT AND EQUIPMENT continued

Capital commitments:	2015 R'000	2014 R'000
Continuing operations		
Contracted and committed	**461 742**	172 985
Approved but not contracted	**460 658**	200 158
Discontinued operation		
Approved but not contracted		65

The Group has reviewed the residual values and useful lives used in the calculation of the depreciation charge for the year.

Capital commitments include all projects for which specific Board approval has been obtained up to reporting date. The capital expenditure will be financed from available resources.

A register of land and buildings is available for inspection at the registered office of the respective subsidiary company, apart from Rainbow and Vector which are kept at RCL FOODS Limited.

The Group leases various office equipment, plant and machinery and vehicles under finance lease arrangements. The lease term is between three and nine years. The net book value of the assets leased amounts to R66,6 million (2014: R100,7 million).

During the year the Group capitalised borrowing costs amounting to R21,2 million (2014: R1,3 million) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of 7,9% (2014: 5,8%).

During the year, impairment losses of R7,3 million (2014: R3,7 million) on plant and machinery were recognised resulting from the assets becoming redundant. It is expected that no future economic benefits will be derived from these assets. In addition an impairment of R84,0 million relating to Massingir, the proposed greenfields sugar project in Mozambique was recorded as a suitable funding structure that reduces the risk to the Group within the mandate set by the Board of directors has not been obtained. The assets were included in the plant and machinery (R3,0 million), vehicles (R0,5 million) and capital work-in-progress (R80,5 million) categories.

During the prior financial year, impairment losses of R10,5 million on plant and equipment were reversed due to an expectation of future economic benefits resulting from an alternate use of these assets.

	Software R'000	Trademarks R'000	Customer relationships R'000	Goodwill R'000	Total R'000
2. INTANGIBLE ASSETS					
30 June 2015					
Opening net book amount	**81 604**	**1 787 040**	**871 574**	**3 035 823**	**5 776 041**
Additions	**6 927**				**6 927**
Transfers from property, plant and equipment	**5 065**				**5 065**
Disposal of subsidiary*	**(41)**				**(41)**
Amortisation charge	**(17 105)**	**(51)**	**(94 974)**		**(112 130)**
Closing net book amount	**76 450**	**1 786 989**	**776 600**	**3 035 823**	**5 675 862**
Cost	**160 310**	**1 800 815**	**978 471**	**3 035 823**	**5 975 419**
Accumulated amortisation and impairment	**(83 860)**	**(13 826)**	**(201 871)**		**(299 557)**
Net book amount	**76 450**	**1 786 989**	**776 600**	**3 035 823**	**5 675 862**
30 June 2014					
Opening net book amount	40 847	1 786 735	966 568	3 022 493	5 816 643
Acquisition of entity under common control**	30 614	305		13 330	44 249
Additions	18 417				18 417
Disposals	(357)				(357)
Transfers from property, plant and equipment	6 686				6 686
Amortisation charge	(14 603)		(94 994)		(109 597)
Closing net book amount	81 604	1 787 040	871 574	3 035 823	5 776 041
Cost	148 359	1 838 235	978 471	3 035 823	6 000 888
Accumulated amortisation and impairment	(66 755)	(51 195)	(106 897)		(224 847)
Net book amount	81 604	1 787 040	871 574	3 035 823	5 776 041

* *Refer to note 39.*

** *Refer to note 34 for details of acquisitions.*

Remaining useful lives on material intangible assets is between 3 and 18 years.

		2015	2014
SOFTWARE			
Finite life			
Amortisation period	(years)	**3 to 20**	3 to 20
Method of amortisation		**Straight-line**	Straight-line
Is intangible title restricted in any way		**No**	No

TRADEMARKS

The carrying value of trademarks are included in the following cash-generating units (CGUs), within the Foodcorp and TSB segment.

	R'000	R'000
CGU		
Milling	**580 575**	580 575
Grocery	**438 600**	438 600
Baking	**331 020**	331 020
Beverage	**176 540**	176 540
Pie	**260 000**	260 000
TSB	**254**	305
Total	**1 786 989**	1 787 040

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2015

			2015	2014
2.	**INTANGIBLE ASSETS** continued			
	TRADEMARKS continued			
	Finite life			
	Amortisation period	(years)	**15 to 20**	15 to 20
	Method of amortisation		**Straight-line**	Straight-line
	Is intangible title restricted in any way		**No**	No

Trademarks comprise Farmer Brown, Bonny Bird, FarmFare and Epol, all of which were acquired on acquisition of Bonny Bird Farms Proprietary Limited and Epol Proprietary Limited in 1991 and Selati which was acquired on acquisition of TSB Sugar RSA Proprietary Limited in 2014 (refer to note 34 for further details).

		2015	2014
Indefinite life			
Is intangible title restricted in any way		**No**	No

Significant trademarks comprise Ouma, Nola, Yum Yum, Nutso, Bobtail, Catmor, Dogmor, Sunbake, Ultra dog, Canine Cuisine, Mageu Number 1, Monati, Optimizer, 5 Star, Mnandi, Supreme, Tafelberg, Safari, Piemans, Feline Cusine and A1 acquired on the acquisition of New Foodcorp Holdings Proprietary Limited (indirectly Foodcorp).

The above trademarks are considered to have indefinite useful lives as there is no foreseeable limit to the period over which they are expected to generate cash inflows for the respective CGUs. The assessment was based on a consideration of the underlying products that these trademarks represent which are not subject to obsolescence.

Indefinite useful life

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management, which include assumptions on profit before interest and tax, depreciation, working capital movements and capital maintenance expenditure. Cash flows have been forecasted to grow at 6,0%. Cash flows beyond a five-year period are extrapolated using the estimated growth rates stated below.

		2015	2014
Key assumptions used in the impairment test:			
Discount rate – pre-tax	(%)	**15,4**	15,6
Discount rate – post-tax	(%)	**11,1**	11,2
Perpetuity growth rate	(%)	**6,0**	6,0
Period	(years)	**5**	5

The perpetuity growth rate is consistent with long-term industry growth forecasts. The discount rate reflects specific risks relating to the CGUs.

No impairment was required in the current or prior year.

Sensitivity analysis of assumptions used in the impairment test:

		2015	2014
Discount rate			
– Movement	(%)	**+2**	+2
– Impairment	(Rm)	**nil**	nil
Perpetuity growth rate			
– Movement	(%)	**(0,5)**	(0,5)
– Impairment	(Rm)	**nil**	nil
CUSTOMER RELATIONSHIPS			
Finite life			
Amortisation period	(years)	**10 to 20**	10 to 20
Method of amortisation		**Straight-line**	Straight-line
Is intangible title restricted in any way		**No**	No

Customer relationships arose on the acquisition of New Foodcorp Holdings Proprietary Limited in the 2013 financial year.

		2015 R'000	2014 R'000

2. INTANGIBLE ASSETS continued

Goodwill

Goodwill relates to the acquisition of Vector Logistics Proprietary Limited in 2005, New Foodcorp Holdings Proprietary Limited in 2013 and purchased goodwill which arose on the common control acquisition of TSB Sugar RSA Proprietary Limited in the prior financial year.

Goodwill is made up as follows:	2015 R'000	2014 R'000
Vector Logistics Proprietary Limited	**287 444**	287 444
New Foodcorp Holdings Proprietary Limited	**2 735 049**	2 735 049
Acquired on acquisition of TSB Sugar RSA Proprietary Limited*	**13 330**	13 330
	3 035 823	3 035 823

** Refer to note 34 for details of acquisitions.*

Goodwill relating to the acquisition of Vector Logistics Proprietary Limited

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management, which include assumptions on profit before interest and tax, depreciation, working capital movements and capital maintenance expenditure. Cash flows have been forecasted to grow at 6,0%. Cash flows beyond a five-year period are extrapolated using the estimated growth rates stated below.

Key assumptions used in the goodwill impairment test:		2015	2014
Discount rate – pre-tax	(%)	**19,7**	20,8
Discount rate – post-tax	(%)	**14,2**	14,9
Perpetuity growth rate	(%)	**5,0**	5,0
Period	(years)	**5**	5

The perpetuity growth rate is consistent with long-term industry growth forecasts. The discount rate reflects specific risks relating to the CGU.

No impairment was required in the current or prior year.

Sensitivity analysis of assumptions used in the goodwill impairment test:

		2015	2014
Discount rate			
– Movement	(%)	**+2**	+2
– Impairment	(Rm)	**nil**	nil
Perpetuity growth rate			
– Movement	(%)	**(0,5)**	(0,5)
– Impairment	(Rm)	**nil**	nil

Goodwill relating to the acquisition of New Foodcorp Holdings Proprietary Limited

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management, which include assumptions on profit before interest and tax, depreciation, working capital movements and capital maintenance expenditure. Cash flows have been forecasted to grow at 6,0%. Cash flows beyond a five-year period are extrapolated using the estimated growth rates stated below.

Key assumptions used in the goodwill impairment test:		2015	2014
Discount rate – pre-tax	(%)	**15,4**	15,6
Discount rate – post-tax	(%)	**11,1**	11,2
Perpetuity growth rate	(%)	**6,0**	6,0
Period	(years)	**5**	5

The perpetuity growth rate is consistent with long-term industry growth forecasts. The discount rate reflects specific risks relating to the CGU.

No impairment was required in the current or prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2015

			2015	2014
2.	**INTANGIBLE ASSETS** continued			
	Sensitivity analysis of assumptions used in the goodwill impairment test:			
	Discount rate			
	– Movement	(%)	**+2**	+2
	– Impairment	(Rm)	**1 172,4**	1 425
	Perpetuity growth rate			
	– Movement	(%)	**(0,5)**	(0,5)
	– Impairment	(Rm)	**130,0**	nil
	Goodwill acquired on the acquisition of TSB Sugar RSA Proprietary Limited			
	Purchased goodwill comprises:			
a)	**Quality Sugars Proprietary Limited**			
	Goodwill of R3,9 million arose on the acquisition of Quality Sugars Proprietary Limited prior to the acquisition of TSB Sugar RSA Proprietary Limited by the Group.			
	The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management, which include assumptions on profit before interest and tax, depreciation, working capital movements and capital maintenance expenditure. Cash flows have been forecasted to grow at 6,0%. Cash flows beyond a five-year period are extrapolated using the estimated growth rates stated below.			
	Key assumptions used in the goodwill impairment test:			
	Discount rate – pre-tax	(%)	**14,4**	14,0
	Discount rate – post-tax	(%)	**10,4**	13,5
	Perpetuity growth rate	(%)	**5,0**	6,0
	Period	(years)	**5**	5
	The perpetuity growth rate is consistent with long-term industry growth forecasts. The discount rate reflects specific risks relating to the CGU.			
	No impairment was required in the current or prior year.			
	Sensitivity analysis of assumptions used in the goodwill impairment test:			
	Discount rate			
	– Movement	(%)	**+2**	+2
	– Impairment	(Rm)	**nil**	nil
	Perpetuity growth rate			
	– Movement	(%)	**(0,5)**	(0,5)
	– Impairment	(Rm)	**nil**	nil

		2015	2014

2. INTANGIBLE ASSETS continued

b) Pongola Mill divisions

Goodwill of R5,5 million arose on the acquisition of the Pongola Mill from Illovo Proprietary Limited prior to the acquisition of TSB Sugar RSA Proprietary Limited by the Group.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management, which include assumptions on profit before interest and tax, depreciation, working capital movements and capital maintenance expenditure. Cash flows have been forecasted to grow at 6,0%. Cash flows beyond a five-year period are extrapolated using the estimated growth rates stated below.

Key assumptions used in the goodwill impairment test:			
Discount rate – pre-tax	(%)	**14,4**	14,0
Discount rate – post-tax	(%)	**10,4**	13,5
Perpetuity growth rate	(%)	**5,0**	6,0
Period	(years)	**5**	5

The perpetuity growth rate is consistent with long-term industry growth forecasts. The discount rate reflects specific risks relating to the CGU.

No impairment was required in the current or prior year.

Sensitivity analysis of assumptions used in the goodwill impairment test:

Discount rate			
– Movement	(%)	**+2**	+2
– Impairment	(Rm)	**nil**	nil
Perpetuity growth rate			
– Movement	(%)	**(0,5)**	(0,5)
– Impairment	(Rm)	**nil**	nil

c) Nkomazi Cane Carriers transport division

Goodwill of R4,0 million arose on the acquisition of the transport division from Nkomazi Cane Carriers Proprietary Limited prior to the acquisition of TSB Sugar RSA Proprietary Limited by the Group.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management, which include assumptions on profit before interest and tax, depreciation, working capital movements and capital maintenance expenditure. Cash flows have been forecasted to grow at 6,0%. Cash flows beyond a five-year period are extrapolated using the estimated growth rates stated below.

Key assumptions used in the goodwill impairment test:			
Discount rate – pre-tax	(%)	**14,4**	14,0
Discount rate – post-tax	(%)	**10,4**	13,5
Perpetuity growth rate	(%)	**5,0**	5,0
Period	(years)	**5**	5

The perpetuity growth rate is consistent with long-term industry growth forecasts. The discount rate reflects specific risks relating to the CGU.

No impairment was required in the current or prior year.

Sensitivity analysis of assumptions used in the goodwill impairment test:

Discount rate			
– Movement	(%)	**+2**	+2
– Impairment	(Rm)	**nil**	nil
Perpetuity growth rate			
– Movement	(%)	**(0,5)**	(0,5)
– Impairment	(Rm)	**nil**	nil

	2015 R'000	2014 R'000
3. INVESTMENT IN JOINT VENTURES		
Balance at 1 July	**347 819**	128 955
Acquisition of entity under common control*		81 359
Investment in Zamhatch	**45 791**	42 274
Acquisition of Senn Foods		81 001
Share of profit of joint ventures	**38 004**	16 854
Dividends received from joint ventures	**(11 214)**	(1 692)
Exchange differences on translation of joint ventures	**(3 774)**	(932)
Balance at 30 June	**416 626**	347 819

** Refer to note 34 for details of acquisitions.*

Set out below are the joint ventures of the Group as at 30 June 2015. The joint ventures listed below have share capital consisting solely of ordinary shares, which is held directly by the Group in the ownership percentages indicated below.

Name of entity	Place of business/ country of incorporation	% Ownership interest	Nature of relationship
Zam Chick Limited (Zam Chick)	Zambia	49,0	note 1
Akwandze Agricultural Finance Proprietary Limited (Akwandze)	South Africa	50,0	note 2
Mananga Sugar Packers Proprietary Limited (Mananga)	Swaziland	50,0	note 3
Zamhatch Limited (Zamhatch)	Zambia	51,0	note 4
Senn Foods Logistics (Pty) Ltd (Senn Foods)	Botswana	49,0	note 5
TSGRO Farming Service Proprietary Limited (TSGRO)	South Africa	50,0	note 6

Note 1: Zam Chick is a broiler operation. This is a strategic partnership for the Group as the investment provides the Group with entry into Zambia's poultry market.

Zam Chick's financial year-end is 31 March 2015. The use of the different date in applying the equity method is due to the practicality of obtaining audited June 2015 results timeously. There were no significant transactions that occurred between March and the Group's June year-end.

Note 2: Akwandze's main activities are to provide production finance and management services to sugarcane growers. This is a strategic partnership for the Group as it allows the Group to manage the process with sugarcane growers more effectively. The year end date of Akwandze is 30 June 2015.

Note 3: Mananga is a sugar packaging and selling company which sells sugar under the First brand in Swaziland as well as in South Africa. Its primary business activity is to purchase sugar from the Swaziland Sugar Association, pack it and sell it as a branded product. This is a strategic partnership for the Group as it allows the Group to access the Swaziland sugar market. The year end date of Mananga is 30 June 2015.

Note 4: Zamhatch is a hatchery operation which is currently not yet operational. This is a strategic partnership for the Group as the investment provides the Group with entry into Zambia's poultry market.

The year end date of Zamhatch is 31 March 2015. The use of the different date in applying the equity method is due to the practicality of obtaining audited June 2015 results timeously. Zamhatch will be equity accounted for the first time in the 2016 financial year.

Note 5: Senn Foods is involved in the trading and distribution of dry, frozen and chilled food. This is a strategic partnership for the Group as the investment extends the Group's footprint into Botswana's distribution market.

The effective date of the transaction was 1 May 2014 and as Senn Foods has a year end of 31 March, the Group has equity accounted for Senn Foods Logistics 11-month results to 31 March 2015 in the current financial year. The use of the different date in applying the equity method is due to the practicality of obtaining audited June 2015 results timeously. The purchase price allocation was finalised in the current financial period, resulting in a reassessment of the net assets acquired, which has translated into a decrease in goodwill of R0,6 million.

Note 6: TSGRO was previously a 100% owned subsidiary of the Group. In the current financial year 50% of the investment was disposed of. Refer to note 39 for further details. Its main activities are to provide farm management, development, engineering and procurement services to the small scale sugar cane farmers in the Nkomazi area.

There are no quoted market prices available for the joint ventures listed above.

There are no significant restrictions on the ability of the joint ventures to transfer funds to the Group.

There are no contingent liabilities or commitments relating to the Group's interest in the joint ventures.

3. INVESTMENT IN JOINT VENTURES continued

Set out below is the summarised financial information for the joint ventures

Summarised statement of financial position	**Zam Chick 31 March 2015 R'000**	**Akwandze 30 June 2015 R'000**	**Mananga 30 June 2015 R'000**	**Senn Foods 31 March 2015 R'000**	**TSGRO 30 June 2015 R'000**	**Zamhatch 31 March 2015 R'000**	**Total 2015 R'000**
Current							
Cash and cash equivalents	**586**	**51 298**	**40 362**	**47 490**	**1 112**	**18 158**	**159 006**
Other current assets	**123 412**	**119 205**	**175 067**	**58 180**	**5 164**		**481 028**
Total current assets	**123 998**	**170 503**	**215 429**	**105 670**	**6 276**	**18 158**	**640 034**
Financial liabilities (excluding trade payables)	**75 374**	**72 696**	**3 718**	**38 766**	**5 240**		**195 794**
Other current liabilities (including trade payables)	**9 564**	**29 743**	**112 711**	**18 983**	**5 706**	**468**	**177 175**
Total current liabilities	**84 938**	**102 439**	**116 429**	**57 749**	**10 946**	**468**	**372 969**
Non-current							
Assets (including customer relationships)	**76 260**	**38 404**	**69 290**	**36 259**	**2 467**	**148 906**	**371 586**
Financial liabilities		**79 111**			**23**		**79 134**
Other liabilities	**2 215**		**10 513**	**6 474**		**35**	**19 237**
Total non-current liabilities	**2 215**	**79 111**	**10 513**	**6 474**	**23**	**35**	**98 371**
Net assets	**113 105**	**27 357**	**157 777**	**77 706**	**(2 226)**	**166 561**	**540 280**

Summarised statement of financial position	Zam Chick 31 March 2014 R'000	Akwandze 30 June 2014 R'000	Mananga 30 June 2014 R'000	Senn Foods* 1 May 2014 R'000	Total 2014 R'000
Current					
Cash and cash equivalents	9 085	38 032	13 485	35 367	95 969
Other current assets	31 831	53 634	192 241	47 346	325 052
Total current assets	40 916	91 666	205 726	82 713	421 021
Financial liabilities (excluding trade payables)	4 064	960	2 227	46 632	53 883
Other current liabilities (including trade payables)	10 141	14 220	114 693		139 054
Total current liabilities	14 205	15 180	116 920	46 632	192 937
Non-current					
Assets (including customer relationships)	67 935	24 961	73 332	32 607	198 835
Financial liabilities		81 239	2 271		83 510
Other liabilities	1 717		12 143	6 589	20 449
Total non-current liabilities	1 717	81 239	14 414	6 589	103 959
Net assets	92 929	20 208	147 724	62 099	322 960

** Restated for the finalisation of the purchase price allocation.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2015

3. INVESTMENT IN JOINT VENTURES continued

Summarised statement of comprehensive income	Zam Chick 31 March 2015 R'000	Akwandze 30 June 2015 R'000	Mananga 30 June 2015 R'000	Senn Foods 31 March 2015 R'000	TSGRO 30 June 2015 R'000	Total 2015 R'000
Revenue	260 501	15 968	837 040	355 144	4 602	1 473 255
Depreciation and amortisation	(4 335)	(32)	(4 859)	(8 411)	(61)	(17 698)
Finance costs		(7 577)	(646)		(112)	(8 335)
Finance income		9 760	735	122	82	10 699
Profit/(loss) before tax	24 220	12 705	45 530	19 768	(952)	101 271
Income tax expense	(2 546)	(3 558)	(15 046)	(4 322)	272	(25 200)
Profit/(loss) after tax	21 674	9 147	30 484	15 446	(680)	76 071
Total comprehensive income	21 674	9 147	30 484	15 446	(680)	76 071
Dividends received from joint venture		999	10 215			11 214

Summarised statement of comprehensive income	Zam Chick 31 March 2014 R'000	Akwandze 30 June 2014 R'000	Mananga 30 June 2014 R'000	Total 2014 R'000
Revenue	239 941	7 139	361 432	608 512
Depreciation and amortisation	(4 367)	(16)	(2 401)	(6 784)
Finance costs		(6 711)	(722)	(7 433)
Finance income		6 710	375	7 085
Profit before tax	16 825	4 810	18 342	39 977
Income tax expense	(1 466)	(1 486)	(2 777)	(5 729)
Profit after tax	15 359	3 324	15 565	34 248
Total comprehensive income	15 359	3 324	15 565	34 248
Dividends received from joint venture			1 692	1 692

The above reflects the amounts presented in the financial statements of the joint ventures.

3. INVESTMENT IN JOINT VENTURES continued

Reconciliation of summarised financial information presented to the carrying amount of the joint venture	**Zam Chick 31 March 2015 R'000**	**Akwandze 30 Jun e 2015 R'000**	**Mananga 30 June 2015 R'000**	**Senn Foods 31 March 2015 R'000**	**TSGRO 30 June 2015 R'000**	**Zamhatch 31 March 2015 R'000**	**Total 2015 R'000**
Opening net assets	**92 929**	**20 208**	**147 724**	**62 099**		**82 890**	**405 850**
Profit/(loss) for the period	**21 674**	**9 147**	**30 484**	**15 446**	**(680)**		**76 071**
Dividends paid		**(1 998)**	**(20 431)**				**(22 429)**
Acquisition of joint venture					**(1 546)**	**89 788**	**88 242**
Exchange differences on translation of joint venture	**(1 498)**			**161**		**(6 117)**	**(7 454)**
Closing net assets	**113 105**	**27 357**	**157 777**	**77 706**	**(2 226)**	**166 561**	**540 280**
Interest in joint venture (%)	**49**	**50**	**50**	**49**	**50**	**51**	
Losses deferred to future reporting periods					**340**		**340**
Goodwill	**90 013**	**4 937**	**93**	**50 572**	**773**		**146 388**
Carrying value	**145 434**	**18 616**	**78 982**	**88 648**		**84 946**	**416 626**

Reconciliation of summarised financial information presented to the carrying amount of the joint venture	Zam Chick 31 March 2014 R'000	Akwandze 30 June 2014 R'000	Mananga 30 June 2014 R'000	Senn Foods 1 May 2014* R'000	Total 2014 R'000
Opening net assets	79 472				79 472
Acquisition of entity under common control		16 884	135 542		152 426
Profit for the period	15 359	3 324	15 565		34 248
Dividends paid			(3 383)		(3 383)
Acquisition of joint ventures				62 099	62 099
Exchange differences on translation of joint venture	(1 902)				(1 902)
Closing net assets	92 929	20 208	147 724	62 099	322 960
Interest in joint venture (%)	49	50	50	49	
Goodwill	90 013	4 937	93	50 572	145 615
Carrying value	135 548	15 041	73 955	81 001	305 545
Investment in Zamhatch					42 274
Balance as at 30 June 2014					347 819

** Restated for the finalisation of the purchase price allocation.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2015

	2015 R'000	2014 R'000
4. INVESTMENT IN ASSOCIATE		
Amounts recognised in the statement of financial position and the statement of comprehensive income are as follows:		
Balance at 1 July	**356 013**	
Acquisition of entity under common control*		387 938
Share of profit/(loss) of associate	**84 178**	(6 520)
Dividends received from associate	**(35 741)**	(25 981)
Share of associates other comprehensive income	**854**	
Exchange differences on translation of associate**	**946**	576
Balance at 30 June	**406 250**	356 013

* *Refer to note 34 for details of acquisitions.*

** *As a result of a 1,0% holding in the associate being held by Booker Tate Limited, a foreign subsidiary of TSB Sugar RSA Proprietary Limited.*

Set out below is the associate of the Group as at 30 June 2015. The associate listed below has share capital consisting solely of ordinary shares, of which 27,42% is held directly by the Group.

Name of entity	Place of business/ country of incorporation	% Ownership interest	Nature of relationship
The Royal Swaziland Sugar Corporation Limited (RSSC)	Swaziland	27,42	note 1

Note 1: The RSSC's principal activities are the growing and milling of sugar cane, the manufacture of sugar, and the manufacture of ethanol from molasses. The RSSC is a strategic partnership for the Group as it provides access into the Swaziland market.

The year-end date of RSSC is 31 March 2015, however the Group has equity accounted the results for the year ended 30 June 2015.

As at 30 June 2015 the shares had a fair value of E13 (2014: E13) per share on the Swaziland Stock Exchange, at a total market value for the Group's investment in RSSC of R343,4 million (2014: R343,4 million). The fair value of the share is a Level 1 input.

The carrying amount of the Group's investment in RSSC at 30 June 2015 is R406,3 million (2014: R356,0 million)

There are no significant restrictions on the ability of the associate to transfer funds to the Group.

	2015 R'000	2014 R'000
As part of the banking facilities RSSC and its subsidiary company are liable for the following guarantees:		
Customs and Excise	**2 000**	
Swaziland Government – Labour	**60**	135
Swaziland Government – Sales Tax	**275**	275
Swaziland Government – General Bond	**70**	76
South African Revenue Service – VAT	**550**	550

4. INVESTMENT IN ASSOCIATE continued

Set out below is the summarised financial information for RSSC:

		2015 R'000	2014 R'000
Summarised statement of financial position			
Current			
Cash and cash equivalents		**97 599**	15 601
Other current assets		**793 815**	641 071
Total current assets		**891 414**	656 672
Financial liabilities (excluding trade payables)		**164 611**	99 452
Other current liabilities (including trade payables)		**351 177**	265 709
Total current liabilities		**515 788**	365 161
Non-current			
Assets		**1 537 692**	1 507 719
Total non-current assets		**1 537 692**	1 507 719
Financial liabilities		**106 679**	65 483
Other liabilities		**325 058**	435 385
Total non-current liabilities		**431 737**	500 868
Net assets		**1 481 581**	1 298 362
Summarised statement of comprehensive income			
Revenue		**2 781 423**	839 007
Depreciation and amortisation		**(137 120)**	(47 341)
Finance expense		**(8 899)**	(5 415)
Finance income		**11 203**	3 279
Profit/(loss) before tax		**418 836**	(35 271)
Income tax		**(111 842)**	11 494
Profit/(loss) after tax		**306 994**	(23 777)
Other comprehensive income		**3 116**	
Total comprehensive profit/(loss)		**310 110**	(23 777)
Dividends received from associate		**35 741**	25 981
The above reflects the amounts presented in the financial statements of the associate.			
Reconciliation of summarised financial information presented to the carrying amount of the associate			
Opening net assets		**1 298 362**	
Acquisition of entity under common control			1 416 944
Total comprehensive profit/(loss) for the year		**310 110**	(23 777)
Exchange differences on translation of associate		**3 610**	
Dividends paid		**(130 501)**	(94 805)
Closing net assets		**1 481 581**	1 298 362
Interest in associate	(%)	**27,42**	27,42
Carrying value		**406 250**	356 013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2015

	2015 R'000	2014 R'000
5. LOANS RECEIVABLE		
Non-current		
Loans at the beginning of the year	**1 555**	
Acquisition of entity under common control*		1 555
Loans at the end of the year	**1 555**	1 555

** Refer to note 34 for details of acquisitions.*

Secured loans in the amount of R1,6 million (2014: R1,6 million) were made to black owned medium scale growers which bear interest at the prime rate of interest. The loans are recoverable over periods of 1 to 15 years, with no fixed repayment terms. The Group holds the following cession agreements as security for the recoverability of these loans:

- Cession on sale of shares of Siyathuthuka Sugar Estate Proprietary Limited.
- Cession on sale of claims of the shareholders of Siyathuthuka Sugar Estate Proprietary Limited with a value of R5,3 million (2014: R5,3 million).

	2015 R'000	2014 R'000
Current		
Loans at the beginning of the year		
Loans advanced during the year	**5 239**	
Loans at the end of the year	**5 239**	

The loan of R5,2 million was granted to TSGRO Farming Service Proprietary Limited during the current financial year. The loan is unsecured, interest free with no fixed repayment terms and is payable on demand.

No amounts included above are past due or impaired.

	2015 R'000	2014 R'000
6. INVENTORIES		
Finished goods	**1 916 167**	1 389 842
Raw materials and ingredients	**624 692**	594 343
Consumables and maintenance spares	**220 292**	173 051
At the end of the year	**2 761 151**	2 157 236
Carrying value of inventory written down to net realisable value	**185 985**	101 727
Amount expensed as write-down to net realisable value	**45 131**	15 010

Provision for sugar shortage

Included in finished goods is a provision relating to the sugar shortage inherent in the Group's stockpile of sugar inventory at year-end of R12,7 million (2014: R9,8 million). The purpose of the provision is to calculate on an acceptable method, the handling losses in those stock holding areas where accurate stock counts cannot be performed and the work of quantity surveyors is used to test the reasonableness of the Groups records.

7. BIOLOGICAL ASSETS

Included in non-current assets	**Sugar cane roots R'000**	**Sugar cane plants R'000**	**Banana trees R'000**	**Banana fruit R'000**	**Litchi trees R'000**	**Total 2015 R'000**
At the beginning of the year at fair value	**198 482**	**277 520**	**12 413**	**6 984**	**3 404**	**498 803**
Transferred to cost of sales		**(272 705)**		**(6 984)**		**(279 689)**
Transferred to assets classified as held for sale	**(6 910)**	**(15 308)**	**(4 478)**	**(3 620)**		**(30 316)**
Fair value adjustments recorded in profit and loss	**66 813**	**286 528**	**(744)**	**8 592**	**(379)**	**360 810**
At the end of the year at fair value	**258 385**	**276 035**	**7 191**	**4 972**	**3 025**	**549 608**

Included in non-current assets	Sugar cane roots R'000	Sugar cane plants R'000	Banana trees R'000	Banana fruit R'000	Litchi trees R'000	Total 2014 R'000
At the beginning of the year at fair value						
Acquisition of entity under common control*	180 695	117 884	10 003	7 633		316 215
Gains arising from cost inputs	9 493					9 493
Fair value adjustments recorded in profit and loss	8 294	159 636	2 410	(649)	3 404	173 095
At the end of the year at fair value	198 482	277 520	12 413	6 984	3 404	498 803

Included in current assets	**Breeding stock R'000**	**Broiler stock R'000**	**Total 2015 R'000**	Breeding stock R'000	Broiler stock R'000	Total 2014 R'000
At the beginning of the year at fair value	**293 910**	**244 971**	**538 881**	271 996	265 063	537 059
Gains arising from cost inputs	**876 973**	**3 725 676**	**4 602 649**	865 603	3 670 457	4 536 060
Decrease due to harvest	**(869 390)**	**(3 751 000)**	**(4 620 390)**	(850 905)	(3 713 362)	(4 564 267)
Fair value adjustments recorded in profit and loss	**6 418**	**20 967**	**27 385**	7 216	22 813	30 029
At the end of the year at fair value	**307 911**	**240 614**	**548 525**	293 910	244 971	538 881

** Refer to note 34 for details of acquisitions.*

		2015 R'000	2014 R'000
8.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**2 649 690**	2 555 102
	Less: provision for impairment of trade receivables	**(59 773)**	(49 787)
	Net trade receivables	**2 589 917**	2 505 315
	Prepayments	**37 135**	42 934
	Other receivables	**529 618**	493 028
	At the end of the year	**3 156 670**	3 041 277
	Credit risk:		
	Collateral held/insurance	**yes**	yes
	Terms (days)	**7 to 120***	7 to 120*
	Lombard insurance/(2014: Credit Guarantee Insurance Cover (CGIC))	**1 475 629**	1 438 646
	Mortgage bonds – registered value	**43 400**	41 270
	Notarial bonds – registered value	**1 950**	1 950
	Cessions – book value	**1 402**	2 450
	Bank guarantees – actual value	**3 730**	3 630
		1 526 111	1 487 946
	Provision for impairment movement		
	At the beginning of the year	**(49 787)**	(31 273)
	Acquisition of entity under common control**		(21 792)
	Receivables impaired	**(15 450)**	(8 620)
	Impairments utilised	**858**	3 134
	Unused amounts reversed	**5 501**	9 232
	Exchange differences	**(895)**	(468)
	At the end of the year	**(59 773)**	(49 787)
	The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:		
	Rand	**3 112 371**	2 951 082
	USD	**17 393**	31 020
	Namibian Dollar	**19 131**	35 944
	GBP	**7 775**	20 967
	Meticals		2 264
		3 156 670	3 041 277

* *Credit terms of 120 days are given to certain pre-season feed customers. The value of these debtors amounts to R5,3 million (2014: R18,8 million).*

** *Refer to note 34 for details of acquisitions.*

All trade and other receivables are due within one year of the reporting date.

The carrying amount of trade and other receivables approximates their fair values.

	Assets 2015 R'000	Liabilities 2015 R'000	Assets 2014 R'000	Liabilities 2014 R'000
9. DERIVATIVE FINANCIAL INSTRUMENTS				
Derivative financial assets and liabilities				
Soya options	**1 030**			1 391
Soya oil options		**883**		384
Diesel hedge	**1 828**			
Maize options		**11 901**		
Forward exchange contracts			30	
Forward exchange contracts – Cash Flow Hedge	**1 323**		2 811	4 969
Embedded derivative building rentals		**3 493**		3 645
Interest rate collar option	**6 257**			
Total	**10 438**	**16 277**	2 841	10 389

The amounts represented above represent the fair value of the derivative instruments which represents the maximum exposure to credit risk at 30 June 2015.

	2015 R'000	2014 R'000
10. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATION		
Non-current assets held for sale and the discontinued operation relate to the following segments:		
Assets		
Foodcorp	**43 279**	541 110
TSB	**33 263**	
	76 542	541 110
Liabilities		
Foodcorp	**17 789**	186 151
	17 789	186 151

TSB

Shubombo Agricultural Services Proprietary Limited was engaged in a lease agreement as a lessee with the a local community (lessor) in respect of a cane and fruit producing farm. An option to exit the lease agreement was exercised during the current financial year. The assets of the farm to which the lease agreement pertains will be transferred for value to the local community. The exit agreement between the parties has been signed and a formal exit will be finalised during the 2016 financial year.

Details of the assets and liabilities classified as held for sale are as follows:

	2015 R'000	2014 R'000
Assets		
Biological assets	**30 316**	
Property, plant and equipment	**2 947**	
	33 263	
Movements during the year		
Transferred from property, plant and equipment	**1 459**	
Transferred from biological assets	**30 316**	
Additions to property, plant and equipment	**1 488**	
Closing balance	**33 263**	

10. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATION continued

Foodcorp

The last of the conditions precedent pertaining to the sale of the Fishing division (previously part of the Foodcorp segment) was fulfilled during the current financial year.

The sale was concluded subject to a condition that the Glenryck trademark not form part of the transaction. The proposed sale of the Glenryck brand to a third party is well advanced and as such the trademark has been disclosed as held for sale at its fair value less costs to sell.

	2015 R'000	2014 R'000
Net cash inflow from operating activities	**54 275**	43 918
Net cash outflow from investing activities	**(17 510)**	(6 556)
Net cash outflow from financing activities	**(1 455)**	(3 519)
Total cash flows discontinued operation	**35 310**	33 843
Assets of disposal group classified as held for sale		
Property, plant and equipment		108 720
Goodwill		138 867
Trademarks and other intangibles	**24 376**	120 074
Investments		11
Inventory	**4 873**	68 613
Trade and other receivables	**1 586**	79 128
Trade receivables intercompany	**12 444**	23 584
Loan receivable		2 113
Total assets	**43 279**	541 110
Liabilities of disposal group classified as held for sale		
Interest-bearing liabilities		1 394
Trade and other payables	**10 790**	79 396
Current income tax liabilities		157
Deferred tax liability	**6 999**	105 204
Total liabilities	**17 789**	186 151

Non-controlling interest classified as held for sale

As the assets and liabilities presented as held for sale were acquired in a business combination, no income/expenses have been recognised in other comprehensive income relating to disposal group classified as held for sale.

Analysis of the result of the discontinued operation, and the result recognised on the measurement and sale of assets or disposal group, is as follows:

	2015 R'000	2014 R'000
Revenue	**298 318**	484 466
Expenses	**(287 866)**	(439 529)
Profit before tax	**10 452**	44 937
Income tax expense	**(2 740)**	(15 182)
Profit for the year from operations	**7 712**	29 755
Loss on disposal of discontinued operation (net of tax)	**(28 193)**	
Impairment to fair value less cost to sell (net of tax)*	**(11 424)**	
(Loss)/profit for the year from discontinued operation	**(31 905)**	29 755
Attributable to:		
Equity holders of the company	**(31 905)**	29 755

The fair value was determined using the selling price of the asset based on the impending sale to a third party. The fair value is a level 3 input.

Reconciliation of carrying amount of Glenryck trademark	**2015 R'000**	2014 R'000
Balance at 1 July	**40 000**	
Impairment to fair value less cost to sell	**(15 624)**	
Balance at 30 June	**24 376**	

** The impairment relates to the write down of the carrying amount of the Glenryck trademark to fair value less cost to sell.*

		2015 R'000	2014 R'000

11. STATED CAPITAL

Authorised

2 000 000 000 (2014: 2 000 000 000) ordinary shares of no par value.

Issued ordinary shares of no par value:	Number of shares	2015 R'000	2014 R'000
At the beginning of the year	858 810 159	**9 955 700**	5 079 194
Pro rata share offer*			790 184
Share issued to acquire entity under common control**			4 000 000
Shares issued in terms of share incentive plans	2 755 789	**37 115**	86 322
At the end of the year	861 565 948	**9 992 815**	9 955 700
Details pertaining to the *pro rata* issue in the prior year			
Proceeds from *pro rata* issue			790 184
			790 184

Shares in issue for accounting purposes – 30 June 2015	861 565 948
Add: shares issued in terms of BEE scheme***	70 758 637
Statutory shares in issue – 30 June 2015	932 324 585

* *On 10 February 2014 the Group concluded a pro rata share offer to non-controlling shareholders. The ordinary shares issued have the same rights as the other shares in issue. The market value of the shares issued amount to R16,00 per share.*

** *Relates to shares issued on the acquisition of TSB Sugar RSA Proprietary Limited. Refer to note 34 for further details.*

*** *On 26 May 2014 44 681 162 shares were issued to the RCL Employee Share Trust, 19 149 069 to Business Venture Investments 1763 Proprietary Limited and on 3 April 2014 6 928 406 shares were issued to Malongoana Investments RF Proprietary Limited in terms of a BEE transaction. For accounting purposes these shares are not treated as issued (refer to note 33 for further details).*

The unissued ordinary shares are under the control of the directors until the forthcoming annual general meeting.

Shares issued in the current financial year were in terms of general authority.

Issued shares have been fully paid up.

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for the year ended 30 June 2015

11. STATED CAPITAL continued

RCL FOODS Share Incentive Scheme

Details of share options granted under this scheme are as follows:

Date options granted	Issue price (cents)	Options at 30 June 2014	Options exercised during the year	**Options at 30 June 2015**	**Options exercisable at 30 June 2015**
23 November 2007	1 544	110 466	(110 466)		
22 May 2008	1 321	2 537 652	(2 537 652)		
1 February 2009	1 303	100 355		**100 355**	**100 355**
		2 748 473	(2 648 118)	**100 355**	**100 355**

The weighted average share prices were as follows:	**2015 Rand**	2014 Rand
Weighted average issue price of options in issue at the beginning of the year	**13,29**	14,53
Weighted average issue price of options in issue at the end of the year	**13,03**	13,29
Weighted average exercise price of options exercised during the year	**13,30**	15,06
Weighted average issue price of options forfeited during the year		15,45
Weighted average share price at date options exercised during the year	**17,25**	17,08

Share options vest after stipulated periods and are exercisable up to a maximum of ten years from the grant dates (if granted prior to 31 March 2005) or seven years from the grant dates (if granted after 31 March 2005).

Share options granted vest as follows:

- First third – second anniversary of grant date
- Second third – third anniversary of grant date
- Final third – fourth anniversary of grant date.

Within the limits imposed by the company's shareholders and the JSE Limited, the Remuneration and Nominations Committee approved and granted share options on an annual basis, as well as periodically when either an employee was promoted or a new appointment was made to an appropriate management position. The share options were granted at the closing share price ruling on the trading days approved by the Remuneration and Nominations Committee.

On resignation, share options which have not yet vested will lapse and share options which have vested may be exercised before the last day of employment. On retirement, share options which have not yet vested will lapse and share options which have vested may be exercised within six months from the date of retirement. On death, share options which have not yet vested will lapse and share options which have vested may be exercised by beneficiaries within six months from the date of death.

11. STATED CAPITAL continued

RCL FOODS Share Appreciation Rights Scheme

Details of share appreciation rights awarded under this scheme are as follows:

Date rights awarded	Issue price (cents)	Rights at 30 June 2014	**Rights awarded during the year**	**Rights exercised during the year**	**Rights forfeited during the year**	**Rights at 30 June 2015**	**Rights exercisable at 30 June 2015**
1 August 2009	1 427	4 820 017		**(699 001)**		**4 121 016**	**4 121 016**
2 June 2010	1 473	5 386 887		**(313 934)**	**(44 444)**	**5 028 509**	**5 028 509**
1 June 2011	1 645	5 630 464		**(118 204)**	**(44 614)**	**5 467 646**	**3 579 377**
1 December 2011	1 415	117 047				**117 047**	**38 625**
1 January 2012	1 400	178 529				**178 529**	**58 914**
1 April 2012	1 436	287 328				**287 328**	**94 818**
5 September 2012	1 320	5 748 018		**(81 215)**	**(101 014)**	**5 565 789**	
27 February 2013	1 458	126 961				**126 961**	
1 June 2013	1 612	967 742				**967 742**	
4 September 2013	1 654	8 686 581		**(54 275)**	**(256 105)**	**8 376 201**	
1 December 2013	1 738	379 747				**379 747**	
1 March 2014*	1 404	11 712 442			**(3 919 112)**	**7 793 330**	
4 September 2014**	1 593		**19 672 487**		**(982 511)**	**18 689 976**	
1 March 2015	1 796		**3 300 497**			**3 300 497**	
		44 041 763	**22 972 984**	**(1 266 629)**	**(5 347 800)**	**60 400 318**	**12 921 259**

* *Includes rights awarded to Foodcorp management who joined the scheme for the first time.*

** *Includes rights awarded to TSB management who joined the scheme for the first time.*

The RCL FOODS Share Appreciation Rights Scheme (RSARS) provides executive directors and selected employees with conditional rights to receive RCL FOODS ordinary shares, referred to as Share Appreciation Rights (SAR).

Within the limits imposed by the company's shareholders and the JSE Limited, the Remuneration and Nominations Committee approves and awards SAR on an annual basis, as well as periodically when either an employee is promoted or a new appointment is made to an appropriate management position. Recipients of SAR become entitled to RCL FOODS shares having a value equal to the increase in the market value of a number of notional RCL FOODS shares. The market value of RCL FOODS shares for the purposes of determining award prices and exercise prices is the volume-weighted average price of RCL FOODS shares traded on the JSE for the five business days immediately preceding the award dates and exercise dates approved by the Remuneration and Nominations Committee.

SAR awards vest after stipulated periods and are exercisable up to a maximum of seven years from the award dates.

SAR awards vest as follows:

- First third – third anniversary of award date
- Second third – fourth anniversary of award date
- Final third – fifth anniversary of award date.

On resignation, SAR awards which have not yet vested will lapse and SAR awards which have vested may be exercised before the last day of employment. On retirement, unvested SAR awards vest immediately and all SAR awards may be exercised within 12 months from the date of retirement. On death, unvested SAR awards vest immediately and all SAR awards may be exercised by beneficiaries within 12 months from the date of death.

The new RSARS provides executive directors and selected employees with conditional rights to receive RCL FOODS ordinary shares, referred to as Share Appreciation Rights (SAR).

The weighted average fair value of rights awarded during the year was R2,82 (2014: R2,87).

	2015 Rand	2014 Rand
Weighted average issue price of rights in issue at the beginning of the year	**14,92**	14,71
Weighted average issue price of rights in issue at the end of the year	**15,46**	14,92
Weighted average issue price of rights exercised during the year	**14,62**	14,47
Weighted average exercise price of rights forfeited during the year	**14,52**	15,75
Weighted average award price of rights awarded during the year	**16,22**	15,16
Weighted average award price of rights exercised during the year	**17,48**	16,89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2015

11. STATED CAPITAL continued

RCL FOODS Conditional Share Plan

Details of conditional shares awarded under this scheme are as follows:

Date conditional shares awarded	Conditional shares at 30 June 2014	Conditional shares awarded during the year	Conditional shares at 30 June 2015	Conditional shares exercisable at 30 June 2015
14 December 2012	**1 977 746**		**1 977 746**	
4 September 2013	**377 915**		**377 915**	
1 March 2014	**359 837**		**359 837**	
4 September 2014		**246 484**	**246 484**	
	2 715 498	**246 484**	**2 961 982**	

The weighted average fair value of conditional shares awarded during the year was R11,79 (2014: R11,74).

The RCL FOODS Conditional Share Plan (CSP) operates in conjunction with the current Share Appreciation Rights scheme (SAR). The company only uses CSP to make adhoc allocations as and when deemed necessary and in exceptional circumstances.

Under the CSP, participants will receive a conditional award of shares on the award date. Provided that they remain in the employment of the company over the vesting period, shares will be settled to the participants on the vesting date. Participants will have no shareholder or dividend rights before the vesting date.

		2015	2014
Weighted average issue price of conditional shares in issue at the beginning of the year		**nil**	nil
Weighted average issue price of conditional shares in issue at the end of the year		**nil**	nil
Weighted average exercise price of conditional shares exercised during the year		**nil**	nil
Weighted average issue price of conditional shares forfeited during the year		**nil**	nil
Weighted average award price of conditional shares awarded during the year		**nil**	nil

Expected volatility for all of the schemes was determined calculating the historical volatility of the share price over the previous four years, adjusted for the impact on the share price of the offer by Remgro to non-controlling shareholders in March 2007. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

These fair values were calculated using the binomial options pricing model. The inputs into the model were as follows:

		2015	2014
Expected volatility	(%)	**19,3 – 24,7**	19,3 – 24,7
Risk-free rate	(%)	**5,6 – 8,0**	5,6 – 8,0
Expected dividend yield	(%)	**4,0**	4,0
Contractual life	(years)	**7 or 10**	7 or 10
Weighted average contractual life – options	(years)	**0,60**	0,89
Weighted average contractual life – rights	(years)	**4,8**	5,0

	2015 R'000	2014 R'000
12. SHARE-BASED PAYMENTS RESERVE		
Employee share scheme		
At the beginning of the year	**154 639**	121 975
Value of employee services expensed during the year	**43 778**	32 664
At the end of the year	**198 417**	154 639
BEE transaction		
At the beginning of the year	**175 699**	63 213
Employee portion – recurring*		1 846
Accelerated vesting on cancellation of transaction*		14 241
Strategic equity partners expense **		88 491
Employee portion – recurring**	**17 600**	7 908
At the end of the year	**193 299**	175 699
Total at the end of the year	**391 716**	330 338

* *Relates to historical BEE transaction. Refer to note 33 for further details.*
** *Relates to the BEE transaction approved on 17 January 2014. Refer to note 33 for further details.*

	2015 R'000	2014 R'000
13. OTHER RESERVES		
Cash flow hedges		
At the beginning of year	**(855)**	1 019
Revaluation of cash flow hedges	**39 047**	(1 480)
Taxation impact	**(10 933)**	(394)
At the end of year	**27 259**	(855)
Foreign currency translation reserve		
At the beginning of year	**3 317**	22
Currency translation on foreign subsidiary	**(6 129)**	3 295
At the end of year	**(2 812)**	3 317
Total at the end of the year	**24 447**	2 462

There was no ineffectiveness to be recorded from cash flow hedges (2014: Rnil).

		2015 R'000	2014 R'000

14. RETIREMENT BENEFIT OBLIGATIONS

Post-retirement medical obligation

The obligation of the Group to pay certain medical aid benefits after retirement is no longer part of the conditions of employment. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit is dependent upon the employee remaining in service until retirement age. The Group also provides certain medical aid benefits to certain retired employees of Foodcorp and TSB. The last valuation date was 30 June 2015 for Rainbow, Vector and TSB and 31 March 2015 for Foodcorp. The unfunded liability for post-retirement medical aid benefits is determined actuarially each year and comprises:

		2015 R'000	2014 R'000
At the beginning of the year		**225 776**	170 335
Recognised as (income)/expense in the current year		**(32 019)**	18 940
Interest costs		**18 530**	15 795
Past service costs and settlements*		**(53 627)**	
Current service costs		**3 078**	3 145
Remeasurements:		**5 970**	(21 460)
Loss/(gain) from change in financial assumptions		**21 109**	(10 835)
Experience gain recognised		**(15 139)**	(10 625)
Benefits paid		**(12 071)**	(10 498)
Acquisition of entity under common control**			68 459
At the end of the year		**187 656**	225 776
Balance per actuarial valuation		**187 656**	225 776
The principal actuarial assumptions are:			
Discount rate	(%)	**8,8**	9,3
Health care cost inflation	(%)	**8,3**	8,4
Mortality – pre-retirement		*******	***
Mortality – post-retirement		********	****
Expected contributions for the years ending June 2016 and June 2015		**5 480**	12 126

* *During the current financial year, the obligation relating to certain pensioners was transferred to an insurer resulting in a settlement reduction in the post-retirement medical aid liability. A past service credit was recorded during the current financial year resulting from a change in the retirement ages to align between the Rainbow Pension and Provident Funds.*

** *Refer to note 34 for details of acquisitions.*

*** *SA85/90 (light) ultimate.*

**** *PA(90) ultimate table rated down between one to two years plus 1,0% improvement per annum from 2006.*

The weighted average duration of the liability is between 7 and 17 years (2014: between 7 and 17 years).

The sensitivity of the obligation to changes in the principal assumptions is:

	Impact on obligation		
	Change in assumption %	Increase in assumption R'000	Decrease in assumption R'000
Discount rate	0,5	(9 504)	11 964
Health care cost inflation	1,0	25 510	(21 325)

14. RETIREMENT BENEFIT OBLIGATIONS continued

RETIREMENT CONTRIBUTION PLANS

Pension and provident fund schemes

The Group contributes towards retirement funds for all permanent employees who are required to be a member of a Group implemented scheme. These schemes, detailed below are governed by the Pension Funds Act, 1956. Their assets consist primarily of listed shares, fixed income securities, property investments and money market instruments and are held separately from those of the Group. The schemes' assets are administered by a Board of Trustees, each of which includes elected employee representatives. The Pension Funds Second Amendment Bill was enacted with effect 7 December 2001. This Bill requires that the actuarial valuations at 31 March 2004, together with a plan for the apportionment on a fair basis to past and current members of the funds of any surplus established by this valuation date, must be approved by the Financial Services Board (FSB). The FSB has approved a Nil Surplus Apportionment for both the Rainbow Pension and Provident Funds and the Foodcorp Provident fund.

Defined contribution pension and provident fund schemes

The latest audited financial information of the schemes that are administered by the Group all reflect a satisfactory state of affairs. Amounts charged to the income statement are as follows:

Defined contribution pension and provident schemes:	**2015 R'000**	2014 R'000
Rainbow and Vector Funds		
– Rainbow Pension Fund	**31 616**	27 343
– Rainbow Provident Fund	**77 206**	65 021
– Namflex Pension Fund	**465**	415
TSB Funds		
– TSB ABSA Retirement Fund	**17 166**	6 860
– African Life		81
– TSB ABSA Provident Fund	**14 845**	6 973
– TSB Sanlam Fund		402
– Momentum Employee Benefits		558
– Sanlam (TSB Pension Fund)		225
– SATAWU Provident Fund	**3 803**	1 890
– TSB Agricultural Provident Fund	**3 816**	2 430
– TSB ABSA Pension Fund	**10 003**	3 777
– Capital Alliance Group		172
– TSB NBC Provident Fund	**5 523**	2 079
Foodcorp Funds		
– Alexander Forbes	**51 727**	41 575
– Liberty Life	**639**	786
– NBC Provident Fund		1 506
– Old Mutual – SACCAWU	**5 979**	5 312
– Setshaba	**1 001**	968
– FAWU	**3 616**	5 824
– Sanlam Group Life	**251**	573
– Capital Alliance disability	**140**	220
	227 796	174 990

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		2015 R'000	2014 R'000
15.	**INTEREST-BEARING LIABILITIES**		
	Long-term		
	Bank borrowings	**56 392**	227 711
	Finance lease liabilities	**62 102**	79 371
	Term-funded debt package	**3 350 000**	
	Loan from Akwandze Agricultural Finance Proprietary Limited	**42 777**	60 474
		3 511 271	367 556
	Short-term		
	Bank borrowings	**4 637**	54 000
	Finance lease liabilities	**33 073**	36 389
	RMB bridging loan		4 494 750
	Loan from Akwandze Agricultural Finance Proprietary Limited	**93 849**	42 577
		131 559	4 627 716

Bank borrowings

Included in bank borrowings in the prior year was an unsecured loan from FNB with a carrying value of R216,0 million. This loan was repaid in full during the current financial year. This loan bore interest at Jibar +2,3%.The accrued interest on the loan was repayable in quarterly instalments on the 15th of the month. The capital was repayable in four equal yearly instalments of R54,0 million on the 15th of April each year.

Included in long-term bank borrowings are loans from Futuregrowth Asset Management Proprietary Limited with a carrying value of R56,4 million (2014: R65,7 million) with an amount of R4,6 million included in short-term bank borrowings (2014: Rnil). These loans were used to fund new contract grower operations in Rainbow. These loans bear interest at the three-month Jibar with a margin of between 1,5% and 5,25% (2014: 4,25% and 5,25%). The outstanding loan together with the accrued interest is required to be repaid in instalments based on the contract growers operating cycle, at intervals of between 40 to 50 days between payment.

The carrying amount of bank borrowings approximates their fair values.

Finance lease liabilities

The finance lease liabilities bear interest at a rate between 7,0% and 10,0%.

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

The carrying amount of the finance lease liabilities approximates their fair values.

Term-funded debt package

During the 2015 financial year, the RMB bridging loan was replaced with a term-funded debt package.

The debt package comprises two bullet loans and a revolving credit facility.

The loans bear interest at a floating rate (JIBAR) plus a margin of between 1,65% and 2,25%.

The interest rate is fixed in years one and two at an average rate of 8,63% on a portion of the bullet loans and thereafter a floating rate is applied.

15. INTEREST-BEARING LIABILITIES continued

The details of the loans and the effective interest rate for the year is shown below:

Type	Amount R'000	Term years	Effective interest rate %
Bullet loan (A)	**1 755 000**	**5**	**8,57**
Bullet loan (B)	**1 097 000**	**4**	**8,34**
Revolving credit facility	**498 000**	**3**	**8,38**
Total	**3 350 000**		

In the event that the Net Senior Debt to EBITDA ratio exceeds 2.7 times on a measurement date, the applicable interest rate will be increased by 0,25% until the cover is restored. Net Senior Debt represents all unsubordinated debt less cash and cash equivalents and investment in money market fund.

The obligation in respect of the debt package discussed above has been guaranteed by each of Foodcorp Proprietary Limited, RCL FOODS Limited, New Foodcorp Holding Proprietary Limited, TSB Sugar Proprietary Limited, Rainbow Farms Proprietary Limited, Rainbow Farms Investments Proprietary Limited, RCL Group Services Proprietary Limited, Vector Logistics Proprietary Limited and Capitau Investment Management Proprietary Limited.

Loans from Akwandze Agricultural Finance Proprietary Limited ("Akwandze")

The loans from Akwandze are repayable annually, over a maximum period of six years. These loans bear interest at a fixed rate of 4,0% per annum and are secured by a cession over Libuyile Farming Services Proprietary Limited, Mgubho Farming Services Proprietary Limited and Sivunosetfu Proprietary Limited rights and interest in the gross revenue accruing to these companies from all sugar cane cut and delivered to any mill, including revenue from any seed cane sold or disposed otherwise.

All of the above loans are unsecured.

The carrying amount of these loans approximates their fair values.

RMB bridging loan

The bridging loan was replaced with the term-funded debt package in the current financial year as discussed on page 43 of the integrated annual report available on our website www.rclfoods.com.

The loan was for a capital value of R4,5 billion and bore interest at a variable rate of three month JIBAR plus a margin of 1,65%, plus 0,2% if cash and cash equivalents held by the Group were less than R1,0 billion. An additional 2,0% was added if any event of default was continuing. The loan had an initial maturity of 9 October 2014, which was extended until the debt package above was implemented. The capital was repaid as part of the above refinance and interest payments were made quarterly.

The carrying amount of the loan approximated its fair value.

The Group had provided the following security in respect of the bridging loan:

- A pledge of any and all bank accounts maintained by each RCL FOODS Limited, TSB Sugar RSA Proprietary Limited, Foodcorp Proprietary Limited, New Foodcorp Holdings Proprietary Limited, Capitau Investment Management Proprietary Limited, Rainbow Farms Proprietary Limited, Rainbow Farms Investments Proprietary Limited, RCL Group Services Proprietary Limited, East End Court Proprietary Limited and Vector Logistics Proprietary Limited, including the amounts standing to the credit of any bank accounts.
- A pledge of all or any shares held by RCL FOODS Limited in the issued share capital of any subsidiary of RCL FOODS Limited.
- A pledge of all or any shares held by New Foodcorp Holdings Proprietary Limited, in the issued share capital of Foodcorp Proprietary Limited.
- A pledge of all current and future claims that RCL FOODS Limited may have against any subsidiary of RCL FOODS Limited by virtue of its shareholding in such subsidiary, whether in the form of shareholder loans or otherwise and the benefit of any security interest for the time being held by RCL FOODS Limited in respect of such claims.
- A pledge of all current and future claims that New Foodcorp Holdings Proprietary Limited, may have against Foodcorp Proprietary Limited, by virtue of its shareholding in Foodcorp Proprietary Limited, whether in the form of shareholder loans or otherwise and the benefit of any security interest for the time being held by New Foodcorp Holdings Proprietary Limited in respect of such claims.

Loan from Akwandze Agricultural Finance Proprietary Limited

The loans from Akwandze Agricultural Finance Proprietary Limited are repayable annually, over a maximum period of six years. These loans bear interest at a fixed rate of 4,0% per annum and are secured by a cession over Libuyile Farming Services Proprietary Limited, Mgubho Farming Services Proprietary Limited and Sivunosetfu Proprietary Limited rights and interest in the gross revenue accruing to these companies from all sugar cane cut and delivered to any mill, including revenue from any seed cane sold or disposed otherwise.

The carrying amount of these loans approximates their fair values.

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for the year ended 30 June 2015

		2015 R'000	2014 R'000
16.	**TRADE AND OTHER PAYABLES**		
	Long-term		
	Other payables	**8 567**	35 260
		8 567	35 260
	Short-term		
	Trade payables	**2 171 408**	2 267 018
	Accruals	**1 237 950**	773 427
	Other payables	**775 627**	563 918
		4 184 985	3 604 363

Other non-current liabilities relate to various deferred bonus and retention schemes within the Group.

The carrying amount of trade and other payables approximates their fair values.

Included in accruals and other payables above are non-financial instruments of R254,9 million (2014: R381,7 million).

Included in trade and other payables is an amount of R12,4 million (2014: R23,4 million) relating to amounts due to the Fishing division which is classified as a discontinued operation. Refer to note 10 for further details.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2015 R'000	2014 R'000
Rand	**4 124 318**	3 559 163
USD	**4 053**	5 465
Namibian Dollar	**19 414**	23 061
GBP	**9 838**	3 962
EUR	**14 538**	4 395
Meticals	**12 824**	8 317
	4 184 985	3 604 363

	2015 R'000	2014* R'000
17. DEFERRED INCOME TAX		
Deferred income tax liability movement:		
At the beginning of the year	**1 362 670**	1 281 318
Acquisition of entity under common control**		182 780
Charge/(credit) for the year – income statement	**75 133**	(109 629)
Credit for the year – other	**(1 730)**	(541)
Charge for the year – other comprehensive income	**9 323**	6 064
Tax on fishing division operations	**2 740**	
Tax on disposal of Fishing division	**38 834**	
Prior year (over)/under provision	**(28 037)**	2 678
At the end of the year	**1 458 933**	1 362 670
Deferred income tax liability comprises:		
Trademarks, property, plant and equipment	**1 529 387**	1 557 682
Inventories and biological assets	**328 527**	290 546
Provisions	**(195 104)**	(157 346)
Derivative financial instruments	**(3 811)**	(1 417)
Investment in associate*	**16 314**	11 385
Losses available for set-off against future taxable income	**(233 917)**	(359 091)
Disposal group classified as held for sale		32 802
Other*	**17 537**	(11 891)
	1 458 933	1 362 670
Deferred tax liability due after 12 months	**1 353 326**	1 000 324
Deferred tax liability due within 12 months	**105 607**	362 346
	1 458 933	1 362 670
Deferred income tax asset movement:		
At the beginning of the year	**8 678**	4 327
Acquisition of entity under common control**		3 740
Credit/(charge) for the year – income statement	**156**	(5 628)
Charge for the year – other comprehensive income	**61**	(339)
Disposal of subsidiary	**(527)**	
Prior year (over)/under provision	**(48)**	6 578
At the end of the year	**8 320**	8 678
Deferred income tax asset comprises:		
Provisions	**14 934**	7 075
Derivative financial instruments	**889**	
Trademarks, property, plant and equipment	**(401)**	
Tax losses carry forward		568
Other	**(7 102)**	1 035
	8 320	8 678
Deferred tax assets due after 12 months	**4 819**	2 936
Deferred tax assets due within 12 months	**3 501**	5 742
	8 320	8 678

* *The disclosure of the composition of the deferred tax liability has been expanded on to show the deferred tax relating to the Investment in Associate separately. The amount was removed from the "other" category for 2014 and has no impact on the reported deferred tax balance in the prior year.*

** *Refer to note 34 for details of acquisitions.*

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 28,0% (2014: 28,0%) and 33,0% (2014: 33,0%) for Vector Namibia.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

No deferred tax asset has been recognised for assessed losses amounting to R323,7 million (2014: R293,2 million) as it is not envisaged that the asset will be recovered in the foreseeable future. The assessed losses do not have an expiry date.

	2015 R'000	2014 R'000
18. DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Buildings	**90 048**	78 581
Plant, equipment and furniture	**383 148**	321 989
Vehicles	**76 316**	64 183
Aircraft	**1 184**	592
Leased assets	**13 045**	14 082
Leasehold Improvements	**4 467**	5 592
	568 208	485 019
Amortisation – intangible assets	**112 130**	109 597
Impairment loss – property, plant, equipment and furniture	**9 608**	3 731
Impairment loss – buildings	**683**	
Impairment loss – vehicles	**547**	
Impairment loss – work-in-progress	**80 478**	
Impairment loss on loan		301
Impairment loss reversed – property, plant and equipment		(10 471)
Total depreciation, amortisation and impairment	**771 654**	588 177

	2015 R'000	Restated* 2014 R'000
19. OPERATING PROFIT		
Revenue	**23 428 206**	19 500 842
Cost of sales	**(17 910 818)**	(14 908 631)
Gross profit	**5 517 388**	4 592 211
Administration expenses	**(1 233 442)**	(1 298 681)
Selling and marketing expenses	**(828 580)**	(649 897)
Distribution expenses	**(2 706 000)**	(2 509 098)
Other income	**703 025**	399 508
Operating profit	**1 452 391**	534 043
Disclosable items – income:		
Fair value adjustment on biological assets	**388 196**	203 124
Impairment loss reversed		10 471
Profit on disposal of property, plant and equipment	**19 611**	19 828
Profit on disposal of subsidiary	**1 546**	
Profit on purchase of preference shares		15 940
Fair value adjustment on derivatives	**106 287**	45 541
Foreign exchange gains	**15 820**	12 827
Disclosable items – expense:		
Operating lease charges	**380 443**	320 667
– land and buildings	**198 753**	146 587
– plant, machinery and equipment	**73 698**	102 813
– vehicles	**74 030**	32 979
– office equipment	**10 994**	3 557
– computer equipment	**14 517**	6 577
– other	**8 451**	28 154
Arrangements containing an operating lease**	**714 554**	751 256
– contract grower fees	**291 891**	274 020
– outsourced transport	**422 663**	477 236
Technical consultants' and legal fees	**92 935**	73 278
Fair value adjustment on derivatives	**6 764**	8 175
Acquisition costs		35 084
Impairment of property, plant and equipment	**91 316**	3 731
Foreign exchange losses	**29 416**	28 196
Inventory expense	**14 080 524**	12 160 306
Utilities	**1 129 071**	548 992
Restraint of trade agreement amortised		25 000
Repairs and maintenance expense	**705 782**	487 690
Loss on disposal of property, plant and equipment	**14 384**	7 062
Directors' remuneration	**18 444**	15 699
– executive	**15 048**	12 632
– non-executive	**3 396**	3 067
Staff costs	**3 661 783**	2 738 733
– salaries and wages	**3 030 180**	2 253 510
– share-based payments	**47 546**	34 617
– retirement benefit costs	**227 796**	174 990
– other post-employment benefits	**20 504**	18 940
– other	**335 757**	256 676
BEE expense	**17 600**	112 486
Administration fee paid to Group holding company	**17 527**	13 438
Auditor's remuneration	**22 014**	20 101
– fees for the audit	**17 333**	15 659
– prior year (over)/under provision	**(1 693)**	670
– disbursements	**1 309**	785
– fees for other services	**5 065**	2 987

* *Refer to note 38 for further details.*

** *It is not practical to separate the lease element from the total costs paid in respect of these arrangements and accordingly only total costs have been disclosed.*

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		2015 R'000	2014 R'000
20.	**DEFERRED INCOME**		
	Non-current liabilities		
	Deferred income	**1 849**	5 153
	Current liabilities		
	Deferred income	**5 239**	3 059

Libuyile Farming Services Proprietary Limited, Mgubho Farming Services Proprietary Limited and Sivunosetfu Proprietary Limited obtained various long-term and short-term loans from Akwandze Agricultural Finance Proprietary Limited bearing interest at 4,0% per annum. The fair value of these loans were calculated on initial and subsequent recognition based on a market related interest rate of 9,0% per annum. The difference between fair value and cash balance received was recognised as deferred income.

		2015 R'000	2014 R'000
21.	**FINANCE COSTS**		
	Interest – financial institutions	**351 541**	450 102
	Interest – preference shares		1 825
	Fair value adjustment on interest rate collar option	**3 176**	
	Transaction costs on term-funded debt	**882**	
	Interest – Group companies	**5 932**	10 908
	Foreign exchange losses*		557 251
	Interest – other	**33 269**	24 665
		394 800	1 044 751
	Less: amounts capitalised on qualifying assets	**(21 193)**	(1 293)
		373 607	1 043 458

** The prior year amount includes loss on translation of Eurobonds during the financial year of R893,0 million and gains on re-measurement of forward exchange contracts and the participation hedge during the prior financial year of R332,0 million.*

		2015 R'000	2014 R'000
22.	**FINANCE INCOME**		
	Interest – financial institutions and money market fund	**41 323**	69 073
	Interest – Group companies	**435**	
	Profit on extinguishment of debt		71 086
	Interest – other	**10 298**	8 124
		52 056	148 283

	2015 R'000	Restated* 2014 R'000
23. INCOME TAX EXPENSE		
Current tax	**312 172**	63 840
South African	**294 109**	58 489
Foreign	**5 285**	4 764
Prior year under provision	**12 778**	587
Deferred tax	**46 988**	(107 901)
South African	**74 977**	(104 443)
Foreign		442
Prior year over provision	**(27 989)**	(3 900)
	359 160	(44 061)
Reconciliation of tax rate:		
Profit/(loss) before tax	**1 253 022**	(350 798)
Tax expense at 28%	**350 846**	(98 223)
– capital gains tax	**(1 814)**	(1 482)
– foreign taxation	**5 604**	3 120
– share of associates (profit)/loss	**(23 570)**	1 826
– share of joint ventures profit	**(10 641)**	(4 719)
– non-taxable income	**(7 721)**	(10 760)
– prior year under provision – current	**12 778**	587
– prior year over provision – deferred	**(27 989)**	(3 900)
– non-deductable impairment of assets	**24 145**	
– unrecognised deferred tax on losses made*	**5 581**	1 472
– withholding tax on undistributed profits of associate*	**4 291**	(3 250)
– non-deductible acquisition expenses		9 823
– non-deductible IFRS 2 charges	**1 136**	41 506
– non-deductible depreciation and amortisation*	**6 993**	14 853
– other non-deductible items	**19 521**	5 086
Tax charge	**359 160**	(44 061)

** The tax rate reconciliation disclosure for 2014 has been expanded on to separate items from the other non-deductible items category and disclose them separately. The restatement has no impact on the reported tax expense total for 2014.*

The tax effects relating to items of other comprehensive income are disclosed in note 13.

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for the year ended 30 June 2015

		2015 R'000	2014 R'000

24. EARNINGS AND HEADLINE EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of shares in issue during the year.

Diluted

Diluted earnings are calculated using the fully diluted weighted average ordinary shares in issue. Dilution is due to shares offered, but not paid and delivered to participants in the BEE transaction, the RCL FOODS Share Incentive Scheme, the RCL FOODS Share Appreciation Rights Scheme and RCL FOODS Conditional Share Plan (refer to notes 11 and 33). A calculation is performed to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding scheme shares. The number of shares calculated below is compared with the number of shares that would have been issued assuming the exercise of the share scheme options.

		2015 R'000	2014 R'000
Earnings			
Profit/(loss) from continuing operations attributable to equity holders of the company		**880 026**	(318 794)
(Loss)/profit from discontinued operation attributable to equity holders of the company		**(31 905)**	29 755
Total		**848 121**	(289 039)
Weighted average number of ordinary shares in issue			
Weighted average number of ordinary shares in issue – basic earnings per share	(000)	**859 611**	697 988
Share option dilution impact*	(000)	**5 744**	
Weighted average number of shares – diluted earnings per share	(000)	**865 355**	697 988
Headline earnings			
Headline earnings reconciliation – continuing operations:			
Profit/(loss) for the year attributable to equity holders of the company		**880 026**	(318 794)
Impairments (losses and reversals net of tax of R2,0 million (2014: R1,8 million)) (Refer to note 18)		**89 269**	(4 639)
Profit on disposal of subsidiary		**(1 546)**	
Insurance proceeds (net of tax of R0,2 million).		**630**	
Profit on disposal of property, plant and equipment (net of tax of R1,3 million (2014: R3,5 million))		**(3 920)**	(9 192)
Headline earnings		**964 459**	(332 625)
Headline earnings reconciliation – discontinued operation:			
(Loss)/profit for the year attributable to equity holders of the company		**(31 905)**	29 755
Post tax loss on disposal of fishing division		**28 193**	
Post tax loss on impairment to fair value less costs to sell		**11 424**	
Headline earnings		**7 712**	29 755
From continuing operations			
Earnings per share			
– basic	(cents)	**102,4**	(45,7)
– diluted	(cents)	**101,7**	(45,7)
Headline earnings per share			
– basic	(cents)	**112,2**	(47,7)
– diluted	(cents)	**111,5**	(47,7)
From discontinued operation			
Earnings per share			
– basic	(cents)	**(3,7)**	4,3
– diluted	(cents)	**(3,7)**	4,3
Headline earnings per share			
– basic	(cents)	**0,9**	4,3
– diluted	(cents)	**0,9**	4,3

** As net losses from continuing operations were recorded in 2014 , the dilutive potential shares are anti-dilutive.*

	2015 R'000	2014 R'000
25. DIVIDENDS PER SHARE		
Interim – paid: 15,0 cents (2014: 0,0 cents)	**129 201**	
Final* – declared: 22,0 cents (2014: paid 20,0 cents)	**189 545**	171 762
Total: 37,0 cents (2014: 20,0 cents)	**318 746**	171 762

A final dividend of 22,0 cents per share was declared for the financial period ended 30 June 2015. The dividend will be paid on Monday, 26 October 2015. The last date to trade *"cum"* dividend will be Friday, 16 October 2015. The RCL FOODS share will commence trading *"ex"* dividend from the commencement of business on Monday, 19 October 2015 and the record date will be Friday, 23 October 2015.

Since the final dividend was declared subsequent to period-end, it has not been provided for in the consolidated financial statements.

** The dividend of R318,7 million represents the dividend based on the shares in issue for accounting purposes. The total dividend based on the statutory shares in issue is R344,9 million. The difference of R26,2 million in the dividend amount is due to 70 758 637 shares issued in terms of the BEE transaction. These shares are not considered to be issued for accounting purposes and thus the related dividend is not disclosed. Refer to notes 11 and 33 for further details.*

	2015 R'000	2014 R'000
26. LEASE COMMITMENTS		
Continuing operations		
Operating leases:		
Due within one year	**114 400**	125 972
Due within two to five years	**171 997**	135 209
Due later than five years	**287 958**	
	574 355	261 181
In respect of:		
– property	**510 176**	201 029
– plant and equipment	**39 674**	44 014
– other	**24 505**	16 138
	574 355	261 181
Finance leases:		
Gross finance lease liabilities – minimum lease payments	**110 387**	415 140
Due within one year	**39 895**	43 533
Due within two to five years	**67 564**	135 463
Due later than five years	**2 928**	236 144
Future finance charges on finance lease liabilities	**(14 560)**	(162 078)
Present value of finance lease liabilities	**95 827**	253 062
Due within one year	**33 513**	35 974
Due within two to five years	**59 615**	115 986
Due later than five years	**2 699**	101 102
	95 827	253 062
Discontinued operation		
Operating leases:		
Due within one year		6 391
Due within two to five years		25 152
		31 543
In respect of:		
– property		31 276
– plant and equipment		267
		31 543

In addition, the Group has operating lease commitments with rentals determined in relation to volumes of activity. It is not possible to quantify accurately future rentals payable under such lease arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2015

		2015 R'000	2014 R'000
27.	**CONTINGENCIES**		
	Loan guarantee – Akwandze	**75 000**	75 000
		75 000	75 000

The Group has a long-term loan guarantee for Land Bank on behalf of Akwandze Agricultural Finance Proprietary Limited. No losses are expected as the risk of default of debtors are limited due to the fact that some debtors are joint ventures to the Group with no history of default. The loan of the debtor not relating to the Group is supported by Crookes Brothers Limited.

28. OPERATING SEGMENTS

The Chief Executive Officer (CEO) is the chief operating decision-maker. The CEO assesses the performance of the operating segments based on operating profit before depreciation, amortisation and impairments (EBITDA) and operating profit (EBIT).

Transactions between segments are accounted for under IFRS in the individual segments.

The Group is structured around the four principal operating companies of Foodcorp, Rainbow, TSB and Vector, on which segmental reporting is based. The Foodcorp segment is a food producer and manufacturer with a diverse product basket that ranges from staples to some of South Africa's best-known consumer brands and ready to eat meals. The Rainbow segment is a vertically integrated chicken producer. The TSB segment is a sugar producer and manufacturer and also manufactures animal feed from by-products of the sugar manufacture process. The Vector segment is a specialist frozen third-party logistics provider, providing integrated logistics. Zambian operations relates to a chicken producer in Zambia.

	2015 R'000	Restated* 2014 R'000
28. OPERATING SEGMENTS continued		
Revenue	**23 428 206**	19 500 842
Foodcorp	**7 519 641**	7 548 878
Rainbow	**9 077 501**	8 732 933
TSB	**6 134 351**	2 482 052
Vector	**1 883 664**	1 699 903
Sales between segments:		
Foodcorp to Rainbow	**(89 708)**	(61 981)
Rainbow to Foodcorp	**(72 979)**	(51 736)
TSB to Foodcorp	**(55 667)**	(13 552)
TSB to Rainbow	**(4 841)**	
Vector to Foodcorp	**(110 943)**	(21 495)
Vector to Rainbow	**(839 366)**	(814 160)
Vector to TSB	**(13 447)**	
Operating profit before depreciation, amortisation and impairment	**2 224 045**	1 122 220
Foodcorp	**743 257**	720 960
Rainbow	**773 860**	203 650
TSB	**505 078**	147 483
Vector	**206 190**	199 132
Unallocated Group costs**	**(4 340)**	(149 005)
Depreciation, amortisation and impairment	**(771 654)**	(588 177)
Operating profit	**1 452 391**	534 043
Foodcorp	**461 694**	455 172
Rainbow	**558 886**	622
TSB	**284 088**	79 541
Vector	**153 570**	149 119
Unallocated Group costs**	**(5 847)**	(150 411)
Finance costs	**(373 607)**	(1 043 458)
Finance income	**52 056**	148 283
Share of profits of joint ventures	**38 004**	16 854
TSB	**19 815**	9 327
Vector	**7 569**	
Zambian operations	**10 620**	7 527
Share of profits/(loss) of associate	**84 178**	(6 520)
TSB	**84 178**	(6 520)
Profit/(loss) before tax	**1 253 022**	(350 798)
Assets		
Foodcorp	**8 959 528**	9 687 933
Rainbow	**4 631 761**	4 592 952
TSB	**4 533 902**	4 061 409
Vector	**2 609 742**	2 430 308
Unallocated segment***	**368 293**	469 161
Zambian operations	**230 380**	177 823
Set-off of inter-segment balances	**(1 640 411)**	(1 508 826)
Total per statement of financial position	**19 693 195**	19 910 760
Liabilities		
Foodcorp	**1 936 771**	6 639 058
Rainbow	**1 658 801**	1 495 427
TSB	**1 796 028**	1 380 856
Vector	**2 382 657**	2 417 684
Unallocated segment***	**3 445 850**	50 275
Set-off of inter-segment balances	**(1 640 411)**	(1 508 826)
Total per statement of financial position	**9 579 696**	10 474 474

* *Refer to note 38 for further details.*
** *Includes costs relating to BEE transactions in 2014, refer to note 33 for further details.*
*** *Includes the assets and liabilities of the Group treasury company.*

	2015 R'000	Restated* 2014 R'000
28. OPERATING SEGMENTS continued		
Additions to property, plant and equipment and intangible assets		
Foodcorp		
Property, plant and equipment	**233 883**	307 226
Intangible assets		6 108
Rainbow		
Property, plant and equipment	**210 279**	95 883
Intangible assets		6 703
TSB		
Property, plant and equipment	**218 321**	148 219
Intangible assets		3 667
Vector		
Property, plant and equipment	**88 789**	40 604
Intangible assets		1 939
Impairment losses		
Foodcorp	**3 101**	3 731
TSB	**84 013**	301
Rainbow	**4 202**	
Impairment losses reversed		
Foodcorp		8 901
Rainbow		1 570
Depreciation and amortisation		
Foodcorp	**278 462**	270 958
Rainbow	**210 772**	204 598
TSB	**136 977**	67 642
Vector	**52 620**	50 013
Unallocated segment	**1 507**	1 405
Major customers		
Revenue from the Group's top five customers is:		
– customer A	**2 722 685**	2 238 462
– customer B	**2 127 914**	1 910 090
– customer C	**1 341 247**	1 597 227
– customer D	**1 258 558**	1 325 963
– customer E	**1 214 171**	1 229 453
The above revenue is included in the Foodcorp, Rainbow, TSB and Vector segments.		
Analysis of revenue		
Sale of food products	**20 359 217**	16 662 581
Sale of feed	**2 066 317**	1 840 592
Sale of services	**1 002 672**	997 669
	23 428 206	19 500 842
Revenue outside of South Africa		
PT Booker Tate Indonesia PMA	**3 153**	6 055
Booker Tate Holdings Limited	**57 001**	67 181
Vector Logistics Limited (Namibia)	**29 353**	33 296

** Refer to note 38 for further details.*

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

This note presents information about the Group's exposure to financial risks, the Group's objectives, policies and processes for measuring and managing these risks and the Group's management of capital.

The Group's financial instruments consist primarily of cash and cash equivalents, investment in money market funds, derivatives, loans receivable, trade and other receivables and payables and interest-bearing liabilities. In the normal course of business, the Group is exposed to credit, liquidity and market risk. In order to manage certain of these risks, the Group may enter into transactions which make use of derivatives. They include forward exchange contracts, options and commodity futures and options. A separate committee is used to manage the risks and the hedging activities of the Group. The Group does not speculate in derivative instruments. Certain of the Group's forward exchange contracts qualify as designated hedges for accounting purposes. Their fair values are disclosed in note 9.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee which is responsible for developing and monitoring the Group's risk management policies. The Risk Committee reports regularly to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal audit. Internal audit undertakes both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, loans receivable, cash and cash equivalents, the investment in money market fund and derivative financial instruments.

The Group's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The terms granted to trade debtors are determined by the respective credit policies of each operating subsidiary. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable (refer to note 30) and amounts guaranteed as disclosed in note 27.

In the current year, 57% (2014: 57%) of the Group's unimpaired trade debtors have been covered by credit insurance. Vector segment debtors in excess of R75 000 are selected for insurance cover with Lombard Insurance which covered 78% of their trade debtors in the current financial year (2014: CGIC covered 90%). TSB segment trade debtors are covered by Lombard Insurance on all debtor balances in excess of R300 000. Credit insurance premiums are paid on a monthly basis based on net invoiced sales. The credit policy requires each new customer to be analysed individually for credit worthiness before delivery and payment terms are offered. Foodcorp segment trade debtors represent large retail customers assessed as being a low risk of default. The Group's review includes external ratings where available and in some cases bank references. Limits are established for each customer which represents the maximum trading amount without requiring further approval. These limits are reviewed on an ongoing basis. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a cash basis. Customers that default on payments are closely monitored and put on "stop supply" if required.

The Group has various credit terms with its trade debtors specific to each operating subsidiary.

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	2015 R'000	2014 R'000
29. FINANCIAL RISK MANAGEMENT continued		
Past due receivables, not impaired, relate to a number of independent customers for whom there is no recent history of default. The ageing relating to these trade receivables is as follows:		
30 to 90 days*	**178 706**	172 280
Over 90 days*	**20 663**	28 577
	199 369	200 857
The individually impaired receivables relate mainly to customers in unexpected difficult economic situations. The ageing of these receivables is as follows:		
30 to 90 days*	**(7 545)**	(8 142)
Over 90 days*	**(52 228)**	(41 645)
	(59 773)	(49 787)

** Represents days exceeding credit terms for each operating subsidiary.*

	2015 R'000	2014 R'000
The credit quality of trade debtors with an external credit rating, is as follows:		
Low risk	**660 274**	1 147 746
Medium risk	**254 733**	419 617
High risk	**212 601**	31 154
	1 127 608	1 598 517

Certain external credit ratings were obtained from Lombard Insurance.

The ratings are based on the risk of default on payments from the individual debtor, which takes into account the results of a full background and credit assessment of the debtor, payment profile and an analysis of the financial statements of the debtor, where available.

	2015 R'000	2014 R'000
The credit quality of trade debtors without an available external credit rating, is as follows:		
External customers (history of six months +) – no past defaults	**1 409 838**	779 555
External customers (history of six months +) – with past defaults	**33 381**	116 910
New customers (history of less than six months)	**19 090**	10 333
	1 462 309	906 798

Other debtors consist primarily of prepayments, VAT receivable, and other sundry receivables. The risk of default is assessed as low.

Also included in other debtors, are prepayments for stock, by Vector. The risk of default is considered low as the counterparties represent large, well established trading companies within South Africa.

The credit risk surrounding loans receivable is assessed as low.

The Group deposits cash surpluses with financial institutions of high quality and standing. The table below show the cash and cash equivalents allocated in terms of bank rating. These ratings are based on Moody's bank ratings.

Rating	2015 R'000	2014 R'000
A3	**25 768**	
Baa1		1 003 274
Baa2	**843 593**	27 324
Rating not available**	**3 041**	15 670
Cash on hand	**995**	1 442
	873 397	1 047 710

*** This relates to cash balances with Barclays Bank Mozambique, Menara Standard Chartered Bank, CIIMR Niaga Bank and Safex deposits with various financial institutions for which ratings were not available on Moody's.*

	2015 R'000	2014 R'000
29. FINANCIAL RISK MANAGEMENT continued		
The balances held with these banks at 30 June were as follows:		
Barclays Bank Mozambique		239
Menara Standard Chartered Bank	**2 174**	726
CIIMR Niaga Bank	**867**	51
Safex deposits		14 654
	3 041	15 670

Investment in money market fund in the prior year of R446,0 million relates to unit trust investments in Nedbank Limited. The investment had an AA+ rating. The fund invested in call deposits, treasury bills, negotiable certificates of deposit, fixed deposits, promissory notes and commercial paper. These instruments carried very low risk and provide a 48 hour liquidity, but cannot be classified as cash and cash equivalents as the individual instruments held by the funds did not meet the maturity criteria of IAS 7: (Statement of cash flow). These instruments are considered to be equity instruments categorised as "financial assets at fair value through profit and loss".

Derivative instruments are limited to transactions with financial institutions with an acceptable credit rating.

Liquidity risk

The Group actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Its unutilised borrowing capacity is R950,0 million (2014: R1 billion). Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's cash and cash equivalents on the basis of expected cash flow.

The Group's derivative financial liabilities, and current trade and other payables are all due within one year and the impact of discounting them is not significant.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Carrying value R'000	Less than one year R'000	One to two years R'000	Two to three years R'000	Greater than three years R'000	Total R'000
2015						
Interest-bearing liabilities – current	**131 559**	**151 041**				**151 041**
Interest-bearing liabilities – non current	**3 511 271**	**265 903**	**334 452**	**775 759**	**3 282 729**	**4 658 843**
Guarantee*		**75 000**				**75 000**
Bank overdraft	**2 891**	**2 891**				**2 891**
Trade and other payables (excluding employee benefit payables)	**3 721 123**	**3 721 123**				**3 721 123**
Derivative financial liabilities	**16 277**	**16 277**				**16 277**
	7 383 121	**4 232 235**	**334 452**	**775 759**	**3 282 729**	**8 625 175**
2014						
Interest-bearing liabilities – current	4 627 716	4 755 178				4 755 178
Interest-bearing liabilities – non current	367 556		130 988	116 355	165 836	413 179
Guarantee*		75 000				75 000
Bank overdraft	20 993	20 993				20 993
Trade and other payables (excluding employee benefit payables)	3 257 805	3 257 805				3 257 805
Derivative financial liabilities	10 389	10 389				10 389
	8 284 459	8 119 365	130 988	116 355	165 836	8 532 544

** Represents maximum exposure with no risk of default , refer to note 27 for further details.*

29. FINANCIAL RISK MANAGEMENT continued

MARKET RISK

Interest rate risk

The Group is exposed to interest rate risk on its cash and cash equivalents, the investment in money market fund, loans receivable and interest-bearing liabilities, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Group's Board as well as the respective subsidiary companies by using counterparties that offer the best rates which enables the Group to maximise returns whilst minimising risk. The effective interest rate excluding the impact of foreign exchange revaluations for the year was 8,04% (2014: 8,75%).

The impact of a 3,0% increase in interest rates based on balances at year-end which are subject to variable interest rates would result in an additional net finance cost of R10,1 million for the forthcoming financial year. (2014: R116,0 million).

In response to interest rate risk on the variable rate portion of the term funded debt, the Group has entered into an interest rate collar to hedge R1 billion of the debt package. The interest rate collar consists of a "cap" rate of 8,5% and a “floor” rate of 7,0% and is effective for the period 25 February 2017 to 25 February 2019. The fair value of the collar is included in note 9.

A 3,0% increase in interest rates will result in a R21,3 million increase in profit before tax, and a 3,0% decrease in interest rates will result in a R27,3 million decrease in profit before tax for the year resulting from fair value movements in the collar derivative.

Foreign currency risk

In the normal course of business the Group enters into transactions denominated in foreign currencies. Trade and other payables include net payables of R60,7 million (2014: R68,2 million), trade and other receivables of R44,3 million (2014: R90,2 million) in respect of sales and purchases in foreign currencies, cash and cash equivalents included cash balances of R52,5 million (2014: R73,0 million) relating to cash denominated in foreign currency. The currencies predominantly traded in by the Group are USD, GBP, Indonesian Rupees, Mozambiquan Meticals, YEN and EUR. As a result, the Group is subject to exposure from fluctuations in foreign currency exchange rates. The Group utilises forward exchange contracts and currency options to minimise foreign currency exchange risk in terms of its risk management policy. All forward exchange contracts and currency options are supported by underlying transactions.

Forward exchange contracts that do not constitute designated hedges of currency risk at the end of the year are summarised as follows:

	Average rate R	Foreign contract amount ‘000	Fair value of FEC’s R’000
30 June 2015			
EUR FECs – assets*	**13,83**	**850**	
USD FECs – assets*	**12,42**	**31 926**	
30 June 2014			
EUR FECs – assets*	14,74	650	
EUR FECs – liabilities*	15,05	2 053	
USD FECs – assets*	10,86	1 384	
USD FECs – liabilities*	10,92	65 645	
AUD FECs – assets	10,00	95	30
30 June 2015			
USD currency options – assets*		**5 000**	
USD currency options – liabilities*		**10 000**	
30 June 2014			
USD currency options – assets*		15 000	
USD currency options – liabilities*		15 000	
EUR currency options – assets*		800	
EUR currency options – liabilities*		2 100	

** Certain of these contracts and options have a zero fair value at year end as they are settled daily on Yield-X.*

29. FINANCIAL RISK MANAGEMENT continued

Foreign currency risk continued

Forward exchange contracts that constitute designated hedges of currency risk at the end of the year are summarised as follows:

	Average rate R	Foreign contract amount '000	Fair value of FECs R'000
30 June 2015			
Forward contracts to buy foreign currency			
EUR FECs – assets	**13,72**	**1 860**	**638**
EUR FECs – liabilities	**16,29**	**30**	**(83)**
USD FECs – assets	**12,16**	**82**	**7**
Forward contracts to sell foreign currency			
USD FECs – assets	**12,27**	**2 426**	**762**
USD FECs – liabilities	**12,20**	**850**	**(1)**
30 June 2014			
Forward contracts to buy foreign currency			
EUR FECs – assets	14,98	195	26
EUR FECs – liabilities	15,58	1 763	(1 984)
USD FECs – liabilities	11,03	183	(80)
YEN FECs – liabilities	9,31	155 997	(458)
Forward contracts to sell foreign currency			
USD FECs – assets	10,95	15 500	2 785
USD FECs – liabilities	10,83	19 800	(2 447)

The hedges in respect of currency risk are expected to mature within one year.

There was no ineffectiveness to be recorded from the cash flow hedges.

The notional principal amounts of the outstanding forward foreign exchange contracts (cash flow hedges) at 30 June 2015 were R41,7 million (2014: R444,3 million). The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses on recognised cash flow hedges on forward foreign exchanges to hedge sugar sales are recognised in equity and are recognised in the income statement in the period during which the hedged forecast transaction affects the income statement and hedges relating to the purchase of consumables and property, plant and equipment are recorded as an adjustment to the related asset when the asset is recorded.

	2015 R'000	2014 R'000
Amounts recognised in equity during the year – cash flow hedge	**39 407**	12 110
Amounts removed from equity and recognised in profit or loss – cash flow hedge		(13 590)
Amounts removed from equity and recognised as an adjustment to the asset	**361**	

29. FINANCIAL RISK MANAGEMENT continued

Refer to the following table for sensitivity of future (post-tax) income statement impacts arising on the maturity of currency option contracts, forward exchange contracts, trade payables, trade receivables and cash and cash equivalents:

Profit/(loss) as a result of a movement of the USD, GBP, EUR, AUD and YEN at 30 June assuming the spot price remains constant thereafter until the maturity of the contracts and balances.

	2015 R'000	2014 R'000
Forward exchange contracts		
10% increase in the value of the USD against the rand	**40 282**	75 684
10% decrease in the value of the USD against the rand	**(40 282)**	(75 684)
10% increase in the value of the EUR against the rand	**3 751**	6 408
10% decrease in the value of the EUR against the rand	**(3 751)**	(6 408)
10% increase in the value of the AUD against the rand		95
10% decrease in the value of the AUD against the rand		(95)
10% increase in the value of the YEN against the rand		163
10% decrease in the value of the YEN against the rand		(163)
Trade receivables		
10% increase in the value of the USD against the rand	**1 368**	2 247
10% decrease in the value of the USD against the rand	**(1 368)**	(2 247)
Cash and cash equivalents		
10% increase in the value of the USD against the rand	**906**	2 371
10% decrease in the value of the USD against the rand	**(906)**	(2 371)
Maturity of options and trade payables		
10% increase in the value of the USD against the rand	**5 883**	734
10% decrease in the value of the USD against the rand	**(7 332)**	(21 471)
10% increase in the value of the EUR against the rand	**1 454**	439
10% decrease in the value of the EUR against the rand	**(1 454)**	237
10% increase in the value of the YEN against the rand		(1 676)
10% decrease in the value of the YEN against the rand		1 676
10% increase in the value of the GBP against the rand	**544**	
10% decrease in the value of the GBP against the rand	**(544)**	

29. FINANCIAL RISK MANAGEMENT continued

Commodity price and procurement risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings from fluctuations in the prices of commodities. To stabilise prices for the Group's substantial commodity requirements, derivative instruments including forward contracts, commodity options and futures contracts are used to hedge its exposure to commodity price risk.

The overriding directive is to procure commodities at the lowest cost to meet forecast requirements, both internally and for external sales. Call and put options are utilised within this framework to manage commodity requirements and supply. The use of written options is restricted to the hedging of existing long positions and is limited to put options.

The overall procurement strategy and net positions are reported monthly to the Board and the Oversight Committees. The Oversight Committees are responsible for the setting of the monthly company view with regard to future price movements. The daily trading by the procurement teams are restricted in terms of this company view, unless prior approval is obtained from the Procurement Committees.

Wheat, sorghum, sunflower, maize and soya*

Refer to the table below for sensitivity of future (post-tax) income statement impact arising on the maturity of wheat, sorghum, sunflower, maize, soya oil , diesel and soya derivative contracts.

Profit/(loss) as a result of a movement in the spot price of the underlying commodity and resulting impact on tonnage at 30 June, assuming the spot price remains constant thereafter until the maturity of the contracts:

	2015 R'000	2014 R'000
Wheat – 5% increase	**2 390**	16 875
Wheat – 5% decrease	**(2 619)**	(16 875)
Sorghum – 5% increase		44
Sorghum – 5% decrease		(44)
Sunflower seeds – 5% increase	**12 836**	7 610
Sunflower seeds – 5% decrease	**(12 836)**	(7 610)
Maize – 5% increase	**13 529**	18 282
Maize – 5% decrease	**(13 265)**	(22 718)
Soya oil – 15% increase	**(166)**	
Soya oil – 15% decrease	**1 788**	
Diesel – 15% increase	**2 909**	
Diesel – 15% decrease	**(2 909)**	
Soya – 15% increase	**13 121**	242
Soya – 15% decrease	**(8 590)**	(242)

Rainbow Farms Proprietary Limited has entered into contract grower agreements with various counterparties to procure broiler chickens for the forthcoming financial year.

Fees payable to the contract growers are accrued for based on the stage of completion of the broiler cycle at year-end.

The commitment value as at 30 June 2015 was R12,5 million (2014: R21,7 million).

** Certain of these contracts and options have a zero fair value at year-end as they are settled daily on SAFEX.*

Embedded derivative

The Group has a lease contract with the Matsamo Communal Property Association which contains a fixed to variable rental swap. Accordingly the Group has separated the embedded derivative from a host lease contract and recognised a financial liability of R3,5 million at 30 June 2015 (2014: R3,6 million).

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain the future development needs of the business. The Board monitors both the spread of shareholders and return on equity (which is defined as profit for the year attributable to the equity holders expressed as a percentage of average total equity) and the level of dividends paid to shareholders.

The Group's target is to achieve a return on shareholders' equity in excess of 15,0%. In 2015 the return was 8,7% (2014: negative 3,5%).

There were no changes to the Group's approach to capital management during the year.

29. FINANCIAL RISK MANAGEMENT continued

Fair value estimation

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June:

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
30 June 2015				
Assets				
Breeding stock – chicken			**307 911**	**307 911**
Broiler stock – chicken			**240 614**	**240 614**
Banana fruit			**4 972**	**4 972**
Banana trees			**7 191**	**7 191**
Litchi trees			**3 025**	**3 025**
Sugar cane roots			**258 385**	**258 385**
Sugar cane plants			**276 035**	**276 035**
Assets held for sale (refer note 10)			**24 376**	**24 376**
Derivatives		**10 438**		**10 438**
Total assets		**10 438**	**1 122 509**	**1 132 947**
Liabilities				
Derivatives		**16 277**		**16 277**
Total liabilities		**16 277**		**16 277**
30 June 2014				
Assets				
Breeding stock – chicken			293 910	293 910
Broiler stock – chicken			244 971	244 971
Banana fruit			6 984	6 984
Banana trees			12 413	12 413
Litchi trees			3 404	3 404
Sugar cane roots			198 482	198 482
Sugar cane plants			277 520	277 520
Derivatives		2 841		2 841
Total assets		2 841	1 037 684	1 040 525
Liabilities				
Derivatives		10 389		10 389
Total liabilities		10 389		10 389

29. FINANCIAL RISK MANAGEMENT continued

The fair value of trading derivatives is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value the derivatives include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date with the resulting value discounted back to present value.
- The fair value of options are determined using appropriate option pricing models which take into account the volatility of the underlying instrument.
- The fair value of the diesel hedge is determined using valuation techniques applicable to a futures contract using the present value of the estimated future cash flows.

The following valuation techniques and significant inputs were used to measure the biological assets. These techniques are consistent with those of the prior year.

Description	**Fair value at 30 June 2015**	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable input to fair value
Chicken stock	**548 524**	Replacement costs of the components of growing the stock	Eggs per hen	163 to 174 per hen	The higher the eggs per hen, the higher the fair value
			Cost of a day-old breeder bird	R46,3 to R56,5 per chick	The higher the cost per chick, the higher the fair value
			Mortality rates	4,5% to 5,6%	The higher the mortality, the lower the fair value
			Average live mass	1,48 kg to 1,81 kg per bird	The higher the average live mass, the higher the fair value
			Feed cost	R4 586 to R5 605 per ton	The higher the feed cost per ton, the higher the fair value
Litchi trees	**3 025**	Current establishment and replacement cost	Replanting/establishment cost of litchi trees	R26 915 to R32 897 per hectare	The higher the replanting/establishment cost the higher the value of litchi trees
Banana fruit	**4 972**	Recoverable value	Expected earnings before interest and tax (EBIT)	R448 to R474 EBIT/ton sold	The higher the expected EBIT contribution the higher the value of banana fruit
Banana trees	**7 191**	Current establishment and replacement cost	Replanting/establishment cost of banana trees	R51,879 to R57,603 per hectare	The higher the replanting/establishment cost the higher the value of banana trees
Sugar cane roots	**258 385**	Current establishment and replacement cost	Replanting/establishment cost of cane roots	R31 427 to R33 793 per hectare	The higher the replanting/establishment cost the higher the value of sugar cane roots
Sugar cane plants	**276 035**	Recoverable value	Recoverable value price per ton of sucrose less harvesting, transport and other costs to sell	R2 950 to R3 217 per ton	The higher the recoverable value less harvesting, transport and other cost to sell per ton of sucrose the higher the value of sugar cane plants

29. FINANCIAL RISK MANAGEMENT continued

Description	Fair value at 30 June 2014 R'000	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable input to fair value
Chicken stock	538 881	Replacement costs of the components of growing the stock	Eggs per hen	163 to 172 per hen	The higher the eggs per hen, the higher the fair value
			Cost of a day-old breeder bird	R48 to R57,5 per chick	The higher the cost per chick, the higher the fair value
			Mortality rates	4,6% to 5,9%	The higher the mortality, the lower the fair value
			Average live mass	1,56 kg to 1,84 kg per bird	The higher the average live mass, the higher the fair value
			Feed cost	R3,926 to R4,935 per ton	The higher the feed cost per ton, the higher the fair value
Litchi trees	3 404	Current establishment and replacement cost	Replanting/ establishment cost of litchi trees	R26 285 to R29 052 per hectare	The higher the replanting/ establishment cost, the higher the value of litchi trees
Banana fruit	6 984	Recoverable value	Expected earnings before interest and tax (EBIT)	R448 to R474 EBIT/ton sold	The higher the expected EBIT contribution, the higher the value of banana fruit
Banana trees	12 413	Current establishment and replacement cost	Replanting/ establishment cost of banana trees	R48 715 to R53 555 per hectare	The higher the replanting/ establishment cost, the higher the value of banana trees
Sugar cane roots	198 482	Current establishment and replacement cost	Replanting/ establishment cost of sugar cane roots	R27 212 to R29 260 per hectare	The higher the replanting/ establishment cost, the higher the value of sugar cane roots
Sugar cane plants	277 520	Recoverable value	Recoverable value price per ton of sucrose less harvesting, transport and other costs to sell	R2 513 to R2 698 per ton	The higher the recoverable value less harvesting, transport and other costs to sell per ton of sucrose, the higher the value of sugar cane plants

Sensitivity analysis

A sensitivity analysis is shown for the significant unobservable inputs below:

Input	Sensitivity
Feed cost – chicken stock	A 5,0% change in feed cost would result in a R7,1 million change in fair value.
Replacement cost per hectare – sugar cane roots	A 1,0% change in replacement cost would result in a R2,0 million change in fair value.
Recoverable value price per ton – sugar cane plants	A change of 1,0% in recoverable value would result in a R3,7 million change in fair value.

Chicken stock exposes the Group to financial risk through the commodity prices for maize and soya which are significant inputs in the composition of feed.

The Group manages this risk through its procurement strategy which is discussed further on page 69.

30. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Assets per the statement of financial position	Loans and receivables R'000	Assets at fair value through profit and loss R'000	Derivatives used for hedge accounting R'000	Total R'000
30 June 2015				
Trade and other receivables	**3 125 409**			**3 125 409**
Loans receivable	**6 794**			**6 794**
Derivative financial instruments		**9 115**	**1 323**	**10 438**
Cash and cash equivalents	**873 397**			**873 397**
At the end of the year	**4 005 600**	**9 115**	**1 323**	**4 016 038**
30 June 2014				
Trade and other receivables	2 934 202			2 934 202
Loans receivable	1 555			1 555
Derivative financial instruments		30	2 811	2 841
Cash and cash equivalents	1 047 710			1 047 710
Investment in money market fund		446 000		446 000
At the end of the year	3 983 467	446 030	2 811	4 432 308

Liabilities per the statement of financial position	Other financial liabilities R'000	Liabilities at fair value through profit and loss R'000	Derivatives used for hedge accounting R'000	Total R'000
30 June 2015				
Interest-bearing liabilities – long-term	**3 511 271**			**3 511 271**
Interest-bearing liabilities – short-term	**131 559**			**131 559**
Bank overdraft	**2 891**			**2 891**
Derivative financial instruments		**12 784**	**3 494**	**16 278**
Trade and other payables	**3 721 123**			**3 721 123**
At the end of the year	**7 366 844**	**12 784**	**3 494**	**7 383 122**
30 June 2014				
Interest-bearing liabilities – long-term	367 556			367 556
Interest-bearing liabilities – short-term	4 627 716			4 627 716
Bank overdraft	20 993			20 993
Derivative financial instruments		5 420	4 969	10 389
Trade and other payables	3 257 805			3 257 805
At the end of the year	8 274 070	5 420	4 969	8 284 459

31. RELATED PARTY TRANSACTIONS

Related party relationships exist between RCL FOODS Limited, its subsidiaries, associates , joint ventures and Remgro Limited and its subsidiaries, associates and joint ventures. Remgro Management Services Limited provides treasury services to the Group.

The ultimate controlling party of the Group is Remgro Limited.

During the prior financial year, TSB RSA Proprietary Limited was acquired from Remgro Limited for a total consideration of R4,0 billion, settled by issuing shares at a price of R17,32 per share. Refer to note 34 for further details on this transaction.

Group

As detailed in note 1 to the company financial statements on page 95, the company has concluded certain lending transactions with these related parties. In addition the following transactions were concluded:

	2015 R000	2014 R000
Transactions and balances with ultimate holding company		
Interest paid to Remgro Management Services Limited	**8 725**	8 044
Administration and other fees paid to Remgro Management Services Limited	**19 148**	13 438
Amount owing to Remgro Management Services Limited included in payables	**6 492**	1 386
Directors' fees	**794**	669
Transactions and balances with associates of the holding company		
Bank charges paid to First National Bank Limited	**2 946**	2 098
Bank balances with First National Bank Limited included in cash and cash equivalents	**129 027**	162 017
Net interest paid to First National Bank Limited	**11 925**	3 331
Corporate finance transaction costs paid to Rand Merchant Bank	**10 000**	17 250
Commitment, settlement and facility fees paid to Rand Merchant Bank	**864**	11 985
Amount owing to Rand Merchant Bank included in short-term interest-bearing liabilities	**7 105**	4 500 000
Amount owing to Rand Merchant Bank included in long-term interest-bearing liabilities	**1 126 000**	
Interest paid to Rand Merchant Bank	**254 302**	74 336
Purchases from Falconair Proprietary Limited	**5**	1
Purchases from Total South Africa Proprietary Limited	**56 692**	21 100
Amount owing to Total South Africa Proprietary Limited included in payables	**1 232**	1 976
Purchases from Unilever South Africa Proprietary Limited	**88 257**	65 902
Amount owing to Unilever South Africa Proprietary Limited included in payables	**15 141**	9 755
Purchases from PG Glass Proprietary Limited	**100**	100
Amount owing to PG Glass Proprietary Limited included in payables	**11**	31
Bank charges paid to First Auto Proprietary Limited	**27**	27
Purchases from First Auto Proprietary Limited	**5 299**	5 080
Interest paid to First Auto Proprietary Limited	**9**	
Amount owing to First Auto Proprietary Limited included in payables	**410**	137
Purchases from Blue Bulls Proprietary Limited	**379**	404
Purchases from Glassmen Proprietary Limited		4
Purchases from Tracker and Signal Distribution Technologies Proprietary Limited	**7**	38
Purchases from Unitrade Management Services Proprietary Limited	**20**	297
Purchases from Mia Gas Proprietary Limited		2
Sales to Distell Limited		331
Purchases from Sturrock Grinrod Ships Agencies Proprietary Limited		112
Purchases from Rohlig Grindrod Proprietary Limited	**201**	
Amount payable to Rohlig Grindrod Proprietary Limited	**33**	
Purchases from Mediclinic Proprietary Limited	**1**	

	2015 R'000	2014 R'000
31. RELATED PARTY TRANSACTIONS continued		
Transactions with associate and joint ventures within the Group		
Interest paid to Akwandze Agricultural Finance Proprietary Limited	**5 687**	2 633
Interest paid to Managa Sugar Packers Proprietary Limited		4
Management fees received from Managa Sugar Packers Proprietary Limited	**1 230**	583
Service fees received from The Royal Swaziland Sugar Corporation Limited	**3 684**	1 589
Dividend received from The Royal Swaziland Sugar Corporation Limited	**35 741**	25 981
Dividend received from Managa Sugar Packers Proprietary Limited	**10 215**	1 692
Dividend received from Akwandze Agricultural Finance Proprietary Limited	**999**	
Amounts owing to Akwandze Agricultural Finance Proprietary Limited included in payables	**106**	110
Sales to Akwandze Agricultural Finance Proprietary Limited	**344**	
Sales to Managa Sugar Packers Proprietary Limited	**2 390**	2 260
Purchases from Managa Sugar Packers Proprietary Limited	**817 969**	281 165
Amounts owing by Managa Sugar Packers Proprietary Limited included in payables	**1 593**	1 565
Amounts owing to Managa Sugar Packers Proprietary Limited included in receivable	**84 999**	73 064
Sales to The Royal Swaziland Sugar Corporation Limited	**3 300**	1 343
Amounts owing by The Royal Swaziland Sugar Corporation Limited included in receivables	**392**	425
Purchases from The Royal Swaziland Sugar Corporation Limited	**731**	
Interest received from TSGRO Farming Service Proprietary Limited	**111**	
Service fees paid to TSGRO Farming Service Proprietary Limited	**1 982**	
Sales to TSGRO Farming Service Proprietary Limited	**389**	
Purchases from TSGRO Farming Service Proprietary Limited	**2 312**	
Amounts owing by TSGRO Farming Service Proprietary Limited included in receivables	**366**	
Amounts owing to TSGRO Farming Service Proprietary Limited included in payables	**857**	
Key management of RCL FOODS Limited		
In terms of IAS24: Related party disclosures, key management are considered to be related parties.		
Executive management and the senior leadership team are classified as key management.		
The following transactions were carried out with key management individuals within the Group:		
– short-term and post-employment benefits	**415 220**	191 044
– share-based payments	**47 546**	34 617
	462 766	225 661

32. DIRECTORS' EMOLUMENTS

	Basic salary R'000	Pension contribution R'000	Bonus* R'000	Other benefits** R'000	Total R'000
2015					
M Dally	**6 688**	**527**	**2 750**	**191**	**10 156**
RH Field	**3 300**	**347**	**1 142**	**103**	**4 892**
	9 988	**874**	**3 892**	**294**	**15 048**
2014					
M Dally	6 161	446	1 785	218	8 610
RH Field	2 968	295	674	112	4 049
	9 129	741	2 459	330	12 659

** Bonus payments relate to the prior financial year.*

*** Other benefits include company contributions to disability insurance, medical aid and UIF.*

Non-executives (for services as a director)	2015 R'000	2014 R'000
Present directors		
HJ Carse*	**246**	223
JJ Durand*	**302**	223
PR Louw*	**246**	223
NP Mageza	**455**	389
DTV Msibi**	**345**	269
MM Nhlanhla	**296**	269
RV Smither	**582**	497
GM Steyn	**383**	276
GC Zondi***	**541**	473
	3 396	2 842
Past directors		
Dr M Griessel		129
JB Magwaza		96
		225
Total	**3 396**	3 067

** Paid to Remgro Management Services Limited.*

*** Paid to Investment Solutions Holdings.*

**** Paid to Imbewu Capital Partners Consulting Proprietary Limited.*

Interests of directors of the company in share options granted in terms of the RCL FOODS Share Incentive Scheme

Options granted to executive directors and unexpired or unexercised as at 30 June 2015 are as follows:

	Issue price prior to rights issue Rand	Issue price post rights issue* Rand	Options exercisable at 30 June 2014	Options exercised during the year	Options exercisable at 30 June 2015	Exercise price Rand	Gain on options exercised R'000
M Dally	**14,20**	**13,21**	**542 224**	**(542 224)**		**17,16**	**2 141**
RH Field	**14,20**	**13,21**	**284 319**	**(284 319)**		**17,16**	**1 122**
Total			**826 543**	**(826 543)**			**3 263**

** The issue price and number of outstanding options were amended as a result of the rights issues in the prior financial year in order to place the holders in the same position as they were before the rights issue. These amendments have no financial effect for the Group as they have placed the participants in the same economic position as they were before the rights issue.*

32. DIRECTORS' EMOLUMENTS continued

Interests of directors of the company in share options granted in terms of the RCL FOODS Share Incentive Scheme continued

Options granted to executive directors and unexpired or unexercised as at 30 June 2014 are as follows:

	Issue price prior to rights issue Rand	Issue price post rights issue* Rand	Options exercisable at 30 June 2013	Options exercised during the year	Options exercisable at 30 June 2014	Exercise price Rand	Gain on options exercised R'000
M Dally	16,35	15,21	1 188 688	(1 188 688)		17,00	2 128
	14,20	13,21	542 224		542 224		
			1 730 912	(1 188 688)	542 224		2 128
RH Field	16,35	15,21	619 147	(619 147)		17,00	1 108
	14,20	13,21	284 319		284 319		
			903 466	(619 147)	284 319		1 108
Total			2 634 378	(1 807 835)	826 543		3 236

No options were issued during the year, nor will any further options be issued under the RCL FOODS Share Incentive Scheme, as this scheme has been replaced by the RCL FOODS Share Appreciation Rights Scheme approved at the 43rd annual general meeting of the shareholders held on 31 July 2009. The scheme will be simply allowed to run its course in respect of existing options.

Interests of directors of the company in share appreciation rights awarded in terms of the RCL FOODS Share Appreciation Rights Scheme

Share appreciation rights awarded to executive directors and unexpired or unexercised as at 30 June 2015 are as follows:

	Issue price prior to rights issue Rand	**Issue price post rights issue* Rand**	**Rights at 30 June 2014**	**Rights awarded during the year**	**Rights at 30 June 2015**	**Grant date fair value of rights awarded during the year** R'000**	**Rights exercisable at 30 June 2015**
M Dally	**15,34**	**14,27**	**908 945**		**908 945**		**908 945**
	15,83	**14,73**	**929 256**		**929 256**		**929 256**
	17,68	**16,45**	**714 572**		**714 572**		**471 617**
	14,19	**13,20**	**768 117**		**768 117**		
		16,54	**1 240 943**		**1 240 943**		
		15,93		**1 014 820**	**1 014 820**	**2 760**	
			4 561 833	**1 014 820**	**5 576 653**	**2 760**	**2 309 818**
RH Field	**15,34**	**14,27**	**427 702**		**427 702**		**427 702**
	15,83	**14,73**	**431 618**		**431 618**		**431 618**
	17,68	**16,45**	**364 999**		**364 999**		**240 899**
	14,19	**13,20**	**374 505**		**374 505**		
		16,54	**621 765**		**621 765**		
		15,93		**559 397**	**559 397**	**1 522**	
			2 220 589	**559 397**	**2 779 986**	**1 522**	**1 100 219**
Total			**6 782 422**	**1 574 217**	**8 356 639**	**4 282**	**3 410 037**

* *The issue price and number of outstanding options were amended as a result of the rights issues in the prior financial year in order to place the holders in the same position as they were before the rights issue. These amendments have no financial effect for the Group as they have placed the participants in the same economic position as they were before the rights issue.*

** *Grant date fair value of rights awarded represents the total fair value of rights awarded during the year. This cost will be expensed over the rights' vesting period.*

32. DIRECTORS' EMOLUMENTS continued

Interests of directors of the company in share appreciation rights awarded continued

Share appreciation rights awarded to executive directors and unexpired or unexercised as at 30 June 2014 are as follows:

	Issue price prior to rights issue Rand	Issue price post rights issue* Rand	Rights at 30 June 2013	Rights awarded during the year	Rights at 30 June 2014	Grant date fair value of rights awarded during the year** R'000	Rights exercisable at 30 June 2014
M Dally	15,34	14,27	908 945		908 945		599 903
	15,83	14,73	929 256		929 256		613 308
	17,68	16,45	714 572		714 572		205 808
	14,19	13,20	768 117		768 117		
		16,54		1 240 943	1 240 943	4 054	
			3 320 890	1 240 943	4 561 833	4 054	1 419 019
RH Field	15,34	14,27	427 702		427 702		282 283
	15,83	14,73	431 618		431 618		284 867
	17,68	16,45	364 999		364 999		120 449
	14,19	13,20	374 505		374 505		
		16,54		621 765	621 765	2 031	
			1 598 824	621 765	2 220 589	2 031	687 599
Total			4 919 714	1 862 708	6 782 422	6 085	2 106 618

* *The issue price and number of outstanding options were amended as a result of the rights issues in the prior financial year in order to place the holders in the same position as they were before the rights issue. These amendments have no financial effect for the Group as they have placed the participants in the same economic position as they were before the rights issue.*

** *Grant date fair value of rights awarded represents the total fair value of rights awarded during the prior year. This cost will be expensed over the rights' vesting period.*

These amendments have no financial effect for the Group as they have placed the participants in the same economic position before the rights issue.

Interests of directors of the company in conditional shares awarded in terms of the RCL FOODS conditional share plan

	Conditional shares at 30 June 2015	Conditional shares at 30 June 2014
M Dally	**675 547**	675 547
RH Field	**340 124**	340 124
Total	**1 015 671**	1 015 671

32. DIRECTORS' EMOLUMENTS continued

Interests of directors of the company in stated capital

The aggregate beneficial holdings as at 30 June of those directors of the company holding issued ordinary shares are detailed below:

	2015		2014	
	Direct beneficial	Indirect beneficial	Direct beneficial	Indirect beneficial
Executive directors				
M Dally	1 201 653		1 201 653	
RH Field	250 000		250 000	
Non-executive directors				
NP Mageza		386		386
MM Nhlanhla*		229 559		229 559
GC Zondi*		4 251 093		4 251 093
	1 451 653	4 481 038	1 451 653	4 481 038

** Assumes 100% vesting in terms of BEE transaction.*

There has been no change in the interest of the directors in the stated capital of the company since the end of the financial year to the date of this report.

Directors' emoluments paid by Remgro Limited

Fixed pay	Fees R'000	Salaries R'000	Retirement fund R'000	Other benefits** R'000	Total R'000
30 June 2015					
Executive					
HJ Carse		1 717	340	231	2 288
JJ Durand	245	9 204	1 874	302	11 625
PR Louw		1 530	303	232	2 065
	245	12 451	2 517	765	15 978
Non-executive					
NP Mageza	328				328
	328				328
Total	573	12 451	2 517	765	16 306
30 June 2014					
Executive					
HJ Carse		1 602	318	218	2 138
JJ Durand	228	7 617	1 556	283	9 684
PR Louw		1 412	280	218	1 910
	228	10 631	2 154	719	13 732
Independent non-executive					
NP Mageza	305				305
	305				305
Total	533	10 631	2 154	719	14 037

*** Other benefits include medical aid contributions and vehicle benefits.*

32. DIRECTORS' EMOLUMENTS continued

Variable pay – long-term incentive plans

Remgro Equity Settled Share Appreciation Right Scheme (SARs) – 2015

Participant	Balance of SARs accepted as at 30 June 2014	SARs accepted during the year	Offer date	Offer price Rand	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value R'000*	Balance of SARs accepted as at 30 June 2015	Grant date fair value of SARs granted during the year R'000
Executive										
HJ Carse	20 613			78,30	(20 613)	23/9/2014	239,20	3 317		
	38 062			97,55	(10 000)	15/5/2015	257,40	1 599	28 062	
	7 546			147,25					7 546	
	11 767			191,70					11 767	
		17 775	26/11/2014	253,53					17 775	1 219
JJ Durand	108 236			78,30	(108 236)	3/11/2014	252,98	18 907		
	7 572			75,38	(2 572)	3/11/2014	252,98	457	5 000	
	235 895			97,55	(78 633)	3/11/2014	252,98	12 222	157 262	
	271 258			147,25					271 258	
	93 128			191,70					93 128	
		108 468	26/11/2014	253,53					108 468	7 442
PR Louw	8 998			65,50					8 998	
	27 432			97,55					27 432	
	22 646			147,25					22 646	
	12 944			191,70					12 944	
		5 952	26/11/2014	253,53					5 952	408
	866 097	132 195			(220 054)			36 502	778 238	9 069

* *It refers to the increase in value of the SARS Scheme shares of the indicated participants from the offer date to the date of payment of delivery.*

32. DIRECTORS' EMOLUMENTS continued

Remgro Equity Settled Share Appreciation Right Scheme (SARs) – 2014

Participant	Balance of SARs accepted as at 30 June 2013	SARs accepted during the year	Offer date	Offer price Rand	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value R'000*	Balance of SARs accepted as at 30 June 2014	Grant date fair value of SARs granted during the year R'000
Executive										
HJ Carse	20 613								20 613	
	2 933				(2 933)	27/9/2013	197,95	359		
	1 624				(1 624)	27/9/2013	197,95	187		
	38 062								38 062	
	7 546								7 546	
		11 767	4/12/2013	191,7					11 767	640
JJ Durand	108 236								108 236	
	7 572								7 572	
	235 895								235 895	
	271 258								271 258	
		93 128	4/12/2013	191,7					93 128	5 064
PR Louw	7 066				(7 066)	31/10/2013	206,50	1 007		
	26 995				(17 997)	31/10/2013	206,50	2 538	8 998	
	27 432								27 432	
	22 646								22 646	
		12 944	4/12/2013	191,7					12 944	704
	777 878	117 839			(29 620)			4 091	866 097	6 408

* *It refers to the increase in value of the SARS Scheme shares of the indicated participants from the offer date to the date of payment of delivery.*

33. BEE TRANSACTION

Unwinding of historical BEE Transaction

On 18 March 2008, shareholders approved a Broad-based Black Economic Empowerment (BEE) transaction. The participants in the BEE transaction were the Imbewu Consortium, Ikamva Labantu Empowerment Trust (a Corporate and Social Investment Community Trust), the Rainbow Employee Trust and Mrs MM Nhlanhla, a non-executive director of RCL FOODS Limited (RCL FOODS) (collectively the BEE partners).

Details of the transaction

In terms of the transaction a special purpose entity, Eagle Creek Investments 620 Proprietary Limited (Eagle Creek), acquired an effective 15% of RCL FOODS entire issued share capital for R915,6 million on 30 July 2008. The purchase price was settled by issuing variable rate (CPIX plus 6%) cumulative redeemable preference shares in Eagle Creek to RCL FOODS.

Ordinary dividends paid to Eagle Creek were applied immediately to reduce the outstanding redemption amount.

The shares issued to Eagle Creek were also subject to restrictions on alienation and encumbrance until 30 July 2018.

At the time of issue, these shares represented 15% of the company's issued shares, which has since been diluted by the BEE parties not participating in the RCL FOODS rights issue in the prior year. This BEE transaction was considered unlikely to deliver any equity value to the BEE parties and as such this BEE transaction was unwound during the prior financial year by a specific repurchase by RCL FOODS of the shares held by Eagle Creek in RCL FOODS and a redemption of the Eagle Creek preference shares. The proceeds of the repurchase was used by Eagle Creek to redeem the Eagle Creek preference shares.

Accounting principles and assumptions

The terms of issuance of the ordinary shares and acquisition of the preference shares were deemed for accounting purposes to constitute the issuance of an option in RCL FOODS shares granted to Eagle Creek, effective on 18 March 2008, when the shareholders' approval was obtained. Accordingly, the issuance of the shares and the subscription by RCL FOODS to the Eagle Creek preference shares, was not recognised.

The redemption of the preference shares by Eagle Creek and the subsequent share buy-back by RCL FOODS of the shares held by Eagle Creek in RCL FOODS, was deemed to be a cancellation of the "option" granted to Eagle Creek.

In terms of IFRS 2, the amount related to the Rainbow Employee Trust resulted in the total expense relating to the unvested portion of the option being recorded in the statement of comprehensive income in the prior financial period. An amount of R14,2 million was expensed in arriving at operating profit in the prior year, relating to the accelerated vesting of the cancelled "option" calculated from cancellation date of 17 January 2014.

Implementation of new BEE structure

On 16 January 2014, shareholders approved a new Broad-based Black Economic Empowerment (BEE) transaction. The participants in the BEE transaction are the Imbewu Consortium, Ikamva Labantu Empowerment Trust (a Corporate and Social Investment Community Trust), the RCL Employee Share Trust, Mrs MM Nhlanhla a non-executive director of RCL FOODS, Malongoana Investments (RF) Proprietary Limited, MTM Family Trust and Nakedi Mathews Phosa (collectively the BEE partners).

Details of the transaction

In terms of the transaction, three separate issues of shares occurred:

In terms of the first issue, the RCL Employee Share Trust and a special purpose vehicle, Business Venture Investments No 1763 (RF) Proprietary Limited (BVI 1763) acquired 13 962 863 and 5 984 084 shares for R241,8 million and R103,6 million respectively in RCL FOODS. The purchase price was settled by BVI 1763 and Business Venture Investments No 1762 (RF) Proprietary Limited (BVI 1762), a separate special purpose vehicle, issuing variable rate (prime) cumulative redeemable preference shares in BVI 1762 and BVI 1763 to RCL FOODS.

Ordinary dividends paid to BVI 1762 and BVI 1763 will be applied to reduce the outstanding preference shares dividends and the outstanding redemption amount.

In terms of the second issue, the RCL Employee Share Trust and BVI 1763 acquired 30 718 299 and 13 164 985 shares in RCL FOODS for R0,01 each in terms of a notional vendor financing (NVF) mechanism. The NVF facilitation was based on a share price of R17,32 per share, increasing at a variable rate (prime overdraft rate).

In terms of the third issue, a special purpose vehicle Malongoana Investments (RF) Proprietary Limited, owned by the MTM Family Trust, acquired 6 928 406 shares in RCL FOODS for R0,01 each in terms of a NVF mechanism. The NVF facilitation was based on a share price of R17,32 per share, increasing at a variable rate (prime plus 1,0%).

The ordinary shares issued to BVI 1763, BVI 1762 and Malongoana Investments (RF) Proprietary Limited have been pledged in favour of RCL FOODS.

33. BEE TRANSACTION continued

Accounting principles and assumptions

The terms of the first issue (specified on page 82) of ordinary shares and acquisition of the preference shares are deemed for accounting purposes to constitute the issuance of an option in RCL FOODS shares granted to BVI 1763 and RCL Employee Share Trust, effective on 17 January 2014. Accordingly, the issuance of the shares and the subscription by RCL FOODS to the BVI 1763 and BVI 1762 preference shares, was not recognised.

The terms of the second and third issue (specified on page 82) of ordinary shares are deemed for accounting purposes to constitute the issuance of an option in RCL FOODS shares granted to BVI 1763 and RCL Employee Share Trust and Malongoana Investments (RF) Proprietary Limited, effective on 17 January 2014. Accordingly, the issuance of the shares was not recognised.

The options were accounted for in terms of IFRS 2. The options issued to the strategic equity partners were expensed in full in the prior financial year, as these options were fully vested on grant date. An amount of R88,5 million was expensed in arriving at operating profit in the prior financial year. The options issued to the RCL Employee Share Trust, resulted in a service condition vesting period of eight years from 17 January 2014. An amount of R17,6 million (2014: R7,9 million) was expensed in arriving at operating profit.

		2015 **R000**	2014 R000
Total amount expensed related to the new BEE scheme		**17 600**	96 399
The fair value of the options were determined on a Monte Carlo simulation model. Expected volatility was calculated on an equally weighted basis based on the historical RCL FOODS Limited share price data relating to the respective valuation dates.			
The following inputs to the model were used:			
Expected volatility	(%)	**30**	30
Dividend yield	(%)	**4,33**	4,33
Risk-free interest rate	(%)	**4,8 to 8,22**	4,8 to 8,22
Vesting period	(years)	**8**	8

34. PRIOR YEAR ACQUISITIONS

TRANSACTION WITH NON CONTROLLING INTEREST

During the prior financial year the Group acquired the remaining 35,82% interest in Foodcorp in two separate transactions from Foodcorp management (1 July 2013) and Capitau Investment Advisers Proprietary Limited (6 September 2013) for a total consideration of R520,7 million of which R27,6 million related to the acquisition of preference shares in Capitau Investment Management Proprietary Limited.

The Group now holds 100% of the equity share capital of Foodcorp. The Group derecognised the carrying amount of the non-controlling interest and recorded a decrease in equity attributable to the owners of the parent for the difference between the purchase consideration and the carrying amount of the non-controlling interest at the dates of acquisitions.

The following table summarises the consideration paid for the remaining interest and the value of the non-controlling interest purchased at the date of the acquisition.

	2014 R'000
Consideration paid to non-controlling shareholders	
Cash	493 085
Total consideration	493 085
Non-controlling interest	
Non-controlling interest – 30 June 2013 – carrying amount	311 306
Non-controlling interest – share of loss till date of acquisition of remaining interest	(7 403)
Total non-controlling interest	303 903
Excess of consideration recognised in parent's equity	189 182

34. PRIOR YEAR ACQUISITIONS continued

ACQUISTION OF ENTITY UNDER COMMON CONTROL

TSB Sugar RSA Proprietary Limited

On 1 January 2014, the Group acquired a 100% holding in TSB Sugar RSA Proprietary Limited ("TSB"). TSB is involved in sugar agriculture, sugar manufacture, marketing, sales and distribution and also produces animal feed using by-products of the sugar manufacturing process. TSB is one of the largest sugar producers in South Africa.

TSB was previously an indirect wholly-owned subsidiary of Remgro Limited, the controlling shareholder of the Group. The acquisition of TSB was thus considered to be an acquisition of an entity under common control. The acquisition of TSB was accounted for using pre-decessor accounting at the carrying value of the assets/liabilities at the acquisition date.

The purchase consideration was settled by the Group issuing shares at a share price of R17,32 to the value of R4,0 billion.

The following table summarises the consideration paid for the net assets acquired at the acquisition date:

	2014 R'000
Consideration at 1 January 2014	
Equity instruments issued (230 946 882 ordinary shares)	4 000 000
Total consideration	4 000 000
Recognised amounts of assets acquired and liabilities assumed	
Property, plant and equipment	1 334 152
Biological assets	316 215
Intangible assets	44 249
Investment in associate company	387 938
Investments in joint ventures	81 359
Loans receivable	1 555
Deferred tax asset	3 740
Inventory	1 246 536
Trade and other receivables	477 322
Derivative assets	200
Cash and cash equivalents	152 836
Interest-bearing liabilities	(366 107)
Amounts owing to group companies	(604 000)
Trade and other payables	(624 602)
Loans payable	(32 265)
Retirement benefit obligation	(68 459)
Deferred income tax liabilities	(182 780)
Deferred income	(4 884)
Current income tax liabilities	(27 544)
Derivative liabilities	(12 872)
Net assets acquired	2 122 589
Less non-controlling interest in net assets acquired	(42 421)
Common control reserve recorded	1 919 832

Acquisition related costs of R27,0 million were charged to the income statement in arriving at operating profit.

35. SHARE AND SHAREHOLDERS INFORMATION

STATED CAPITAL

Authorised	2 000 000 000
Issued	932 324 585*
Number of shareholders	5 737

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 – 1 000	**3 430**	**59,79**	**894 886**	**0,10**
1 001 – 10 000	**1 756**	**30,61**	**6 519 457**	**0,70**
10 001 – 100 000	**442**	**7,70**	**12 916 539**	**1,38**
100 001 – 1 000 000	**74**	**1,29**	**23 623 555**	**2,53**
1 000 001 and over	**35**	**0,61**	**888 370 148**	**95,29**
Total	**5 737**	**100,00**	**932 324 585**	**100,00**
Distribution of shareholders				
Banks	**26**	**0,45**	**3 631 462**	**0,39**
Brokers	**7**	**0,12**	**88 721**	**0,01**
Close corporations	**49**	**0,86**	**780 067**	**0,08**
Empowerment	**3**	**0,05**	**70 758 637**	**7,59**
Endowment funds	**8**	**0,14**	**616 088**	**0,07**
Holding company	**3**	**0,05**	**667 500 750**	**71,60**
Individuals	**4 866**	**84,82**	**14 134 939**	**1,52**
Insurance companies	**9**	**0,16**	**2 731 549**	**0,29**
Investment companies	**11**	**0,19**	**64 306**	**0,01**
Medical aid schemes	**1**	**0,02**	**25 606**	**0,00**
Mutual funds	**112**	**1,95**	**111 492 825**	**11,96**
Nominees and trusts	**389**	**6,78**	**7 276 319**	**0,78**
Other corporations	**41**	**0,71**	**250 853**	**0,03**
Pension funds	**95**	**1,66**	**50 211 767**	**5,38**
Private companies	**113**	**1,97**	**2 738 795**	**0,29**
Public companies	**4**	**0,07**	**21 901**	**0,00**
Total	**5 737**	**100,00**	**932 324 585**	**100,00**
Public and non-public shareholders				
Strategic holdings (more than 10%)	**3**	**0,05**	**667 500 750**	**71,59**
Empowerment	**3**	**0,05**	**70 758 637**	**7,59**
Directors and associates of the company holdings	**5**	**0,09**	**1 453 439**	**0,16**
Total non-public shareholders	**11**	**0,19**	**739 712 826**	**79,34**
Public shareholders	**5 726**	**99,81**	**192 611 759**	**20,66**
Total	**5 737**	**100,00**	**932 324 585**	**100,00**
Beneficial shareholders holding of 1% or more				
Remgro Limited			**667 500 750**	**71,60**
RCL Employee Share Trust			**44 681 162**	**4,79**
Investment Solutions Limited			**40 060 360**	**4,30**
Oasis Crescent Global Equity Fund			**28 250 889**	**3,03**
Government Employees Pension Fund			**20 965 805**	**2,25**
Business Venture Investments 1763 Proprietary Limited			**19 149 069**	**2,05**
Eskom Pension and Provident Fund			**10 535 546**	**1,13**
Fund managers holdings of 1% or more				
Remgro Limited			**667 500 750**	**71,60**
Oasis Asset Management Limited			**99 648 117**	**10,69**
RCL Employee Share Trust			**44 681 162**	**4,79**
Prudential Portfolio Managers (SA) Proprietary Limited			**22 748 391**	**2,44**
Public Investment Corporation Limited			**20 300 156**	**2,18**
Business Venture Investments No 1763 (RF) Proprietary Limited			**19 149 069**	**2,05**

* *Includes 44 681 162 shares issued to RCL Employee Share Trust, 19 149 069 shares issued to Business Venture Investments No 1763 (RF) Proprietary Limited and 6 928 406 shares issued to Malongoana Investments (RF) Proprietary Limited in terms of the BEE scheme (refer to note 33 for details).*

36. SUBSEQUENT EVENTS

On 31 July 2015, the Group acquired a 33,5% shareholding in Hudani Manji Holdings Limited, a private poultry producer in Uganda. The assessment of the accounting for the acquired entity will be finalised and reported on in the 2016 financial year.

37. INTEREST IN SUBSIDIARIES

The Group has the following subsidiaries at 30 June 2015

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares directly held by parent %	Proportion of ordinary shares directly held by the Group %	Proportion of ordinary shares directly held by non-controlling interest %	Proportion of preference shares directly held by the Group %
Rainbow Farms Investments	South Africa	Investment holding	100			
Rainbow Farms	South Africa	Vertically integrated chicken producer	100			
Vector Logistics	South Africa	Logistics provider	100			
Farmer Brown	South Africa	Dormant	100			
TSB Sugar RSA	South Africa	Sugar production	100			
East End Court	South Africa	Treasury company	100			
RCL Group Services	South Africa	Shared services company for the RCL FOODS Limited Group	100			
Epol	South Africa	Dormant	100			
Capitau Investment Management	South Africa	Investment holding	100			100
Indirectly owned						
Vector Logistics (Namibia)	Namibia	Logistics provider		100		
Rainbow Chicken Foods	South Africa	Dormant		100		
New Foodcorp Holdings	South Africa	Investment holding		100		
Bongolethu Fishing Enterprises	South Africa	Dormant		100		
Emachibini Fisheries	South Africa	Dormant		100		
Ezintlanzini Fishing	South Africa	Dormant		100		
Ezolwandle Fishing	South Africa	Dormant		100		
Firlig 5	South Africa	Dormant		100		
Firlig 6	South Africa	Dormant		100		
First Lifestyle	South Africa	Dormant		100		
Foodcorp Anchovy	South Africa	Dormant		100		
Foodcorp Consumer Brands	South Africa	Dormant		100		
Foodcorp Fishing	South Africa	Dormant		100		
Foodcorp Hake	South Africa	Dormant		100		
Foodcorp Lobster	South Africa	Dormant		100		
Foodcorp Pilchards	South Africa	Dormant		100		
Foodcorp	South Africa	Food producer and manufacturer		100		
Maxitrade 102 General Trading	South Africa	Dormant		100		
Mkhuhlu Bakery	Lesotho	Dormant		100		

37. INTEREST IN SUBSIDIARIES continued

The Group has the following subsidiaries at 30 June 2015

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares directly held by parent %	Proportion of ordinary shares directly held by the Group %	Proportion of ordinary shares directly held by non-controlling interest %	Proportion of preference shares directly held by the Group %
NIB 5 Share Block	South Africa	Dormant		100		
NIB 6 Share Block	South Africa	Dormant		100		
Orgel Vismaatskappy	South Africa	Dormant		100		
TSB Sugar International	South Africa	International investments		100		
TSGRO Farming Service	South Africa	Farming		100		
Selati Sugar	South Africa	Dormant		100		
Makhalempongo Chicken	South Africa	Chicken grower			100	
Fieldsend Farming	South Africa	Chicken grower			100	
Valleychicks	South Africa	Chicken grower			100	
Quality Sugars	South Africa	Marketing		75	25	
Shumbombo Agricultural Services	South Africa	Farming		100		
TSB Sugar Mozambique	Mozambique	Green Field Sugar Mill Feasibility Project		100		
Massingir Agro Industrial	Mozambique	Green Field Sugar Mill Feasibility Project		51	49	
Booker Tate Holdings	United Kingdom	Management services		100		
Booker Tate	United Kingdom	Sugar management		100		
Booker Tate (Overseas)	United Kingdom	Investment holding		100		
Booker Tate Services	United Kingdom	Dormant		100		
PT Booker Tate Indonesia PMA	Indonesia	Sugar management		95	5	
Sivunosetfu	South Africa	Farming		50	50	
Libuyile Farming Services	South Africa	Farming		50	50	
Mgubho Farming Services	South Africa	Farming		50	50	
Pamodzi Foods	South Africa	Dormant		100		
Sea-Ice Manufacturers	Jersey	Dormant		100		
Siyasebenza Fishing	South Africa	Dormant		100		
Umfondini Fishing	South Africa	Dormant		100		
Wark Investments	South Africa	Dormant		100		
Astoria Bakery Lesotho	Lesotho	Dormant		100		
Fed-Cape International	Jersey	Dormant		100		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2015

37. INTEREST IN SUBSIDIARIES continued

Contract growers

The Group has entered into contractual funding arrangements with certain contract growers. The Group has a 0% equity interest and no voting rights in these entities.

As the Group may step in, in the event of non-payments by the contract growers to the providers of funding, the contractual agreements effectively provide the Group with rights to direct the relevant activities of certain of these entities, which results in the Group having effective control over these contract growers for as long as the growers' loan balance is outstanding. As a result, three contract growers have been consolidated.

The Group is contractually obligated to ensure that the above growers remain operational for as long as the loan balance is outstanding.

	2015 R'000	2014 R'000
Outstanding loan balance as at 30 June	**61 029**	65 711

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The non-controlling interest relating to the contract growers is not considered material and hence no additional disclosures were deemed necessary.

Non-controlling interests	**Statement of financial position 2015 R'000**	**Income statement (share of profit/(loss)) 2015 R'000**	Statement of financial position 2014 R'000	Income statement (share of profit/(loss)) 2014 R'000
Foodcorp Proprietary Limited				(7 403)
Quality Sugars Proprietary Limited	**5 311**	**1 998**	4 125	753
Massingir Agro Industrial Lda			(4 206)	(1 349)
Sivunosetfu Proprietary Limited	**18 343**	**4 996**	13 348	6 391
Libuyile Farming Services Proprietary Limited	**40 387**	**8 288**	32 099	10 363
Mgubho Farming Services Proprietary Limited	**14 693**	**(1 445)**	16 138	3 066

Significant restrictions

There are no significant restrictions regarding the use of assets or on the ability to settle liabilities in the subsidiaries.

During the prior financial year, an additional shareholding in Foodcorp was acquired. Refer to note 34 for further details. Thus the non-controlling interest for Foodcorp for 2014 was deemed not be significant and hence the disclosures for 2014 were excluded.

The non-controlling interest in PT Booker Tate PMA is also not considered to be significant.

Set out on pages 89 and 90 are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. Refer to note 34 for the transaction with the non-controlling interests that occurred during the prior financial year.

The summarised information on pages 89 and 90 is before inter-company eliminations.

37. INTEREST IN SUBSIDIARIES continued

Summarised statement of financial position

	Current			Non-current			
	Assets R'000	Liabilities R'000	Total current net assets R'000	Assets R'000	Liabilities R'000	Total non-current net assets R'000	Net assets R'000
As at 30 June 2015							
Quality Sugars Proprietary Limited	**610 226**	**(595 192)**	**15 034**	**7 183**	**(975)**	**6 208**	**21 242**
Massingir Agro Industrial Lda	**11 740**	**(60 702)**	**(48 962)**	**36 473**		**36 473**	**(12 489)**
Sivunosetfu Proprietary Limited	**20 299**	**(76 371)**	**(56 072)**	**136 665**	**(43 907)**	**92 758**	**36 686**
Libuyile Farming Services Proprietary Limited	**27 320**	**(84 680)**	**(57 360)**	**187 518**	**(49 382)**	**138 136**	**80 776**
Mgubho Farming Services Proprietary Limited	**18 995**	**(87 288)**	**(68 293)**	**123 433**	**(25 753)**	**97 680**	**29 387**
	688 580	**(904 233)**	**(215 653)**	**491 272**	**(120 017)**	**371 255**	**155 602**
As at 30 June 2014							
Quality Sugars Proprietary Limited	417 071	(405 956)	11 115	4 941	444	5 385	16 500
Massingir Agro Industrial Lda	3 175	(37 714)	(34 539)	25 955		25 955	(8 584)
Sivunosetfu Proprietary Limited	12 180	(86 120)	(73 940)	123 832	(23 196)	100 636	26 696
Libuyile Farming Services Proprietary Limited	22 006	(75 902)	(53 896)	157 609	(39 515)	118 094	64 198
Mgubho Farming Services Proprietary Limited	11 374	(78 541)	(67 167)	123 536	(24 093)	99 443	32 276
	465 806	(684 233)	(218 427)	435 873	(86 360)	349 513	131 086

Summarised statement of comprehensive income

	Quality Sugars Proprietary Limited R'000	Massingir Agro Industrial Lda R'000	Sivunosetfu Proprietary Limited R'000	Libuyile Farming Services Proprietary Limited R'000	Mgubho Farming Services Proprietary Limited R'000	Total R'000
For the period ended 30 June 2015						
Revenue	**59 539**		**129 820**	**233 643**	**162 640**	**585 642**
Profit/(loss) before tax	**11 100**	**(4 720)**	**13 909**	**22 414**	**(4 265)**	**38 438**
Income tax	**(3 107)**		**(3 918)**	**(5 838)**	**1 375**	**(11 488)**
Profit/(loss) after tax for the year	**7 993**	**(4 720)**	**9 991**	**16 576**	**(2 890)**	**26 950**
Other comprehensive income						
Total comprehensive income	**7 993**	**(4 720)**	**9 991**	**16 576**	**(2 890)**	**26 950**
Total comprehensive income allocated to non-controlling interests	**1 998**	**(2 313)**	**4 996**	**8 288**	**(1 445)**	**11 524**
Dividends paid to non-controlling interest	**813**					**813**
For the period ended 30 June 2014						
Revenue	56 495		37 798	55 418	47 432	197 143
Profit/(loss) before tax	4 237	(2 752)	17 754	28 784	8 526	56 549
Income tax	(1 224)		(4 973)	(8 059)	(2 395)	(16 651)
Profit/(loss) after tax for the year	3 013	(2 752)	12 781	20 725	6 131	39 898
Other comprehensive income						
Total comprehensive income	3 013	(2 752)	12 781	20 725	6 131	39 898
Total comprehensive income allocated to non-controlling interests	753	(1 349)	6 391	10 363	3 066	19 224

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2015

37. INTEREST IN SUBSIDIARIES continued

Summarised cash flows

	Quality Sugars Proprietary Limited R'000	Massingir Agro Industrial Lda R'000	Sivunosetfu Proprietary Limited R'000	Libuyile Farming Services Proprietary Limited R'000	Mgubho Farming Services Proprietary Limited R'000	Total R'000
30 June 2015						
Cash flows from operating activities						
Cash generated/(utilised) from operations	**78 231**	**(7 287)**	**3 143**	**1 988**	**(6 924)**	**69 151**
Interest paid	**(66)**		**(7 296)**	**(5 868)**	**(7 320)**	**(20 550)**
Income tax	**(3 624)**					**(3 624)**
Net cash generated/(utilised) from operating activities	**74 541**	**(7 287)**	**(4 153)**	**(3 880)**	**(14 244)**	**44 977**
Net cash used in investing activities	**(74 229)**	**(10 993)**	**(1 929)**	**(3 564)**	**(616)**	**(91 331)**
Net cash used in financing activities		**27 562**	**6 048**	**7 600**	**14 908**	**56 118**
Net increase/(decrease) in cash and cash equivalents	**312**	**9 282**	**(34)**	**156**	**48**	**9 764**
30 June 2014						
Cash flows from operating activities						
Cash generated/(utilised) from operations	101 999	5 035	(12 404)	(19 405)	(13 249)	61 976
Interest paid	(86)		(2 828)	(1 513)	(2 017)	(6 444)
Income tax (paid)/received	(1 100)		112	9		(979)
Net cash generated/(utilised) from operating activities	100 813	5 035	(15 120)	(20 909)	(15 266)	54 553
Net cash used in investing activities	(89 305)	(15 154)	(198)	(5 337)	(3 242)	(113 236)
Net cash used in financing activities		4 949	6 582	15 978	6 047	33 556
Net increase/(decrease) in cash and cash equivalents	11 508	(5 170)	(8 736)	(10 268)	(12 461)	(25 127)

38. PRIOR PERIOD RESTATEMENTS

Following a reassessment of Foodcorp's trade agreements with its customers, it was concluded that certain allowances granted to customers that were previously recorded as an expense should be recorded as a reduction of revenue. As a result, the revenue total for the year ended 30 June 2014 has been restated.

A detailed analysis of the expense line items across the Group resulted in a classification adjustment between administration expenses, selling and marketing and distribution expenses.

The below restatements have no impact on the reported operating profit total for 2014, and relate to the Foodcorp segment.

	As previously reported R'000	Effect of restatement R'000	Restated balance R'000
2014			
Impact on consolidated statement of comprehensive income			
Revenue	19 719 965	(219 123)	19 500 842
Impact on notes to the consolidated financial statements			
Operating profit note			
Administration expenses	(1 295 980)	(2 701)	(1 298 681)
Selling and marketing expenses	(1 212 558)	562 661	(649 897)
Distribution expenses	(2 168 266)	(340 832)	(2 509 098)
Other income	399 513	(5)	399 508

39. DISPOSAL OF SUBSIDIARY

TSB Sugar RSA Proprietary Limited disposed of 50% of its shares in TSGRO Farming Service Proprietary Limited to Komatilane Proprietary Limited effective 1 April 2015. Effective from 1 April 2015 TSGRO Farming Service Proprietary Limited will be accounted for as a joint venture between TSB Sugar RSA Proprietary Limited and Komatilane Proprietary Limited. TSGRO was previously 100% owned.

Assets and liabilities disposed of	2015 R'000
Assets	
Property, plant and equipment	**1 273**
Intangible assets	**41**
Trade and other receivables	**3 576**
Cash and cash equivalents	**58**
Taxation	**9**
Deferred income tax	**527**
Trade and other payables	**(1 836)**
Amounts owing to group companies	**(5 194)**
Total assets and liabilities disposed of	**(1 546)**
Profit realised on disposal	**1 546**

COMPANY STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Note	2015 R'000	2014 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	1	**5 210 678**	5 193 078
Loan to group companies	1	**4 889 062**	3 769 054
Preference shares receivable	2	**1 195 919**	1 107 949
		11 295 659	10 070 081
Current assets			
Loans to group companies	1		850 000
Cash and cash equivalents		**2 462**	2 304
		2 462	852 304
Total assets		**11 298 121**	10 922 385
EQUITY			
Stated capital	3	**9 992 815**	9 955 700
Share-based payments reserve		**259 739**	242 139
Accumulated income		**1 037 670**	715 245
Total equity		**11 290 224**	10 913 084
LIABILITIES			
Current liabilities			
Trade and other payables		**7 897**	9 301
Total current liabilities		**7 897**	9 301
Total equity and liabilities		**11 298 121**	10 922 385

COMPANY STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Note	2015 R'000	2014 R'000
Profit before tax	4	**623 389**	839 210
Profit for the year		**623 389**	839 210
Total comprehensive income for the year		**623 389**	839 210

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2015

	Stated capital R'000	Share-based payments reserve R'000	Accumulated (loss)/profit R'000	Total R'000
Balance at 1 July 2013	5 079 194	129 706	(123 965)	5 084 935
Total comprehensive income for the year			839 210	839 210
Acquisition of entity under common control	4 000 000			4 000 000
BEE share-based payments charge		112 433		112 433
Pro rata issue of shares	790 184			790 184
Employee Share Option Scheme:				
– proceeds from shares issued	86 322			86 322
Balance at 1 July 2014	9 955 700	242 139	715 245	10 913 084
Total comprehensive income for the year			**623 389**	**623 389**
Dividends paid			**(300 964)**	**(300 964)**
BEE share-based payments charge		**17 600**		**17 600**
Employee Share Option Scheme:				
– proceeds from shares issued	**37 115**			**37 115**
Balance at 30 June 2015	**9 992 815**	**259 739**	**1 037 670**	**11 290 224**

COMPANY CASH FLOW STATEMENT
for the year ended 30 June 2015

	Note	**2015 R'000**	2014 R'000
Cash flows from operating activities			
Cash utilised by operations	A	**(10 823)**	(43 498)
Movement in share-based payments reserve		**17 600**	112 433
Dividends received		**546 243**	800 000
Dividends paid		**(300 964)**	
Movement in trade and other payables		**(1 404)**	1 605
Net cash inflow from operating activities		**250 652**	870 540
Cash flows from investing activities			
Additional investment in subsidiaries		**(17 600)**	(605 518)
Investment in preference shares			(27 636)
Movement in loans to group companies		**(270 009)**	(1 111 588)
Net cash outflow from investing activities		**(287 609)**	(1 744 742)
Cash flows from financing activities			
Issue of shares		**37 115**	876 506
Net cash inflow from financing activities		**37 115**	876 506
Movement in cash and cash equivalents		**158**	
Cash and cash equivalents at the end of the year		**2 462**	2 304

NOTES TO THE CASH FLOW STATEMENT

for the year ended 30 June 2015

		2015 R'000	2014 R'000
A.	**CASH GENERATED BY OPERATIONS**		
	Profit before tax	**623 389**	839 210
	Adjusted for:		
	Dividend income	**(546 243)**	(800 000)
	Accrued interest	**(87 969)**	(82 708)
		(10 823)	(43 498)

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 30 June 2015

	Issued share capital 2015 R	Issued share capital 2014 R	Effective holding 2015 %	Effective holding 2014 %
1. INVESTMENT IN SUBSIDIARIES AND GROUP COMPANIES				
Effective holding				
Directly owned				
Rainbow Farms Investments	**99 900**	99 900	**100**	100
Rainbow Farms	**40 000**	40 000	**100**	100
Vector Logistics	**50**	50	**100**	100
Farmer Brown	**1**	1	**100**	100
TSB Sugar RSA	**10**	10	**100**	100
East End Court	**1**	1	**100**	100
RCL Group Services	**312**	312	**100**	100
Epol	**78 000**	78 000	**100**	100
Capitau Investment Management	**1 000**	1 000	**100**	100
Indirectly owned				
Astoria Bakery Lesotho*	**100**	100	**100**	100
Bongolethu Fishing Enterprises	**100**	100	**100**	100
Booker Tate (Overseas)**	**250 000**	250 000	**100**	100
Booker Tate Holdings**	**13 067 846**	13 067 846	**100**	100
Booker Tate Services**	**7 486 000**	7 486 000	**100**	100
Booker Tate**	**10 742 002**	10 742 002	**100**	100
Boot Nr 7 Belange	**1 000**	1 000	**77**	77
Emachibini Fisheries	**100**	100	**100**	100
Ezintlanzini Fishing	**100**	100	**100**	100
Ezolwandle Fishing	**100**	100	**100**	100
First Lifestyle	**1**	1	**100**	100
Foodcorp	**1**	1	**100**	100
Foodcorp Anchovy	**200**	200	**100**	100
Foodcorp Consumer Brands	**1**	1	**100**	100
Foodcorp Fishing	**200**	200	**100**	100
Foodcorp Hake	**200**	200	**100**	100
Foodcorp Lobster	**200**	200	**100**	100
Foodcorp Pilchards	**200**	200	**100**	100
Libuyile Farming Services	**100**	100	**50**	50
Massingir Agro Industrial***	**207 528**	207 528	**51**	51
Maxitrade 102 General Trading	**1**	1	**100**	100
Mgubho Farming Services	**100**	100	**50**	50
Mkhuhlu Bakery*	**450 000**	450 000	**100**	100
New Foodcorp Holdings	**1**	1	**100**	100
NIB 5 Share Block	**1**	1	**100**	100
NIB 6 Share Block	**1**	1	**100**	100
Ntabeni Fishing	**200**	200	**74**	74
Orgel Vismaatskappy	**25 000**	25 000	**100**	100
PT Booker Tate Indonesia PMA****	**35 781**	35 781	**95**	95
Quality Sugars	**300**	300	**75**	75
Rainbow Chicken Foods	**100**	100	**100**	100
Sea-Ice Manufacturers*****	**100**	100	**100**	100
Selati Sugar	**300**	300	**100**	100
Shumbombo Agricultural Services	**100**	100	**100**	100
Sivunosetfu	**100**	100	**50**	50
Siyasebenza Fishing	**100**	100	**100**	100
Trade Motto 106	**1 000**	1 000	**100**	100
TSB Sugar International	**100**	100	**100**	100
TSB Sugar Mozambique***	**100**	100	**100**	100
TSGRO Farming Service	**300**	300	**100**	100
Umfondini Fishing	**100**	100	**100**	100
Vector Logistics (Namibia)******	**100 000**	100 000	**100**	100

* *Incorporated in Lesotho.*
** *Incorporated in United Kingdom.*
*** *Incorporated in the Mozambique.*
**** *Incorporated in Indonesia.*
***** *Incorporated in Jersey.*
****** *Incorporated in Namibia.*

All other subsidiaries listed are incorporated in the Republic of South Africa.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 30 June 2015

1. INVESTMENT IN SUBSIDIARIES AND GROUP COMPANIES continued

	Shares 2015 R'000	Shares 2014 R'000	**Indebtedness 2015 R'000**	Indebtedness 2014 R'000	**Total 2015 R'000**	Total 2014 R'000
Share and indebtedness						
Rainbow Farms Investments	**100**	100	**217 021**	171 229	**217 121**	171 329
East End court			**95 215**	850 000	**95 215**	850 000
Rainbow Farms	**1 142**	1 142	**1 483 669**	1 504 003	**1 484 811**	1 505 145
RCL Group Services			**43 496**	44 487	**43 496**	44 487
Capitau Investment Management	**493 085**	493 085			**493 085**	493 085
Foodcorp			**2 341 283**	1 341 283	**2 341 283**	1 341 283
New Foodcorp Holdings			**707 247**	707 247	**707 247**	707 247
TSB Sugar RSA	**3 121 356**	3 121 356			**3 121 356**	3 121 356
TSB Sugar International	**878 644**	878 644			**878 644**	878 644
Vector Logistics	**456 612**	456 612	**1 131**	805	**457 743**	457 417
	4 950 939	4 950 939	**4 889 062**	4 619 054	**9 840 001**	9 569 993
Subsidiary portion of share-based payments reserve	**259 739**	242 139			**259 739**	242 139
	5 210 678	5 193 078	**4 889 062**	4 619 054	**10 099 740**	9 812 132

The above loans are unsecured, interest-free and repayable at an unspecified date.

None of the above companies are listed as they are all "Proprietary Limited".

	2015 R'000	2014 R'000
2. PREFERENCE SHARES RECEIVABLE		
Preference shares issued at a par value of R1 737,51 per share	**1 107 949**	1 013 933
Cumulative dividend	**87 970**	94 016
	1 195 919	1 107 949

The cumulative preferential cash dividend is calculated at a dividend rate equal to prime accrued on an annual basis.

The cumulative redeemable preference shares are redeemable on or before 10 May 2019.

During the prior financial year an additional investment of R27,6 million was made.

	Number of shares	2015 R'000	2014 R'000
3. STATED CAPITAL			
Authorised			
2 000 000 000 (2014: 2 000 000 000) ordinary shares of no par value.			
Issued ordinary shares of no par value:			
At the beginning of the year	858 810 159	**9 955 700**	5 079 194
Pro rata share offer*			790 184
Share issued to acquire entity under common control**			4 000 000
Shares issued in terms of share incentive plans	2 755 789	**37 115**	86 322
At the end of the year	861 565 948	**9 992 815**	9 955 700
Details pertaining to the *pro rata* issue in the prior year			
Proceeds from *pro rata* issue			790 184
			790 184
Shares in issue for accounting purposes – 30June 2015	861 565 948		
Add: shares issued in terms of BEE scheme***	70 758 637		
Statutory shares in issue – 30June 2015	932 324 585		

* *On 10 February 2014 the Group concluded a pro rata share offer to non-controlling shareholders. The ordinary shares issued have the same rights as the other shares in issue. The market value of the shares issued amount to R16,00 per share.*

** *Relates to shares issued on the acquisition of TSB Sugar RSA Proprietary Limited. Refer to note 34 of the consolidated financial statements for further details.*

*** *On 26 May 2014 44 681 162 shares were issued to the RCL Employee Share Trust, 19 149 069 to Business Venture Investments 1763 Proprietary Limited and on 3 April 2014 6 928 406 shares were issued to Malongoana Investments RF Proprietary Limited in terms of a BEE transaction. For accounting purposes these shares are not treated as issued (refer to note 33 of the consolidated financial statements for further details).*

The unissued ordinary shares are under the control of the directors until the forthcoming annual general meeting.

Shares issued in the current financial year were in terms of general authority.

Issued shares have been fully paid up.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 30 June 2015

		2015 R'000	2014 R'000
4.	**PROFIT BEFORE TAX**		
	Dividends received from subsidiaries	**546 243**	800 000
	Non-executive directors fees	**(3 396)**	(3 067)
	Consultancy expenses	**(1 729)**	(4 273)
	Listed company expenses	**(6 115)**	(6 773)
	Acquisition expenses		(29 382)
	Interest received – cumulative preference dividend	**87 969**	82 708
	Other expenses	**417**	(3)
		623 389	839 210

5. CONTINGENCIES

Banking and loan facilities are renewed annually and are subject to floating interest rates. RCL FOODS Limited and its operating subsidiaries bind themselves in favour of various financial institution as surety in solidium for and co-principal debtor jointly and severally for each others debt facilities. At year-end the facilities granted amounted to R3,35 billion in respect of the debt package implemented in the current financial year (refer note 15 of the consolidated financial statements) and a R950,0 million unutilised general banking facility (2014: R1,0 billion).

In addition RCL FOODS Limited has provided a guarantee to the financial intuitions involved in the term-funded debt package in respect of the fulfilment of East End Court Proprietary Limited's obligations in terms of the debt agreements.

The maximum exposure as at 30 June 2015 is R3,35 billion (2014: R4,5 billion).

6. DIVIDENDS PER SHARE

Refer to note 25 of the consolidated financial statements.

7. FINANCIAL RISK MANAGEMENT

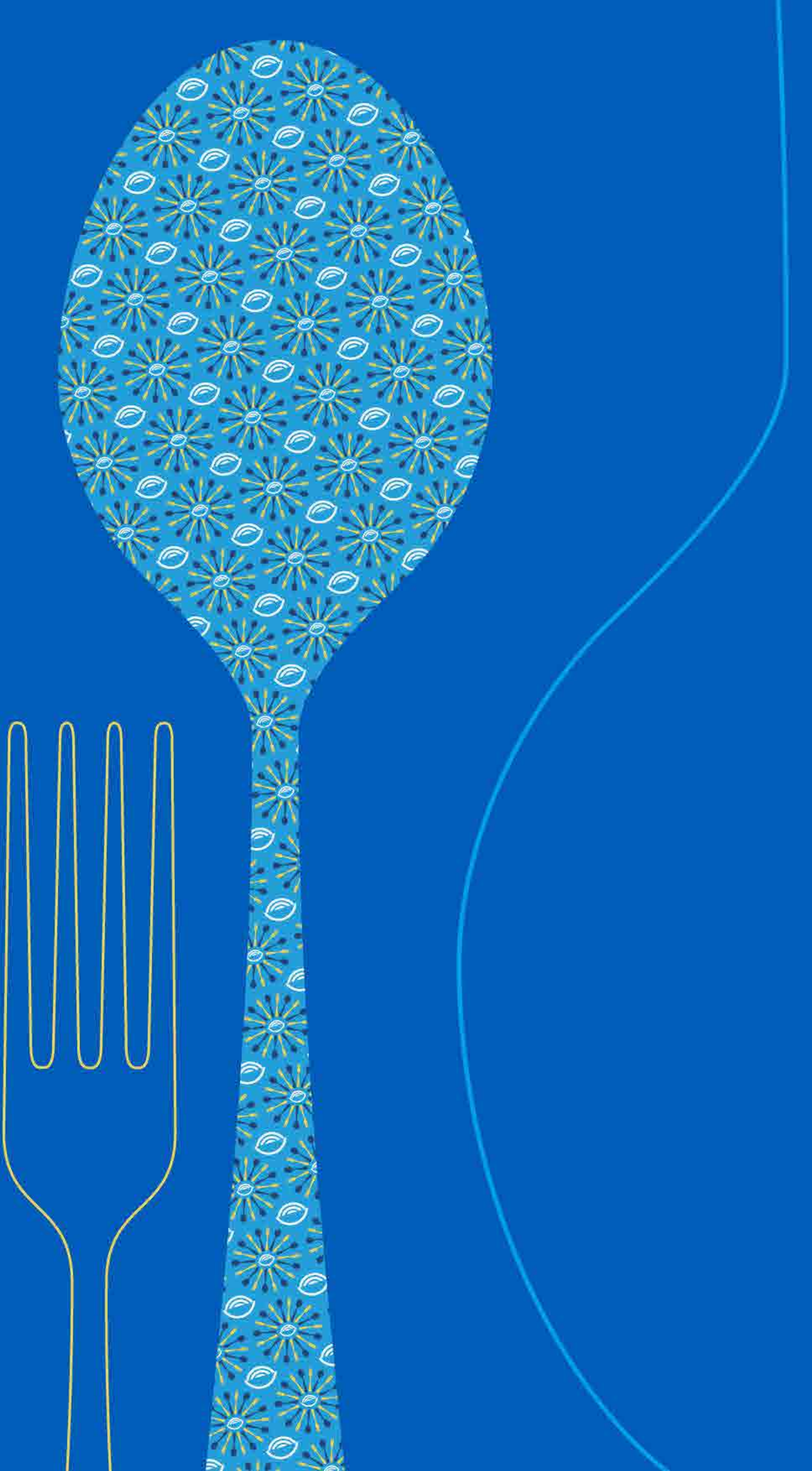
Credit risk

The company has guaranteed a loan of a subsidiary. The maximum exposure to credit risk at the reporting date is R3,35 billion.

Liquidity risk

The table below summarises the maturity profile of the guaranteed loan:

	Less than one year R'000	One to two years R'000	Two to three years R'000	Greater than three years R'000	Total R'000
2015			**498 000**	**2 852 000**	**3 350 000**
2014	4 500 000				4 500 000



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