

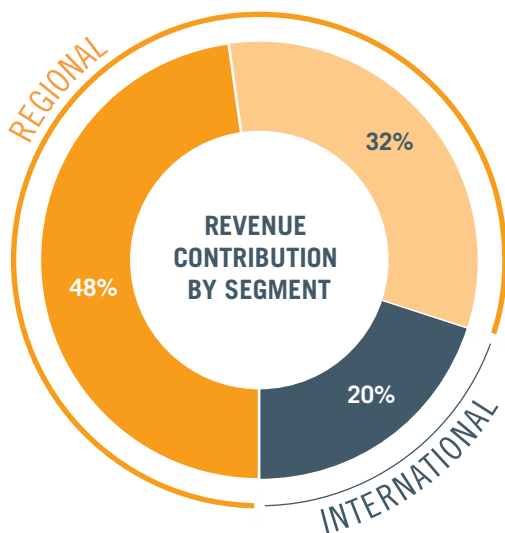
PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 29 September 2019



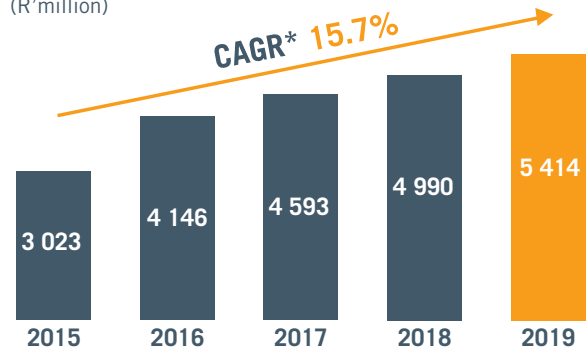
KEY FEATURES

Group turnover + 8.5%	Regional turnover + 8.4%	International turnover + 8.8%
Operating margin <small>+ 90 basis points to</small> 7.2%	Operating profit + 24.9%	Profit after taxation + 39.6%
Diluted HEPS + 37.8% <small>to 83.8 cents</small>	Dividend per share + 37.4% <small>to 27.9 cents</small>	Net debt/EBITDA ratio <small>reduced from 2.7 to</small> 2.1 times



- Long Life Foods
- Fresh Foods
- International

GROUP TURNOVER
(R'million)



*Compound annual growth rate.



COMMENTARY

PROFILE

Rhodes Food Group is a leading producer of fresh, frozen and long life convenience meal solutions for customers and consumers across South Africa, sub-Saharan Africa and in major global markets. The portfolio of market leading brands, which includes Rhodes, Bull Brand, Magpie, Squish, Bisto, Hinds and Pakco, is complemented by private label product ranges packed for all major South African retailers and international customers.

TRADING AND FINANCIAL PERFORMANCE

Group turnover increased by 8.5% to R5.4 billion.

Turnover in the regional segment (South Africa and the rest of Africa) increased by 8.4% and accounted for 80% of total turnover.

- Long Life Foods increased turnover by 9.2% (4.3% volume growth) with good growth in canned meats, fruit juice and dry foods.
- Fresh Foods sales increased by 7.3%, with volumes unchanged on last year. Ready meals and infant food performed well while the pie category again proved resilient in the current trading environment.

International turnover increased by 8.8%, assisted by the 7.7% depreciation of the Rand against RFG's major trading currencies.

Following the adoption of IFRS 15, distribution and warehouse allowances have been reclassified from expenses to revenue. This resulted in a decrease in revenue of R119.4 million for 2018. The turnover growth rates for the Group and the regional segment therefore differ from those reported in the Group's trading update released on SENS on 29 September 2019.

The Group's operating profit increased by 24.9% to R392.2 million as the operating margin expanded by 90 basis points to 7.2%. The regional operating margin improved from 8.0% to 8.3% despite the adverse effect of the lower margin long life foods category growing at a faster rate than fresh foods.

The international operating margin showed the early signs of recovery from -0.5% to 3.4% as the segment benefited from the 7.7% weakening in the Rand against RFG's major trading currencies. Profitability was materially impacted by the drought-related impact on costs and quality of canned fruit in the first half of the financial year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) grew by R105.7 million or 22.9% to R566.6 million. The EBITDA margin improved from 9.2% to 10.5%.

Taxation was R12.9 million higher, with the effective tax rate reducing to 21.7% (2018: 23.3%). The Group received income tax rebates of R10.0 million (2018: R8.5 million) relating to capital projects.

Profit after tax increased by 39.6% to R215.5 million. Headline earnings rose by 38.1% to R219.8 million, with diluted headline earnings per share 37.8% higher at 83.8 cents.

Earnings per share measures have been impacted by an increase of 3.6% in the weighted average number of shares in issue during the reporting period following the conversion of preference shares to ordinary shares in the first half of the year.

A cash dividend of 27.9 cents has been declared, 37.4% higher than the previous year, based on the Group's dividend cover policy of three times diluted HEPS.

Net working capital increased by 6.6%, impacted by the timing of creditor and debtor payments over year end which fell before the calendar month end. Net working capital days improved from 124 days to 119 days.

Cash generated from operations increased by 1.6% to R495.1 million. The Group's net debt reduced by R85.5 million and the net debt to equity ratio improved from 53.9% to 47.0%.

The Group invested R231.5 million (2018: R479.6 million) in capital projects which included completion of the relocation of the pulps and purees plant, expansion of the Western Cape ready meals facility, site upgrade at the Groot Drakenstein production hub, expansion of warehouse capacity at the fruit juice production plant and ongoing development of the new pineapple plantations in Eswatini.



COMMENTARY CONTINUED

IFRS 16 LEASES

The Group will adopt IFRS 16 Leases on a fully retrospective basis for the 2020 financial year. If the Group had adopted the new leasing standard for the 2019 financial year, the impact on the statement of comprehensive income would have been a decrease in profit after tax of R1.0 million. The statement of financial position would reflect an increase in the right-of-use asset of R95.9 million and an increase in the lease liability of R119.8 million at year end.

OUTLOOK

The Group expects to maintain the current growth momentum into the 2020 financial year, based on the strong turnaround in performance in 2019 and the recovery in the international business.

While consumer spending is likely to remain under pressure in the medium term in the weak macroeconomic environment, the focus in the regional segment will continue to be on improving margins, driving organic growth and increasing brand shares.

The international segment is expected to continue to improve its operating margin in the year ahead. Turnover growth will be supported by expected increases in the export of fruit snacks in cups to the USA and higher canned fruit sales. The volatile Rand exchange rate continues to be a risk to performance of the international segment.

Management priorities for the year ahead include improving the balance sheet by generating stronger cash flows to reduce debt levels, a continued focus on working capital management and containing costs in the constrained consumer environment.

Capital investment of R150 million is planned for the 2020 financial year, including R24 million for the capitalisation cost of pineapple crops in Eswatini. Projects include the installation of additional fire prevention equipment in manufacturing plants, equipment replacement in the ready meals factories and equipment upgrades in the fruit products facility in Tulbagh.

Any reference to future performance included in this announcement has not been reviewed or reported on by the Group's independent auditor.

DECLARATION OF ORDINARY CASH DIVIDEND

The board of directors has declared a gross dividend of 27.90 cents per share in respect of the year ended 29 September 2019 for holders of ordinary shares.

The dividend has been declared out of income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt, resulting in a net dividend to these shareholders of 22.32 cents.

Shareholders are advised of the following salient dates in respect of the dividend declaration:

Last day to trade to receive a dividend	Tuesday, 14 January 2020
Shares commence trading "ex" the dividend	Wednesday, 15 January 2020
Record date	Friday, 17 January 2020
Dividend payment to shareholders	Monday, 20 January 2020

The number of ordinary shares in issue at the date of declaration is 262 762 018.

The company's tax reference number is 9348/292/17/9.

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 January 2020 and Friday, 17 January 2020, both days included.

Bruce Henderson
Chief Executive Officer

Tiaan Schoombie
Chief Financial Officer

Groot Drakenstein
19 November 2019



SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 29 September 2019

	Notes	Audited 2019 R'000	Audited 2018 R'000
ASSETS			
Non-current assets			
		2 519 880	2 444 595
Property, plant and equipment	2	1 831 270	1 776 614
Intangible assets	6	217 155	197 691
Goodwill		444 857	444 857
Investment in associate		5 572	5 335
Deferred taxation asset		138	41
Biological assets		13 033	12 047
Loans receivable		7 855	8 010
Current assets			
		2 193 757	2 138 950
Inventory	4	1 203 670	1 227 748
Accounts receivable		947 745	810 216
Biological assets		24 447	13 622
Loans receivable		5 472	4 210
Taxation receivable		5 362	48 175
Foreign exchange contract asset	3	–	633
Bank balances and cash on hand		7 061	34 346
Total assets			
		4 713 637	4 583 545
EQUITY AND LIABILITIES			
Capital and reserves			
		2 477 583	2 317 840
Share capital		1 562 509	1 565 509
Equity-settled employee benefits reserve		13 747	17 723
Accumulated profit		892 969	725 459
Equity attributable to owners of the company		2 469 225	2 308 691
Non-controlling interest		8 358	9 149
Non-current liabilities			
		1 016 541	1 198 836
Long-term loans		753 454	974 933
Deferred taxation liability		246 059	207 653
Employee benefit liability		17 028	16 250
Current liabilities			
		1 219 513	1 066 869
Accounts payable and accruals		726 379	700 620
Employee benefits accrual		68 321	54 647
Current portion of long-term loans		234 046	250 918
Taxation payable		1 273	2 562
Foreign exchange contract liability	3	5 790	–
Bank overdraft		183 704	58 122
Total equity and liabilities			
		4 713 637	4 583 545

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 September 2019

	Notes	Audited 2019 R'000	Audited Restated 2018 R'000
Revenue	9 and 11.2	5 413 625	4 989 909
Direct manufacturing costs		(3 609 804)	(3 377 775)
Manufacturing operating costs		(582 304)	(530 016)
Selling and distribution costs		(387 270)	(358 691)
Other operating costs		(484 888)	(445 030)
Other income		42 841	35 621
Profit before interest and taxation		392 200	314 018
Interest paid		(117 978)	(115 123)
Interest received		875	2 189
Profit before taxation		275 097	201 084
Taxation		(59 632)	(46 756)
Profit for the year		215 465	154 328
Profit attributable to:			
Owners of the company		216 256	154 430
Non-controlling interest		(791)	(102)
		215 465	154 328
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		10	72
Remeasurement of employee benefit liability		14	100
Deferred taxation effect		(4)	(28)
Total comprehensive income for the year		215 475	154 400
Total comprehensive income attributable to:			
Owners of the company		216 266	154 502
Non-controlling interest		(791)	(102)
		215 475	154 400
Earnings per share (cents)		82.7	61.1
Diluted earnings per share (cents)		82.5	59.0

The Group elected to present expenses by nature in order to provide more reliable and relevant information. The disclosure of costs by nature provides more detailed information about, and will enhance users' ability to understand the composition of, the Group's manufacturing and other related costs. Costs were previously presented by function and accordingly the comparative costs have been reclassified to reflect costs by nature.



SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 September 2019

	Note	Share capital R'000	Equity-settled employee benefits reserve R'000	Accumulated profit R'000	Non-controlling interest R'000	Total R'000
Balance at 1 October 2017		1 565 509	8 779	652 326	9 251	2 235 865
Total comprehensive income for the year		–	–	154 502	(102)	154 400
Equity-settled employee benefits expense recognised		–	8 944	–	–	8 944
Treasury shares dividend received		–	–	350	–	350
Dividend paid		–	–	(81 719)	–	(81 719)
Balance at 30 September 2018		1 565 509	17 723	725 459	9 149	2 317 840
Total comprehensive income for the year		–	–	216 266	(791)	215 475
Equity-settled employee benefits expense recognised		–	283	–	–	283
Equity-settled employee benefits settlement		–	(4 259)	4 356	–	97
Treasury shares dividend received		–	–	229	–	229
Redemption of preference shares		(3 000)	–	–	–	(3 000)
Dividend paid	10	–	–	(53 341)	–	(53 341)
Balance at 29 September 2019		1 562 509	13 747	892 969	8 358	2 477 583

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 29 September 2019

	Notes	Audited 2019 R'000	Audited Restated 2018 R'000
Cash flows from operating activities			
Cash generated from operations		495 148	487 517
Interest paid		(117 877)	(116 630)
Interest received		875	2 189
Taxation received/(paid)		20 195	(8 072)
Net cash inflow from operating activities		398 341	365 004
Cash flows from investing activities			
Purchase of property, plant and equipment		(231 484)	(479 557)
Proceeds on disposal of property, plant and equipment		8 046	16 202
Acquisition of intangible assets	6	(30 000)	–
Loans receivable advanced		(2 006)	(3 273)
Loans receivable repaid		899	763
Treasury shares dividend received		229	350
Net cash outflow from investing activities		(254 316)	(465 515)
Cash flows from financing activities			
Redemption of preference shares		(3 000)	–
Equity-settled employee benefits settlement		(2 200)	–
Loans raised		–	525 000
Loans repaid		(238 351)	(215 567)
Dividends paid	10 and 11.1	(53 341)	(81 719)
Government grant received		–	2 870
Net cash (outflow)/inflow from financing activities		(296 892)	230 584
Net (decrease)/increase in cash and cash equivalents		(152 867)	130 073
Cash and cash equivalents at beginning of the year		(23 776)	(153 849)
Cash and cash equivalents at end of the year		(176 643)	(23 776)

SUMMARISED CONSOLIDATED SEGMENTAL REPORT

for the year ended 29 September 2019

PRODUCTS AND SERVICES FROM WHICH REPORTABLE SEGMENTS DERIVE THEIR REVENUES

Information reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the “regional” and “international” operations, the information is further analysed based on the different classes of customers. The chief operating decision-maker of the Group have chosen to organise the Group around the difference in geographical areas and operate the business on that basis.

Specifically, the Group’s reportable segments under IFRS 8: Operating segments are as follows:

- Regional
- International

SEGMENT REVENUES AND RESULTS

The Group’s revenue and results by reportable segment are analysed below and incorporate disaggregation of revenue.

	Audited 2019 R’000	Audited Restated 2018 R’000
Segment revenue		
Regional		
Fresh products sales	1 759 770	1 639 918
Long life products sales	2 579 418	2 362 073
	4 339 188	4 001 991
International		
Long life products sales	1 074 437	987 918
Total	5 413 625	4 989 909
Segment profit		
Regional	358 705	321 249
International	36 512	(5 242)
Total	395 217	316 007
Impairment loss	(3 017)	(1 727)
Acquisition costs	–	(262)
Interest received	875	2 189
Interest paid	(117 978)	(115 123)
Profit before taxation	275 097	201 084
Segment depreciation		
Regional	129 452	106 015
International	34 405	31 279
Total	163 857	137 294
Segment amortisation		
Regional	10 284	8 989
International	252	602
Total	10 536	9 591
Share of profit/(loss) of associate		
Regional	237	(565)
International	–	–
Total	237	(565)

Segment revenue reported above represents revenue generated from external customers. Intercompany sales amounted to R523.287 million (2018: R429.312 million) which have been eliminated upon consolidation.



SUMMARISED CONSOLIDATED SEGMENTAL REPORT CONTINUED

for the year ended 29 September 2019

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment profit represents the profit before tax earned by each segment without allocation of impairment losses, acquisition costs, interest received and interest paid. This is the measure reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

GEOGRAPHICAL INFORMATION

The Group's non-current assets by location of operations (excluding goodwill and deferred taxation asset) and revenue are detailed below. The executive management does not evaluate the Group's assets or liabilities on a segmental basis for decision-making purposes.

	Audited 2019 R'000	Audited Restated 2018 R'000
	Non-current assets	
South Africa	1 919 026	1 860 455
Eswatini	155 859	139 242
	2 074 885	1 999 738
	Revenue	
South Africa	5 269 217	4 852 694
Eswatini	144 408	137 215
	5 413 625	4 989 909

INFORMATION REGARDING MAJOR CUSTOMERS

Two customers (2018: two customers) individually contributed 10% or more of the Group's revenues arising from both regional and international sources.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 29 September 2019

1. BASIS OF PREPARATION

Rhodes Food Group Holdings Limited is a company domiciled in South Africa. These audited summarised consolidated financial statements as at and for the financial year ended 29 September 2019 comprise the company and its subsidiaries (together referred to as the "Group"). The main business of the Group is the manufacturing and marketing of convenience meal solutions. These include fresh and frozen ready meals, pastry-based products, dairy products, juice and juice products, fruit purees and concentrates and long life meals including jams, fruits, salads, vegetables, meat and dry packed foods. There were no major changes in the nature of the business for the Group during the years ended September 2019 and 2018.

The summarised consolidated financial statements are an extract from the audited consolidated financial statements for the year ended 29 September 2019, and have been prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa applicable to summarised financial statements and the JSE Limited Listings Requirements. The summarised consolidated financial statements contain, as a minimum, the information required by IAS 34: Interim Financial Reporting.

The accounting policies and methods of computations applied in the preparation of the summarised consolidated financial statements comply with IFRS and are consistent with those applied in the consolidated financial statements for the year ended 30 September 2018, except as noted below.

During the year ended 29 September 2019, the Group applied the following new IFRS issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for accounting periods that begin on or after 1 January 2018.

IFRS 9 – Financial Instruments

Management has classified and measured the financial assets and liabilities recognised by the Group in accordance with the requirements of IFRS 9. There has been no material impact as a result of adoption of the standard but the adoption has resulted in additional disclosures.

IFRS 15 – Revenue from Contracts with Customers

The Group's contracts with customers do not contain multiple performance obligations which are required to be met. The Group's revenue recognition policies are not complex and relate to the delivery of goods to customers as a single performance obligation.

The Group adopted IFRS 15 and applied it retrospectively to the prior year presented. This resulted in the restatement of the prior year in the statement of profit or loss and other comprehensive income. Refer to note 11.2 for further details. The adoption has also resulted in additional disclosures.

These summarised consolidated financial statements and the consolidated financial statements, which it summarises, were prepared under the supervision of CC Schoombie, CA(SA), Chief Financial Officer.

2. PROPERTY, PLANT AND EQUIPMENT

During the year ended the following transactions accounted for the movement in the property, plant and equipment balance:

	Opening balance R'000	Loss of control of subsidiary R'000	Additions R'000	Government grant received R'000	Disposals R'000	Impairment R'000	Closing balance R'000
COST							
2019	2 185 493	–	231 484	–	(39 331)	–	2 377 646
2018	1 765 295	(1 959)	479 557	(2 870)	(52 669)	(1 861)	2 185 493
		Opening balance R'000	Loss of control of subsidiary R'000	Depreciation R'000	Disposals R'000	Impairment R'000	Closing balance R'000
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
2019	408 879	–	163 857	(29 377)	3 017	546 376	
2018	304 802	(1 398)	137 294	(31 685)	(134)	408 879	

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 29 September 2019

2. PROPERTY, PLANT AND EQUIPMENT CONTINUED

NET ASSET VALUE	Opening balance R'000	Closing balance R'000
2019	1 776 614	1 831 270
2018	1 460 493	1 776 614

The disposal and impairment of property, plant and equipment resulted in losses of R1.908 million (2018: R4.782 million) and R3.017 million (2018: R1.727 million) respectively which were recognised as part of "operating costs" in the summarised consolidated statement of profit or loss and other comprehensive income.

During the year, the Group contracted R13.016 million (2018: R29.502 million) for future capital commitments. This will be financed through a combination of operating cash flows and available overdraft facilities.

There has been no major change in the nature of property, plant and equipment, the policy regarding the use thereof, or the encumbrances over the property, plant and equipment.

3. FINANCIAL INSTRUMENT AT FAIR VALUE HELD THROUGH PROFIT OR LOSS

3.1 FORWARD EXCHANGE CONTRACTS

The Group enters into forward exchange contracts ("FEC") to buy and sell specified amounts of foreign currency in the future at a predetermined exchange rate. The contracts are entered into to manage the Group's exposure to fluctuations in foreign currency exchange rates on specific transactions. The contracts are matched by anticipated future cash flows in foreign currencies. The Group does not use forward exchange contracts for speculative purposes.

At the reporting date, the Group had entered into the following forward exchange contracts.

	Foreign amount '000	Rand value R'000	Contract fair value R'000	Contract gain/(loss) R'000
2019				
FEC in respect of anticipated receipts from customers				
AUD	2 735	29 132	28 497	635
CAD	2 166	24 488	25 085	(597)
USD	16 515	248 239	254 030	(5 791)
GBP	725	13 701	13 847	(146)
EUR	1 725	29 607	29 498	109
		345 167	350 957	(5 790)
2018				
FEC in respect of anticipated receipts from customers				
AUD	4 320	44 726	44 830	(104)
CAD	2 006	21 866	22 249	(383)
USD	11 265	162 379	161 667	712
GBP	2 830	53 830	53 312	518
EUR	895	14 940	15 050	(110)
		297 741	297 108	633

3.2 VALUATION OF FINANCIAL INSTRUMENT AT FAIR VALUE HELD THROUGH PROFIT OR LOSS

Financial instruments at fair value through profit or loss	Level	Valuation technique
Forward exchange contracts	Level 2	Mark to market rates by issuer of instrument



4. INVENTORY

The value of the inventory disclosed at net realisable value is R103.075 million (2018: R69.405 million).

5. HEADLINE EARNINGS PER SHARE

5.1 HEADLINE EARNINGS PER SHARE

	2019 R'000	2018 R'000
Reconciliation between profit attributable to owners of the parent and headline earnings:		
Profit attributable to owners of the parent	216 256	154 430
Adjustments to profit attributable to owners of the parent	3 546	4 686
Loss on disposal of property, plant and equipment	1 908	4 782
Impairment of property, plant and equipment	3 017	1 727
Loss of control of subsidiary	–	1 216
Taxation effect	(1 379)	(1 823)
Headline earnings	219 802	159 116
Headline earnings per share (cents)	84.0	63.0
5.2 DILUTED HEADLINE EARNINGS PER SHARE		
Headline earnings	219 802	159 116
Diluted headline earnings per share (cents)	83.8	60.8
5.3 WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE		
Weighted average number of shares in issue	262 762 018	253 762 018
Treasury shares	(1 125 000)	(1 125 000)
Weighted average number of shares in issue	261 637 018	252 637 018
Effect of redeemable convertible preference shares	–	9 000 000
Effect of share options	581 724	201 094
Weighted average number of dilutive shares in issue	262 218 742	261 838 112

6. ACQUISITION OF INTANGIBLE ASSETS

On 28 February 2019, the Group acquired a customer list from RCL Foods Consumer Proprietary Limited for R30 million. The consideration paid has been allocated to intangible assets.

7. FINANCIAL INSTRUMENTS

7.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the financial assets and liabilities reported in the summarised consolidated statement of financial position approximate fair values at the reporting date, except where noted otherwise in the notes.

8. RELATED PARTY TRANSACTIONS

The Group sold goods to Peaty Mills Plc R222.002 million (2018: R233.109 million). Included in trade receivables are amounts due from Peaty Mills Plc for R48.166 million (2018: R56.098 million).

The Group sold goods to Ma Baker Xpress Proprietary Limited for R14.152 million (2018: R14.188 million). Included in trade receivables are amounts due from Ma Baker Xpress Proprietary Limited for R5.943 million (2018: R3.906 million).

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 29 September 2019

9. REVENUE

The disaggregated revenue from contracts with customers is as follows:

	2019 R'000	2018 R'000
Perishable products	1 679 552	1 569 781
Fruit products	1 599 578	1 534 286
Grocery products	2 134 495	1 885 842
	5 413 625	4 989 909

The revenue categories consist of net sales of the following:

- Perishable products: Ready meals, pies and pastries, bakery and dairy products.
- Fruit products: Canned fruit and jam, fruit purees and fruit concentrates.
- Grocery products: Canned vegetables, canned meat, bottled salads and pickles, fruit juice, dry packaged foods and infant meals.

10. DIVIDENDS

On 14 January 2019, a dividend of 20.3 cents (2018: 31.1 cents) per share was paid amounting to a total dividend of R53.3 million (2018: R81.7 million).

11. RECLASSIFICATIONS MADE TO THE COMPARATIVE PERIOD PRESENTED

11.1 RECLASSIFICATION OF CASH FLOWS RESULTING FROM PRIOR YEAR ERROR

Dividends paid in the prior year have been reclassified in the statement of cash flows from cash flows from investing activities to cash flows from financing activities to align with the requirements of IAS 7: Statement of Cash Flows. The reclassification had no impact on the net increase in cash and cash equivalents with respect to the prior year.

11.2 RECLASSIFICATION OF EXPENSES RESULTING FROM ADOPTION OF IFRS 15

The adoption IFRS 15 resulted in a reclassification of variable consideration relating to distribution and warehouse allowances from expenses to revenue with no impact on operating profit or profit for the year. The effect of the restatement on the prior year is as follows:

	2018 R'000
Decrease in revenue	(119 433)
Decrease in selling and distribution cost	119 433

12. EVENTS SUBSEQUENT TO REPORTING DATE

The board of directors declared a gross cash dividend of 27.9 cents (2018: 20.3 cents) per share on 15 November 2019 in respect of the year ended 29 September 2019.

The board of directors is not aware of any other matter or circumstance of a material nature arising since the end of the financial year, otherwise not dealt with in the financial statements, which significantly affects the financial position of the Group or the results of its operations.

13. FINANCIAL YEAR-END

The Group's financial year ends in September which reflects 52 weeks (2018: 52 weeks) of trading, and as a result the reporting date may differ year on year. References to "financial year" are to the 52 weeks ended on or about 30 September. As a result the financial statements were prepared for the year ended 29 September 2019 (2018: 30 September).

14. APPROVAL OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements were approved by the board of directors on 15 November 2019.



15. AUDIT OPINION

These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent, in all material respects, with the consolidated financial statements. The consolidated financial statements, which have been audited by Deloitte & Touche, and the accompanying unmodified audit report are available for inspection at the company's registered office.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS To the shareholders of Rhodes Food Group Holdings Limited

Opinion

The summarised consolidated financial statements of Rhodes Food Group Holdings Limited, which comprise the summarised consolidated statement of financial position as at 29 September 2019, the summarised consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Rhodes Food Group Holdings Limited for the year ended 29 September 2019.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Rhodes Food Group Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Other matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Rhodes Food Group Holdings Limited and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 19 November 2019. That report also includes the communication of key audit matters as reported in the auditor's report of the audited consolidated financial statements.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Deloitte & Touche

Deloitte & Touche
Registered Auditor

Per: Paul Schneider
Partner

19 November 2019

1st Floor The Square, Cape Quarter, 27 Somerset Road, Green Point, 8005, Western Cape, Docex 5 Claremont



CORPORATE INFORMATION

RHODES FOOD GROUP HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 2012/074392/06

JSE share code: RFG

ISIN: ZAE000191979

Registered address

Pniel Road, Groot Drakenstein, 7680
Private Bag X3040, Paarl, 7620

Directors

Dr YG Muthien * (Chairperson)
MR Bower * (Lead Independent Director)
BAS Henderson (Chief Executive Officer)
TP Leeuw *
LA Makenete *
BN Njobe *
CC Schoombie (Chief Financial Officer)
CL Smart **
GJH Willis **

** Independent non-executive*

*** Non-executive*

Company secretary

BM Lakey

Transfer secretaries

Computershare Investor Services Proprietary Limited

Sponsor

Rand Merchant Bank, a division of FirstRand Bank Limited

Auditors

Deloitte & Touche



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