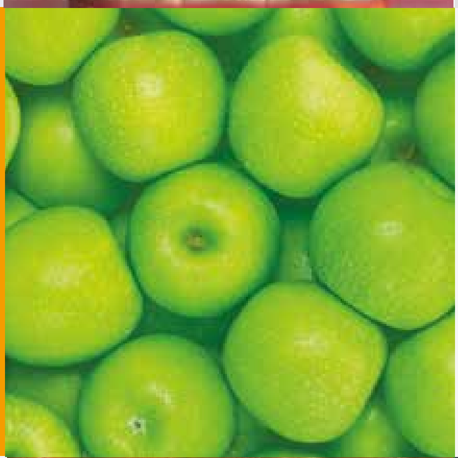

RFG

AUDITED ANNUAL FINANCIAL STATEMENTS 2017

CONTENTS

Approval of annual financial statements	1
Secretarial certification	1
Independent auditor's report	2
Directors' report	4
Report of the audit and risk committee	6
Statement of financial position	8
Statement of profit or loss and other comprehensive income	9
Statement of changes of equity	10
Statement of cash flows	11
Segmental report	12
Notes to the financial statements	14

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the preparation, integrity and objectivity of the consolidated annual financial statements and other information contained in these consolidated annual financial statements. In order to discharge this responsibility, the Group maintains internal accounting and administrative control systems, designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded, in accordance with the Group policies and procedures.

The consolidated annual financial statements set out on pages 4 to 52 were prepared under the supervision of CC Schoombie, CA(SA), Chief Financial Officer and were approved by the board of directors on 17 November 2017 and are signed on its behalf by:

Dr YG Muthien
Chairperson

BAS Henderson
Chief executive officer

SECRETARIAL CERTIFICATION

In accordance with section 88(2)(e) of the Companies Act, No 71 of 2008, for the year ended 1 October 2017, it is hereby certified that the company and its subsidiaries have lodged with the Companies and Intellectual Property Commission all such returns that are required and that such returns are true, correct and up to date.

A Rich
On behalf of Statucor Proprietary Limited
(Company secretary)

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RHODES FOOD GROUP HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rhodes Food Group Holdings Limited (the Group) set out on pages 8 to 52, which comprise the statements of financial position as at 1 October 2017, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 1 October 2017, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

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

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>Purchase price allocations
The Group concluded two acquisitions in the current year which resulted in goodwill, intangible and tangible assets being recognised.

There is a risk that the goodwill, intangible and tangible assets recognised as a result of the business combinations have not been accounted for in accordance with the requirements of IFRS 3: Business Combinations, IFRS 13: Fair Value Measurement and IAS 38: Intangible Assets.

This is a key audit matter as the acquisitions are material and contain key assumptions made by the directors relating to significant inputs used in determining the fair value of the goodwill, intangible and tangible assets recognised.

Details of these acquisitions are set out in note 28.4 to the consolidated financial statements.

The key assumptions with the most significant impact on the cash flow forecasts used in the valuation of the intangible assets were:
• The growth rate, which is subjective since it is based on the directors' experience and expectations rather than observable market data.
• The operating margins used to determine the free cash flows.
• The discount rate which is subjective and specific to each entity acquired.</td><td>In evaluating the purchase price allocations, we reviewed the intangible asset calculations and resulting goodwill, with a particular focus on the growth rates, operating margins and discount rates. We performed various procedures, including the following:
• Testing of the operating margins against historical performance of the entities acquired.
• Comparing the growth rates used to historical data regarding economic growth rates and the historic growth rates of the respective entities acquired.
• Involving our internal corporate finance specialist to assist with the testing of the discount rate and models used to value the intangible assets. The specialist's procedures included evaluating the entities' current funding rates, funding structures and risk profile against relevant market data.
• Recomputation of the intangible asset calculations, as well as the resulting goodwill.
• Assessing the appropriateness of the directors' disclosures.

The models and assumptions used appear to be reasonable and fairly presented and disclosed in the consolidated financial statements.</td></tr>
</table>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Rhodes Food Group Holdings Limited for 18 years.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per Paul Schneider
Partner

21 November 2017

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

DIRECTORS' REPORT

The directors have the pleasure in presenting their report for the year ended 1 October 2017.

NATURE OF BUSINESS

The main business of Rhodes Food Group Holdings Limited and its subsidiaries ("the Group") is the manufacturing and marketing of convenience meal solutions. These include fresh and frozen ready meals, pastry-based products, canned jams, canned fruits, canned and bottled salads and vegetables, canned meat, fruit purees and concentrates, juice and juice products, dairy products and dry packed foods. The Group's operations are located in South Africa and Swaziland.

GENERAL REVIEW

The results of the activities for the year under review and financial position of the Group at 1 October 2017 are set out in the financial statements. No other facts or circumstances, except those disclosed below and in the financial statements, require further disclosure in our opinion.

On 29 November 2016 net capital of R648.3 million was raised through a private placement of 25 million ordinary shares. The proceeds were used to fund the majority of the capital expenditure and to fund the acquisition of the Ma Baker Group of Companies.

A further 7.8 million shares were issued on 22 March 2017 to settle the full purchase price of R197 million for the acquisition of 100% of the issued share capital of Pakco Proprietary Limited.

The Group also acquired 100% of the issued share capital of Ma Baker Foods Proprietary Limited, Ma Baker Pies Proprietary Limited, Ma Baker Properties (Pietermaritzburg) Proprietary Limited, Ma Baker Properties (Pinetown) Proprietary Limited and Ma Baker Xpress Proprietary Limited (collectively the "Ma Baker Group of Companies") on 31 March 2017 for a cash consideration of R192.6 million.

GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on the going concern basis.

EVENTS SUBSEQUENT TO REPORTING DATE

The Group entered into a sale of shares agreement to dispose of 50.83% of the shares in Ma Baker Xpress Proprietary Limited for a consideration of R6.1 million. The board of directors is of the opinion that the buyer of the shares is more experienced in the retail business market, seeing as this does not form part of the Group's core business.

The board of directors has declared a gross cash dividend of 31.1 cents (2016: 42.2 cents) per share on 17 November 2017 in respect of the year ended 1 October 2017.

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.

SHARE CAPITAL

During the year, 32.8 million ordinary shares were issued and no preference shares were issued (2016: nil).

SPECIAL RESOLUTIONS PASSED

- Non-executive directors fees have been approved as disclosed in the Integrated Report for the year ended 1 October 2017.
- The company, or any of its subsidiaries, by way of a general authority, may acquire ordinary shares in the company, subject to the provisions of the Companies Act, No 71 of 2008, as amended, and the Listings Requirements of the JSE Limited.
- The company may at any time, and from time to time during the period of two years commencing on 9 February 2017, offer direct or indirect financial assistance to any related director, prescribed officer or inter-related company or corporation of the company subject to the requirements of the Companies Act.

SUBSIDIARIES

Refer to note 30 of the consolidated annual financial statements for a list of subsidiaries.

DIVIDENDS

On 16 January 2017, a dividend of 42.2 cents (2016: 24.8 cents) per share was paid amounting to a total dividend of R107.6 million (2016: R57.0 million).

DIRECTORS

The directors in office during the year under review and at the date of this report are as follows:

Name	Position
Dr YG Muthien	Independent non-executive director (Chairperson)
MR Bower	Independent non-executive director
BAS Henderson	Executive director (Chief executive officer)
TP Leeuw	Independent non-executive director
LA Makenete	Independent non-executive director
B Njobe	Independent non-executive director (appointed 28 September 2017)
CC Schoombie	Executive director (Chief financial officer)
CL Smart	Non-executive director
GJH Willis	Non-executive director

DIRECTORS' SHAREHOLDINGS

Refer to note 19 of the consolidated annual financial statements for the detail about the directors' shareholdings.

FINANCIAL YEAR-END

The Group's financial year ends in September which reflects 52 weeks of trading, and as a result the reporting date may differ year on year. The 2017 financial year, however, includes a 53rd week of trading. References to "financial year" are to the 53/52 weeks ended on or about 30 September. As a result the financial statements were prepared for the year ended 1 October 2017 (2016: 25 September).

SECRETARY

The secretary of the company is Statucor Proprietary Limited (represented by A Rich), whose business and postal addresses are:

Business address	Postal address
The Boulevard Office Park	PO Box 3883
2nd Floor, Block D	Cape Town
Searle Street	8000
Woodstock	
7925	

AUDITORS

Deloitte & Touche were the auditors for the year.

PREPARER OF ANNUAL FINANCIAL STATEMENTS

These annual financial statements were prepared under the supervision of CC Schoombie, CA(SA), Chief Financial Officer.

REPORT OF THE AUDIT AND RISK COMMITTEE

INTRODUCTION

This report of the Rhodes Food Group Holdings audit and risk committee (the committee) is presented to shareholders in compliance with the Companies Act and the King Code of Governance Principles (King III).

The committee has a statutory role in terms of the Companies Act and also has an independent role with accountability to both the board and to the shareholders. The committee operates within a formal charter and complies with all relevant legislation, regulation and governance codes.

ROLE OF THE COMMITTEE

The committee's responsibilities include the statutory duties prescribed by the Companies Act, activities recommended by King III as well as additional responsibilities assigned by the board.

The responsibilities of the committee are as follows:

- Ensure that management has created and maintained an effective financial and operating control environment in the Group.
- Ensure that business, financial and other risks have been identified and are being suitably managed.
- Monitor standards of governance, reporting and compliance.
- Oversee integrated reporting and ensure the integrity of the Integrated Report.
- Review the annual financial statements.
- Review the content of the interim results and report.

COMPOSITION OF THE COMMITTEE

The committee comprises three suitably qualified independent non-executive directors. The chairman of the board may not serve on the committee.

The committee comprised the following members for the reporting period and to the date of this report:

Name	Position
Mark Bower (chairman)	BCom, BCompt (Hons), CA(SA)
Thabo Leeuw	BCom, BCompt (Hons), MAP
Andrew Makenete	BSc, MSc (Agricultural Management)

Biographical details of the committee members appear in the Integrated Report. Fees paid to the committee members for 2017 and the proposed fees for 2018 are disclosed in the remuneration report in the Integrated Report.

The committee is elected by shareholders at the annual general meeting each year while the board appoints the chairman of the committee.

Non-executive directors, the executive directors and the external audit and the internal audit attend meetings at the invitation of the committee. The committee may also meet separately with the external auditor and the internal auditor without executive management being present.

EXTERNAL AUDIT

The committee has assessed the independence, expertise and objectivity of the external auditor, Deloitte & Touche, as well as approving the fees paid to the external auditor (refer to note 18 in the annual financial statements).

The committee has received confirmation from the external auditor that the partners and staff responsible for the audit comply with all legal and professional requirements with regard to rotation and independence, including the stipulation that they should not own shares in Rhodes Food Group Holdings Limited.

The committee has nominated, for election at the next annual general meeting, Deloitte & Touche, as the external audit firm and Mr P Schneider as the designated auditor, responsible for performing the functions of auditor, for the 2018 financial year.

The committee has satisfied itself that the audit firm and designated auditor are not included in the JSE list of disqualified auditors and their advisors.

NON-AUDIT SERVICES

The Group has a formal policy on non-audit services which can be provided by the external auditor. All non-audit services are approved in advance by the committee. The policy requires Deloitte & Touche to satisfy the committee that the delivery of non-audit services does not compromise their independence in undertaking normal audit assignments.

During the year under review Deloitte & Touche received R1.33 million (2016: R1.47 million) for non-audit services, equating to 65.8% (2016: 84%) of their total audit fees of R2.02 million (2016: R1.76 million). The majority of these services related to non-recurring engagements for applications to the Department of Trade and Industry for incentive programmes.

INTERNAL CONTROL

Systems of internal control are designed to manage the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against misstatement or loss.

No material matter has come to the attention of the board that has caused the directors to believe that the company's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

The internal audit function is outsourced to PricewaterhouseCoopers who assist management in controlling risk, monitoring compliance, improving efficiency and the effectiveness of internal control systems and governance processes.

EVALUATION OF THE CHIEF FINANCIAL OFFICER

The committee satisfied itself as to the appropriateness of the expertise and experience of the Group's chief financial officer, Tiaan Schoombie. This is based on the qualifications, levels of experience, continuing professional development and the board's assessment of the financial knowledge of the chief financial officer.

The committee also satisfied itself as to the expertise, resources and experience of the Group's finance function.

ACTIVITIES OF THE COMMITTEE

The committee is required to meet at least three times each year, with two meetings coinciding with the key dates of the financial reporting and audit cycle. Minutes of the meetings of the committee are circulated to all directors and supplemented by an update from the committee chairperson at each board meeting.

The chairperson of the committee is required to attend all statutory shareholder meetings to respond to questions on the committee's activities.

The committee performed the following activities during the year under review:

- Recommended to the board and shareholders the appointment of the external auditors.
- Approved the terms of engagement and remuneration of the external auditor, and monitored their independence, objectivity and effectiveness.
- Determined the nature and extent of any non-audit services provided by the external auditor and other auditing firms.
- Reviewed the Group's internal financial control and financial risk management systems.
- Evaluated the appropriateness of the expertise and experience of the chief financial officer.
- Evaluated the expertise, resources and experience of the Group's finance function.
- Reviewed and recommended to the board for approval the interim and annual financial statements.
- Reviewed and recommended to the board for approval the Integrated Report.
- Reviewed and monitored the Group's internal audit function.
- Evaluated the Group's risk monitor and residual risks.

APPROVAL OF THE COMMITTEE REPORT

The committee confirms that it has functioned in accordance with its terms of reference for the 2017 financial year and that its report to shareholders has been approved by the board.

Mark Bower
Chairman

Audit and Risk Committee
17 November 2017

STATEMENT OF FINANCIAL POSITION

as at 1 October 2017

	Notes	2017 R'000	Restated* 2016 R'000	Restated* 2015 R'000
ASSETS				
Non-current assets		**2 145 186**	1 364 722	1 153 769
Property, plant and equipment	5	**1 460 493**	986 826	793 565
Intangible assets	6	**207 282**	81 587	79 908
Goodwill	7	**457 183**	287 607	271 775
Deferred taxation asset	16	**9 294**	–	–
Biological assets	8	**10 664**	8 702	8 521
Loan receivable	9	**270**	–	–
Current assets		**1 964 903**	1 744 857	1 324 194
Inventory	11	**1 144 080**	947 488	694 604
Accounts receivable	12	**767 679**	749 378	604 078
Biological assets	8	**10 553**	16 037	14 127
Loans receivable	9	**6 170**	3 000	2 758
Foreign exchange contract asset	10.1	**–**	21 925	–
Taxation receivable	28.2	**32 193**	–	–
Bank balances and cash on hand	28.3	**4 228**	7 029	8 627
Total assets		**4 110 089**	3 109 579	2 477 963
EQUITY AND LIABILITIES				
Capital and reserves		**2 235 865**	1 256 898	1 018 157
Share capital	13	**1 565 509**	720 205	720 205
Equity-settled employee benefits reserve	14	**8 779**	2 773	–
Accumulated profit		**652 326**	524 948	291 582
Equity attributable to owners of the company		**2 226 614**	1 247 926	1 011 787
Non-controlling interest		**9 251**	8 972	6 370
Non-current liabilities		**877 883**	786 544	692 533
Long-term loans	15	**700 407**	687 231	621 773
Deferred taxation liability	16	**161 711**	85 085	60 993
Employee benefit liability	17.3	**15 765**	14 228	9 767
Current liabilities		**996 341**	1 066 137	767 273
Accounts payable and accruals	17.1	**534 590**	531 596	430 352
Employee benefits accrual	17.2	**75 324**	126 008	114 927
Current portion of long-term loans	15	**218 831**	152 963	109 775
Taxation payable	28.2	**2 732**	58 918	29 820
Bank overdraft	28.3	**158 077**	196 652	72 448
Foreign exchange contract liability	10.1	**6 787**	–	9 951
Total equity and liabilities		**4 110 089**	3 109 579	2 477 963

* *Refer to note 32.*

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 1 October 2017

	Notes	2017 R'000	Restated* 2016 R'000
Revenue	3.4	**4 593 317**	4 145 902
Cost of goods sold		**(3 355 146)**	(2 932 530)
Gross profit		**1 238 171**	1 213 372
Other income		**54 480**	37 221
Operating costs		**(885 844)**	(752 265)
Profit before interest and taxation	18	**406 807**	498 328
Interest paid	20	**(84 836)**	(89 066)
Interest received		**386**	13
Profit before taxation		**322 357**	409 275
Taxation	21	**(87 566)**	(115 924)
Profit for the year		**234 791**	293 351
Profit attributable to:			
Owners of the company		**234 512**	290 749
Non-controlling interest		**279**	2 602
		234 791	293 351
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		**1**	(622)
Remeasurement of employee benefit liability		**2**	(857)
Deferred taxation effect		**(1)**	235
Total comprehensive income for the year		**234 792**	292 729
Total comprehensive income attributable to:			
Owners of the company		**234 513**	290 127
Non-controlling interest		**279**	2 602
		234 792	292 729
Earnings per share (cents)		**95.9**	132.1
Diluted earnings per share (cents)		**92.4**	127.0

* *Refer to note 32.*

STATEMENT OF CHANGES IN EQUITY

for the year ended 1 October 2017

	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 27 September 2015		720 205	–	291 582	6 370	1 018 157
Total comprehensive income for the year (restated)*		–	–	290 127	2 602	292 729
Recognition of share-based payments		–	2 773	–	–	2 773
Treasury shares dividend received		–	–	279	–	279
Dividend paid		–	–	(57 040)	–	(57 040)
Balance at 25 September 2016 (restated)*		720 205	2 773	524 948	8 972	1 256 898
Issue of ordinary share capital	13	845 304	–	–	–	845 304
Total comprehensive income for the year		–	–	234 513	279	234 792
Recognition of share-based payments		–	6 006	–	–	6 006
Treasury shares dividend received		–	–	475	–	475
Dividend paid		–	–	(107 610)	–	(107 610)
Balance at 1 October 2017		**1 565 509**	**8 779**	652 326	**9 251**	2 235 865

* *Refer to note 32.*

STATEMENT OF CASH FLOWS

for the year ended 1 October 2017

	Notes	2017 R'000	Restated* 2016 R'000
Cash flows from operating activities			
Cash receipts from customers		**5 263 596**	4 849 840
Cash paid to suppliers and employees		**(4 916 482)**	(4 547 577)
Cash generated from operations	28.1	**347 114**	302 263
Net interest paid		**(86 150)**	(88 613)
Taxation paid	28.2	**(139 023)**	(63 899)
Net cash inflow from operating activities		**121 941**	149 751
Cash flows from investing activities			
Purchase of property, plant and equipment		**(486 946)**	(238 051)
Proceeds on disposal of property, plant and equipment		**1 478**	6 703
Acquisition of subsidiary and businesses less net cash acquired	28.5	**(207 297)**	(123 110)
Loans receivable advanced		**(3 732)**	(300)
Loans receivable repaid		**1 471**	58
Dividends paid		**(107 610)**	(57 040)
Treasury shares dividend received		**475**	279
Net cash outflow from investing activities		**(802 161)**	(411 461)
Cash flows from financing activities			
Issue of ordinary share capital		**648 304**	–
Loans raised		**621 000**	219 570
Loans repaid		**(556 742)**	(110 924)
Government grant received		**3 432**	27 262
Net cash inflow from financing activities		**715 994**	135 908
Net increase/(decrease) in cash and cash equivalents		**35 774**	(125 802)
Cash and cash equivalents at beginning of the year		**(189 623)**	(63 821)
Cash and cash equivalents at end of the year	28.3	**(153 849)**	(189 623)

* *Refer to note 32.*

SEGMENTAL REPORT

for the year ended 1 October 2017

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 executive management 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 following is an analysis of the Group's revenue and results by reportable segment.

	Segment revenue	
	2017 R'000	Restated* 2016 R'000
Regional		
Fresh products sales	**1 529 291**	1 175 282
Long life products sales	**2 151 307**	1 856 695
	3 680 598	3 031 977
International		
Long life products sales	**912 719**	1 113 925
Total	**4 593 317**	4 145 902
	Segment profit	
Regional	**358 254**	311 440
International	**57 553**	190 090
Total	**415 807**	501 530
Impairment loss	**(3 321)**	–
Acquisition costs	**(5 679)**	(3 202)
Interest received	**386**	13
Interest paid	**(84 836)**	(89 066)
Profit before taxation	**322 357**	409 275

Segment revenue reported above represents revenue generated from external customers. Intercompany sales amounted to R541.821 million (2016: R561.168 million).

Included in the regional and international operating profit is depreciation of R92.435 million (2016: R64.137 million) and R18.113 million (2016: R22.729 million) respectively and amortisation of R5.791 million (2016: R2.688 million) and R0.748 million (2016: R0.633 million) respectively.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. 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 chief operating decision-maker does not evaluate any other of the Group's assets or liabilities on a segmental basis for decision-making purposes.

	Non-current assets	
	2017 R'000	Restated 2016 R'000
Republic of South Africa	**1 548 831**	973 684
Kingdom of Swaziland	**129 878**	103 431
	1 688 003	1 077 115

	Revenue	
	2017 R'000	2016 R'000
Republic of South Africa	**4 472 594**	3 935 282
Kingdom of Swaziland	**120 723**	210 620
	4 593 317	4 145 902

INFORMATION REGARDING MAJOR CUSTOMERS

Two customers (2016: two) individually contributed 10% or more of the Group's revenues arising from both regional and international sources.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 October 2017

1. GENERAL INFORMATION

Rhodes Food Group Holdings Limited is a company domiciled in the Republic of South Africa. These consolidated annual financial statements ('financial statements') as at and for the financial year ended 1 October 2017 comprise the company and its subsidiaries. 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, canned jams, canned fruits, canned and bottled salads and vegetables, canned meat, fruit purees and concentrates, juice and juice products, dairy products and dry packed foods. There were no major changes in the nature of the business of the Group.

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, the Group has applied a number of new and revised International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 January 2016.

2.1 Amendment to IFRS 7 Financial Instruments – Disclosures

2.2 Amendments to IAS 1 – Disclosure Initiative

2.3 Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

2.4 Amendments to IAS 41 – Bearer Plant Reclassification to Property, Plant and Equipment

2.5 Annual improvements to the 2012 – 2014 cycle

The adoption of these revised accounting standards did not have a material impact on the results, except for point 2.4, and as such the comparative information resulting from the adoption of this standard was restated (refer to note 32).

The Group has not adopted the following standards that have been issued but are not yet effective. Management has assessed the below standards, with specific focus on IFRS 9, 15 and 16 and is of the opinion that these standard will not have a material effect once adopted except for IFRS 16. Management is aware of the significant changes in IFRS 16, but due to the time lapse between the Group's financial year-end and the effective date of this standard, management is of the opinion that this will not have an effect on the 2017 and 2018 financial year-end and will give feedback on the effect in the 2018 financial statements. Management will adopt these standards as they become effective.

2.6 IFRS 9 Financial Instruments

2.7 IFRS 15 Revenue from Contracts with Customers

2.8 IFRS 16 Leases

2.9 IFRIC 22 Foreign Currency Transactions and Advance Consideration

2.10 Amendments to IFRS 2 – Share-based Payment

2.11 Amendments to IAS 7 – Statement of Cash Flows

2.12 Amendments to IAS 12 – Income Taxes

3. ACCOUNTING POLICIES

3.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with IFRS, containing the information required by the Companies Act as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

3.2 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments and biological assets that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. These are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 BASIS OF CONSOLIDATION

The financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interest in the net assets of consolidated subsidiaries is identified separately from the Group's interest in equity thereof. Non-controlling interest consists of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interest in excess of the non-controlling interest's interest in the subsidiary's equity are allocated against the interest of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

3.4 REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue represents the following:

3.4.1 ***Sale of goods***

Revenue from sale of goods is recognised when substantially all the risks and rewards of ownership have been transferred to the buyer and the Group does not retain continuing managerial control of the goods to a degree usually associated with ownership, when the amount of revenue and costs incurred or to be incurred in respect of the sale transactions can be measured reliably, and when it is probable the economic benefits associated with the transaction will flow to the Group.

3.5 INTEREST PAID

Interest paid includes interest on loans and bank accounts, which is expensed as incurred.

3.6 FOREIGN CURRENCIES

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Rands, which is the functional currency of the Group, and presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items, are included in profit or loss for the year.

3. ACCOUNTING POLICIES continued

3.6 FOREIGN CURRENCIES continued

In order to hedge its exposure to foreign exchange risks, the Group enters into forward exchange contracts.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Rands using exchange rates prevailing on the reporting date. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

3.7 TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be realised.

Deferred taxation is calculated at the tax rates that are expected to apply for the year when the asset is realised or the liability is settled. Deferred taxation is charged or credited in the statement of profit or loss and other comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.8 PROPERTY, PLANT AND EQUIPMENT

3.8.1 Capital work in progress

The cost of property, plant and equipment is recognised as capital work in progress until the property, plant and equipment have been commissioned. Capital work in progress is not depreciated.

3.8.2 Other property, plant and equipment

Other property, plant and equipment are stated at cost less accumulated depreciation. The estimated useful lives, depreciation method and residual values of the assets are reviewed annually with the effect of any changes accounted for on a prospective basis. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets less their residual value as follows:

Buildings, improvements and leasehold improvements	Range from 5 to 50 years
Plant and machinery	Range from 2 to 40 years
Motor vehicles	Range from 4 to 15 years
Office equipment	Range from 3 to 10 years
Furniture and fittings	Range from 3 to 10 years
Bearer plants	Range from 3 to 5 years

Land is not depreciated.

The gain or loss on the disposal, retirement or impairment of an item of property, plant and equipment is recognised in the statement of profit or loss and other comprehensive income.

3.9 BIOLOGICAL ASSETS

Biological assets comprise livestock (herd of cows) and pineapple crops which are measured at fair value less estimated point of sale costs.

The fair value of livestock is determined based on market prices of livestock of a similar age, breed and genetic merit.

The fair value of pineapple crops is determined based on market prices less delivery costs.

3.10 INTANGIBLE ASSETS

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with definite useful lives, acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses and at cost less accumulated impairment losses in the case of such assets with indefinite useful lives. Amortisation is charged on a straight-line basis over the assets' estimated useful lives and is recognised in operating costs in the statement of profit or loss and other comprehensive income. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.11 GOODWILL

Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses at the end of each reporting period.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro rata* on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent year.

3.12 IMPAIRMENT

At each reporting date, the Group reviews the carrying amount of tangible and intangible assets to determine whether there is an indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Impairment losses are recognised in the statement of profit or loss and other comprehensive income in the year in which they arise.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its fair value in use.

3.13 INVENTORY

Inventory is stated at the lower of cost or net realisable value. Cost is determined on the following basis:

- Raw materials are valued at cost on a first-in, first-out basis.
- Finished goods and work in progress are valued at average actual cost of production.
- Obsolete and slow moving inventories are identified and written down based on their estimated economic and realisable value.

3.14 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts, all of which are available for use by the Group unless otherwise stated.

3.15 RETIREMENT FUNDING

The Group provides retirement benefits to employees through a defined contribution pension fund and defined contribution provident funds. Contributions to these retirement funds are charged against income as incurred.

3. ACCOUNTING POLICIES continued

3.15 RETIREMENT continued

Employee benefits

The retirement pay obligation is calculated at least tri-annually by independent actuaries using the projected unit credit method. Under this method, the present value of retirement benefits that have accrued in respect of past service is calculated, allowing for estimated future salary increases, future retrenchments, withdrawals and mortalities. Actuarial gains and losses which arise are recognised through Other Comprehensive Income ("OCI").

3.16 FINANCIAL INSTRUMENTS

3.16.1 ***Financial assets***

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets consist of loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as fair value through profit or loss ('FVTPL').

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted on an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the issues will enter bankruptcy or financial reorganisation.

Certain categories of financial assets, such as trade receivables, that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio beyond the credit term allowed, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognise a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.16.2 ***Financial liabilities and equity instruments***

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Treasury shares

When shares recognised as equity are purchased by Group companies in their holding company, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained income.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

3.16.3 ***Financial liabilities and equity instruments***

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3.17 LEASES

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

3.18 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching to the grant and the grant will be received. Government grants relating to assets are presented in the statement of financial position by deducting the grant arriving at the cost of the relevant assets.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate, therefore the grants are recognised over the useful lives of the related assets.

3.19 SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The Group revises its estimate of the number of equity instruments expected to vest at the end of each financial year. The impact of the revision of the original estimates is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

SIGNIFICANT JUDGEMENTS INCLUDE:

Business combinations
The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the entity acquired. The directors have made judgements and estimates in determining the fair value of land and buildings and intangible assets, in particular, in allocation of the purchase price and where necessary consulted with industry specialists.

OTHER JUDGEMENTS:

Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group 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. In management's assessment of impairment, the assumption was made that the Group would continue to make profits for the foreseeable future. No impairment loss has been recognised in the current or prior years.

Valuation of biological assets
Livestock
The value of the livestock is calculated based on an independent valuation obtained from an industry specialist.

Pineapple crops
Pineapple crops are measured at their fair value less estimated point-of-sale costs to sell. The fair value of pineapple crops is determined based on current market prices using a discounted cash-flow model. Changes in fair value are recognised in profit or loss.

Point of sale costs include all costs that would be necessary to sell the assets, including all costs necessary to get the asset to its saleable state and to get it to the market.

SOURCES OF ESTIMATION UNCERTAINTY INCLUDE:

Useful lives and residual values of property, plant and equipment
The useful lives and residual values placed on assets were estimated by using management's knowledge and experience of the industry. These are used to calculate the depreciation charge.

Impairment of property, plant and equipment
When any internal or external indicators of impairment are identified, management estimates the recoverable amount of the property, plant and equipment to establish whether any permanent impairment of the asset exists. The recoverable amount is estimated with reference to the lower of fair value less cost to sell and the value in use.

Useful life of intangible assets
Trademarks and other intangibles that are acquired through acquisition are capitalised on the statement of financial position. These trademarks and other intangibles are valued on acquisition using a discounted cash flow methodology and assumptions and estimates regarding future revenue growth; prices; marketing costs; and economic factors. The assumptions reflect management's best estimates, but these estimates involve inherent uncertainties, which may not be controlled by management. The cost of these trademarks and other intangibles with a finite life is amortised using a methodology that matches management's estimate of how the benefit of the assets will be extinguished.

Each year the remaining useful lives of the trademarks and other intangibles are re-evaluated. If the estimate of the remaining useful life changes, the remaining carrying value is amortised prospectively over that revised remaining useful life. Indefinite useful lives are allocated to intangible assets if there is no foreseeable limit to the period over which the entity expects to consume the future economic benefits embodied in the intangible asset. In making this assessment management follows the guidance in IAS 38. Indefinite useful life assets are assessed annually for impairment.

The Group has classified its Rhodes and Bull Brand trademarks as having indefinite useful lives. Trademarks acquired through acquisitions during the current and previous years have been established to have an estimated useful live of 10 years. Factors considered in determining whether the intangible asset has an indefinite or definite useful life, as well as the period include, (i) the history of the trademarks; (ii) current market share; (iii) development strategy; and (iv) expected future benefits to be derived from the assets.

5. PROPERTY, PLANT AND EQUIPMENT

2017	Opening balance R'000	Acquisition of subsidiaries R'000	Additions R'000	Government grant received R'000	Disposals R'000	Impairment R'000	Transfers R'000	Closing balance R'000
COST								
Land	**62 204**	**11 128**	**–**	**–**	**–**	**–**	**7**	**73 339**
Buildings and leasehold improvements	**392 976**	**47 982**	**–**	**–**	**–**	**(531)**	**42 570**	**482 997**
Plant and machinery	**590 833**	**33 313**	**–**	**(2 742)**	**(10 490)**	**(2 678)**	**201 268**	**809 504**
Motor vehicles	**13 264**	**10 687**	**–**	**–**	**(1 033)**	**(356)**	**950**	**23 512**
Office equipment	**41 624**	**705**	**–**	**(690)**	**(3 552)**	**(307)**	**21 825**	**59 605**
Furniture and fittings	**2 608**	**607**	**–**	**–**	**(225)**	**–**	**194**	**3 184**
Bearer plants	**16 009**	**–**	**–**	**–**	**(2 488)**	**–**	**12 103**	**25 624**
Capital work-in-progress	**78 279**	**1 222**	**486 946**	**–**	**–**	**–**	**(278 917)**	**287 530**
	1 197 797	**105 644**	**486 946**	**(3 432)**	**(17 788)**	**(3 872)**	**–**	**1 765 295**

	Opening balance R'000	Depreciation R'000	Disposals R'000	Impairment R'000	Transfers R'000	Closing balance R'000
ACCUMULATED DEPRECIATION						
Buildings and leasehold improvements	**52 756**	**20 476**	**–**	**(29)**	**–**	**73 203**
Plant and machinery	**130 410**	**69 450**	**(9 218)**	**(359)**	**–**	**190 283**
Motor vehicles	**3 482**	**2 441**	**(727)**	**(84)**	**–**	**5 112**
Office equipment	**20 140**	**9 500**	**(3 540)**	**(79)**	**–**	**26 021**
Furniture and fittings	**358**	**622**	**(192)**	**–**	**–**	**788**
Bearer plants	**3 825**	**8 059**	**(2 489)**	**–**	**–**	**9 395**
	210 971	**110 548**	**(16 166)**	**(551)**	**–**	**304 802**
Net book value	**986 826**					**1 460 493**

2016 – restated	Opening balance R'000	Acquisition of businesses R'000	Additions R'000	Government grant received R'000	Disposals R'000	Impairment R'000	Transfers R'000	Closing balance R'000
COST								
Land	47 772	13 759	–	–	–	–	673	62 204
Buildings and leasehold improvements	343 618	18 592	–	(9 085)	(154)	–	40 005	392 976
Plant and machinery	422 434	45 613	–	(18 177)	(16 973)	(1 129)	159 065	590 833
Motor vehicles	15 012	850	–	–	(6 341)	–	3 743	13 264
Office equipment	29 487	437	–	–	(3 435)	–	15 135	41 624
Furniture and fittings	2 334	2	–	–	(951)	–	1 223	2 608
Bearer plants	8 103	–	–	–	(1 592)	–	9 498	16 009
Capital work-in-progress	69 570	–	238 051	–	–	–	(229 342)	78 279
	938 330	79 253	238 051	(27 262)	(29 446)	(1 129)	–	1 197 797

5. PROPERTY, PLANT AND EQUIPMENT continued

	Opening balance R'000	Depreciation R'000	Disposals R'000	Impairment R'000	Transfers R'000	Closing balance R'000
ACCUMULATED DEPRECIATION						
Buildings and leasehold improvements	35 445	17 456	(145)	–	–	52 756
Plant and machinery	92 095	53 514	(14 324)	(875)	–	130 410
Motor vehicles	2 884	2 171	(1 573)	–	–	3 482
Office equipment	13 542	7 878	(1 280)	–	–	20 140
Furniture and fittings	799	430	(871)	–	–	358
Bearer plants	–	5 417	(1 592)	–	–	3 825
	144 765	86 866	(19 785)	(875)	–	210 971
Net book value	793 565					986 826

The Group leases certain of its plant and equipment under finance leases. For additional disclosure regarding the terms of the leases, refer to note 15.

Property, plant and equipment are encumbered as follows:

Rhodes Food Group Proprietary Limited
A first covering mortgage bond for R81.4 million, registered in favour of Nedbank Limited, over:
- Erf 2, Aeroton, 149 Samuels Road, Johannesburg, Gauteng.

A first covering mortgage bond for R294.2 million, registered in favour of Nedbank Limited, over:
- Portion 1 of Farm 1631, Paarl, Western Cape
- Portion 4 of Farm 1631, Paarl, Western Cape
- Portion 1 of Farm 1632, Paarl, Western Cape
- Portion 37 of Farm Straatkerk 190, Tulbagh, Western Cape
- Portion 40 of Farm Straatkerk 190, Tulbagh, Western Cape
- Remaining extent of Farm Bellevue 191, Tulbagh, Western Cape
- Portion 1 of Farm Bellevue 191, Tulbagh, Western Cape
- Remaining extent of portion 1 of Farm Groote Vallei 223, Tulbagh, Western Cape
- Remaining extent of portion 5 of Farm Groote Vallei 223, Tulbagh, Western Cape
- Portion 1 of the Farm 378, Tulbagh, Western Cape
- Remaining extent of the Farm 378, Tulbagh, Western Cape.

A first covering mortgage bond for R70 million, registered in favour of Nedbank Limited, over:
- Portion 226 of the Farm Luipaardsvlei No. 246, Krugersdorp, Gauteng.

A first covering mortgage bond of R20 million, registered in favour of Nedbank Limited, over:
- Erf 2218, Erf 656 and Erf 1379 in Makhado, a township in the Dzanani district, Limpopo.

A first covering mortgage bond of R44 million, registered in favour of Nedbank Limited, over:
- Erf 12912 in Wellington.

A first covering mortgage bond of R14.3 million, registered in favour of Nedbank Limited, over:
- Erf 2950, Erf 6494 and Erf 10561 in Wellington.

A general notarial mortgage bond, for R900 million, registered in favour of Nedbank Limited, over all moveable property, including intellectual property, plant and equipment, biological assets, inventory and receivables.

Swaziland Fruit Canners Proprietary Limited
In favour of Nedbank (Swaziland) Limited:

- First, second and third mortgage bonds for R15 million, R11 million and R25 million respectively over certain of the company's land
- A first mortgage bond of R1.5 million over portion 4 of farm 670 and portion 2 of farm 45
- A deed of hypothecation for R35 million over stocks, accounts receivable, plant and equipment and moveable assets
- A negative deed of pledge over moveable and immovable assets

In favour of Standard Bank (Swaziland) Limited:

- A first mortgage bond of R16 million over portion A of farm number 286 under the deed of transfer number 108 of 1970

Pacmar Properties Proprietary Limited
A first covering mortgage bond for R44 million, registered in favour of Nedbank Limited, over:

- Erf 12912 Wellington

The net book value of all the property, plant and equipment, serving as security, is as follows:

	2017 R'000	2016 R'000
Nedbank Limited	**1 162 344**	842 750
First National Bank Limited	**518**	1 570
Nedbank (Swaziland) Limited	**2 266**	4 175
Other third parties	**36 000**	–

A register of particulars of the freehold land and buildings is maintained at the company's registered office and is available for inspection.

6. INTANGIBLE ASSETS

2017 COST	**Opening balance R'000**	**Acquisition of subsidiaries R'000**	**Closing balance R'000**
Indefinite useful life intangible assets			
Trademarks	**50 951**	**71 196**	**122 147**
Export quota	**100**	**–**	**100**
Definite useful life intangible assets			
Trademarks	**6 563**	**4 041**	**10 604**
Customer lists	**28 310**	**56 997**	**85 307**
	85 924	**132 234**	**218 158**

2017 ACCUMULATED AMORTISATION	**Opening balance R'000**	**Amortisation R'000**	**Closing balance R'000**
Trademarks	**896**	**858**	**1 754**
Customer lists	**3 441**	**5 681**	**9 122**
	4 337	**6 539**	**10 876**
Net book value	**81 587**		**207 282**

6. INTANGIBLE ASSETS continued

2016	Opening balance R'000	Acquisition of businesses R'000	Closing balance R'000
Indefinite useful life intangible assets			
Trademarks	50 951	–	50 951
Export quota	100	–	100
Definite useful life intangible assets			
Trademarks	6 563	–	6 563
Customer lists	23 310	5 000	28 310
	80 924	5 000	85 924

2016 ACCUMULATED AMORTISATION	Opening balance R'000	Amortisation R'000	Closing balance R'000
Trademarks	240	656	896
Customer lists	776	2 665	3 441
	1 016	3 321	4 337
Net book value	79 908		81 587

The cash-generating units (CGU's) to which indefinite intangible assets has been allocated are included in the segments as follows:

	2017 R'000	2016 R'000
Regional segment	**122 147**	50 951
International segment	**100**	100
	122 247	51 051

Management assesses the intangible assets with indefinite useful lives for impairment on an annual basis using cash flow projections based on financial projections. These projections are based on past performance and expectations for market development. Key assumptions used by management during the current financial year are:

	2017 %	2016 %
Growth in revenue	**6.00**	6.00
Discount rate	**11.73**	13.56
Additional margin on branded products	**1.00 – 3.50**	1.00 – 3.00

7. GOODWILL

2017	Opening balance R'000	Acquisition of subsidiaries R'000	Closing balance R'000
Cost	**287 607**	**169 576**	**457 183**

2016	Opening balance R'000	Acquisition of businesses R'000	Closing balance R'000
Cost	271 775	15 832	287 607

The cash-generating units (CGU's) to which goodwill has been allocated are included in the segments as follows:

	2017 R'000	2016 R'000
Regional segment	**418 572**	248 996
International segment	**38 611**	38 611
	457 183	287 607

The recoverable amounts of the CGUs are determined by calculating the value-in-use. These calculations use pre-taxation cash flow projections based on available management forecasts and a growth rate of 6% for periods beyond the management forecast period. These projections are based on past performance and expected market development. Key assumptions used by management during the current financial year.

	2017 %	2016 %
Growth in revenue	**6.00**	6.00
Fair rate of return/discount rate	**11.73**	13.56

Based on the above assessment no impairment is required to be recognised in the current year (2016: Rnil).

8. BIOLOGICAL ASSETS

	2017 R'000	Restated 2016 R'000
Livestock	**10 664**	8 702
Pineapple crops	**10 553**	16 037
Total biological assets	**21 217**	24 739
Less: Current portion	**(10 553)**	(16 037)
Total long-term biological assets	**10 664**	8 702
Reconciliation of changes in carrying value of biological assets		
Carrying value at the beginning of the year	**24 739**	22 648
Value of crops harvested	**(8 644)**	(6 893)
Gain arising from change in fair value attributable to physical and price changes	**5 122**	8 984
Carrying value at the end of the year	**21 217**	24 739

A general notarial bond is registered over biological assets of Rhodes Food Group Proprietary Limited, as disclosed in note 5.

8. BIOLOGICAL ASSETS continued

Livestock
Method of valuation
The value of the livestock is calculated based on an independent valuation obtained from an industry specialist.

Nature of activities
The Group produces dairy products.

Financial risk management strategies
The Group is exposed to the following risks relating to its agricultural activities:

Regulatory and environmental risks
The Group is subject to the laws and regulations applicable to agricultural activities in South Africa. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Climate and other risks
Other risk include theft and diseases. Controls in place are property security, identification marks on all livestock, vaccinating and dipping of livestock and sustainable management practices.

Measurement of fair value
The fair values of the livestock has been categorised as level 3 fair values based on the inputs to valuation techniques used. The valuation technique is based on the fair value less estimated point-of-sale costs of which the unobservable inputs consist of premiums on the classification of livestock and premiums for quality depending on the physical attributes of the livestock.

The estimated fair values would increase/(decrease) if:
- More/(less) livestock were classified as breeders;
- Livestock prices increased/(decreased); or
- Weight and quantity premiums increased/(decreased).

Pineapple crops
Method of valuation
Pineapple crops are measured at fair value less estimated point of sale costs.

Nature of activities
The Group owns and manages 602 (2016: 602) hectares of pineapple crops. The Group manages a further 891 (2016: 882) hectares of pineapple crops on leasehold land. The Group is engaged in the planting, management and harvesting of pineapples, which are supplied to the Group's cannery operation which converts fruit to canned products and juice concentrates. A minor quantity of fruit is sold as fresh produce. Fields are managed on a sustainable basis, which comprise a 42-month crop rotation cycle.

Financial risk management strategies
The Group is exposed to the following risks relating to its agricultural activities:

Regulatory and environmental risks
The Group is subject to the applicable laws and regulations in the Kingdom of Swaziland. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Climate and other risks
The Group's pineapple crops are exposed to the risk of damage from climatic changes, diseases, and other natural forces. The Group follows prudent industry accepted care practices with respect to the use of fertilisers, insecticides and herbicides to control growing diseases and insect infestation. The Group does not insure pineapple crops.

Measurement of fair value
The fair value of the pineapple crops have been categorised as level 3 fair values based on the inputs to valuation techniques used. The valuation technique is based on the fair value (which approximates market value) less estimated point-of-sale costs and cost of harvesting. The unobservable inputs consist of estimated tonnes delivered nine months subsequent to year-end (11 567, 2016: 14 734) based on the period from flowering of the bearer plant to the harvesting of the fruit and estimated pricing (per ton delivered: R1 591, 2016: R1 491) of pineapples harvested.

The estimated fair values would increase/(decrease) if:
- Pineapple volumes increased/(decreased);
- Pineapple prices increased/(decreased); or
- Costs of harvesting (increased)/decreased.

The following table shows a reconciliation between the opening balance and closing balance for level 3 valuations:

	2017 R'000	Restated 2016 R'000
Carrying value at the beginning of the year	**24 739**	22 648
Value of crops harvested	**(8 644)**	(6 893)
Change in fair value	**5 122**	8 984
Fair value	**21 217**	24 739

9. LOANS RECEIVABLE

	2017 R'000	2016 R'000
Non-current assets		
Mphetseni Co-operative Society	**270**	–
Current assets		
Constitution Road Wine Growers Proprietary Limited	**3 307**	3 000
Mphetseni Co-operative Society	**33**	–
Other loans	**2 830**	–
	6 170	3 000

The loan to Constitution Road Wine Growers Proprietary Limited is unsecured, bears no interest and is repayable from future fruit harvest revenue from the relevant orchards and rental paid for a warehouse to the abovementioned entity.

The loan to Mphetseni Co-operative Society is unsecured and repayable by the monthly lease instalments due to Swaziland Fruit Canners Proprietary Limited to the society. Interest is charged at an average rate of 6% per annum.

Other loans are unsecured, bear no interest and are repayable on demand.

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

10.1 FOREIGN 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 relating to items not yet shown on the statement of financial position.

2017	Foreign amount '000	Rand value R'000	Contract fair value R'000	Contract (loss)/ gain R'000
FEC in respect of anticipated receipts from customers				
AUD	**5 380**	**55 704**	**57 780**	**(2 076)**
CAD	**541**	**5 579**	**5 924**	**(345)**
USD	**8 825**	**118 568**	**120 898**	**(2 330)**
GBP	**1 725**	**30 526**	**31 816**	**(1 290)**
EUR	**1 030**	**16 253**	**16 999**	**(746)**
		226 630	**233 417**	**(6 787)**
2016				
FEC in respect of anticipated receipts from customers				
AUD	6 780	74 820	72 057	2 763
CAD	721	8 329	7 665	664
USD	9 765	147 508	136 105	11 403
GBP	2 725	55 981	49 363	6 618
EUR	390	6 632	6 155	477
		293 270	271 345	21 925

10. FINANCIAL INSTRUMENT HELD AT FAIR VALUE HELD THROUGH PROFIT OR LOSS continued

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

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

11. INVENTORY

	2017 R'000	2016 R'000
Finished goods	**840 301**	656 827
Work-in-progress	**17 028**	24 531
Raw materials	**289 671**	266 130
	1 147 000	947 488
Provision for obsolete inventory	**(2 920)**	–
	1 144 080	947 488

The value of inventory disclosed at net realisable value is R74.879 million (2016: R20.145 million) for the Group. Refer to the cost of goods sold per the statements of profit or loss and other comprehensive income. Refer to note 5 for detail of encumbrances.

12. ACCOUNTS RECEIVABLE

	2017 R'000	2016 R'000
Trade receivables	**743 506**	716 291
Less: Allowance for doubtful debt	**(2 874)**	–
Net trade receivables	**740 632**	716 291
Sundry receivables	**3 887**	10 115
Prepayments	**12 322**	19 046
Deposits	**4 115**	1 927
Other receivables	**2 004**	1 999
VAT receivable	**4 719**	–
	767 679	749 378

Refer to note 5 for details of encumbrances.

Trade receivables

The average credit period on sale of goods is 58 days (2016: 58 days) for the Group. No interest is charged on trade receivables with amounts outstanding longer than the credit period.

Of the trade receivables balance at year-end R228.845 million (2016: R205.972 million) is outstanding from two (2016: two) customers who each represent more than 10% of the total balance of the Group's trade receivables.

	2017 R'000	2016 R'000
Customer A	**83 295**	79 094
Customer B	**145 550**	126 878
	228 845	205 972

Before accepting any new customers, the Group assesses the potential customer's creditworthiness based on information obtained from credit bureaus and sets credit limits accordingly. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the directors believe that an allowance for doubtful debt of R2.874 million (2016: nil) is adequate for the Group. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds.

	2017 R'000	2016 R'000
Movement in allowance for doubtful debts		
Balance at the beginning of the year	–	(108)
Doubtful debt allowance raised	**(2 874)**	–
Doubtful debt allowance reversed	–	108
Balance at the end of the year	**(2 874)**	–
Ageing past due not impaired trade receivables		
120 days and over	**2 874**	–
Closing balance	**2 874**	–

Included in the Group's trade receivables balance are debtors which exceed the allowable credit terms. No allowance has been raised because there was no change in credit quality and the amounts are still considered recoverable.

	2017 R'000	2016 R'000
Ageing of past due but not impaired		
60 – 90 days	**43 272**	22 905
90 – 120 days	**4 238**	2 751
More than 120 days	**4 196**	581
	51 706	26 237

13. SHARE CAPITAL

Authorised		
1 800 000 000 ordinary shares		
9 000 000 "A" redeemable convertible preference shares		
9 000 000 "B" redeemable convertible preference shares		
Issued		
253 762 018 (2016: 221 000 000) ordinary shares	**1 558 945**	713 641
1 125 000 treasury shares held by subsidiary	**(937)**	(937)
9 000 000 "A" redeemable convertible preference shares	**7 500**	7 500
9 000 000 "B" redeemable convertible preference shares	**1**	1
	1 565 509	720 205
Reconciliation of ordinary and treasury shares in issue:		
Ordinary and treasury shares at the beginning of year	**712 704**	712 704
General shares issued on 29 November 2016 at R26.50 per share	**648 304**	–
Shares issued on 22 March 2017 at R25.38 per share	**197 000**	–
Ordinary and treasury shares at the end of year	**1 558 008**	712 704

13. SHARE CAPITAL continued

	Number of holders	Percentage of holders	Number of shares	Percentage of shares
Public and non-public shareholding				
Ordinary shares				
Shareholders spread				
Public shareholders	5 244	99.83	144 881 464	57.09
Non-public shareholders	9	0.17	108 880 554	42.91
Directors of company	5	0.10	19 329 712	7.62
Strategic holdings				
Capitalworks Private Equity GP Proprietary Limited[1, 2]	1	0.02	56 257 176	22.17
South African Investment GP Trust[3]	2	0.04	32 168 666	12.68
Treasury shares	1	0.02	1 125 000	0.44
	5 253	100	253 762 018	100

	2017 Number of shares	2017 Percentage of total shares	2016 Number of shares	2016 Percentage of total shares
Public and non-public shareholding				
Ordinary shares				
Major shareholders holding 5% or more				
Non-public shareholders				
Capitalworks Private Equity GP Proprietary Limited[1,2]	56 257 176	22.17	56 257 176	25.46
South African Investment GP Trust[4]	23 776 726	9.37	23 776 726	10.76
Bruce Henderson Trust	16 200 000	6.38	16 200 000	7.33
South African Investment GP Trust[5]	8 391 940	3.31	8 391 940	3.8
Public shareholders				
Government Employees Pension Fund	31 711 657	12.50	36 309 896	16.43
Old Mutual	19 684 948	7.76	13 990 075	6.33
Other	97 739 571	38.52	66 074 187	29.89
	253 762 018	100	221 000 000	100

The shareholder split is derived from third-party information obtained.

1 *Includes indirect holdings by non-executive directors Chad Smart and Garth Willis of 1 831 233 and 251 002 shares respectively.*
2 *Capitalworks Private Equity GP Proprietary Limited, in its capacity as general partner of Capitalworks Rhodes Food Investment Partnership.*
3 *South African Investment GP Trust, in its capacity as general partner of South African Investment Partnership and South African Investment Partnership II.*
4 *South African Investment GP Trust, in its capacity as general partner of South African Investment Partnership II.*
5 *South African Investment GP Trust, in its capacity as general partner of South African Investment Partnership.*

	Number of shareholdings	Percentage	Number of shares	Percentage
Shareholder spread				
1 – 1 000 shares	**2 283**	**43.46**	**947 655**	**0.37**
1 001 – 10 000 shares	**2 362**	**44.96**	**8 255 912**	**3.25**
10 001 – 100 000 shares	**468**	**8.91**	**13 523 122**	**5.33**
100 001 – 1 000 000 shares	**111**	**2.11**	**34 317 162**	**13.52**
1 000 001 shares and over	**29**	**0.56**	**196 718 167**	**77.53**
	5 253	**100**	**253 762 018**	**100**
Distribution of shareholders				
Banks/brokers	**48**	**0.91**	**27 806 373**	**10.96**
Close corporations	**56**	**1.07**	**327 363**	**0.13**
Endowment funds	**45**	**0.86**	**685 626**	**0.27**
Individuals	**4 096**	**77.97**	**16 624 351**	**6.55**
Insurance companies	**44**	**0.84**	**12 286 266**	**4.84**
Investment companies	**5**	**0.10**	**3 835 332**	**1.51**
Medical schemes	**9**	**0.17**	**963 066**	**0.38**
Mutual funds	**112**	**2.13**	**26 089 505**	**10.28**
Other corporations	**30**	**0.57**	**430 008**	**0.17**
Private companies	**152**	**2.89**	**2 234 164**	**0.88**
Private equity	**3**	**0.06**	**88 425 842**	**34.85**
Public company	**2**	**0.04**	**138 500**	**0.05**
Retirement funds	**108**	**2.06**	**39 886 865**	**15.72**
Treasury stock	**1**	**0.02**	**1 125 000**	**0.44**
Trusts	**542**	**10.31**	**32 903 757**	**12.97**
Total	**5 253**	**100**	**253 762 018**	**100**

The shareholders split is derived from third-party information obtained.

	2017 Number of shares	2017 percentage of total shares	2016 Number of shares	2016 percentage of total shares
Non-public shareholding				
“A” redeemable convertible preference shares				
Major shareholders				
Capitalworks Rhodes Food Investment Partnership	**5 725 800**	**63.62**	5 725 800	63.62
South African Investment Partnership I	**855 000**	**9.50**	855 000	9.50
South African Investment Partnership II	**2 419 200**	**26.88**	2 419 200	26.88
	9 000 000	**100**	9 000 000	100
Non-public shareholding				
“B” redeemable convertible preference shares				
Major shareholders				
Costaras Family Trust	**1 999 800**	**22.22**	1 999 800	22.22
Jacian Trust	**1 999 800**	**22.22**	1 999 800	22.22
Lahanja Trust	**1 999 800**	**22.22**	1 999 800	22.22
RK Phillips Trust	**1 800 000**	**20.00**	1 800 000	20.00
Job Mpele	**1 200 600**	**13.34**	1 200 600	13.34
	9 000 000	**100**	9 000 000	100

The “A” class redeemable convertible preference shares in issue rank *pari passu* with the ordinary shares in regard to voting rights and distributions. The 'B' class redeemable convertible shares do not have any voting rights or rights to distributions.

If certain pre-determined targets are achieved the “B” redeemable convertible preference shares will convert to ordinary shares and an equivalent number of “A” redeemable convertible preference shares will be redeemed at a value of R1.00 per 18 000 shares. To the extent the targets are not achieved the “B” redeemable convertible preference shares will be redeemed at a value of R1.00 per 18 000 shares and an equivalent number of “A” redeemable convertible preference shares will converted to ordinary shares.

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

	2017 R'000	2016 R'000
14. EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE		
Equity-settled employee benefits granted	**8 779**	2 773

The Rhodes Food Group 2015 Share Plan ("the Plan") is a long-term (share-based) incentive scheme for executives and managers of the company and its subsidiaries and was approved by shareholders at the annual general meeting on 11 February 2016.

In December 2015, offers under the Plan were granted to executives and selected managers of the company and its subsidiaries. Options are valued based on the Black-Scholes model and will vest over a three year period starting from the third and ending on the fifth anniversaries of the offers. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death, retrenchment or retirement. The offers consist of a weighted combination of the following types of equity-settled benefits:

- Allocations of Share Appreciation Rights (equity settled) of which the vesting is dependent on the Group achieving a compound annual growth in diluted headline earnings per share equal to or greater than CPI plus GDP growth plus a premium over the vesting period.
- Conditional awards of (full value) Performance Shares of which vesting depends on the performance relative to prescribed targets. Performance is measured in terms of a weighted combination of the target return on net assets and comparative total shareholder return.
- Grants of (full value) Restricted Shares of which annual allocations of are made to selected managers who, based on their operational performance warrant a bonus matching grant of restricted shares. The value of the restricted shares is to be a matching of a portion of the annual cash incentive bonus calculated for the selected manager.

The fair value of offers granted was estimated on the date of grant using the following assumptions:

Dividend yield (1%)
Expected volatility (25%)
Risk-free interest rate (8.5%)
Expected life of share offers (3 – 5 years)
Volume weighted average price (VWAP) of shares are calculated over 10 days

	Number of share options 2017	**VWAP rand 2017**	Number of share options 2016	VWAP rand 2016
Reconciliation of the movement in share appreciation rights during the current financial year:				
Outstanding at the beginning of the year	**281 431**	**22.67**	–	–
Granted during the year	**293 847**	**26.58**	283 352	22.67
Forfeited during the year	**–**	**–**	(1 921)	(22.67)
Exercised 31 August 2017	**(4 479)**	**(23.20)**	–	–
Outstanding at the end of the year	**570 799**	**24.68**	281 431	22.67
Reconciliation of the movement in performance share awards during the current financial year:				
Outstanding at the beginning of the year	**191 471**	**22.67**	–	–
Granted during the year	**183 640**	**26.58**	191 471	22.67
Outstanding at the end of the year	**375 111**	**24.58**	191 471	22.67
Reconciliation of the movement in restricted share grants during the current financial year:				
Outstanding at the beginning of the year	**86 769**	**22.67**	–	–
Granted during the year	**158 671**	**26.58**	88 806	22.67
Forfeited during the year	**–**	**–**	(2 037)	(22.67)
Exercised 31 August 2017	**(4 724)**	**(23.20)**	–	–
Outstanding at the end of the year	**240 716**	**25.24**	86 769	22.67

	Number of share options 2017	Number of share options 2016
The range of exercise prices for the share appreciation rights outstanding at the end of the year is as follows:		
R6.88 (2016: R6.88) per share exercisable until end December 2020	**93 097**	93 810
R6.90 (2016: R9.36) per share exercisable until end December 2021	**190 266**	93 810
R9.58 (2016: R12.04) per share exercisable until end December 2022	**190 266**	93 811
R12.47 per share exercisable until end December 2023	**97 170**	–
	570 799	281 431
The range of exercise prices for the performance share awards outstanding at the end of the year is as follows:		
R31.00 per share exercisable until end December 2020	**191 471**	191 471
R33.48 per share exercisable until end December 2021	**183 640**	–
	375 111	191 471
The range of exercise prices for the restricted share grants outstanding at the end of the year is as follows:		
R31.00 per share exercisable until end December 2020	**84 503**	86 769
R33.48 per share exercisable until end December 2021	**156 213**	–
	240 716	86 769

15. LONG-TERM LOANS

	2017 R'000	2016 R'000
15.1 SECURED LONG-TERM LOANS AT AMORTISED COST		
Mortgage and term loans	**896 023**	835 498
Liabilities capitalised under finance leases	**23 215**	4 696
Total long-term loans at amortised cost	**919 238**	840 194
Less: Current portion	**(218 831)**	(152 963)
Long-term loans	**700 407**	687 231

Refer to note 5 for details of encumbrances.

15.2 INTEREST RATE ANALYSIS

Variable linked long-term loans	Range
Mortgage and term loans	SA Prime less 1.75% to SA prime less 1.25% and Swaziland prime less 2.00% to Swaziland prime.
Liabilities capitalised under finance leases	SA Prime less 4.00% to SA prime plus 1.60% and Swaziland prime less 0.50% to Swaziland prime plus 1.00%.

15.3 FINANCE LEASES

The Group's finance leases comprise of obligations under instalment for sale agreements for certain of its manufacturing equipment. Refer to note 5 for the value of the assets leased under finance leases.

15. LONG-TERM LOANS continued

15.3 FINANCE LEASES continued

The future lease payments are as follows:

	Future minimum lease payments R'000	Interest R'000	Present value of minimum lease payments R'000
2017			
Less than one year	**9 005**	**1 080**	**7 925**
Between one and five years	**15 932**	**642**	**15 290**
	24 937	**1 722**	**23 215**
2016			
Less than one year	3 308	304	3 004
Between one and five years	1 837	145	1 692
	5 145	449	4 696

16. DEFERRED TAXATION

The major components of the deferred tax balances, together with movements during the year are as follows:

2017	Opening balance R'000	Acquisition of subsidiaries R'000	Charge (credit) to profit or loss for the year R'000	Closing balance R'000
Tax effect for the deferred taxation asset:				
Excess tax allowance over depreciation charges for property, plant and equipment	–	**8 321**	**(256)**	**8 065**
Excess tax allowances over amortisation of intangible assets	–	**(1 616)**	**(70)**	**(1 686)**
Estimated tax losses	–	**(11 655)**	**911**	**(10 744)**
Provisions not allowable for tax purposes	–	**(8 602)**	**3 673**	**(4 929)**
	–	**(13 552)**	**4 258**	**(9 294)**
Tax effect for the deferred taxation liability:				
Excess tax allowance over depreciation charges for property, plant and equipment	**79 608**	**8 142**	**27 092**	**114 842**
Excess tax allowances over amortisation of intangible assets	**28 887**	**34 343**	**(1 795)**	**61 435**
Estimated tax losses	**(807)**	**(653)**	**1 136**	**(324)**
Deferred capital gains tax on adoption of IFRS deemed cost of land and buildings	**2 261**	–	**455**	**2 716**
Provisions not allowable for tax purposes	**(39 168)**	**(3)**	**13 122**	**(26 049)**
Income received in advance	**(178)**	–	**(70)**	**(248)**
Difference between tax and accounting treatment of:				
– Biological assets	**6 838**	–	**(961)**	**5 877**
– Prepayments	**1 431**	–	**448**	**1 879**
– Inventory	**3 897**	–	**(1 644)**	**2 253**
– Foreign exchange contracts	**2 316**	–	**(2 986)**	**(670)**
	85 085	**41 829**	**34 797**	**161 711**

In recognising the deferred taxation asset, the directors have assessed that sufficient future taxable profits are probable, based on budgeted performance, against which the estimated tax losses can be utilised.

2016	Opening balance R'000	Acquisition of subsidiaries R'000	Charge (credit) to income for the year R'000	Closing balance R'000
Tax effect for the deferred taxation liability:				
Excess tax allowance over depreciation charges for property, plant and equipment	61 281	–	18 327	79 608
Excess tax allowances over amortisation of intangible assets	26 582	1 400	905	28 887
Estimated tax losses	(7 432)	–	6 625	(807)
Deferred capital gains tax on adoption of IFRS deemed cost of land and buildings	2 261	–	–	2 261
Provisions not allowable for tax purposes	(34 296)	–	(4 872)	(39 168)
Income received in advance	61	–	(239)	(178)
Difference between tax and accounting treatment of:				
– Biological assets	8 262	–	(1 424)	6 838
– Prepayments	1 361	–	70	1 431
– Inventory	4 454	–	(557)	3 897
– Foreign exchange contracts	(1 541)	–	3 857	2 316
	60 993	1 400	22 692	85 085

17. ACCOUNTS PAYABLE AND ACCRUALS

	2017 R'000	2016 R'000
17.1 ACCOUNTS PAYABLE AND ACCRUALS		
Trade payables	**403 563**	389 082
VAT payable	**3 507**	5 332
Accruals	**127 520**	137 182
	534 590	531 596

The average credit period on purchases is 41 days (2016: 41 days) for the Group. The Group does not pay interest on trade payables within the credit period granted.

The Group has financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame.

17.2 EMPLOYEE BENEFITS ACCRUAL

The employee benefits accrual comprises the following amounts:

	2017 R'000	2016 R'000
Incentives	**49 087**	106 170
Leave pay	**26 237**	19 838
	75 324	126 008

	Opening balance R'000	Acquisition of subsidiaries and businesses R'000	Raised R'000	Utilised R'000	Closing balance R'000
2017					
Employee benefits accrual	**126 008**	**7 552**	**34 437**	**(92 673)**	**75 324**
2016					
Employee benefits accrual	114 927	2 065	81 206	(72 190)	126 008

17. ACCOUNTS PAYABLE AND ACCRUALS continued

17.2 EMPLOYMENT BENEFITS ACCRUAL continued

Executive directors and senior managers participate in an annual cash-based short-term incentive scheme. The scheme rewards the achievement targets which are aligned to the Group's financial goals, including profitability, return on assets as well as non-financial targets. Executive directors participate in a cash-settled long-term incentive scheme which aims to align executive pay with the creation of long-term shareholder value.

	2017 R'000	2016 R'000
17.3 EMPLOYEE BENEFIT LIABILITY		
Total employee benefit liability per statement of financial position:		
Swaziland Fruit Canners Proprietary Limited	**13 813**	12 097
Rhodes Food Group Proprietary Limited	**1 952**	2 131
	15 765	14 228

Swaziland Fruit Canners Proprietary Limited

All employees who terminate service by way of retirement, retrenchment or redundancy, are entitled to an allowance based on the number of years of service and remuneration at the time of termination.

An actuarial valuation of the liability was performed by Alexander Forbes Financial Services Proprietary Limited in September 2016.

The amount recognised in the statement of financial position is determined as follows:

	2017 R'000	2016 R'000
Liability recorded in the statement of financial position as part of "employee benefit liability"	**13 813**	12 097
Movement in liability		
Balance at the beginning of year	**12 097**	7 266
Raised during the year	**2 131**	4 651
Payments made during the year	**(415)**	(850)
Actuarial loss on defined benefit obligation	**–**	1 030
Balance at the end of year	**13 813**	12 097
The amounts recognised in profit or loss are as follows:		
Current service costs	**997**	2 181
Interest cost	**1 134**	2 470
	2 131	4 651
Actuarial losses	**–**	1 030
The principal actuarial assumptions used are as follows:		
	%	%
Discount rate	**8.80**	8.80
Inflation rate	**6.40**	6.40
Salary increase rate	**7.40**	7.40

Sensitivity analysis on the principal actuarial assumptions as per the 2016 actuarial valuation is as follows:

A 1% decrease in the discount rate will impact the present value of the liabilities as follows:

	2017	% Change
Total liability	**13 222 000**	9.30

A 1% decrease in the inflation rate will impact the present value of the liabilities as follows:

	2017	% Change
Total liability	**11 114 000**	8.10

Rhodes Food Group Proprietary Limited

Rhodes Food Group Proprietary Limited is obliged to make contributions to the medical aid fund of Bull Brand retirees.

An actuarial valuation was performed by Cadiant Partners Consultants & Actuaries in September 2017 and 2016 respectively.

The amount recognised in the statement of financial position is determined as follows:

	2017 R'000	2016 R'000
Liability recorded in the statement of financial position as part of "employee benefit liability"	**1 952**	2 131
Movement in liability		
Balance at the beginning of year	**2 131**	2 501
Raised during the year	**176**	189
Payments made during the year	**(353)**	(386)
Actuarial gain	**(2)**	(173)
Balance at the end of year	**1 952**	2 131
The amounts recognised in profit or loss are as follows:		
Interest cost	**176**	189
The amounts recognised in other comprehensive income are as follows:		
Actuarial gain	**2**	173
The principal actuarial assumptions used are as follows:		
	%	%
Discount rate	**8.75**	9.00
Mortality rate	PA (90) with two year adjustment	

A 1% decrease in the discount rate will impact the present value of the liabilities as follows:

	2017	% Change
Total liability	**2 049 000**	5.00%
Service and interest cost	**170 000**	5.40%

The impact of a change in mortality basis from the current PA (90) with a two-year adjustment to PA (90) with a four-year adjustment is as follows:

	2017	% Change
Total liability	**2 092 000**	7.10%
Service and interest cost	**174 000**	7.80%

18. PROFIT BEFORE INTEREST AND TAXATION

Profit before interest and taxation is arrived at after taking the following items into account:

	2017 R'000	Restated 2016 R'000
Income		
Insurance claim received	**10 782**	–
Unrealised foreign exchange gains	**–**	21 925
Expenses		
Auditors' remuneration	**4 553**	4 123
Audit fee		
– current year: Group auditor	**2 021**	1 762
– current year: component auditors	**1 159**	860
Other services		
– current year: Group auditors	**1 334**	1 466
– current year: component auditors	**39**	35
Depreciation	**110 548**	86 866
Buildings and leasehold improvements	**20 476**	17 456
Plant and machinery	**69 450**	53 514
Motor vehicles	**2 441**	2 171
Office equipment	**9 500**	7 878
Furniture and fittings	**622**	430
Bearer plants	**8 059**	5 417
Amortisation of intangible assets	**6 539**	3 321
Impairment loss on property, plant and equipment	**3 321**	254
Directors' emoluments[1]		
– executive	**22 658**	22 309
– non-executive	**2 100**	1 962
Management fee paid to Capitalworks[2]	**676**	790
Loss on disposal of property, plant and equipment	**144**	2 958
Operating lease charges – paid	**49 885**	46 471
Total staff costs	**734 265**	637 484
– included in cost of goods sold	**322 093**	252 579
– included in operating expenses	**412 172**	384 905
Unrealised foreign exchange loss	**6 787**	–

[1] *Refer to note 19 for further detail on the directors' emoluments.*
[2] *Management fees paid to Capitalworks include the remuneration paid for services rendered as directors by CL Smart and GJH Willis.*

19. REMUNERATION PAID TO DIRECTORS AND PRESCRIBED OFFICERS

	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Executive directors	**BAS Henderson** *Chief Executive Officer*		**CC Schoombie** *Chief Financial Officer*	
Fees for services as director				
Basic salary	**3 643**	3 221	**2 440**	2 163
Incentive payments	**9 208**	9 538	**5 536**	5 694
Travel allowance	**331**	331	**161**	161
Contributions under medical scheme	**134**	120	**–**	–
Contributions under pension scheme	**557**	493	**373**	331
Contributions under disability and funeral scheme	**171**	159	**104**	98
	14 044	13 862	**8 614**	8 447
Shareholding	**Bruce Henderson Trust**		**Jacian Trust**	
Number of ordinary shares held	**16 200 000**	16 200 000	**3 001 050**	3 001 050
Value of ordinary shares held (R'000)	**296 460**	448 740	**54 919**	83 129
Number of 'B' redeemable convertible preference shares	**–**	–	**1 999 800**	1 999 800
Share options	**112 068**	57 317	**59 932**	30 652
Value of share options	**2 754 658**	1 382 486	**1 473 143**	739 326

The directors have beneficial interest in family trusts. During the 2013 financial year, these family trusts acquired shares in Rhodes Food Group Holdings Proprietary Limited. A total of 14 223 ordinary shares and 1 111 preference shares, for R21 334 500 and R111 respectively, were acquired indirectly by the directors as described above.

The movement in the share options of the abovementioned directors was for shares granted during the year under the same principles detailed in note 14.

The remuneration of BAS Henderson and CC Schoombie is paid by Rhodes Food Group Proprietary Limited for services rendered to the Group. There are no service contracts with directors of the Group with a notice period greater than one year and with compensation on termination greater than one year's salary.

	2017 R'000	2016 R'000
Independent non-executive directors		
Fees for services as director		
Dr YG Muthien	**642**	600
MR Bower	**499**	466
TP Leeuw	**478**	449
LA Makenete	**481**	447
	2 100	1 962
Independent non-executive directors		
Number of direct ordinary shares held		
Dr YG Muthien	**36 916**	29 166
MR Bower	**86 666**	86 666
TP Leeuw	**–**	–
LA Makenete	**5 080**	8 333
	128 662	124 165

	2017	2016	2017	2016
Non-executive directors	**CL Smart**		**GJH Willis**	
Beneficial shareholding				
Number of indirect ordinary shares held	**1 831 233**	1 831 233	**251 002**	251 002
Value of indirect ordinary shares held (R'000)	**33 512**	50 725	**4 593**	6 953
Number of indirect "A" redeemable convertible preference shares	**186 401**	186 401	**25 549**	25 549
Value of indirect "A" redeemable convertible preference shares (R'000)	**155**	155	**21**	21

There were no changes in the shareholdings of the directors as at 1 October 2017 until the date of the approval of these financial statements.

	2017 R'000	2016 R'000
20. INTEREST PAID		
Bank overdraft	**16 379**	20 802
Long-term loans	**67 530**	67 981
Other short-term loans	**927**	283
	84 836	89 066
21. TAXATION		
Taxation: South Africa		
Current taxation		
– current year	**47 359**	79 715
– prior year (over) / under provision	**(5 019)**	1 366
Deferred taxation		
– current year	**41 658**	12 532
Taxation: Swaziland		
Current taxation		
– current year	**6 172**	11 916
Deferred taxation		
– current year	**(2 604)**	10 395
	87 566	115 924
Deferred taxation recognised through other comprehensive income – remeasurement of defined benefit liability	**1**	(235)

	%	%
Tax rate reconciliation		
Standard rate	**28.00**	28.00
Non-deductible expenses	**0.77**	0.37
Legal and professional fees	**0.26**	0.12
Acquisition costs	**0.49**	0.22
Penalties and interest	**0.02**	0.03
Prior year (over) / under provision	**(0.91)**	0.34
Other reconciling items	**(0.70)**	(0.37)
Learnership allowance	**(0.03)**	(0.02)
Tax rate differences	**(0.56)**	0.14
Other non-recurring reconciling items	**(0.11)**	(0.49)
Effective tax rate	**27.16**	28.34

22. HEADLINE EARNINGS PER SHARE

22.1 HEADLINE EARNINGS PER SHARE

	2017 R'000	2016 Restated R'000
Reconciliation between profit attributable to owners of the parent and headline earnings:		
Profit attributable to owners of the parent	**234 512**	290 749
Adjustments to profit attributable to owners of the parent	**2 495**	2 313
Loss on disposal of property, plant and equipment	**144**	2 958
Impairment of property, plant and equipment	**3 321**	254
Taxation effect	**(970)**	(899)
Headline earnings	**237 007**	293 062
Headline earnings per share (cents)	**96.90**	133.30

22.2 DILUTED HEADLINE EARNINGS PER SHARE

	2017 R'000	2016 Restated R'000
Headline earnings	**237 007**	293 062
Diluted headline earnings per share (cents)	**93.40**	127.99

22.3 WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE

	2017	2016
Weighted average number of shares in issue	**221 000 000**	221 000 000
Ordinary shares issued	**24 657 869**	–
Treasury shares	**(1 125 000)**	(1 125 000)
Weighted average number of shares in issue	**244 532 869**	219 875 000
Effect of convertible preference shares	**9 000 000**	9 000 000
Effect of share offers	**189 081**	92 414
Weighted average number of dilutive shares in issue	**253 721 950**	228 967 414

23. COMMITMENTS FOR CAPITAL EXPENDITURE

The following capital expenditure commitments have been made by the Group:

	2017 R'000	2016 R'000
Approved but not yet contracted	**32 872**	8 681
Contracted for	**264 664**	170 626

Capital expenditure will be funded from existing cash resources and relevant external financing.

24. CONTINGENT LIABILITIES

The Group has entered into guarantees in favour of the South African Revenue Services, for import and export activities as well as various municipalities for operational activities. The outcome of these has not been determined. These guarantees relate to the following:

	2017 R'000	2016 R'000
Import and operational activities	**6 560**	5 872

Other:
R75 million suretyship for Rhodes Food Group Proprietary Limited banking facilities with Nedbank Limited, issued by Swaziland Fruit Canners Proprietary Limited.

Unlimited suretyship for Rhodes Food Group Proprietary Limited banking facilities with Nedbank Limited, issued by Swaziland Fruit Canners Proprietary Limited.

R75 million suretyship for Swaziland Fruit Canners Proprietary Limited banking facility with Nedbank (Swaziland) Limited issued by Rhodes Food Group Proprietary Limited.

Cession of all amounts owing to Rhodes Food Group Proprietary Limited by Swaziland Fruit Canners Proprietary Limited and Rhodes Foods Swaziland Proprietary Limited in favour of Nedbank Limited.

Unlimited suretyship including cession of loan funds for Swaziland Fruit Canners Proprietary Limited banking facility with Nedbank (Swaziland) Limited issued by Rhodes Foods Swaziland Proprietary Limited.

Suretyship of R44 million for Rhodes Food Group Proprietary Limited banking facilities with Nedbank Limited, issued by Pacmar Properties Proprietary Limited.

25. OPERATING LEASE COMMITMENTS

2017	Plant and machinery R'000	Office equipment R'000	Motor vehicle R'000	Land R'000
Due within one year	**3 906**	**–**	**948**	**7 387**
Due within two to five years	**9 486**	**–**	**1 725**	**28 487**
Due after five years	**–**	**–**	**247**	**21 259**
	13 392	**–**	**2 920**	**57 133**
2016				
Due within one year	2 161	127	818	2 367
Due within two to five years	853	–	1 281	5 254
Due after five years	–	–	495	47
	3 014	127	2 594	7 668

The most significant leases are over land and buildings and are for a period between five to 10 years with an option to renew thereafter. The rental charges are determined on renewal of the initial lease contract period.

26. RETIREMENT BENEFITS

Rhodes Food Group Proprietary Limited provides retirement benefits to its permanent employees through a defined contribution pension fund and defined contribution provident funds. The pension fund is administered by Alexander Forbes. The Sunpie Foods Provident Fund is administered by Liberty Life, the SACCAWU National Provident Fund is administered by Old Mutual and the Rhodes Food Group Proprietary Limited provident fund is administered by NBC Consultants. The retirement benefit plans are governed by the Pension Funds Act 1956 (Act 24 of 1956). All of the funds are defined contribution plans; accordingly there is no requirement to have the funds actuarially valued.

Swaziland Fruit Canners Proprietary Limited provides retirement benefits to its permanent employees through a defined benefit provident fund. The Sibaya Provident Fund is administered by Swaziland Employee Benefit Consultants Proprietary Limited.

The total value of the contributions paid by the Group to the pension fund during the year was R28 915 570 (2016: R23 913 483).

The total value of contributions paid by the Group to the provident funds during the year was R10 788 918 (2016: R9 102 602).

The Group has 807 (2016: 912) employees who contribute to the pension fund, and 1 801 (2016: 1 469) employees who contribute to the provident funds.

27. FINANCIAL INSTRUMENTS

Financial instruments consist of loans, trade and other receivables, bank balances and trade and other payables resulting from normal business activities.

27.1 CAPITAL RISK MANAGEMENT

The capital structure of the Group consists of debt and equity, comprising ordinary share capital, accumulated profit and long-term liabilities.

The Group manages its capital to ensure that it will be able to continue as a going concern. The Group's overall strategy has remained unchanged from the previous financial year.

The gearing ratio at the end of the year was as follows:

	2017 R'000	Restated 2016 R'000
Bank balances and cash on hand	**153 849**	189 623
Loans payable	**919 238**	840 194
Net debt	**1 073 087**	1 029 817
Total equity	**2 235 865**	1 256 898
Net debt to equity	**48.0%**	81.9%

27.2 SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

27.3 FINANCIAL RISK MANAGEMENT OBJECTIVE

The Group seeks to minimise the effects of fair value interest rate risk and price risk through active management processes. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

27.4 FOREIGN CURRENCY RISK

The Group has transactional currency exposure arising from the purchase and sale of goods that are denominated in foreign currencies. The currencies in which the Group primarily deals are US Dollars, Great British Pounds, Euros, Canadian Dollars, New Zealand Dollars and Australian Dollars. The settlement of these transactions takes place within a normal business cycle. The risk of fluctuations in foreign currencies is hedged by way of taking out forward exchange contracts for sales transactions denominated in foreign currencies. The market value of cash flow hedges at the reporting date is disclosed in note 10. Purchase transactions that create foreign currency cash flows are not hedged. Details of uncovered foreign currency denominated amounts are included in note 31.

27.5 CREDIT RISK MANAGEMENT

Potential concentrations of credit risk consist principally of trade receivables, short-term cash investments and loans.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. All changes to credit limits are reviewed and authorised by management. Allowances for doubtful debts are raised based on the customer's cash status, long-outstanding debts and customers in liquidation, and are assessed by the directors on an ongoing basis. Short-term cash investments are placed with banks with a high credit rating. Loans are monitored and provision is made, where necessary, for any irrecoverable amounts. At the reporting date the directors deemed there not to be any significant credit risk, not provided for.

27. FINANCIAL INSTRUMENTS continued

27.6 LIQUIDITY AND INTEREST RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate assets and liabilities, the analysis is prepared assuming the amount of asset or liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year would decrease or increase by R10 950 194 (2016: R11 006 873). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings. The company did not have any interest bearing financial instruments at the reporting date (2016: Rnil).

The group's exposure to interest rate risk and the effective rates on the financial instruments at the reporting date are as follows:

2017	Interest rate %	Year 1 R'000	Year 1 to 5 R'000	Over 5 years R'000	Total R'000
Assets					
Accounts receivable	Interest-free	**750 638**	**–**	**–**	**750 638**
Loan receivable	Interest-free	**6 187**	**231**	**87**	**6 505**
Bank balances and cash on hand	Variable	**4 228**	**–**	**–**	**4 228**
		761 053	**231**	**87**	**761 371**
2017					
Liabilities					
Accounts payable	Interest-free	**531 083**	**–**	**–**	**531 083**
Loans from financial institutions	Variable	**272 540**	**709 571**	**110 367**	**1 092 478**
Finance lease liability	Variable	**9 005**	**15 932**	**–**	**24 937**
Bank overdraft	Variable	**158 077**	**–**	**–**	**158 077**
Foreign exchange contract liability		**6 787**	**–**	**–**	**6 787**
		977 492	**725 503**	**110 367**	**1 813 362**
2016					
Assets					
Accounts receivable	Interest-free	730 332	–	–	730 332
Loan receivable	Interest-free	3 000	–	–	3 000
Bank balances and cash on hand	Variable	7 029	–	–	7 029
Foreign exchange contract asset		21 925	–	–	21 925
		762 286	–	–	762 286
2016					
Liabilities					
Accounts payable	Interest-free	526 264	–	–	526 264
Loans from financial institutions	Variable	218 508	699 852	117 581	1 035 941
Finance lease liability	Variable	3 308	1 837	–	5 145
Bank overdraft	Variable	196 652	–	–	196 652
		944 732	701 689	117 581	1 764 002

27.7 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

27.8 BIOLOGICAL ASSET FINANCIAL RISK MANAGEMENT

The Group does not hedge their exposure to changes in fair value of biological assets.

27.9 ANALYSIS PER CATEGORY OF FINANCIAL INSTRUMENTS

The financial assets included in the liquidity and interest risk tables are categorised as "loans and receivables", except for the foreign exchange contract asset categorised as "FVTPL". The financial liabilities included in the liquidity and interest risk tables are categorised as "at amortised cost", except for the foreign exchange contract liability categorised as "at FVTPL".

28. STATEMENT OF CASH FLOWS

	2017 R'000	Restated 2016 R'000
28.1 CASH GENERATED FROM OPERATIONS		
Reconciliation of profit before taxation to cash generated from operations		
Profit before taxation	**322 357**	409 275
Adjusted for:		
Depreciation	**110 548**	86 866
Amortisation	**6 539**	3 321
Net interest paid	**84 450**	89 053
Loss on disposal of property, plant and equipment	**144**	2 958
Impairment of property, plant and equipment	**3 321**	254
Net movement in biological assets[1]	**3 522**	(2 091)
Employee benefit liability	**1 539**	3 604
Operating cash flows before working capital changes	**532 420**	593 240
Working capital changes	**(185 306)**	(290 977)
Increase in inventory	**(139 835)**	(227 744)
Decrease/(increase) in accounts receivable	**35 198**	(140 019)
(Decrease)/increase in accounts payable and accruals	**(109 381)**	108 662
Movement in foreign exchange contract liability	**28 712**	(31 876)
Cash generated from operations	**347 114**	302 263

1 Refer to note 8 for a breakdown of the net movement in biological assets.

	2017 R'000	Restated 2016 R'000
28.2 TAXATION PAID		
Amount outstanding at the beginning of the year	**58 918**	29 820
Acquisition of subsidiaries	**2 132**	–
Current taxation charged per the statement of profit or loss	**48 512**	92 997
Amount outstanding at the end of the year	**29 461**	(58 918)
	139 023	63 899

28. STATEMENTS OF CASH FLOWS continued

	2017 R'000	Restated 2016 R'000
28.3 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprise the following amounts recorded in the statement of financial position:		
Bank balances and cash on hand	**4 228**	7 029
Bank overdraft	**(158 077)**	(196 652)
Bank balances and cash on hand at the end of the year	**(153 849)**	(189 623)

The Group's available working capital facilities amount to R680 million. A per annum interest rate of SA prime less 1.50% applies over R650 million of the facility and Swaziland prime over the remainder.

The bank where the majority of the Group's banking is done has a credit rating of BB+.

28.4 ACQUISITION OF SUBSIDIARIES

2017

Pakco Proprietary Limited

On 22 March 2017 the Group acquired 100% of the issued share capital and all voting rights of Pakco (Pty) Ltd ('Pakco') through the issue of 7.762 million shares calculated on a weighted average share price. The Group obtained control based on the voting rights acquired. Pakco manufactures and markets dry packed, bottled and canned foods under its own brands and private label. The board is of the opinion that the acquisition presents an attractive investment opportunity which is aligned with the Group's strategy to grow through value accretive acquisitions.

The goodwill recognised anticipates the expected future revenues to be derived from expanding the Group's existing operations, product categories and trademarks, thereby strengthening the Group's product basket to customers.

Included in the profit before tax for the year is a profit of R17.255 million attributable to the Pakco operations. In order to provide a better measure of performance for future comparison, the profit adjusted for related party transactions is R6.423 million.# Revenue for the year includes R97.069 million in respect of the acquisition. At the reporting date the Group is unable to quantify the revenue and profit or loss as if the business was acquired at the beginning of the financial year as we are unable to quantify the impact of the synergies that would have resulted from the beginning of the period.

	2017 R'000
Assets and liabilities acquired	
Property, plant and equipment	**28 502**
Intangible assets	**70 266**
Inventory	**38 169**
Accounts receivable*	**33 852**
Bank overdraft	**(18 277)**
Deferred taxation liability	**(4 533)**
Accounts payable and accruals	**(42 449)**
Employee benefit accrual	**(5 024)**
Fair value of assets acquired	**100 506**
Purchase price – settled through issue of ordinary shares	**197 000**
Goodwill	**96 494**

\# *The pro forma financial information has been prepared for illustrative purposes only to provide information on the impact of the related party transactions on the profit for the period of the Pakco operations to the consolidated profit for the year. Because of its nature, the pro forma financial information may not be a fair reflection of the Group's results of operation, financial position, changes in equity or cash flows.*
There are no events subsequent to the reporting date which require adjustment to the pro forma information. The directors are responsible for compiling the pro forma financial information in accordance with the JSE Limited Listings Requirements and in compliance with the SAICA Guide on Pro Forma Financial Information.
The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies in place for the year ended 1 October 2017.
The pro forma information should be read in conjunction with the unqualified Deloitte & Touche independent reporting accountants' report thereon, which is available for inspection at the company's registered offices (Pniel Road, Groot Drakenstein, 7680), at no charge, during normal business hours.

* *The accounts receivable acquired (which principally comprised trade receivables) with a fair value of R33.852 million included gross contractual amounts of R36.057. The best estimate at acquisition date of the contractual cash flows not expected to be collected is R2.205 million.*

Ma Baker Group of companies

On 31 March 2017 the Group acquired 100% of the issued share capital and all voting rights of Ma Baker Xpress (Pty) Ltd, Ma Baker Foods (Pty) Ltd, Ma Baker Properties (Pinetown) (Pty) Ltd, Ma Baker Properties (Pietermaritzburg) (Pty) Ltd and Ma Baker Pies (Pty) Ltd (collectively the 'Ma Baker Group of Companies'). The Group obtained control based on the voting rights acquired. The Ma Baker Group of Companies operates manufacturing plants in Pinetown and Pietermaritzburg where it manufactures, markets and distribute pie and pastry-based products under the Ma Baker brand. The board is of the opinion that the acquisition presents an attractive investment opportunity which is aligned with the Group's strategy to grow through value accretive acquisitions.

The goodwill recognised anticipates the expected future revenues to be derived from expanding the Group's existing pies and pastries operations and thereby strengthening the Group's position in those categories, particularly in the convenience channel.

Included in the profit before tax for the year is a profit of R8.954 million attributable to the Ma Baker operations. Revenue for the year includes R132.670 million in respect of the acquisition. At the reporting date the Group is unable to quantify the revenue and profit or loss as if the business was acquired at the beginning of the financial year as we are unable to quantify the impact of the synergies that would have resulted from the beginning of the period.

	2017 R'000
Assets and liabilities acquired	
Property, plant and equipment	77 142
Intangible assets	61 968
Inventory	18 588
Accounts receivable*	19 647
Loans receivable	1 179
Bank balances and cash on hand	3 615
Deferred taxation liability	(23 744)
Accounts payable and accruals	(19 396)
Employee benefit accrual	(2 528)
Current portion of long-term loans	(14 786)
Taxation payable	(2 132)
Fair value of assets acquired	119 553
Purchase price – settled in cash	192 635
Goodwill	73 082

* *The accounts receivable acquired (which principally comprised trade receivables) with a fair value of R19.647 million included gross contractual amounts of R22.485. The best estimate at acquisition date of the contractual cash flows not expected to be collected is R2.838 million.*

	2017 R'000	2016 R'000
28.5 NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARY AND BUSINESSES		
Consideration paid in cash	192 635	123 110
Net cash and bank overdrafts acquired	14 662	–
	207 297	123 110
Consideration settled through issue of ordinary shares	197 000	–

29. RELATED PARTY TRANSACTIONS

The Group, in the ordinary course of business, enters into various transactions with related parties.

2017
Rhodes Food Group Proprietary Limited is a related party as it is a 100% held subsidiary of the company.

Rhodes Food Group Proprietary Limited's subsidiaries are as follows:
- Swaziland Fruit Canners Proprietary Limited (95.3% shareholding).
- Rhodes Foods Swaziland Proprietary Limited (100% shareholding).
- Pacmar Proprietary Limited (100% shareholding).
- Pacmar Properties Proprietary Limited (100% shareholding).
- Ma Baker Group of Companies (100% shareholding).

Peaty Mills Plc is a related party as N Peaty, a director of a subsidiary, is also a director of Peaty Mills Plc. R Phillips, an executive director of Rhodes Food Group Proprietary Limited is also a director of Peaty Mills Plc.

Capitalworks Rhodes Food Investment Partnership is a related party as it is a shareholder of the company.

South African Investment Partnership is a related party as it is a shareholder of Rhodes Food Group Holdings Limited.

South African Investment Partnership II is a related party as it is a shareholder of Rhodes Food Group Holdings Limited.

During the year, the Group entered into the following transactions with the related parties:

	2017 R'000	2016 R'000
Income		
Peaty Mills PLC		
Sales	**182 483**	269 020
Expenses		
Capitalworks Rhodes Food Investment Partnership		
Management fee	**676**	790
At the reporting date the following amounts were receivable from related parties		
Included in trade receivables		
Peaty Mills PLC	**43 143**	53 638
The amounts will be settled in cash. No amount was provided for bad or doubtful debts owing by related parties during the year.		
Compensation of key management personnel*		
Total benefits	**56 927**	5 395

* *Key management comprises the executive directors of the subsidiaries of the company.*

30. SUBSIDIARIES

Details of significant investments in subsidiaries are listed below.

	2017	2016
DIRECT SUBSIDIARIES		
Rhodes Food Group Proprietary Limited		
Incorporated in South Africa (manufactures and markets convenience foods)		
Issued share capital	**100 000**	100 000
Percentage holding	**100%**	100%
	R'000	R'000
The Group's interest in shares	**132 000**	132 000
Indebtedness	**1 249 122**	506 798
Subsidiary's profit for the year	**193 785**	130 287

	2017	2016
INDIRECT SUBSIDIARIES		
Swaziland Fruit Canners Proprietary Limited		
Incorporated in the Kingdom of Swaziland (manufactures and markets processed fruit)		
Issued share capital	**12 677 377**	12 677 377
Percentage holding	**95.3%**	95.3%

	R'000	R'000
The Group's interest in shares	**80 226**	80 226
Indebtedness	**–**	–
Subsidiary's profit for the year	**5 946**	52 142

	2017	2016
Rhodes Foods Swaziland Proprietary Limited		
Incorporated in Kingdom of Swaziland (manufactures and markets jam)		
Issued share capital	**1 000**	1 000
Percentage holding	**100%**	100%

	R'000	R'000
The Group's interest in shares	**25 000**	25 000
Indebtedness	**–**	–
Subsidiary's profit for the year	**11 236**	7 856

	2017	2016
Pacmar Properties Proprietary Limited		
Incorporated in South Africa (investment property holding company)		
Issued share capital	**24 079 093**	24 079 093
Percentage holding	**100%**	100%

	R'000	R'000
The Group's interest in shares	**24 079**	24 079
Indebtedness	**–**	–
Subsidiary's profit for the year	**4 300**	3 039

	2017	2016
Pakco Proprietary Limited		
Incorporated in South Africa (manufactures and markets dry and pickled foods)		
Issued share capital	**130 235 344**	–
Percentage holding	**100%**	–

	R'000	R'000
The Group's interest in shares	**197 000**	–
Indebtedness	**–**	–

	2017	2016
Ma Baker Group of Companies		
Incorporated in South Africa (manufactures and markets pie- and pastry-based products)		
Issued share capital	**540**	–
Percentage holding	**100%**	–

	R'000	R'000
The Group's interest in shares	**192 635**	–
Indebtedness	**–**	–

Refer to note 28.4 for subsidiaries acquired in the current year.

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 1 October 2017

31. FOREIGN CURRENCY EXPOSURE

The following unhedged and uncovered foreign currency denominated liabilities, included in accounts payable, were in existence at the reporting date.

Foreign currency	Foreign currency amount '000	Exchange rate	Rand amount R'000
2017			
USD	**1 345**	**13.57**	**18 252**
GBP	**1**	**18.18**	**9**
EUR	**188**	**16.03**	**3 017**
AUD	**448**	**10.63**	**4 756**
			26 034
2016			
USD	1 068	13.72	14 676
GBP	88	17.80	1 560
EUR	286	15.41	4 404
AUD	1 142	10.47	11 950
CAD	1	10.42	8
NZD	24	9.95	241
			32 839

The following unhedged and uncovered foreign currency denominated assets, included in accounts receivable, were in existence at the reporting date.

Foreign currency	Foreign currency amount '000	Exchange rate	Rand amount R'000
2017			
USD	**6 510**	**13.57**	**88 326**
GBP	**1 492**	**18.18**	**27 114**
EUR	**1 234**	**16.03**	**19 788**
AUD	**3 765**	**10.63**	**40 016**
CAD	**542**	**10.88**	**5 894**
			181 138
2016			
USD	7 775	13.72	106 710
GBP	1 233	17.80	21 952
EUR	1 702	15.41	26 229
AUD	4 399	10.47	46 052
CAD	455	10.42	4 739
			205 682

The following unhedged and uncovered foreign currency denominated bank overdrafts and (cash and cash equivalents) were in existence at the end of the year.

Foreign currency	Foreign currency amount '000	Exchange rate	Rand amount R'000
2017			
USD	**1 136**	**13.57**	**15 548**
GBP	**36**	**18.18**	**640**
EUR	**121**	**16.03**	**2 044**
AUD	**7**	**10.63**	**70**
			18 302

Foreign currency	Foreign currency amount '000	Exchange rate	Rand amount R'000
2016			
USD	1 209	13.72	16 590
GBP	(45)	17.80	(802)
EUR	43	15.41	667
AUD	292	10.47	3 059
			19 514

The following table details the Group's sensitivity to a 10% increase and decrease in the Rand against foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 10% change in foreign currency exchange rates. A negative number below indicates a decrease in profit before taxation where the Rand strengthens 10% against the relevant currencies.

	2017 R'000	2016 R'000
USD	**5 453**	7 544
GBP	**2 646**	2 119
EUR	**1 473**	2 116
AUD	**3 519**	3 104
CAD	**589**	473
NZD	**–**	(24)
	13 680	15 332

32. CHANGE IN ACCOUNTING POLICY

The Group has applied the mandatory amendments to IAS 41: Agriculture (effective for annual periods beginning on or after 1 January 2016) in the current financial year. Previously bearer plants were recognised as biological assets where they were measured at fair value. Due to the amendments per IAS 41: Agriculture bearer plants were retrospectively reclassified to Property, Plant and Equipment under IAS 16 Property, Plant and Equipment under the cost model.

	Previously reported R'000	Change in accounting policy R'000	Restated R'000
Year ended 27 September 2015			
Statement of financial position			
Non-current assets	816 213	(14 127)	802 086
Property, plant and equipment	785 462	8 103	793 565
Biological assets	30 751	(22 230)	8 521
Current assets	–	14 127	14 127
Biological assets	–	14 127	14 127
Year ended 25 September 2016			
Statement of financial position			
Non-current assets	1 006 715	(11 187)	995 528
Property, plant and equipment	974 642	12 184	986 826
Biological assets	32 073	(23 371)	8 702
Current assets	–	16 037	16 037
Biological assets	–	16 037	16 037

32. CHANGE IN ACCOUNTING POLICY continued

	Previously reported R'000	Change in accounting policy R'000	Restated R'000
Capital and reserves	530 404	3 516	533 920
Accumulated profit attributable to owners of the company	521 597	3 351	524 948
Non-controlling interest	8 807	165	8 972
Non-current liabilities	83 751	1 334	85 085
Deferred taxation liability	83 751	1 334	85 085
Statement of profit or loss and other comprehensive income			
Other income	36 451	770	37 221
Operating cost	(756 345)	4 080	(752 265)
Profit before taxation	404 425	4 850	409 275
Taxation	(114 590)	(1 334)	(115 924)
Profit for the year	289 835	3 516	293 351
Profit after taxation attributable to owners of the company	287 398	3 351	290 749
Profit after taxation attributable to non-controlling interest	2 437	165	2 602
Earnings per share (cents)	130.6	1.5	132.1
Diluted earnings per share (cents)	125.5	1.5	127.0
Headline earnings per share (cents)	131.8	1.5	133.3
Diluted headline earnings per share (cents)	126.5	1.5	128.0
Statement of cash flows			
Net cash inflow from operating activities	140 253	9 498	149 751
Cash flows from investing activities	(228 553)	(9 498)	(238 051)
Purchase of property, plant and equipment	(228 553)	(9 498)	(238 051)

33. DIVIDENDS

On 16 January 2017, a dividend of 42.2 cents (2016: 24.8 cents) per share was paid amounting to a total dividend of R107.6 million (2016: R57.0 million).

34. EVENTS SUBSEQUENT TO REPORTING DATE

The Group entered into a sale of shares agreement to dispose of 50.83% of the shares in Ma Baker Xpress Proprietary Limited for a consideration of R6.1 million. The board of directors is of the opinion that the buyer of the shares is more experienced in the retail business market, seeing as this does not form part of the Group's core business.

The board of directors has declared a gross cash dividend of 31.1 cents (2016: 42.2 cents) per share on 17 November 2017 in respect of the year ended 1 October 2017.

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.

35. FINANCIAL YEAR-END

The Group's financial year ends in September which reflects 52 weeks of trading, and as a result the reporting date may differ year on year. The 2017 financial year, however, includes a 53rd week of trading. References to 'financial year' are to the 53/52 weeks ended on or about 30 September. As a result the financial statements were prepared for the year ended 1 October 2017 (2016: 25 September).

www.rfg.com