





### INFORMATION

### REGISTERED OFFICE

11 De Wet Street, Piet Retief, 2380

### **BUSINESS ADDRESS**

11 De Wet Street, Piet Retief, 2380

### **POSTAL ADDRESS**

PO Box 128, Piet Retief, 2380

### **BANKERS**

The Land and Agricultural Development Bank of South Africa (Land Bank) and Standard Bank of South Africa Limited

### **AUDITORS**

PKF Pretoria Inc.

### **SECRETARY**

MJ Potgieter

### COMPANY REGISTRATION NUMBER

1997/003334/07

### INCOME TAX NUMBER

9475026713

### LEVEL OF ASSURANCE

These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

### PREPARED BY

The financial statements were internally compiled by the Group Financial Manager JS Lourens, under supervision of the Group Financial Director JEW Fivaz

### **PUBLISHED**

30 November 2017





**CHAIRMAN'S REPORT** 

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# REPOR

Significant growth was achieved in revenue, net profit and underlying assets.

### **Dear Shareholder**

It is with humble gratitude and pride that I can report that TWK could build on its success and even in difficult agricultural and economic conditions exceed expectations by substantially improving on the record profit of the previous year. Significant growth was achieved in revenue, net profit and underlying assets.

### FINANCIAL RESULTS

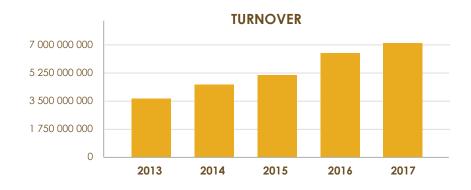
The Group continues to maintain its steady growth since 2012, reaping the benefits of a solid foundation. In addition, growth is supported by better utilisation and application of assets, efficient cost management and strategic expansion in the various business segments.

During the period under consideration, all business segments managed to succeed in increasing profit and/or market share. Although the economic conditions have negatively impacted on, especially, the trade and vehicles-and-tyres segments, we are very pleased with the performance of the segments and we could still make progress with our vision of sustainably growing together. Our financial performance reflects the core health of the business and the excellent positioning of our business units, geographic distribution, and the strength of multiple revenue streams, lowering risk and ensuring constant growth, even in challenging times.

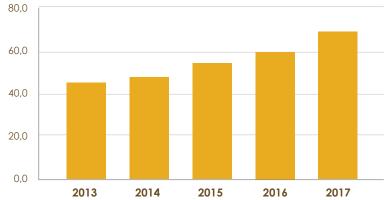
The record profit of 2016 was improved upon with ease in 2017, and TWK Holdings achieved a new record profit of R228m before loyalty payments out of continued operations, and paid a R12m loyalty bonus to its customers. The total equity crosses the R1 billion mark and profit before tax exceeds the R200m mark. These milestones prove that the strategic plans for the company are being realised. The 2017 financial year can therefore, undoubtedly, be labelled as an exceptional year.

Turnover increased by 7.04% from the previous year and represents a compound growth of 13.53% per year since 2012. Operating profit increased by 17.2% from the previous year and TWK earnings per share for the year ending 31 August 2017 are 701 cents per share. It was thus possible to declare a constant dividend and to pay shareholders. The Board strives for a healthy balance between borrowed and own capital and the payment of future dividends will depend on the Board's continued evaluation of TWK's earnings, after provision is made for long-term growth, cash resources, own needs and other factors as determined by the Dividend Policy.

Notwithstanding the weakening of grain prices and an average stronger Rand compared with the previous year, TWK's revenue continues to show a rising trend due to an increase in volume business, newly developed markets and the addition of business units and increased volumes of agricultural inputs.







The net asset value per share rose by almost 9% and stood at R65.77 per share on 31 August 2017.

TWK Agriculture Holdings (Pty) Ltd's share price rose further in the past year and stood at R33.00 per share on 5 September 2017, and TWK Investments Ltd at R13.00 per share. Although there is still a lot of value locked up in the shares, excellent growth has been experienced, and thus share-holders shared significantly in our success.



### **ECONOMIC OVERVIEW**

It is expected that the US economy will show growth of just over 2% in both 2017 and 2018. It also appears that the Federal Reserve will raise interest rates further in 2018. This will dampen economic growth, but the expected tax reduction, as well as infrastructure spending in the US, should counteract the negative impact of higher interest rates in 2018.

Growth in the Japanese economy is supported by the continued stimulating fiscal and monetary policies. Growth of just over 1% is expected for 2018.

Forecasts indicate that the Chinese economy will slow down to under 6.5%, while growth in India can accelerate to more than 7% in 2018.

Locally, the medium-term budget disappointed from the taxpayer's, the investor's and the rating agencies' point of view, and immediately put the Rand on the back foot. The growth forecast for 2017 is 0.7%, and 1.1% for 2018. The slower than expected growth will probably result in higher taxes.

It appears that the further lowering of credit ratings is inevitable, which may mean that all sectors of the economy will have to pay higher interest costs. Given the inflation outlook, as well as the poor performance of the Rand, it is expected that interest rates will probably not be further lowered, but there is the risk of an upward adjustment in interest rates by the end of 2018.

The weak Rand could lead to an increase in import costs, but given the growth of the global economy, exports should also perform well.

### **CORPORATE GOVERNANCE**

During the period under review, the Group continued to apply corporate governance at a high level in order to promote sustainability, create long-term value for shareholders, and continuously realise benefits for all stakeholders.

The Board is responsible for the development, monitoring and modification, if necessary, of the Group's corporate governance framework. The Board of Directors remains primarily accountable to the shareholders, but takes into account the interests of clients as well as the legitimate requirements of employees, suppliers, regulators and community organisations.

In a climate of comprehensive and changing regulations, and in the context of ongoing growth, TWK focused on achieving an appropriate balance

between the expectations of stakeholders of corporate governance and the need to deliver consistent and competitive financial returns.

Corporate governance in the Group extends beyond the mere compliance with codes, legislation and regulations. The Board of Directors and Management adopted sound corporate governance principles and appropriate governance structures and policies, and believe they have been included in our operations as a culture of sound corporate governance that is in line with the Group's business philosophy.

The directors are aware that the new King IV guidelines came into force in November 2016. The main objective of the new guidelines is to make corporate governance accessible and relevant to more enterprises. The focus of the new guidelines is to move away from an enforceable way of operating, to guidelines that create value within businesses. The Board has undertaken to apply King IV's guidelines, where practically possible, in the new financial year.

The respective committees appointed by the Board, namely the Audit and Risk Committee, the Social and Ethics Committee as well as the Compensation Committee, perform their duties conscientiously according to the respective mandates set out by the Board. In my view, the input of the committees is of an outstanding quality, and the members of the committees have the necessary knowledge and experience to perform their tasks admirably. The members of the Board are serious about the Group's affairs and attendance is excellent. Personal interests of directors and Management are reported and monitored.

Closed periods apply to the trading of shares by directors during periods prior to the publication of financial statements and during certain strategic transactions and related matters.

The management of directors' conflicting interests is a critical corporate governance issue and is strictly regulated in terms of the Companies Act. Directors and Management are expected to act independently. Declarations of interests are recorded and directors and Management are given an opportunity for disclosure at each Board meeting of any material interest that may affect the Group.

### **OUTLOOK FOR THE YEAR AHEAD**

On August 31, 2017, history was made when a very unique financing model, the first in the agricultural sector, was implemented with Standard Bank and Land Bank as syndication financiers. TWK's balance sheet, and the risk of only one financier, were identified as obstacles in TWK's growth. A solution was also sought to

align the realisation of assets with financial obligations. The new financing model has been perfectly formulated to support TWK's growth and, if necessary, to add additional syndicate financiers. In the process, TWK's balance sheet structure was improved, which is in line with industry standards and expectations of investors. The Board and Management thus created the ability to capitalise on sustained growth prospects.

Through the rigorous application and implementation of our strategic and operational efficiencies, through efficient cost management and optimal inventory levels, the growth will continue. It is there-fore expected that the good momentum, built up by the respective segments, will continue and will significantly exceed the results of previous years.

TWK's core business remains the provision of agricultural and agricultural-related services and in-puts, and the provision of market access for agricultural products. TWK's extensive footprint, infra-structure, market share and expertise enable us not only to focus on maintaining and expanding existing businesses, but to include in our strategy-specific targets for new additions with a focus on the agricultural value-chain.

We are very pleased with our 2017 performance, the strong financial position and the ongoing momentum in the organisation. We have the financial resources and capacity to ensure that the company can build on the growth pattern, and to meet our customers' needs and to meet the growing demand for our products and services, in accordance with our high standards. In addition, we will focus on customer service in the coming year.

Our focus remains on achieving our strategic goals for the coming year:

- Provider of choice by improving and strengthening consumer relationships, increasing our market share by capitalising knowledge and service, as well as expanding our product range;
- Market of choice through optimum market access, guaranteed payments, good prices and market information;
- Investor of choice through sustainable growth in profitability, and continuously improving our operational efficiency, exploring new and alternative business opportunities, ethical business principles and the balance between risk and returns;
- Employer of choice through targeted training, creating an ethical culture, recognition for excellence, market-related compensation and the development of people within and outside our Group.

The Board has continued confidence in our strategy, in the ability of our team and in the strength of our business model and revenue streams. We are committed to the growth of the business and the delivery of improved returns for shareholders in the coming year.

### **ACKNOWLEDGEMENTS**

As mentioned above, I am very grateful and proud of TWK's sustained and consistently excellent results, without which the contribution of all stakeholders cannot be possible.

My sincere appreciation goes to each employee for your skills and attitude toward your job, and towards TWK specifically. There seems to be no problem which you cannot solve. Your energetic, sustained commitment and desire to win is evident in the success of TWK.

I am particularly proud of the Board's and Management's commitment. This effective team has shown its steel in recent years in order to create maximum value for shareholders. My heartfelt thanks goes to our Managing Director, André Myburgh, for his exceptional leadership and decision making skills. It is a privilege for me to serve as Chairman of such an excellent Board, which performs its tasks with meticulous precision – my sincere thanks.

We acknowledge the grace of our Heavenly Father without which our results and growth would not have been possible. To Him we ascribe all honour and gratitude for the blessings so generously poured out on us.

Ludwig Meyer CHAIRMAN

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## DIRECTORS AND MANAGEMENT

**RL Meyer** Chairman

**JS Stapelberg**Vice-chairman

**AS Myburgh** Managing Director



CA du Toit Director



JCN Wartington
Director



HW Küsel Director



AC Hiestermann
Director

TI Ferreira Director

D Kruger

Managing Director:

Bedrock Mining Support (Pty) Ltd

**JEW Fivaz** Financial Director

FJ Brauckman Chief Executive Manager: Timber

LC Coetzer Chief Executive Manager: Trade



JFC Byleveldt Managing Director: TWK Motors (Pty) Ltd



MJ Potgieter
Executive Manager:
Business Development &
Company Secretary



**B de Klerk** Chief Executive Manager: Grain



**GS Grobler**Chief Executive Manager:
Financial Services



WC Janse van Rensburg Managing Director: Protea Versoolwerke Ermelo (Pty) Ltd

## MANAGING DIRECTOR'S REPORT



The fingerprint of the farmer is engraved in the DNA of TWK.

The producer remains the core reason for our existence and we will continue to grow our business to the benefit of our producers and all interest groups

### FINANCIAL PERFORMANCE

It is a great privilege for me to deliver the Annual Report for the 2017 Financial Year, which can undoubtedly be described as a record year in many senses for TWK.

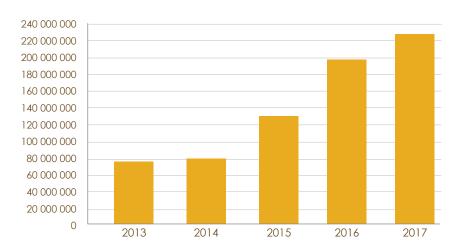
Our balance sheet is further strengthened by underlying income streams, which significantly position us to fulfil our strategy in the midst of challenging circumstances. We delivered improved returns for shareholders, whilst we made good progress with our strategic goals.

The financial outcomes of our business strategy are encouraging, as shown by our key performance indicators. Turnover increased by 7.04%, operating profit is 11.29% higher, profit before tax increased by 27.05%, return on equity is strong on 19.20% against a goal of 15.0%, with a reasonable gearing of 131%, and net assets grew by 18.60%, surpassing the R1 billion mark. These positive outcomes are thanks to the careful following of strategy, further market penetration for our diversified product offering, improved effectiveness and the associated profit contributions from all divisions.

Given the excellent performance, TWK could award, through the loyalty scheme, R12m to clients for their loyal support.

The past year was therefore one of significant growth for TWK, and in the coming year we will specifically focus on delivering exceptional client service. The fingerprint of the farmer is engraved in the DNA of TWK. The producer remains the core reason for our existence and we will continue to grow our business to the benefit of our producers and all interest groups.

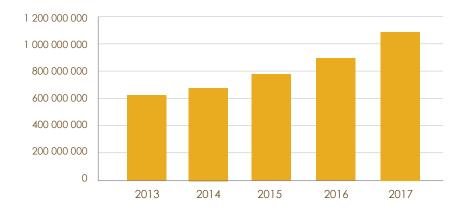
### NET PROFIT FROM CONTINUING OPERATIONS BEFORE LOYALTY INCENTIVE AWARDS



The TWK strategy is precisely planned and executed to identify additional growth potential and to carry it out on a sustainable basis. The desired outcomes were achieved, and TWK is well positioned to continue this growth in 2018.

In order to continue building on our strategic vision of sustainably growing together, a healthy balance between borrowed and own capital is important. The debt-to-equity target for the TWK Group is 150%-200%, and at year-end is at 131%. An important driving force for TWK is to maintain a healthy and stable financial platform in order to absorb unavoidable setbacks, to ensure sustainability and to create space for new opportunities. TWK's business model and growth is directly linked to the granting of credit facilities to producers, that have a direct connection with the credit needs of TWK. The growth in borrowed capital is therefore unavoidable, but the Board aims to maintain a healthy relationship, and in doing so, ensure a maximum return for shareholders. In order to realise this, a unique financing model was recently implemented with Standard Bank and Landbank as syndication financers. The new financing model is brilliantly formulated to support TWK's growth and to add additional syndication financers, if necessary. TWK, therefore, has enough own capital and facilities to fund its short-term growth strategy and operational activities.

### SHAREHOLDERS' EQUITY



Once again, the shareholders' equity grew well this past year, and although share prices increased significantly these last few years, the Board and Management are constantly investigating new opportunities to unlock more value for shareholders.



### **BUSINESS REPORT**

### **TIMBER SEGMENT**

Mixed market conditions in the Timber division prevailed during the period in review. A downward trend was experienced in the local markets, and especially the pulpwood markets were negatively influenced. Conversely, higher volumes were exported to the international markets. A healthy balance between the international and the national markets is needed for sustainability.

It appears that the downward pressure of the last five years on the price of chip exports has come to an end, and a small price increase was received from the market during the year. Although the local currency strengthened against the American dollar during this period, TWK managed to keep timber delivery prices from producers relatively stable.

The international wood chip markets met their contract volumes despite the fact that one of the clients experienced many technical problems at their paper factory. Especially the eucalyptus chip market experienced outstanding growth. There is a higher demand for TWK wood chips and it is expected that the export volumes will further increase in the coming year.

The switch from CCA to creosote in the treated pole plant, Sawco Treated Timber Products, had the desired effect and satisfying results were delivered. The treated pole export market also gained momentum during this period, and will further contribute to profitability in the future.

As part of TWK's strategy to further build on the added value of this division, the purchase of the controlling interest in BedRock was successfully accomplished during the year. The Board and management are convinced that the investment will unlock additional synergy and will further improve the marketing of fiber to optimal markets. The investment also increases TWK's product diversity in this sector.

The TWK saw mills were under financial pressure during this period, with the unlawful strikes at both the SAWCO and Lydenburg mills being the biggest contributing factor. The strikes led to the dismissal of staff, with the consequential reduction in sales and margins. Improved equipment was installed at SAWCO, which should significantly improve product quality and productivity.

It is with much gratitude that we can again report that TWK suffered no significant losses due to fire. Through the implementation of best practice forestry management principles, good relationships and the outstanding service of staff, the risk was restricted to the minimum.

TWK's Eucalyptus x *Grandis Machaturii* (G.Mac) breeding programme is on schedule and the plan is to make the first clones available to producers in the coming year. This clone is frost resistant and will improve production volumes and sustainability, especially in the greater Piet Retief area.

During the year, the TWK South African plantations again received FSC and ISO 14001 certification. Progress on the development of the PEFC (Programme for the Endorsement of Forest Certification) system went according to plan and will be rolled out to timber growers in the coming year. The certification system considers South African conditions in order to ensure the sustainability of the forestry industry.

Rainfall for the year, for most of the farms, was about 85% of our long-term average rainfall. It was a great improvement on the previous year when we received only 57% of our long-term average rainfall.

To end off, we would like to thank our timber growers for their continued support of TWK, which enabled us again this year, through our loyalty scheme, to award TWK shares to our loyal contractors.

### **TRADE SEGMENT**

In the year under review, climate conditions differed drastically across the geographical area where the Trade division does business. The Western Cape experienced the worst drought in years and dam levels are up to 50% lower than the same period in the previous financial year. Similar conditions were also experienced in the Eastern Cape, although good rains fell in some areas before the end of August. KwaZulu-Natal also experienced drought conditions and especially sugar farmers were negatively affected. These conditions also had a direct impact on dairy farmers as more animal feed had to be bought because of the shortage in natural and cultivated pasture. This had a negative impact on the cash flow and profitability of producers.

Conditions in Mpumalanga in the past season varied, with some areas experiencing average rainfall whilst others had above average rainfall.

The lower than expected grain prices, weak economic growth and inputs that producers carried over from the previous period, also had a negative effect on customers' income and expenditure, especially on retail items.

Despite the stiff market conditions, the Trade segment showed an increase in turnover compared to the previous year. However, the net profit was marginally lower than in the previous year. The biggest contributor to the lower net profit, given the higher turnover, was fertiliser prices that decreased considerably in the period under review. This led to stock on hand being sold at very low margins in order to stay competitive in the market. The effect of the drought also put pressure on margins. The Trade segment's geographical spread and diversified client base lowers the risk in times of drought and economic pressure.

Constantia Fertiliser performed well during the period under review and increased its market share. The Constantia trademark is well established, and risks associated with the fertiliser industry are low. This is because the unit has a low-cost model and does business on a national basis.

The year under review saw the acquisition of a 40% share in Gromor (Pty) Ltd, with the option of buying an additional share. This is part of TWK's strategy to increase the footprint of its Trade segment and to diversify. The Board and management are convinced that the investment will unlock additional synergies.

Despite continued political uncertainty, low grain prices and the negative impact of the weak local currency on the division, forecasts for the coming year remain positive. The expectation is that Constantia Fertiliser will still make a significant contribution to net profit. Sustained cost management, increased market share and organic growth are some of the actions that will ensure that a continued performance is achieved.

### **GRAIN SEGMENT**

The 2016 season shall be remembered as one of the driest seasons yet and consequently very high grain prices prevailed during the first six months of the financial year, followed by the large harvest of 2017 that once again allowed the grain prices to fall from import parity to export parity during the last six months of the year. Almost all summer grains at the moment trade at export parity prices and this is expected to continue for the rest of the 2017/2018 season.

The grain silos received much more grain than the previous year, mainly as a result of the bigger harvest which, along with effective cost management mechanisms, influenced the results positively. Many grade problems were experienced with maize and the silos received more grade 2 than grade 1. We expect that the grain will be stored in the silos for longer, which will positively affect our results in the coming year.

In spite of the difficult circumstances, the operations in Swaziland achieved good results in the past year. Markets for both animal feed and maize meal are well established and the expectation is that the results will build on the past.

The Animal Feed factory in Mkondo delivered poor results for the book year, mainly because the whole animal feed market – as with dairies, eggs and chicken producers – came under pressure as a result of the very high maize prices. An agreement to work together was made with Barnlab, that will add much value, especially in the technical aspects. Consequently, volumes increased and the expectation is that the division will perform better as a result of the working with Barnlab, as well as the lower maize price.



The Maize Mills in Mkondo delivered poor results in the first six months of the year as a result of the high maize price which could not be recovered in the market, after which the results improved in the last six months due to the lower maize price of 2017. Notwithstanding, pleasing results were achieved for the financial year. Although there is a lot of pressure on the flour prices, it is expected that there will also be pleasing results in 2018.

Grain Marketing experienced an outstanding year, mainly as a result of the large harvest of 2017. Unless 2018 delivers a record harvest again, it is expected that results will return to normal in 2018 for Grain Marketing.

The mills at Maluti were converted to grits mills during 2017. Frequent maintenance and growth problems were experienced and the 2017 results were disappointing. As a result of continued losses and having no strategic value for TWK, TWK sold its interest to Rand Agri on 31 August 2017.

Overall, the grain division performed well this past year, considering how the rest of the grain market performed. Effective prices trategies during this period of abnormal volatility in the grain prices were a contributing factor. It is expected that the coming year's results will be marginally better than that of 2017, especially as a result of the sale of the unprofitable business, Maluti Mills.

### FINANCIAL SERVICES SEGMENT

### Insurance

In the past year, the Insurance division has focused on delivering dynamic and modern insurance products to our agricultural producers. There is an increased focus on creating solutions to accommodate changing and diverse needs.

TWK Insurance provides a comprehensive range of products and services and the portfolio consists of short term insurance, personal and agricultural insurance, commercial insurance and crop insurance.

The Crop Insurance portfolio has shown oustanding growth since the previous financial year. Aided by new, established relationships and a focus on crop insurance, the expectation is for growth to continue in the coming year.

The Short Term Insurance portfolio also showed excellent growth in the year under review. The growth was established by expanding the existing portfolio and the acquisition of insurance books that fit strategically and will unlock synergies.

The Admin House forms about 20% of the total Insurance portfolio and offers an alternative to brokerage firms that do not have the capacity for all administrative functions. Furthermore, the admin house focuses on delivering the right cover at competitive premiums and making sure that claim services are kept at a high standard.

Despite challenging circumstances and changing legislation and regulation, TWK Insurance remains a competitive player in the market. This is achieved by remaining flexible and through the development of purpose-built products. Whilst our focus remains on the agricultural portfolio, we put emphasis on the expansion of a diversified portfolio that includes commercial, personal and life. This is done to lower risk and ensure sustainability.

### Credit

In order to produce competitively and successfully, we realise that our clients and producers need access to competitive credit that is adaptable for unique circumstances. Through applying our efficient credit policy that limits credit risk, but still supports growth, the Credit division was able to deliver excellent results with very low levels of bad debt.

Season facilities improved at a healthy rate over the past year, and with the continued focus on client service, the coming year should see the expansion of season facilities outside the traditional TWK area.

The alliance with a commercial bank allowed us to achieve additional access to Forestry and Term Loans, as well as Asset Finance, for our producers.

In the coming year, this division will focus on the marketing of these products, delivering an additional service to our producers. This will also support profitability, without putting pressure on TWK's cash flow.

Despite some of the areas within TWK's geographical presence still experiencing the after effects of the drought, TWK was able to limit bridging facilities to a minimum. Farmers that were effected by the drought were assisted with alternative long-term solutions without any additional credit risks to TWK.

The upcoming farmer programme achieved healthy growth of 70%. Although the programme requires intensive management and is relatively challenging, further growth is still expected for the coming year.

### **VEHICLES AND TYRES SEGMENT**

The extremely difficult economic conditions had a significant impact, especially on new vehicle sales. Although more vehicles were sold in the period due to market penetration, gross profits remained under considerable pressure, which led to a concomitant decrease in the net results. Despite not delivering the desired results, the Parts and Workshop divisions put in a stable performance in difficult market conditions. In the coming year, the focus will be on client service in order to secure the loyalty of customers.

The filling stations delivered good results for the year. In order to build on the success, the development of a further filling station is in process in Piet Retief, with additional filling stations in the planning phase.

The addition of an Isuzu dealership in Ermelo on 1 September 2017, as well as the development of additional filling stations, will increase market share and the competitive advantage, which in turn will support profitability in the coming year.

The Tyre division's results showed a good improvement in the year under review after the disappointing results of the previous period. The expansion of our footprint in especially the Gauteng area, as well as the excellent relationship we have with suppliers and the resultant increase in discounts and rebates, were all contributing factors to the improved performance.

This benefit of critical mass is an important component which will draw further attention in the coming year. Price competitiveness is of critical importance and is supported by a strategy for the further expansion of the footprint.

During the year, a minority interest was acquired in Nexcor (Pty) Ltd to increase market share and critical mass.

The manufacturing plants in Ermelo and Kimberley currently produce at more than 95% of capacity and indications are that this momentum will continue, with the scope for the pursuit of additional national opportunities. Great cost saving initiatives, for example the installation of solar energy, have been implemented which will further support profitability.

Predictions are that there will be further consolidation in the coming year and the TWK Group is ideally positioned to investigate and take advantage of opportunities.



### **STRATEGY**

TWK's strategy is based on the creation and unlocking of value through the optimisation of existing assets and operations, as well as through investments which are necessary to ensure TWK's sustained growth over the long term. That is why capital is spent on strategic assets and investments to ensure sustainability, to stimulate growth and to ensure future returns for shareholders.

Our strategy is in line with previous years and that is why TWK, while weak economic circumstances still prevail, focuses on further improving efficiencies. There will be a specific focus on the full utilisation of assets and abilities, the optimisation of stock, margin-management, cost-savings and marketing. Cashflow management is and remains the focus area and enjoys consistent attention.

In the pursuit of sustainability, we are continually busy evaluating possible mergers, acquisitions or joint ventures with an eye on the unlocking of possible synergies. A strategic filter is applied to all potential investments with the aim of supplementing sustainability, generating a desired return and to compliment the current cash and EBITDA generation. New projects, which include added-value products and are aimed at unlocking value for shareholders and adding value to producers, are already identified and are in various stages of development and implementation. Being continually on the look-out for improved market access is also a strategic focus.

TWK is mainly aimed at primary agriculture and forestry, and will focus on the expansion of the agriculture business value chain.

The producer and the client remain the core of our strategy, and everything possible shall be done to accomplish sustainable growth for TWK, its producers, clients and shareholders.



### THE FUTURE

South African agriculture is known for fluctuating agricultural conditions and severe droughts. Although there are still areas that are suffering under droughts, the prognosis for the coming year appears to be very positive. Any business has a number of risks which need to be limited or managed. However, TWK's business model and operations have a number of risk mitigating levers to soften challenges and risks. These levers include, amongst others, the following:

- Diversified client base: TWK has loyal clients that vary from corporate, grain producers, timber producers, milk producers and vegetable producers, who stretch out over a wide geographical area and also include foreign clients.
- Operational effectiveness: Through the application of best-practice, overhead costs are effectively managed and, where possible, fixed costs are limited to a minimum in order to quickly adapt to changing circumstances. Production capacity is utilised to the maximum and, where needed, steps for improvement are taken to better efficiencies.

- Broad spectrum suppliers: TWK makes use of a broad spectrum of suppliers to improve bargaining power and to ensure delivery.
- Product diversification: TWK offers a wide variety of products and services to its clients, and has strong diversified business segments, and thus incomestream diversification is ensured.
- **Limited market risk:** TWK makes use of appropriate hedging contracts in order to limit exposure to commodity or exchange rate risks.
- Quality of management: Succession planning is a priority and enjoys ongoing attention. The quality of the Board and executive management is at an outstanding level and is underlined by historical success stories.

TWK's budget and forecast for the coming three years still show a growing trend, and I am convinced that TWK has the determination, experience and energy to build on the successes.

### **ACKNOWLEDGEMENTS**

TWK were once again successful in achieving record profits. It makes us humbly thankful – thankful for all the blessings that we so generously and undeservingly receive from our Father's hand.

As already mentioned, the fingerprint of the farmer is engraved in the TWK DNA. The producer remains the core reason for our existence and I want to thank every loyal producer for their support and contribution to the success of TWK.

To all our clients, shareholders, suppliers, financers and business partners – many thanks for your continued support. TWK realises that the success of our business springs from the unique relationship that we have with each one of you, and we will continue to strive to strengthen these relationships.

Our employees are truly the heartbeat of TWK, and therefore I can but thank each employee who contributed to make the heart beat so healthily.

I would also like to particularly thank the executive management for each one's unique contribution to the success of TWK – the Board for vision, and especially for the trust and support we receive. It is really a great privilege to be part of such an innovative and dynamic team, where each one is involved with heart-and-soul in every decision, challenge and milestone which we achieve.

Above all, all thanks and honour go to our Heavenly Father for the wonderful blessing which we experience in our lives and business.

André Myburgh MANAGING DIRECTOR)



### **COMMITMENT TO CORPORATE GOVERNANCE**

The TWK Board is committed to responsible corporate citizenship and effective corporate governance. Commitment to the implementation of the Group's business with integrity, sustainability, equity and accountability is the cornerstone of the Group's philosophy. In this regard, the Board is committed to complying with the applicable corporate guidelines.

The Group's corporate best practices as contained in charters, policies and operating procedures and the application of these are regularly tested against the practical realities and execution. The Board continuously evaluates and considers all legislation, codes, practices and suggestions to ensure that its conduct takes the recommendations of King III and other codes of conduct into account. Where it deviates from specific guidelines, the Board ensures that this deviation is warranted and in the best interest of TWK and all stakeholders.

The basic principles and practical application of King III are in place throughout the Group, and are operating well. The Board is satisfied that the Group complies, where practically possible, with the provisions and recommendations of King III and the adopted governance frameworks. The Group elected not to apply, among other things, the following King III principles because of practical considerations:

- The non-executive chairman of the Board is not an independent director, but is supported by a strong, leadindependent non-executive director;
- The Board and Board committees do not consist of a majority of independent directors;

 The chairman of the Board is a member of the Audit and Risk Committee of the Board, but the Audit and Risk Committee consists of a total of four non-executive directors, with the independent director as chairman.

The directors are aware that the new King IV Report came into effect in November 2016. The predominant objective of King IV is to make corporate governance more accessible and relevant to a wider range of organisations, and to be the catalyst for a shift from compliance-based mindset to one that sees corporate governance as a lever for value creation. The directors will start with a process of implementing the King IV principles, where practically possible, in the new financial year.

In an environment of comprehensive and changing regulation, and in the context of ongoing growth, TWK focuses on achieving an appropriate balance between stakeholder expectations and the requirement to deliver consistent and competitive financial returns.

The Board and Management will continue with the approach of continuous, increasing improvement in management practices and structures in order to ensure the expectations of stakeholders with regard to corporate governance.

Corporate governance within TWK is more than just a set of rules and regulations – it is the basis for the management of our business on a day-to-day basis.





### THE BOARD OF DIRECTORS (BOARD)

The Board consists of nine members, of whom seven serve in a non-executive capacity and were elected by the company's shareholders. These directors act on a rotation basis after three years, in accordance with the applicable provisions of the Memorandum of Incorporation. One independent director serves on the Board.

Directors are nominated and elected by shareholders and provision is made for a transparent rotation process. Prior to election as director, nominated candidates are judged by the Nomination Committee for competence in terms of the Companies Act, good corporate principles and the Memorandum of Incorporation. The Nomination Committee consists of three non-executive directors and may, in turn, make recommendations and nominate proposals. At the first meeting of the Board, held after each Annual General Meeting of shareholders, the directors elect from among them a chairman and deputy chairman. The chairman and deputy chairman are non-executive directors. The role of the chairman is separated from that of the managing director. There is a decision-making framework approved by the Board and delegating certain powers to management.

There is a clear division of responsibilities at Board level. The Board delegates authority to relevant Board committees to ensure that all issues of strategy, performance, resources and standards of conduct and responsible governance are applied. The Board is well-balanced and the chairman's role is separate from that of the managing director. The chairman is responsible for leadership within the Board and facilitates constructive liaison between the Board, management and stakeholders. The managing director is primarily responsible for leadership and management in implementing strategy and operating the business. Although the Board maintains overall responsibility and effective control over the company, the operation of the daily business of the company has been delegated to the managing director.

**No individual director has unlimited decision-making powers** and all directors have unrestricted access to all information, records, documents and property of the Group. The directors may also obtain independent professional advice regarding the affairs of the company.

The Board determines the Group's operations and strategy and is responsible for providing guidance. These include the design and review of the Group's strategy, budget approvals and major capital spending, monitoring of operating results against budgets, evaluation of the Group's financial position and performance of executive management.

The Board is assisted by the Executive Committee, the Audit and Risk Committee, the Social and Ethics Committee, and the Compensation Committee. The committees function in accordance with approved frameworks. The chairpersons and members of the respective committees, with the exception of the Audit and Risk Committee elected by the shareholders, are elected by the Board according to their expertise in a particular area.

All the Directors are members of the Institute of Directors of South Africa. Courses and conferences of interest are attended to keep abreast with new legislation and developments affecting the company.

Non-executive directors are reimbursed in accordance with the findings of Deloitte and the industry as a whole.

The management of directors' conflicting interests is a critical corporate governance issue and strictly regulated under the Companies Act. In the performance of their duties, directors and management are expected to act independently. Directors and management are also given the opportunity to disclose any material interest at every Board meeting. These updated disclosures are noted by the Company Secretary.

An annual evaluation is conducted to assess the effectiveness of the Board as a unit, as well as the individual contributions of the directors.

Meetings of the Board and subcommittees are held in accordance with approved meeting procedures. The members of the Board are serious about the Group's affairs and attendance is excellent.

Board meetings are held on a quarterly basis, or as necessary. During the period under review, seven scheduled Board meetings were held.

	12 Oct 2016	29 Nov 2016	26 Jan 2017	29 Mrt 2017	4 May 2017	28 Jun 2017	29 Aug 2017
RL Meyer (Chairman)	$\checkmark$	$\checkmark$	$\checkmark$	$\sqrt{}$	$\sqrt{}$	$\checkmark$	$\checkmark$
CA du Toit	√	$\checkmark$	<b>√</b>	$\sqrt{}$	Х	$\sqrt{}$	$\checkmark$
*AC Hiestermann			$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\checkmark$
HW Küsel	√	$\checkmark$	<b>√</b>	$\checkmark$	$\checkmark$	Х	$\checkmark$
AS Myburgh (Managing Director)	√	$\checkmark$	<b>√</b>	V	V	V	V
JS Stapelberg (Vice Chairman)	<b>√</b>	<b>√</b>	<b>√</b>	$\checkmark$	<b>√</b>	<b>√</b>	V
JCN Wartington	$\checkmark$	$\checkmark$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\checkmark$
*HA Ziervogel	$\checkmark$	$\sqrt{}$					
**JEW Fivaz (Financial Director)			$\checkmark$	$\sqrt{}$	<b>V</b>	$\sqrt{}$	√
TI Ferreira	$\checkmark$	$\checkmark$	<b>√</b>	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$

<sup>\*</sup> Mr HA Ziervogel retired on 26 January 2017 and Mr A.C. Hiesterman was elected as director

### **ETHICAL CODE OF CONDUCT**

TWK, its subsidiaries and their staff are committed to acting with honesty and integrity in the performance of their duties and in their personal conduct, according to the highest moral and ethical standards.

The TWK Code of Ethics is a document in which the operation of our business in a legal and ethically acceptable manner is contained. Each director and employee has committed to the Code of Ethics that

requires of the employees and directors to carry out their duties in a fair manner and to act accordingly to customers, suppliers and other stakeholders to ensure a reputation of maintaining integrity and responsible behaviour.

Adequate grievance and disciplinary procedures exist in order to promote and ensure the application of the Code of Ethics.

<sup>\*\*</sup> Mr JEW Fivaz was elected as director on 29 March 2017

<sup>√</sup> Meeting attended

x Meeting not attended, with pardon



### **CLOSED PERIOD FOR TRADING OF SHARES**

The Group maintains a closed period for the trading of shares for a period that precedes the publication of the annual financial results and during certain strategic transactions and related matters.

During such a closed period, no director may enter into any transaction related to TWK shares.

### INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Risk control and management is an integral part of the Group's corporate governance framework.

The Group has adopted a proactive approach in managing risks with the application of appropriate controls. Risk assessment is done on a regular basis, in terms of which risks are quantified and prioritised. The Audit and Risk Committee evaluates the internal control process and the outcome of the process. It provides reasonable assurance to the Board and management that risks are managed effectively to ensure sustainability.

Continued focus on IT management and an IT disaster recovery process has already been established.

Management continuously pays attention to the risk management process and the Internal Audit Department is used to strengthen the company's internal control and risk management.

### **INTERNAL AUDIT**

The internal audit function is carried out independently and in accordance with a specific audit plan provided by the Audit and Risk Committee. The internal auditors report to the Audit and Risk Committee and have direct and unrestricted access to the committee and the chairman of the Board. They enjoy the full support and cooperation of both the Board and management of the Group.

The primary purpose and mission of the internal auditors is to support the Group in identifying operational risks, carrying out an independent assessment of compliance with group policies, risk controls, internal control systems and accounting practices and, where necessary, recommending improvements in respect thereof.

### **SUSTAINABILITY**

The sustainability of the TWK Group remains the main focus of the Board. TWK is committed to ensuring and expanding the sustainability of its business which is achieved by reducing risk, improving and expanding existing operations and the utilisation of opportunities.

TWK conducts its business in an environmentally responsible manner through the application of ISO and FSC standards. New projects are only undertaken if they can be operated in a sustainable way and in compliance with set financial norms. The solvency and liquidity for future periods are evaluated on a regular basis by the Board. TWK's sustainability is therefore focused on, inter alia, the reduction of risk, improvement of efficiency, conservation of existing revenue streams and the utilisation of opportunities. All actions are measured against minimum expectations and their impact on society and the environment. Quick adaptation and movement in changing conditions is the key focus for TWK sustainability.

### **REPORTING CONTROLS**

The Group follows a practice of monthly financial audits and reporting of all operational departments. The management of cash, bank relations, human resources and real estate-related business is done on a central basis.

Senior management meets on an ongoing basis to take stock of performance and commercial and strategic issues to proactively take action where necessary.

### GOING CONCERN

The annual financial statements that form part of the annual report have been prepared on a going concern basis. Adequate long-term and short-term financing is obtained in order to finance future operations and to ensure the realisation of assets and pursuance of obligations will occur in the ordinary course of business.

The Board has every reason to believe that the Group has sufficient resources to continue its operations for the foreseeable future.

### **COMPLIANCE WITH LEGISLATION**

The responsibility for compliance with legislation rests with the Board. Constant attention is given to the relevant legislation and it also forms part of the risk management model. Continuous awareness and training is taking place throughout the Group.

### HUMAN RESOURCES AND COMPENSATION POLICY

The company's staff is an important resource in achieving the organisation's objectives and the implementation of internal control systems. The company has excellent staff and executives with proven experience in the industry. No key person operates essential business and a succession plan is in place for effective succession.

TWK is committed to creating and maintaining an environment that provides equal opportunities for all employees.

Ongoing training of employees takes place on the basis of pre-planned training sessions that aim to develop the employee's potential for the benefit of the company and the individual. The Group also actively participates in AgriSeta.

The Executive Committee is appointed by the Board to assist, among other things, the Board to carry out its responsibilities with regard to the remuneration policy and the remuneration of staff.

It is the general policy of the Group that the remuneration of all employees should be fair and that employees who accepted the challenge to achieve the strategic goals of the company and are excelling in it, should be appropriately remunerated.

A safe and healthy workplace is created and maintained in accordance with the provisions of the Occupational Health and Safety Act.

The Board believes that senior management has the necessary expertise and experience to implement the Group's strategy and to run the business.

### **BLACK ECONOMIC EMPOWERMENT (BEE)**

TWK, in principle, supports BEE that fits into the Group's business strategies and takes into account the importance of meaningful empowerment for sustainable growth.

Improvement was made in various areas, and objectives set up.

The focus is particularly on internal training, development and promotion of TWK's own staff.

The TWK Group's restructuring was implemented on 1 September 2014. The set objectives were achieved, among other things, through the acquisition of Level 5 contributor status for TWK Agri (Pty) Ltd.



## REPORT OF THE SOCIAL SOCIAL SAND ETHICS COMMITTEE



The purpose of the report by the Social and Ethics Committee is to reflect on how the committee performed its responsibilities as defined for the financial year ending on 31 August 2017.

### COMPOSITION

The committee consists of at least three members who are directors or officers of the company, and at least one member who is not involved in the day-to-day management of the company. During the period under review, the committee consisted of three non-executive directors, namely HW Küsel, TI Ferreira and JCN Wartington. The managing director and other members of the Executive Board also attend meetings.

The chairman of the committee attends the annual general meeting and reports to the shareholders about the committee's activities.

The committee meets at least twice a year, and further meetings may be requested if deemed necessary. Attendance of meetings during the reporting period was as follows:

	29 Mar 2017	29 Aug 2017
HW Küsel		$\checkmark$
TI Ferreira	$\checkmark$	$\checkmark$
JCN Wartington	√	

- $\sqrt{\phantom{a}}$  Meeting attended
- x Meeting not attended



### **OBJECTIVES AND RESPONSIBILITIES**

The committee performs its statutory obligations as prescribed in the Companies Act No 71 of 2008 (Regulation 43) and its responsibilities as delegated by the Board.

According to its mandate, the committee must monitor the business activities related to relevant legislation, other legal requirements or prevailing codes of best practice regarding the following:

- Social and economic development, including the Company's goal in terms of:
  - (a) the ten principles of the United Nations Global Compact Principles;
  - b) the Organisation for Economic Co-operation and Development's recommendations on corruption;
  - c) the Employment Equity Act; and
  - d) the Broad-Based Black Economic Empowerment Act.
- 2. Good corporate citizenship, including promoting equality, preventing unfair discrimination, reducing corruption, developing the community in which the Company operates, and recording sponsorships, donations and charity expenses.
- 3. The environment, health and public safety, including the impact of business activities, products or services.
- 4. Relationships with consumers, including company advertisements, public relations and compliance with consumer protection laws.
- 5. Labour relations and employment, including:
  - a) the Company's status in terms of the International Labour Organisation's protocol for an acceptable workplace and working conditions; and
  - b) the Company's labour relations and its contribution to the educational development of its employees.

### **REPORT**

### Social and economic development

TWK makes a continuous contribution to the development of the communities in which operations are conducted. Examples include sponsorships and donations to schools, organised agriculture and disadvantaged communities, as well as various community marketing initiatives.

TWK's Enterprise Development Department specifically focuses on giving emerging farmers access to finance, correct inputs and markets, as well as technical advice and training. This is achieved through strategic partnerships with financiers, funders,

commercial farmers and other organisations that have a similar purpose.

### **The Employment Equity Act**

On an annual basis, TWK reports to the Department of Labour on the progress of objectives and targets contained in TWK's Employment Equity Plan. Equal representation on the various occupational levels of the labour force receives adequate planning and attention.

TWK also focuses on keeping up with the change in legislation and policies as determined by the Department of Labour.

### **Broad-based black economic empowerment**

TWK is committed to the principles of broad-based black economic empowerment (BBBEE), as defined by the Department of Trade and Industry's Code of Good Practice, as well as the agricultural sector codes and other sector codes applicable to certain subsidiaries of the Group.

TWK Agri (Pty) Ltd currently has a Level 5 BBBEE certification that compares very well with other role players in the agricultural industry.

Following implementation of the BEE transaction on 01 September 2014, the Vumbuka Trust (a broad-based black economic empowerment trust) holds 25% of the shareholding in TWK Agri (Pty) Ltd.

Apart from TWK's own initiatives regarding enterprise development, social obligations and skills development, the Vumbuka Trust also has a significant impact on the community.

The new BEE codes, as well as the amended agricultural sector codes present significant challenges to the TWK Group, but these challenges are not unique to TWK.

### Good corporate citizenship

The Board, executive management and staff of the TWK Group and its subsidiaries strive for the highest standards of corporate governance in its operations.

A code of ethics, describing the principles according to which TWK operates its businesses, is signed by all Board members and staff. TWK strives to maintain sound relationships with all stakeholders and is fully committed to the ethical principles of equity, accountability, transparency and social responsibility.

Throughout the company, consideration is given to the recognition of human rights, fair labour practices, the environment and the fight against corruption through adequate internal control, independent external audits, internal audits, external communication and appropriate accounting practices.

TWK acknowledges its duty to contribute to the socio-economic upliftment of the community in which it is doing business. One of these contributions is in the form of sponsorships and donations to different institutions. All sponsorships, donations and charity expenses are recorded.

### The environment, health and public safety

The conservation of the environment in which we operate is a priority and therefore TWK is committed to protecting the environment and reducing the impact of the Group's activities on the environment.

We are committed to protecting the environment, preserving our natural resources, utilising it in an efficient and responsible way, and implementing sound environmental practices in all our business operations. We will refrain from doing business with third parties who do not go about their business in an environmentally responsible way.

Electricity and water savings are also constantly being addressed and a number of green energy initiatives have been implemented during the year.

Special attention is given to health and safety issues in the workplace to ensure a healthy workforce, a safe environment for our employees and a work environment in which our operations can be maintained and improved. Compliance with the Occupational Health and Safety Act is managed through health and safety committees. The safety of our staff is of paramount importance and training is provided to emergency workers, firefighters, forklifts and machine operators on a continuous basis. Where applicable, staff are continuously sent for medical observation.

### **Consumers and customers**

Customer satisfaction is an ongoing focus. The success of our customers is also our success, and we therefore strive to understand our customers' needs in order to deliver quality products and services to them. We build personal relationships by communicating with our customers through publications, information days and, where possible, personal visits.

### **Labour relations**

At TWK our workforce is our most valuable asset. For this reason TWK, being an employer of choice, focuses on creating an environment that optimises labour relationships.

This year, TWK again granted several bursaries to matric learners and also assisted employees in obtaining formal qualifications. At the same time, various training initiatives were driven by administrative and operational points.

The development and enhancement of our workforce's skills is a top-priority that allows us to play a key role in achieving sustainable growth in our workforce, as well as the community we operate in. Awards presented to us at the annual AgriSETA ceremony for three consecutive years have proven that our vision is truly pursued.

We treat our employees fairly, respecting their human rights and human dignity, and remunerate them at a competitive level. We provide a safe and healthy working environment to our employees and do not tolerate any form of discrimination based on religion, race or gender.

HW Küsel

CHAIRMAN: SOCIAL AND ETHICS COMMITTEE

### 

In terms of the Companies Act 71 of 2008, the directors are responsible for keeping adequate accounting records, as well as the content and integrity of the financial statements and related financial information contained in this report. It is their responsibility to ensure that the financial statements reflect the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period ended, in a reasonable manner, in accordance with International Financial Reporting Standards. The external auditors are appointed to express an independent opinion on the Group consolidated financial statements. The financial statements have been prepared in accordance with international reporting standards and are based on appropriate accounting policies, consistently applied and supported by reasonable and prudent evaluations and estimates.

The directors confirm that they are ultimately responsible for the system of internal financial control established by the company, and place particular emphasis on maintaining an environment of strong financial management. In order to enable the directors to fulfil these responsibilities, the Board sets standards of internal control, which aim to reduce the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties in order to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are expected to uphold the highest ethical standards in order to ensure that the business of the company is carried out in a manner that, under all reasonable circumstances, is beyond reproach. The focus of risk management in the company falls on the identification, evaluation, management and monitoring of all known forms of risk across the company. Although the management of business

without any risk is not entirely possible, the company seeks to reduce risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that, based on the information and explanations provided by management, the system of internal control provides adequate assurance that the financial records can be relied upon for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, not absolute, assurance against material misstatement or loss.

The directors have taken into account the company's forecast of cash flows for the 12 months ended 31 August 2018 and, in light of the current financial position, they are satisfied that the company has access to sufficient resources to continue with the business at the same level for the foreseeable future. The external auditors are responsible for the independent review and reporting of the company's financial statements. The financial statements have been reviewed by the company's auditors and their report appears on page 33.

The financial statements have been prepared on a going concern basis and were approved by the Board on 30 November 2017 and were signed on behalf of the Board by:

RL Meyer CHAIRMAN

A Weger

AS Myburgh

MANAGING DIRECTOR

## SECRETARY

I hereby confirm that, in my opinion as company secretary and in terms of section 88(2)(e) of the Companies Act of South Africa, as amended, the company has filed all returns required of a public company in terms of the Companies Act to the Commissioner, and that all such returns are true, correct and up to date.

MJ Potgieter COMPANY SECRETARY

Piet Retief 30 November 2017

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## RECTORS' RECTORS'

### 1. Overview of activities

The company is involved in agricultural services and operates business mainly in South Africa. The activities of the company, its subsidiaries and associates are as follows:

- Marketing of forestry and agricultural products;
- Handling and storage of grain;
- Processing of forestry and cereal products;
- Supply of agricultural inputs;
- Trade activities:
- Financial and agricultural services; and
- Credit extension.

There have been no fundamental changes in the nature of the Group's business during the review period.

### 2. Financial results and prospects

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

The Group achieved a before tax profit of R206.2 million (2016: R171.1 million).

The operating results and financial position of the Group are set out in detail in the financial statements, and are explained in the chairman's report and the managing director's report.

### 3. Going concern

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

### 4. Events after the reporting period

The directors are not aware of any matter or circumstances that arose since the end of the financial year.

### 5. Interest of directors in contracts

No contracts in which directors and officials have a material interest were incurred during the year. The stock register is available for inspection at the company's registered office.

### 6. Authorised and issued share capital

			2017	2016
Authorised	Number of shares			
Non par-value ordinary shares			50 000 000	50 000 000
	2017	2016	2017	2016
Issued	R	R	Number of shares	
Non par-value ordinary shares	10 001 817	9 518 817	12 425 114	13 062 070

During the year 487 930 shares were issued. Refer to note 21 of the financial statements.

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act 71 of 2008. As this general authority remains valid only until the next AGM, the shareholder will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares under the control of the directors until the next AGM.

### 7. Borrowing powers

In terms of the company's Memorandum of Incorporation, the directors may, in their discretion, exercise all the powers of the company in order to obtain funding.

### 8. Dividends

Dividends have already been declared and were paid to shareholders during the twelve months as set out in the attached statement of changes in equity after approval has been granted by the Board in this regard.

Dividends are recommended and approved by the Board of Directors of TWK Agricultural Holdings (Pty) Ltd, based on the financial year-end statements. TWK is of the opinion that there will be continued payment of dividends, although no assurance can be given that dividends will be paid in the future or in respect of the amounts to be paid from year to year.

The payment of future dividends will depend on the Board's ongoing evaluation of TWK's earnings, after providing for long-term growth, cash and debt resources, and reserves available for payment of a dividend based on the evaluation of the going concern and other factors.

Reserves available for the payment of a dividend are based on the assessment of going-concern and other factors.

### 9. Directors

The composition of the Board changed during the year. MrZiervogel did not make himself eligible for re-election after expiration of his term. Mr AC Hiestermann and Mr JEW Fivaz were elected during the year. The company's Board of Directors was compiled as follows at year end:

DIRECTORS	DESIGNATION	CHANGES
RL Meyer (Chairman)	Non-executive	
AS Myburgh (Managing Director)	Non-executive	
JEW Fivaz (Financial Director)	Executive	Appointed Thursday, 30 March 2017
HW Küsel	Non-executive	
JS Stapelberg	Executive	
JCN Wartington	Non-executive	
HA Ziervogel	Non-executive	Resigned 26 January 2017
TI Ferreira	Non-executive	
AC Hiestermann	Non-executive	Appointed 26 January 2017
CA du Toit	Non-executive	Appointed 30 March 2017

### 10. Secretary

The company secretary is Mr MJ Potgieter.

### **Business Address:**

11 DE WET STREET PIET RETIEF 2380

### 11. Interest in subsidiaries and other financial assets

Details of the company's interest in subsidiaries, associates and other financial assets are included in the notes to the financial statements.

### 12. Auditors

PKF Pretoria Incorporated has been appointed as the auditors. A decision to appoint the auditors will be submitted at the forthcoming annual general meeting.

### 13. Special decisions

The following special resolutions were taken at the shareholders' meetings held on 26 January 2017 and 9 March 2017:

- General authorisation to grant financial assistance to related and interrelated companies;
- General authorisation to repurchase shares;
- Authorisation to issue shares to directors and/or designated officers and/or related parties.

## RISK COMMITTEE REPORT



The Audit and Risk Committee is an established statutory committee of TWK in terms of the Companies Act, 2008 and as a committee of the Board in respect of all other duties assigned to it by the Board.

### COMPOSITION

The committee consists of at least three non-executive directors, appointed by the shareholders on the recommendation of the Board. The committee meets at least twice a year as per the mandate and assignment to the committee. The managing director, chief financial officer, external and internal auditors, together with the appropriate board members, attend the meetings on invitation. The internal and external auditors have unrestricted access to the committee.

During the period under review, the committee had four non-executive directors, of which the chairman is independent. On January 26, 2017, HA Ziervogel retired and AC Hiestermann was elected as a member of the committee.

The committee met 4 times during the period under review.

	28 Nov 2016	29 Mrt 201 <i>7</i>	28 Jun 2017	29 Aug 201 <i>7</i>
CA du Toit	√	√	√	√
RL Meyer	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$
*CH Hiestermann	*	$\sqrt{}$		$\sqrt{}$
JS Stapelberg	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$
*HA Ziervogel		*	*	*

- √ Meeting attended
- x Meeting not attended
- On January 26, 2017, HA Ziervogel retired and AC Hiestermann was elected as a member of the committee.

The chairman of the committee and the external auditors attend the annual general meeting.

The external auditors of the Company are PKF Pretoria Incorporated, headed by Mr André Oosthuysen. The auditors regularly attend the Audit and Risk Committee meetings and are independent of the Company.

#### MANDATE AND RESPONSIBILITIES

In terms of its mandate, the following is expected of the committee:

- Recommendation regarding the appointment of an independent external auditor in accordance with the provisions of the Companies Act;
- Approval of fees payable to auditors and the terms and conditions of the appointment;
- Consideration of any non-audit work by such auditors, and determining whether the provision of such services will materially affect their independence;
- 4. Receiving and handling any concerns or complaints regarding accounting practices, internal audit work and internal financial control in an appropriate manner;
- 5. Reporting to the Board on matters relating to accounting policies, financial controls, financial records and financial reporting;
- 6. Consideration of the independence and effectiveness of the external auditors;
- 7. Evaluation of the annual audit plan;
- 8. Consideration and review of the financial statements, accounting practices, policies and procedures, as well as the effectiveness of internal financial controls;
- Ensure that the financial planning, management and reporting of the business is conducted in accordance with the relevant accounting policies and international financial reporting standards;
- Monitoring compliance with relevant legislation and regulatory aspects;
- 11. Evaluation of the effectiveness of management information and internal control systems;
- 12. Ensure that the internal control function is effective and that the internal auditor has unrestricted access to the chairman of the Audit and Risk Committee and the chairman of the Board;
- 13. Granting assistance to the Board in order to ensure that the business implements an effective risk management plan and risk disclosure is complete, timely and relevant.

#### **REPORT**

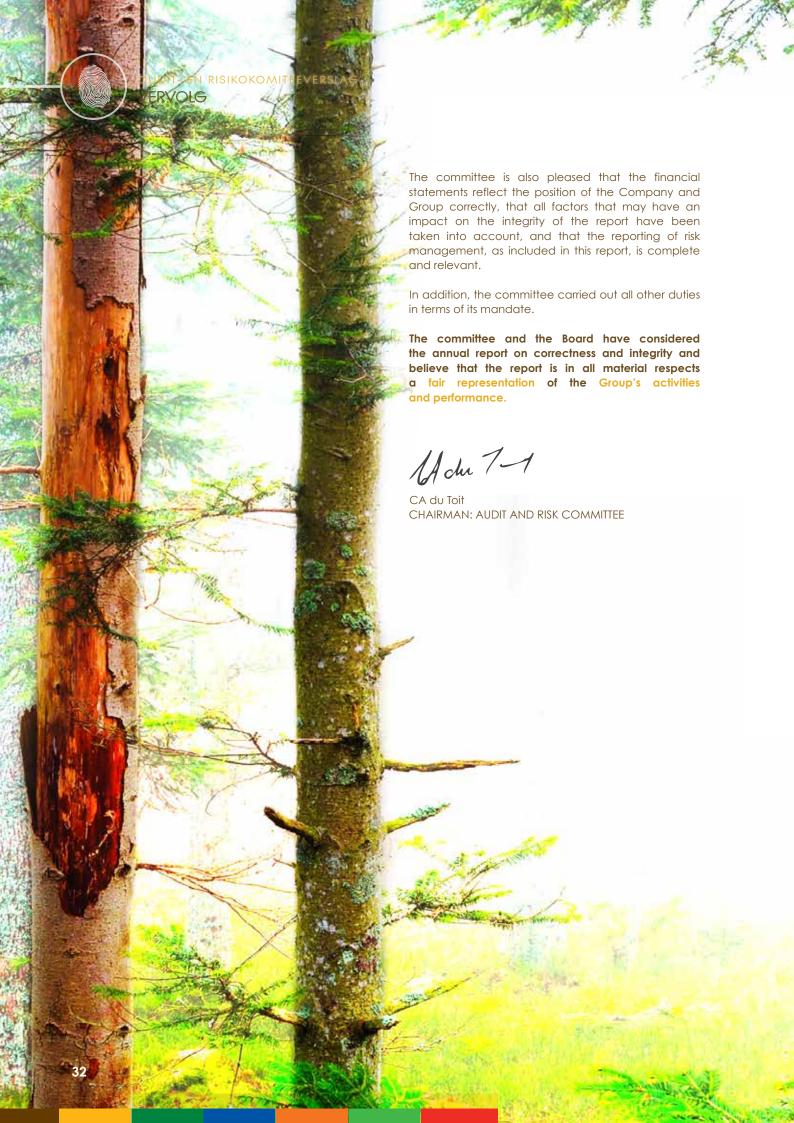
The committee is satisfied that the external auditor is independent of the Group in accordance with the Companies Act, which includes consideration of compliance with the independence or conflict of interest criteria as prescribed by the Independent Regulatory Council for Auditors. After consultation with the executive management, the committee approved the letter of appointment, conditions, audit plan and fees payable to the external auditor.

The committee approved the terms relating to non-audit services by the external auditor and the nature and extent of non-audit services that may be provided by the external auditor.

A formal work plan is compiled by the committee to ensure that all duties assigned to it by the Board during the year are carried out. Based on the results of the formally documented review of the design, implementation and effectiveness of the TWK Group's internal financial control system conducted by the internal audit function during the 2017 financial year and, in addition, after considering information and explanations provided by management and discussions with the external auditor about the results of their audit, the committee believes that the TWK Group's internal financial control system is effective and provides a basis for preparing reliable financial statements.

The internal auditor has unrestricted access to the chairman of the Audit and Risk Committee and the chairman of the Board. The Company has a formal risk management process in terms of which financial and control risks are identified, analysed and updated, and internal audits concentrate, inter alia, on these risks.

The committee evaluated the accounting policies and financial statements for the period ending 31 August 2017 and believes that the Group has complied with the requirements of the Companies Act, 2008, as well as International Financial Reporting Standards (IFRS).



# REPORT AUDITORS'

The Group Annual Financial Statements of TWK Agriculture Holdings (Pty) Ltd for the year ended 30 Novemver 2017 have been audited by the Company's external auditor, PKF Pretoria Incorporated. A copy of their unqualified auditor's report is available at the Company's registered office.



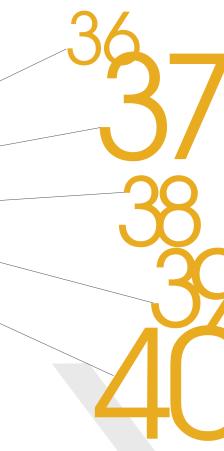
STATEMENT OF FINANCIAL POSITION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

STATEMENT OF CHANGES IN EQUITY

**STATEMENT OF CASH FLOWS** 

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS



		2017	2016 Restated
	Note(s)	R	R
ASSETS			
Non-current assets Property, plant and equipment	4	777 813 972	732 709 564
Investment property	5	7// 013 7/2	4 855 000
Biological assets	6	307 247 522	270 934 599
Goodwill and intangible assets	7	120 711 442	21 925 708
Investments in associates	9	12 517 096	36
Loans to associates	10	15 053 325	11 527 743
Other financial assets	12	171 774 592	173 687 753
Finance lease receivables	13	14 122 989	19 186 204
		1 419 240 938	1 234 826 607
Command march			
Current assets Inventories	17	1 056 330 694	994 364 428
Other loans receivable	17	333	1 118 185
Trade and other receivables	18	858 767 107	713 897 444
Other financial assets	12	9 498 376	713077 444
Finance lease receivables	13	15 327 742	16 383 806
Current tax receivable	13	12 249 844	6 847 271
Cash and cash equivalents	19	114 549 714	133 251 148
Cash and Cash oquivalents	17	2 066 723 810	1 865 862 282
Non-current assets held for sale	20	10 085 332	-
Total assets		3 496 050 080	3 100 688 889
FOURTY AND LIABILITIES			
EQUITY AND LIABILITIES Equity			
Equity attributable to equity holders of parent			
Share capital		10 001 816	9 518 817
Reserves	21	449 408 104	427 840 569
Retained income		357 771 541	312 786 991
		817 181 461	750 146 377
Non-controlling interest		305 209 277	196 182 674
		1 122 390 738	946 329 051
Liabilities			
Non-current liabilities		0.740.504	1,,05,,100
Other loans payable	11	9 743 584	16 256 102
Other financial liabilities	25 26	628 015 248 1 466 911	224 484 257
Finance lease liabilities  Retirement benefit obligation	14	9 564 000	6 089 009
Deferred tax	16	146 970 288	112 246 134
Deferred tax	10	795 760 031	359 075 502
Current liabilities			
Trade and other payables	29	627 987 400	557 633 188
Other loans payable	11	10 714 096	4 230 487
Other financial liabilities	25	929 029 169	1 225 724 735
Finance lease liabilities	26	736 405	128 178
Current tax payable		1 631 312	4 849 266
Provisions	27	880 311	528 885
Dividend payable	30	6 526 073	1 939 326
Bank overdraft	19	394 545	250 271
T-1-1 P-1-199		1 577 899 311	1 795 284 336
Total liabilities		2 373 659 342	2 154 359 838
Total equity and liabilities		3 496 050 080	3 100 688 889



# OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2017	2016 Restated
	Note(s)	R	R
CONTINUING OPERATIONS			
Revenue	31	7 009 062 576	6 548 276 131
Cost of sales	32	(5 959 328 543)	(5 656 824 349)
Gross profit		1 049 734 033	891 451 782
Other operating income	33	65 389 756	70 833 502
Other operating gains	34	33 725 757	24 114 149
Other operating expenses		(809 747 536)	(681 698 298)
Operating profit	35	339 102 010	304 701 135
Investment income	36	2 459 721	807 763
Finance costs	37	(128 677 020)	(110 185 294)
Share of profit from associates	9	1 917 051	-
Other non-operating gains	38	12 849 778	-
Profit before loyalty scheme payments		227 651 540	195 323 604
Loyalty scheme payments		(11 945 443)	(25 545 818)
Profit before taxation		215 706 097	169 777 786
Taxation	39	(62 256 678)	(49 595 800)
Profit from continuing operations Discontinued operations		153 449 419	120 181 986
(Loss)/profit from discontinued operations	20	(9 444 765)	1 338 843
Profit for the year		144 004 654	121 520 829
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurements on defined benefit liability		(4 206 991)	-
Gains on property revaluation		16 095 838	8 010 525
Income tax relating to items that will not be reclassified		(4 280 762)	(5 878 450)
Total items that will not be reclassified to profit or loss		7 608 085	2 132 075
Items that may be reclassified to profit or loss			
Available-for-sale financial assets adjustments		8 347 935	11 393 510
Income tax relating to items that may be reclassified		(1 831 969)	(3 750 052)
Total items that may be reclassified to profit or loss		6 515 966	7 643 458
Other comprehensive income for the year net of taxation	40	14 124 051	9 775 533
Total comprehensive income for the year		158 128 705	131 296 362
PROFIT ATTRIBUTABLE TO			
Owners of the parent			
From continuing operations		96 483 389	88 956 384
From discontinued operations		(9 444 765)	1 338 843
		87 038 624	90 295 227
NON-CONTROLLING INTEREST			
From continuing operations		56 966 030	31 225 601
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Owners of the parent		101 162 675	99 684 830
Non-controlling interest		56 966 030	31 611 532
		158 128 705	131 296 362
EARNINGS PER SHARE			
From continuing and discontinued operations			
Basic earnings per share (c)	41	700,51	727,66
From continuing operations			
Basic earnings per share (c)	41	776,52	716,87
From discontinued operations			
Basic (loss)/earnings per share (c)	41	(76,01)	10,79

# STATE MENT

	Share capital	Revaluation reserve	adjustment adjustment assets- available- for-sale reserve	Restructuring reserve	Share- based payments reserve	Total	Retained income	Total attributable to equity holders of the Group	Non- controlling interest	Attributable to non-controlling holders of TWK Investment	Total equity
	œ	~	œ	œ	œ	œ	œ	œ	œ	œ	∝
Balance at 01 September 2015	9 518 816	327 690 939	24 932 269	75 137 000		427 760 208	240 258 584	677 537 608	(52 005 393)	202 849 849	828 382 064
Profit for the year	•	ı	1	1	1	ı	90 295 227	90 295 227	(7712)	31 233 313	121 520 828
Otner comprenensive income	•	2 955 769	6 433 836	1	1	9 389 605	1	9 389 605	1	385 931	9 775 536
Total comprehensive income for the year	•	2 955 769	6 433 836		1	9 389 605	90 295 227	99 684 832	(7 712)	31 619 244	131 296 364
Transfer between reserves		(3 653 880)	ı	1	ı	(3 653 880)	3 653 880	ı	ſ	ı	1
Dividends	•		Γ	ı	Г		(7 822 419)	(7 822 419)	(2 435 345)	(3 091 613)	(13 349 377)
Changes in ownership interest	•	(1 749 054)	(3 906 309)	1	ı	(5 655 363)	(13 598 281)	(19 253 644)	ı	19 253 644	1
Total contributions by and distributions to owners of Group											
in equity	•	(5 402 935)	(3 906 309)	•	т	(9 309 243)	(17 766 820)	(27 076 063)	(2 435 345)	16 162 031	(13 349 377)
Balance at 01 September 2016	9 518 816	325 243 773	27 459 797	75 137 000	Т	427 840 569	312 786 991	750 146 376	(54 448 450)	250 631 124	946 329 050
Profit for the year	I	1	ı	1	ī	1	87 038 624	87 038 624	22 719 092	34 246 938	144 004 654
Orner comprenensive income	1	11 815 076	6 515 966	'	1	18 331 042	(4 206 991)	14 124 051	(1 912 307)	4 673 840	16 885 584
Total comprehensive income for the year		11 815 076	6 515 966	٠	ı	18 331 042	82 831 633	101 162 675	20 806 785	38 920 778	160 890 238
Issue of shares	483 000	1	1	1	1	1	1	483 000	1	1	483 000
Employees share option scheme	1	I	1	ı	3 871 703	3 871 703	2 172 656	6 044 359	1	1	6 044 359
reserves Dividends	1 1	(635 211)	1 1	1 1	1 1	(635 211)	635 211 (7 941 770)	(7 941 770)	(9 293 411)	- (4 172 884)	(21 408 065)
Changes in ownership	1		ı	,	ı	1	(30 713 180)	(30 713 180)	12 057 434	90 777 819	9 092 073
Business combinations			г г		г		2	(001 01 / 70)	20 960 082	5	20 960 082
Total contributions by and distributions to owners of Group recognised directly											
in equity	483 000	(635 211)	7	•	3 871 703	3 236 492	(37 847 083)	(34 127 591)	23 724 105	25 574 935	15 171 449
Balance at 31 August 2017	10 001 816	336 423 638	33 975 763	75 137 000	3 871 703	449 408 104	357 771 541	817 181 461	(9 917 560)	315 126 837	1 122 390 738



		2017	2016
	Note(s)	R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) generated from operations	42	287 206 402	452 407 745
Interest income		1 544 157	4 318 467
Dividend income		915 564	1 035 636
Finance costs		(128 677 020)	(112 375 261)
Tax paid	43	(46 936 357)	(26 171 734)
Dividends paid		(16 821 318)	(13 595 434)
Net cash from operating activities		97 231 428	305 619 419
CASH FLOWS FROM INVESTING ACTIVITIES			
Durchage of property plant and equipment	4	//O /E1 7/2)	(77 000 001)
Purchase of property, plant and equipment	4	(68 451 763)	(77 829 991)
Sale of property, plant and equipment	4	23 262 405	23 289 672
Sale of investment property	5 7	- (2 (15 510)	18 000 000
Purchase of other intangible assets	7	(3 615 519) 481 720	(513 542) 33 625
Sale of other intangible assets Goodwill payments	13		(3 122 807)
	13	(52 356 832)	(3 122 007)
Net cash outflow on acquisition/sale of subsidiaries		(1 320 057)	-
Loans to Group companies repaid		(15 680 058)	-
Net cash outflow on acquisition of associate	,	(10 600 009)	(303 008 356)
Purchase of biological assets	6	(336 821 727) 284 629 656	,
Sale of biological assets Forward contracts	6		264 915 416
Profit/(loss) from discontinued operations		(4 998 376) (9 444 765)	5 894 461 1 338 843
Net cash from investing activities	-	(194 915 325)	(71 002 679)
CASH FLOWS FROM FINANCING ACTIVITIES		-	
Advances from other financial liabilities		1 080 103 821	13 241 975
Repayment of other financial liabilities		(1 012 268 398)	(89 142 056)
Loan advanced to associate			(3 994 529)
Proceeds from other loans		9 105 224	17 798 730
Decrease of other loans		(9 134 133)	(840 619)
Finance lease payments		(1 063 199)	(588 641)
Finance lease receipts		6 119 279	2 903 636
Repayments from customers of forestry and term loans		48 625 205	44 866 210
Advance made on forestry and term loans to customers	_	(42 649 610)	(26 489 545)
Net cash from financing activities	_	78 838 189	(42 244 839)
Total cash movement for the year		(18 845 708)	192 371 901
Cash at the beginning of the year		133 000 877	(59 371 024)
Total cash at end of the year	19	114 155 169	133 000 877



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					7107			2010	
				Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
				œ	≃.	) ez	œ	≃	) <sub>C</sub>
Land and buildings			I	616 887 721	(14 762 014)	602 125 707	593 508 363	(14075 659)	579 432 704
Plant and machinery				245 320 517	(129 827 064)	115 493 453	202 156 725	(98 010 153)	104 146 572
Motor vehicles				93 704 695	(57 540 353)	36 164 342	75 935 330	(43 959 143)	31 976 187
Leasehold improvements				3 129 461	(3 010 463)	118 998	3 129 461	(2 741 833)	387 628
Structures				26 889 095	(2 977 623)	23 911 472	19 415 130	(2 648 657)	16 766 473
Total				985 931 489	(208 117 517)	777 813 972	894 145 009	(161 435 445)	732 709 564
RECONCILIATION			Additions						
OF PROPERTY, PLANT AND EQUIPMENT – 2017	Opening balance	Additions	through business combinations	Disposals	Classified as held for sale	Borrowing cost capitalised	Revaluations	Depreciation	Total
	œ	œ	œ	œ	œ	2	2	≃	œ
Land and buildings	579 432 704	19 102 839	2 084 684	(13 217 984)	(4 185 332)	120 878	19 026 873	(238 955)	602 125 707
Plant and machinery	104 146 572	30 785 623	4 750 573	(5 944 411)	1	1	1	(18 244 904)	115 493 453
Motor vehicles	31 976 187	10 939 305	3 101 652	(3 132 496)	ı	1	ı	(6 720 306)	36 164 342
Leasehold	387 628	ı	1	1	1	1	1	(268 630)	118 998
Improvements Structures	16 766 473	7 538 706	1	1	1	ı	'	(393 707)	23 911 472
Total	732 709 564	68 366 473	606 986 6	(22 294 891)	(4 185 332)	120 878	19 026 873	(25 866 502)	777 813 972
RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2016				Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
				2	N.	Я	2	Я	2
Land and buildings				537 305 065	35 264 480	(908 407)	7 979 602	(208 036)	579 432 704
Plant and machinery				81 777 827	39 695 160	(1 756 245)	ı	(15 570 170)	104 146 572
Motor vehicles				33 729 144	8 640 911	(4 481 391)	ı	(5 912 477)	31 976 187
Leasehold improvements	Ş			776 181	Г	1	1	(388 553)	387 628
Structures			'	16 839 993	163 800	1	1	(237 320)	16 766 473
Total				670 428 210	83 764 351	(7 146 043)	7 979 602	(22 316 556)	732 709 564

A register, containing the information required by Regulation 25(3) of the Companies Regulations 2011, is available for inspection at the registered office of the Company.

Depreciation is calculated to write off the asset's carrying amount over its estimated useful life to its estimated residual value.

Depreciation on leasehold improvements is calculated to write off the carrying amount over the term of the leases.

The useful life and residual values are reviewed at the beginning of each reporting period and adjusted if appropriate. The evaluation regarding the useful life and residual values of assets can only be established with certainty when the item of asset near the end of their useful life. The estimated useful lives of items of property, plant and equipment are within the following intervals:

Land

Buildings and structures
Plant and machinery

Motor vehicles

Not depreciated
20 to 50 years
4 to 22 years
6 years

Leasehold improvements Over term of lease

#### Property, plant and equipment encumbered as security

Property, plant and equipment with a carrying value of R438 175 323 (2016: R550 405 622) have been pledged to secure borrowings. Refer to notes 25 & 26.

#### **Borrowing costs capitalised**

Borrowing costs capitalised to qualifying assets Capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation

-	120 878
- %	10.25 %
1 0/0 5/7	(2405/

2017

2016

# Net carrying amounts of leased assets

Motor vehicles

# **Revaluations**

Every year the directors evaluate whether there is an indication that the carrying value of an item of land and buildings differ materially from the estimated market value. When there is an indication of such a change in fair value, the item is revalued by an independent valuer. All items of land and buildings are revalued at least every four years.

The last valuation on selected assets was on 31 August 2017. Valuations were performed by independent valuers, Mr C Winckler and Mr W Winckler of Valuers Africa (Pty) Ltd. The valuers are registered professional valuers and are not connected to the Group. The valuations were performed using the capitalised income approach and the surplus was credited to other comprehensive income and is shown in reserves in shareholder equity.

Any decrease in an asset's carrying amount as a result of revaluation is recognised in profit or loss in the current period.

The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The carrying value of the revalued assets under the cost model would have been:

2017	2016
R	R
320 048 849	302 992 092

Land and buildings

# Fair value information

The fair value measurement of property, plant and equipment have been categorised as level 3 based on inputs which are not based on observable market data.

# 5. INVESTMENT PROPERTY

		2017			2016	
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Investment property	-	-	-	4 855 000	-	4 855 000
RECONCILIATION OF INVESTMENT PROPERTY – 2017		Opening balance	Additions	Classified as held for sale	Fair value adjustments	Total
		R	R	R	R	R
Investment property		4 855 000	69 928	(5 900 000)	975 072	-
RECONCILIATION OF INVESTMENT PROPERTY – 2016				Opening balance	Disposals	Total
				R	R	R
Investment property				20 815 000	(15 960 000)	4 855 000

#### Pledged as security

Investment property with a carrying value of R5 900 000 (2016: R4 855 000) have been pledged to secure borrowings. Refer to note 25.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company.

#### **Details of valuation**

Every year the Directors evaluate whether there is an indication that the carrying value of an item of Investment property differ materially from the estimated market value. When there is an indication of such a change in fair value, the item is revalued by an independent valuer. All items of investment property are revalued at least once every four years.

The last valuation on selected assets was on 31 August 2017. Valuations were performed by independent valuers, Mr C Winckler and Mr W Winckler of Valuers Africa (Pty) Ltd. The valuers are registered professional valuers and are not connected to the Group. The valuations were performed using the capitalised income approach and the surplus was credited to the income statement.

# Fair value information

The fair value measurement of investment property has been categorised as level 3 based on inputs which are not based on observable market data.

# 6. BIOLOGICAL ASSETS

				2017 Carrying value R	2016 Carrying value
Plantations Livestock				549 181 537 3 707 250	486 179 930 3 830 550
Total				552 888 787	490 010 480
Classified as non-current asset		Dry		307 247 522 245 641 265	270 934 599 219 075 881
		•		552 888 787	490 010 480
RECONCILIATION OF BIOLOGICAL ASSETS – 2017	Opening balance	Increase due to planted and purchased	Decreases due to harvest / sales	Gains / (losses) arising from changes in fair value	Total
Plantations	R 486 179 930	R 336 530 427	R (284 304 456)	R 10 775 636	R 549 181 537
Livestock	3 830 550	291 300	(325 200)	(89 400)	3 707 250
	490 010 480	336 821 727	(284 629 656)	10 686 236	552 888 787
RECONCILIATION OF BIOLOGICAL ASSETS – 2016	Opening balance	Increase due to planted and purchased	Decreases due to harvest /sales	Gains/(losses) arising from changes in fair value	Total
Plantations	R 428 911 621	R 303 008 356	(264 929 819)	R 19 189 772	R 486 179 930
Livestock	2 750 800	303 006 336	(204 929 019)	1 079 750	3 830 550
	431 662 421	303 008 356	(264 929 819)	20 269 522	490 010 480
NON-FINANCIAL INFORMA	TION				
Hectares 2017	IION	Pine	Eucalyptus	Wattle	Total
Balance as at 31 August 2	2016	3 801	7 990	2 130	13 921
Planted during the year		295	895	284	1 474
Harvested during the year Adjustment measurement		(125)	(947) 48	(204)	(1 276) 55
Balance as at 31 August		3 975	7 986	2 213	14 174
Livestock 2017		Cattle	Horses	Goats	Total
Balance as at 31 August 2	2016	676	2	211	889
Due to acquisitions		11	-	-	11
Due to births		107	- (1)	5	112
Due to death  Due to sale		(26) (28)	(1)	(96) (120)	(123) (148)
Balance as at 31 August	2017	740	1	-	741
Hectares 2016		Pine	Eucalyptus	Wattle	Total
Balance as at 31 August 2	2015	3 713	8 430	2 050	14 193
Planted during the year	or.	259 (146)	630	327	1 216
Harvested during the year Adjustment measurement		(25)	(1 161) 91	(40) (207)	(1 347) (141)
Balance as at 31 August		3 801	7 990	2 130	13 921
Livestock 2016		Cattle	Horses	Goats	Total
Balance as at 31 August 2	2015	374	2	197	573
Due to acquisitions		249	-	-	249
Due to births  Due to death		85	-	44	129
Due to death  Due to sale		(32)	-	(24)	(56) (6)
Balance as at 31 August	2016	676	2	211	889



#### 6. BIOLOGICAL ASSETS (CONTINUED)

Standing timber comprised approximately of 14.174 (2016: 13.921) hectares of tree plantations on land that the Group owns and rents, which range from newly established plantations to plantations that are approximately 24 years old. During the year the Group harvested approximately 491.558 (2016: 567.980) tonnes of timber on land that the Group owns, as well as plantations bought on a standing timber basis.

TWK manages the establishment, maintenance and harvesting of its plantations on a compartmentalised basis. These plantations comprise pulpwood and sawlogs and are managed to ensure that the optimum fibre balance is supplied to the most relevant market.

TWK manages its plantations on a rotational basis and as such, increases by means of growth are negated by fellings for sales over the rotation period.

TWK manages plantations on land that the Group owns and rents, as well as plantations bought on a standing timber basis. The Group discloses both of these as directly managed plantations.

At 31 August 2017, livestock comprised of 740 cattle, 1 horse and 0 goats (2016: 676 cattle, 2 horses and 211 goats).

#### Pledged as security

Plantations of TWK Agri (Pty) Ltd with a carrying value of R134 441 638 (2016: R112 369 992) have been pledged to secure borrowings of R100 000 000 of the Company. Refer to note 25.

#### Methods and assumptions used in determining fair value

Plantations are stated at fair value less estimated cost to sell at the harvesting stage and is a Level 3 measure in terms of the fair value measurement hierarchy as established by IFRS 13 fair value measurement. Biological assets are measured on initial recognition at cost and at subsequent reporting dates at fair value less estimated costs to sell by using the Faustmann formula.

The fair value of standing timber at matured date, being the age at which it becomes marketable, is based on the market price of the estimated recoverable timber volumes, net of harvesting and transportation costs. The fair value of younger standing timber is based on the present value of the net cash flows expected to be generated by the plantations at maturity, in its most relevant market, and includes the potential additional biological transformation and related risks associated with the asset. Any gain or loss arising from changes in the fair value of biological assets are included in profit or loss.

The fair value measurement of livestock has been categorised as Level 2 fair values based on observable market sales data.

#### THE DETAIL OF SIGNIFICANT UNOBSERVABLE INPUTS FOR STANDING TIMBER AND LIVESTOCK IS AS FOLLOWS:

# Standing timber

- The future standing timber market prices per tonne is based on the estimated weighted average price per tonne of the different species for their relevant market. The estimated fair value would increase/(decrease) if the estimated timber prices per tonne were higher/(lower).
- The estimated weighted average yields per hectare is 135.99 ton (2016: 147.38 ton) The estimated fair value would increase/(decrease) if the estimated yield per hectare were higher/(lower).
- The estimated weighted average harvest and transportation costs per tonne as a percentage of selling price is 42.06% (2016: 44.59%). The estimated fair value would increase/(decrease) if the estimated harvest and transportation costs were lower/(higher).
- The estimated risk-adjusted rate derived from the Faustmann formula tables is 4.93% (2016: 4.39%). The estimated fair value would increase/(decrease) if the estimated risk-adjusted discount rate were higher/(lower).

# Livestock

The valuation technique used to determine the fair value of livestock is based on the market price of livestock of similar age, weight and market values. Significant unobservable inputs are therefore not applicable.

#### Risk management strategy related to biological assets

The Group is exposed to the following risks relating to plantations:

# Regulatory and environmental risk

The Group is subject to laws and regulations. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

# Supply and demand risk

The Group is exposed to risk arising from fluctuations in the price and sales volume of timber. When possible the Group manages this risk by aligning its harvest volume to market supply and demand. Management perform regular industry trend analyses for projected harvest volumes and pricing.

#### Climate and other risks

The plantations are exposed to the risk of damage from climate changes, diseases, fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including fire protection, forest health inspections and industry pest and disease surveys. The Group is also insured against fire and other forces of nature.

# 7. GOODWILL AND INTANGIBLE ASSETS

		2017			2016	
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	R	R	R	R	R	R
Patents, trademarks and other rights	507 322	(32 762)	474 560	200 000	(15 832)	184 168
Sole distributor rights	3 000 000	-	3 000 000	3 000 000	-	3 000 000
Computer software	7 649 122	(3 870 749)	3 778 373	4 857 346	(3 062 023)	1 795 323
Goodwill	113 458 509	-	113 458 509	16 946 217	-	16 946 217
Total	124 614 953	(3 903 511)	120 711 442	25 003 563	(3 077 855)	21 925 708

RECONCILIATION OF GOODWILL AND INTANGIBLE ASSETS – 2017	Opening balance	Additions	Additions through business combinations	Disposals	Amortisation	Total
	R	R	R	R	R	R
Patents, trademarks and other rights	184 168	290 392	-	-	-	474 560
Sole distributor rights	3 000 000	-	-	-	-	3 000 000
Computer software	1 795 323	3 325 129	-	(481 722)	(860 357)	3 778 373
Goodwill	16 946 217	17 315 789	79 196 503	-	-	113 458 509
Total	21 925 708	20 931 310	79 196 503	(481 722)	(860 357)	120 711 442

RECONCILIATION OF GOODWILL AND INTANGIBLE ASSETS – 2016	Opening balance	Additions	Disposals	Amortisation	Total
	R	R	R	R	R
Patents, trademarks and other rights	184 168	-	-	-	184 168
Sole distributor rights	3 000 000	-	-	-	3 000 000
Computer software	2 125 315	513 542	(45 434)	(798 100)	1 795 323
Goodwill	13 823 410	3 122 807	-	-	16 946 217
Total	19 132 893	3 636 349	(45 434)	(798 100)	21 925 708

The useful life and residual values of computer software are reviewed at the beginning of each reporting period and adjusted if appropriate. The estimated useful life of computer software are 4 years.

# Pledged as security

Computer software with a carrying value of R3 774 507 (2016: R1 785 937), have been pledged to secure borrowings. Refer to note 25.



# 7. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

#### Other information

During the previous year, the Group acquired the insurance agency rights of Philip Augustyn Makelaars. The goodwill of R3 122 807 represents the excess of the cost of the acquisition over the fair value of the net identifiable assets of the acquired business and liabilities assumed.

During the current year, the Group acquired the insurance agency rights of FFG Ermelo (Pty) Ltd. The goodwill of R1 315 789 represents the excess of the cost of the acquisition over the fair value of the net identifiable assets of the acquired business and liabilities assumed.

During the current year, the Group also acquired the business, collectively the Total filling station situated at Elukwatini and the Total filling station, including the food outlet and Bonjour situated at Carolina. The total goodwill of R16 000 000 represents the excess of the cost of the acquisition over the fair value of the net identifiable assets of the acquired businesses and liabilities assumed.

The additions through business combinations refer to the acquisition of Bedrock Mining Support (Pty) Ltd. During the current year, the Group acquired a 50.004% interest in Bedrock Mining Support (Pty) Ltd. The goodwill of R35 041 043 represents the excess of the cost of the acquisition over the fair value of the net identifiable assets of the acquired business and liabilities assumed – Refer to note 8. Previously Bedrock Mining Support (Pty) Ltd acquired the business of SMT Mining (Pty) Ltd. The goodwill of R44 155 460 represents the excess of the acquisition over the fair value of the net identifiable assets of the acquired business and liabilities assumed.

#### Review of useful life assessment and impairment

Goodwill and intangible assets is regarded as having an indefinite useful life because there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Management review goodwill and intangible assets regularly to determine whether events and circumstances continue to support an indefinite useful life and review for impairment by comparing its recoverable amount by its carrying amount.

Amortisation is calculated to write off computer software's carrying amount over its estimated useful life to its estimated residual value. The useful life and residual values are reviewed at the beginning of each reporting period and adjusted if appropriate. The evaluation regarding the useful life and residual values of computer software can only be established with certainty when the item of asset near the end of their useful life. The estimated useful lives of items of computer software is 4 years.

Goodwill is allocated to the Group's cash generating units based on the different business segments. The recoverable amount of a cash generating unit is based on the calculation of the value in use. The calculation uses cashflow forecasts prepared by Management for the next seven years. Due to the nature of and the strategic objectives of the cash generating units, a longer-than-5-years cashflow forecast was used.

Goodwill relating to the insurance business unit Goodwill relating to the trade business unit Goodwill relating to the timber business unit (Refer to note 7) Goodwill relating to the fuel and oil business unit Goodwill relating to Bedrock Mining Support (Pty) Ltd

2017	2016
R	R
6 260 396	4 944 607
3 254 168	3 254 168
35 041 043	-
16 000 000	-
44 155 460	-

The following assumptions were used in the calculation:

Growth rate 6.00% Discount rate 14.65%

The forecasted cashflows are based on actual results and assumptions regarding own strategies and market development. The discount rate reflects the specific risks that are related to the business.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

# 8. INTERESTS IN SUBSIDIARIES

The following table lists the entities which are controlled directly by the Group. TWK has the power to govern the financial and operating policies and has rights to the variable returns from:

- Canyon Springs Investments 140 (Pty) Ltd
- SAWCO Treated Timbers (Pty) Ltd
- Lydenburg Saagmeule (Pty) Ltd

These entities will therefore remain subsidiaries of TWK.

COMPANY	Held by	Country of incorporation	% holding 2017	% holding 2016
Direct interest				
TWK Investments Ltd	TWK Agriculture Holdings (Pty) Ltd	South Africa	59.60	59.60
Indirect interest				
Arrow Feeds (Pty) Ltd	TWK Investments Ltd	Swaziland	100,00	100.00
Canyon Springs Investments 140 (Pty) Ltd	TWK Investments Ltd	South Africa	50.00	50.00
Castle Walk Property Investments (Pty) Ltd	TWK Investments Ltd	South Africa	100.00	100.00
Mutual Farming (Pty) Ltd	TWK Investments Ltd	South Africa	-	100.00
Piet Retief Trekkers (Pty) Ltd	TWK Investments Ltd	South Africa	-	100.00
Shiselweni Forestry Company Ltd	TWK Investments Ltd	Swaziland	100.00	100.00
Swaziland Forestry Equipment (Pty) Ltd	TWK Investments Ltd	Swaziland	-	100.00
TWK Agri (Pty) Ltd	TWK Investments Ltd	South Africa	75.00	75.00
TWK Swaziland (Pty) Ltd	TWK Investments Ltd	Swaziland	100.00	100.00
Weston Timbers (Pty) Ltd	TWK Investments Ltd	South Africa	-	100.00
Protea Tyres Kimberley (Pty) Ltd	Protea Versoolwerke Ermelo (Pty) Ltd	South Africa	59.00	59.00
Nhlangano Timber Company (Pty) Ltd	Shiselweni Forestry Company Ltd	Swaziland	100.00	100.00
Olmacs (Pty) Ltd	Shiselweni Forestry Company Ltd	Swaziland	100.00	100.00
SAWCO Mining Timber Company (Pty) Ltd	Shiselweni Forestry Company Ltd	Swaziland	100.00	100.00
SAWCO Treated Timbers (Pty) Ltd	Shiselweni Forestry Company Ltd	Swaziland	50.00	50.00
Constantia Kunsmis (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	100.00	100.00
Die Kilo Bemarkingskorporasie (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	100.00	100.00
Rothman Motors (Pty) Ltd – previously HP Kuun Insurance Brokers (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	100.00	100.00
Maluti Milling (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	-	51.00
Protea Versoolwerke Ermelo (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	60.00	67.34
TWK Insurance Brokers (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	100.00	100.00
TWK Motors (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	100.00	100.00
TWK Rekenaardienste (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	100.00	100.00
Silo Autobody (Pty) Ltd	TWK Motors (Pty) Ltd	South Africa	66.67	66.67
Lions River Farmers Exchange (Pty) Ltd	TWK Motors (Pty) Ltd	South Africa	60.00	60.00
Lydenburg Saagmeule (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	50.00	50.00
Bedrock Mining Support (Pty) Ltd	TWK Agri (Pty) Ltd	South Africa	50.004	-

During the current year, the Group decided to sell 7.34% (587 shares) of the shares held in Protea Versoolwerke Ermelo (Pty) Ltd, previously held at R5 000 per share. The net gain on the shares sold amounted to R2 787 864 and is included in other operating gains.



#### 8. INTERESTS IN SUBSIDIARIES (CONTINUED)

During the current year, the Group decided to dispose of its investments in one of its subsidiaries, Maluti Milling (Pty) Ltd.

On 31 August 2017, a sale of share transaction was concluded. Refer to note 20.

During the current year Mutual Farming (Pty) Ltd, Piet Retief Trekkers (Pty) Ltd, Swaziland Forestry Equipment (Pty) Ltd and Weston Timbers (Pty) Ltd were deregistered.

#### Subsidiaries pledged as security

TWK Investments Ltd and TWK Agriculture Holdings (Pty) Ltd signed unlimited suretyship as guarantee for the loan facilities granted by the Land Bank. Refer to note 25.

Shiselweni Forestry Company (Pty) Ltd signed a suretyship limited to an amount of R250 000 000 for the Standard Bank overdraft facility. Refer to note 19.

The shares in Castle Walk Property Investments (Pty) Ltd and Protea Versoolwerke Ermelo (Pty) Ltd serve as security for the loan facilities granted by the Land Bank. Refer to note 25.

The Group's rights and title to the security shares held in Bedrock Mining Support (Pty) Ltd have also been pledged to secure borrowings of Bedrock Mining Support (Pty) Ltd. Refer to note 25.

#### **Business combinations**

On 1 September 2016, the Group acquired 50.0004% of the issued share capital of Bedrock Mining Support (Pty) Ltd, a manufacturer of timber-based mining support products. The interest was acquired to further expand the timber business of the Group. The excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition, and liabilities assumed, amounted to R35 041 043.

The fair values of assets acquired and liabilities assumed summarised by each major category are as follows:

Total assets	146 683 874
Total liabilities	_(104 760 357)
Net identifiable assets acquired	41 923 517
Less: Non-controlling interest share	(20 960 082)
Less: Consideration paid	(56 004 478)
Goodwill	(35 041 043)

# SUMMARISED FINANCIAL INFORMATION OF MATERIAL SUBSIDIARIES - 2017

STATEMENT OF FINANCIAL POSITION	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities
	R	R	R	R	R	R
Shiselweni Forestry Company Ltd	390 176 491	202 865 823	593 042 314	90 899 682	109 905 889	200 805 571
TWK Motors (Pty) Ltd	39 959 144	55 656 364	95 615 508	3 559 442	43 513 916	47 073 358
Constantia Kunsmis (Pty) Ltd	34 419 780	234 180 216	268 599 996	22 687 877	227 764 342	250 452 219
Protea Versoolwerke Ermelo (Pty) Ltd	20 804 324	54 587 106	75 391 430	1 781 407	27 820 395	29 601 802
TWK Agri (Pty) Ltd	480 515 773	1 713 105 930	2 193 621 703	764 882 909	1 381 755 166	2 146 638 075
Bedrock Mining Support (Pty) Ltd	55 727 603	84 709 022	140 436 625	20 466 911	64 756 958	85 223 869
TWK Investments Ltd	1 428 109 374	31 944 097	1 460 053 471	316 322 062	23 989 249	340 311 311
Total	2 449 712 489	2 377 048 558	4 826 761 047	1 220 600 290	1 879 505 915	3 100 106 205

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Revenue	Profit/(loss) before tax	Tax expense	Profit/(loss)	Other comprehensive income	Total comprehensive income
	R	R	R	R	R	R
Shiselweni Forestry Company Ltd	112 918 962	37 129 615	(10 270 651)	26 858 964	-	26 858 964
TWK Motors (Pty) Ltd	493 373 440	6 763 795	(1 732 720)	5 031 075	(6 458 115)	(1 427 040)
Constantia Kunsmis (Pty) Ltd	768 952 563	18 266 144	(4 627 382)	13 638 762	-	13 638 762
Protea Versoolwerke Ermelo (Pty) Ltd	176 147 439	3 951 482	(1 125 470)	2 826 012	2 885 890	5 711 902
TWK Agri (Pty) Ltd	5 734 724 109	34 942 948	(10 221 591)	24 698 880	17 477 952	42 176 832
Bedrock Mining Support (Pty) Ltd	404 756 860	40 736 239	(10 447 377)	30 289 239	-	30 289 239
TWK Investments Ltd	23 836 742	128 845 175	(17 607 957)	111 237 218	32 045 363	143 282 581
Total	7 714 710 115	270 635 398	(56 033 148)	214 580 150	45 951 090	260 531 240

# SUMMARISED FINANCIAL INFORMATION OF MATERIAL SUBSIDIARIES - 2016

STATEMENT OF FINANCIAL POSITION	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities
	R	R	R	R	R	R
Shiselweni Forestry Company Ltd	361 236 870	248 467 694	609 704 564	80 629 032	163 697 753	244 326 785
TWK Motors (Pty) Ltd	39 647 735	64 130 910	103 778 645	5 413 298	48 396 157	53 809 455
Constantia Kunsmis (Pty) Ltd	24 624 007	222 799 294	247 423 301	23 270 254	219 644 034	242 914 288
Protea Versoolwerke Ermelo (Pty) Ltd	13 835 304	45 489 173	59 324 477	768 252	18 156 200	18 924 452
TWK Agri (Pty) Ltd	410 022 977	1 818 190 363	2 228 213 340	374 053 007	1 792 432 198	2 166 485 205
TWK Investments Ltd	1 288 616 435	5 740 797	1 294 357 232	185 713 616	97 753 835	283 467 451
Total	2 137 983 328	2 404 818 231	4 542 801 559	669 847 459	2 340 080 177	3 009 927 636

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Revenue	Profit/(loss) before tax	Tax expense	Profit/(loss)	Other comprehensive income	Total comprehensive income
	R	R	R	R	R	R
Shiselweni Forestry Company Ltd	107 105 057	30 098 340	(8 265 716)	21 832 624	-	21 832 624
TWK Motors (Pty) Ltd	466 376 638	6 870 761	(381 876)	6 488 885	(317 967)	6 170 918
Constantia Kunsmis (Pty) Ltd	830 158 284	12 345 983	(3 456 875)	8 889 108	-	8 889 108
Protea Versoolwerke Ermelo (Pty) Ltd	148 293 132	1 805 586	(516 393)	1 289 193	(164 202)	1 124 991
TWK Agri (Pty) Ltd	5 953 101 247	51 008 565	(14 263 749)	36 744 816	25 557 058	61 708 668
TWK Investments Ltd	22 254 009	76 153 162	(17 539 657)	58 613 505	7 267 773	65 881 278
Total	7 527 288 367	178 282 397	(44 424 266)	133 858 131	32 342 662	165 607 587

# 9. INVESTMENTS IN ASSOCIATES

The following table lists all of the associates in the Group:

NAME OF COMPANY	Held by	% ownership interest 2017	% ownership interest 2016	Carrying amount 2017	Carrying amount 2016
Henleo 1080 (Pty) Ltd	Constantia Kunsmis (Pty) Ltd	45.00	36.00	45	36
Gromor (Pty) Ltd	Constantia Kunsmis (Pty) Ltd	40.00	-	12 517 051	-
				12 517 096	36

The percentage ownership interest of the above associates is equal to the percentage voting rights, and the Group does not have significant influence over these companies.



#### 9. INVESTMENTS IN ASSOCIATES (CONTINUED)

Henleo 1080 (Pty) Ltd and Gromor (Pty) Ltd are both incorporated in South Africa with interest in the manufacturing and distribution of fertilizer. The issued share capital of Henleo 1080 (Pty) Ltd is R100, and for Gromor (Pty) Ltd R2 500. No dividends have been declared or paid by Henleo 1080 (Pty) Ltd or Gromor (Pty) Ltd.

The Group accounts for its investments in associates using the equity method. The investment of Henleo 1080 (Pty) Ltd is carried at cost, because the Group only recognised losses to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the associate.

# Summarised financial information of material associates

The information disclosed reflects the amounts presented in the annual financial statements of the relevant associates and not the Group's share of those amounts.

SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATE	. – 2017	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Revenue	Profit from continuing operations	Total comprehensive income
	R	R	R
Henleo 1080 (Pty) Ltd	16 105 887	1 232 684	1 232 684
Gromor (Pty) Ltd	83 146 036	4 792 628	4 792 628
	99 251 923	6 025 312	6 025 312

STATEMENT OF FINANCIAL POSITION	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
	R	R	R	R	R
Henleo 1080 (Pty) Ltd	30 030 421	3 471 195	33 742 059	185 131	(425 574)
Gromor (Pty) Ltd	10 175 095	32 416 301	8 956 621	28 420 715	5 214 060
	40 205 516	35 887 496	42 698 680	28 605 846	4 788 486

RECONCILIATION OF NET ASSETS TO EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES	Total net assets	Interest in associate at % ownership	Investment in associate
	R	R	R
Henleo 1080 (Pty) Ltd	(425 574)	-	-
Gromor (Pty) Ltd	5 214 060	2 085 624	2 085 624
	4 788 486	2 085 624	2 085 624

RECONCILIATION OF MOVEMENT IN INVESTMENTS IN ASSOCIATES	Investment at beginning of 2017	Acquisitions	Share of profit	Investment at end of 2017
	R	R	R	R
Henleo 1080 (Pty) Ltd	36	9	-	45
Gromor (Pty) Ltd	-	10 600 000	1 917 051	12 517 051
	36	10 600 009	1 917 051	12 517 096

# SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES - 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Revenu	continuing operations	comprehensive income
R	R	R
Henleo 1080 (Pty) Ltd 4 997	536 (1 680 380)	(1 680 380)

STATEMENT OF FINANCIAL POSITION	Non-current assets	Current assets	Non-current liabilities	Total net liabilities
	R	R	R	R
Henleo 1080 (Pty) Ltd	28 502 928	1 838 300	32 021 508	(1 680 280)

RECONCILIATION OF NET ASSETS TO EQUITY-ACCOUNTED INVESTMENTS IN ASSOCIATES	Total net assets
	R
Henleo 1080 (Pty) Ltd	(1 680 280)

RECONCILIATION OF MOVEMENT IN INVESTMENTS IN ASSOCIATES	Investment at beginning of 2017	Investment at end of 2016
Henleo 1080 (Pty) Ltd	36	36

# Associates with different reporting dates

The year-end of Henleo 1080 (Pty) Ltd is 28 February. All the necessary adjustments have been done, up to 31 August 2017. The investment in Henleo 1080 (Pty) Ltd has been accounted for at fair value due to the negative net asset value as at the end of 31 August 2017, and the financial information above is based on reviewed financial information of Henleo 1080 (Pty) Ltd, and audited financial information of Gromor (Pty) Ltd.

# 10. LOANS TO ASSOCIATES

	2017	2016
	R	R
Associates		
Henleo 1080 (Pty) Ltd	15 053 325	11 527 743
Subject to the Company's availability of funds, the loans shall be repaid from time to		
time as agreed between the Company and all its shareholders. The unsecured loan		
bears interest at a prime linked rate. The loan is subordinated; therefore, the loan is classified as longterm.		
dassined as fortiground.		

# Fair value of loans to and from Group companies

Loans to/(from) Group companies at amortised cost approximates its fair value because terms and conditions are at arm's length.

# 11. OTHER LOANS (PAYABLE)/RECEIVABLE

	2017	2016
	R	R
Rand Agri (Pty) Ltd The unsecured loan bears interest at a prime linked rate, and has no repayment terms. Maluti Milling (Pty) Ltd was in debt with the same amount to the other shareholder, TWK Agri (Pty) Ltd. The loans were repayable simultaneously and proportionately to both the shareholders and should have been repaid prior to the declaration of any dividends or other distributions to the shareholders of Maluti Milling (Pty) Ltd. At year end the Group sold its interest and the loan amount of R12 888 334 was written off and is included in operating expenses.	-	(9 106 551)
Palkor (Pty) Ltd The unsecured loan carries no interest and is repayable as and when future profits arise from operations.	(7 149 651)	(7 149 551)
SD Zwane The unsecured loan bears interest at a prime linked rate and is repayable on demand.	(6 400 000)	-
Treated Timber Products (Pty) Ltd The unsecured loan carries interest at a prime linked rate and is repayable on demand.	(4 247 419)	(1 542 628)
Buurman Trust The unsecured loan carries interest at a prime rate +2% and is repayable when the new investment property has been registered in the name of Canyon Springs Investments 140 (Pty) Ltd.	-	1 118 185
Buurman Trust The unsecured loan carries interest at a prime linked rate and is repayable in monthly installments over the remaining period of 196 months.	(2 660 610)	(2 687 859)
Jo-Ann Trust The unsecured loan bears no interest and is repayable on demand.	333	-
	(20 457 347)	(19 368 404)



# 11. OTHER LOANS (PAYABLE)/RECEIVABLE (CONTINUED)

Non-current assets Non-current liabilities Current liabilities

2017	2016
R	R
333	3 822 976
(9 743 584)	(16 256 102)
(10 714 096)	(6 935 278)
(20 457 347)	(19 368 404)

# Fair value of other loans payable

Other loans receivable/(payable) at amortised cost approximate its fair value. The fair values of other financial instruments were determined by assessing the future cash flows to be derived or paid from these instruments.

# 12. OTHER FINANCIAL ASSETS

	2017	2016
	R	R
At fair value through profit or loss – held for trading		
US dollar forward contracts The Group's US dollar forward contracts relate to cash flows that are expected to occur during the period September – December 2017. The forward contracts represent contracts with financial institutions for the hedging of export and import transactions. Foreign exchange contracts are concluded for specific transactions to hedge against fluctuations in exchange rates. It is against Group policy to have speculative positions.	4 998 376	-
Available for sale		
Unlisted shares	57 645 131	49 466 691
Loans and receivables		
Forestry and term loans The loans represent loans and receivables, granted over a period between 5 and 10 years to clients, which are repayable in monthly or annual installments. The maximum exposure to credit risk at the reporting date is the fair value of the loans, mentioned above. The Group holds collateral as security. The loan, with a carrying value of R118 245 467 (2016: R124 221 062), has been pledged to	118 629 461	124 221 062
secure borrowings by TWK Investments Ltd and TWK Agriculture Holdings (Pty) Ltd, respectively. Refer to note 25.		
Total other financial assets	181 272 968	173 687 753
Non-current assets		
Available-for-sale	57 645 131	49 466 691
Loans and receivables	114 129 461	124 221 062
	171 774 592	173 687 753
Current assets		
At fair value through profit or loss – held for trading	4 998 376	-
Loans and receivables	4 500 000	-
	9 498 376	173 687 753
	101 2/2 700	1/3 00/ /33

# Fair value information

Financial assets at fair value through profit or loss are recognised at fair value, which approximates to their carrying amounts. The fair value measurement of unlisted shares has been categorised as level 3, and forward contracts at level 1 in terms of the fair value measurement hierarchy. The fair values of other financial instruments were determined by assessing the future cash flows to be derived or paid from these instruments.

The fair value measurement of forestry and term loans has been categorised as level 3 in terms of the fair value measurement hierarchy.

Unlisted shares are measured based on the interest the Group holds in the unlisted company's assets and liabilities, fairly valued at year-end.

RECONCILIATION OF UNLISTED SHARES AT FAIR VALUE – 2017	Opening balance	Purchases	Gains or losses in other comprehensive income	Total
Unlisted Shares	R		R	R
Nexcor 875 (Pty) Ltd, held by Protea Versoolwerke Ermelo (Pty) Ltd BKB Limited, held by TWK Investments Ltd	- 24 955	6	235 243 (759)	235 249 24 196
NTE Company (Pty) Ltd, held by TWK Investments Ltd UCL Company (Pty) Ltd, held by a nominee of	35 430 655	-	7 525 852	42 956 507
TWK Investments Ltd	2 471 908	-	396 318	2 868 226
Swaziland Meat Industries Limited, held by TWK Agriculture Holdings (Pty) Ltd	11 539 173	-	21 780	11 560 953
	49 466 691	6	8 178 434	57 645 131

RECONCILIATION OF UNLISTED SHARES AT FAIR VALUE – 2016	Opening balance	Gains or losses in other comprehensive income	Total
Unlisted shares	R	R	R
BKB Limited, held by TWK Investments Ltd	20 700	4 255	24 955
NTE Company (Pty) Ltd, held by TWK Investments Ltd	27 251 747	8 178 909	35 430 656
UCL Company (Pty) Ltd, held by a nominee of TWK Investments Ltd	2 344 831	127 076	2 471 907
Swaziland Meat Industries Limited, held by TWK Agriculture			
Holdings (Pty) Ltd	8 455 903	3 083 270	11 539 173
	38 073 181	11 393 510	49 466 691
NUMBER OF SHARES IN UNLISTED COMPANIES		2017	2016
Nexcor 875 (Pty) Ltd, held by Protea Versoolwerke Ermelo (Pty) Ltd		6	-
BKB Ltd, held by TWK Investments Ltd		2 300	2 300
NTE Company Limited, held by TWK Investments Ltd		3 431 064	3 431 064
UCL Company (Pty) Ltd, held by a nominee of TWK Investments Ltd		514 888	514 888
Swaziland Meat Industries Limited		800 000	800 000

# 13. FINANCE LEASE RECEIVABLES

	2017	2016
	R	R
Gross investment in the lease due		
- within one year	17 277 970	18 454 402
- in second to fifth year	17 890 358	25 110 229
	35 168 328	43 564 631
Present value of minimum lease payments receivable	35 168 328	43 564 631
less: allowance for uncollectable minimum lease payments	(5 717 597)	(7 994 621)
	29 450 731	35 570 010
Non-current assets	14 122 989	19 186 204
Current assets	15 327 742	16 383 806
	29 450 731	35 570 010

Finance lease receivables represent items sold over varying terms of up to 60 months. The underlying asset serves as security for the lease agreement. Interest rates are market related, and both variable and fixed, depending on the specific agreement. The carrying value of finance lease receivables have been pledged to secure borrowings (see note 25).

# 14. RETIREMENT BENEFITS

#### Defined benefit plan

The Group's policy is not to provide post-retirement medical aid benefits to its employees. However, a provision is made for a closed group of former employees in respect of post-retirement medical scheme contributions. The last valuation was on 31 August 2017. An independent actuary, Mr D Freidus of Five 2 Two Actuaries, determined the value of the obligation and the annual cost of such benefits.

At year-end the number of members consisting of former employees was 24 (2016: 24).

	2017	2016
	R	R
Carrying value		
Present value of the defined medical benefit obligation	(9 564 000)	(6 089 009)
Movements for the year		
Opening balance	(6 089 009)	(4 756 286)
Actuarial gains and losses	(4 206 991)	-
Benefits paid to members	1 371 000	1 237 098
Interest cost	(639 000)	(2 569 821)
	(9 564 000)	(6 089 009)

# 15. FINANCIAL ASSETS BY CATEGORY

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

2017	Loans and receivables	Fair value through profit or loss	Available-for- sale	Total
	R	R	R	R
Loans to associates	15 053 325	-	-	15 053 325
Other loans receivable	333	-	-	333
Trade and other receivables	785 681 623	-	-	785 681 623
Other financial assets	118 629 461	4 998 376	57 645 131	181 272 968
Finance lease receivable	29 450 731	-	-	29 450 731
Cash and cash equivalents	114 549 714	-	-	114 549 714
	1 063 365 187	4 998 376	57 645 131	1 126 008 694

2016	Loans and receivables	Available-for- sale	Total
	R	R	R
Loans to associates	11 527 743	-	11 527 743
Other loans receivable	1 118 185	-	1 118 185
Trade and other receivables	651 477 376	-	651 477 376
Other financial assets	124 221 062	49 466 691	173 687 753
Finance lease receivable	35 570 010	-	35 570 010
Cash and cash equivalents	133 251 148	-	133 251 148
	957 165 524	49 466 691	1 006 632 215

# 16. DEFERRED TAX

	2017	2016
	R	R
Deferred tax liability		
Property plant and equipment	(6 669 181)	(7 556 061)
Revaluation of land and buildings	(33 040 922)	(27 931 600)
Biological assets	(169 255 097)	(146 272 300)
Investments	(11 553 879)	(9 592 645)
Total deferred tax liability	(220 519 079)	(191 352 606)
Deferred tax asset		
Accruals and provisions	24 996 274	22 608 722
Income received in advance	678 122	280 388
Deferred tax balance from temporary differences other than unused tax losses	25 674 396	22 889 110
Tax losses available for set off against future taxable income	47 874 395	56 217 362
Total deferred tax asset	73 548 791	79 106 472

The deferred tax asset and deferred tax liability consists of income tax in South Africa and Swaziland, and therefore relates to different jurisdictions.

The deferred tax relating to South Africa is as follows:	2017	2016
	R	R
Deferred tax liability	(102 817 010)	(87 154 664)
Deferred tax asset	46 079 183	52 558 734
Total deferred tax liability	(56 737 827)	(34 595 930)
The deferred tax relating to Swaziland is as follows:		
Deferred tax liability	(117 702 069)	(104 197 940)
Deferred tax asset	27 469 608	26 547 738
Total deferred tax liability	(90 232 461)	(77 650 202)

The deferred tax asset and deferred tax liability have been offset in the Statement of Financial Position, as follows:

Deferred tax liability	(220 519 079)	(191 352 606)
Deferred tax asset	73 548 791	79 106 472
Total net deferred tax liability	(146 970 288)	(112 246 134)

RECONCILIATION OF DEFERRED TAX ASSET/(LIABILITY)	2017	2016
	R	R
At beginning of year	(112 246 134)	(81 480 049)
Decrease in tax loss available for set off against future taxable income – gross of valuation allowance	(8 342 967)	(10 815 720)
Temporary difference on property, plant and equipment	(4 222 442)	(1 802 263)
Temporary difference on accruals and provisions	2 387 552	1 732 432
Temporary difference on fair value adjustment on investments	(1 961 234)	(3 750 051)
Temporary difference movement on biological assets	(22 982 797)	(16 130 483)
Income received in advance	397 734	-
	(146 970 288)	(112 246 134)



# 17. INVENTORIES

	2017	2016
	R	R
Raw materials	3 947 020	7 289 428
Work in progress	1 113 344	689 252
Finished goods	581 048 109	510 394 124
Agricultural products	233 707 996	263 127 416
Plantations saleable within 12 months	247 054 357	221 040 392
	1 066 870 826	1 002 540 612
Inventories (write-downs)	(10 540 132)	(8 176 184)
	1 056 330 694	994 364 428

#### Inventory pledged as security

Inventory with a carrying value of R675 484 621 (2016: R532 950 190) has been pledged to secure borrowings granted to the Group, as set out in note 25.

The price of grain inventory is hedged in terms of the Group's grain policy on the South African Future Exchange (Safex). Variance margins are also set off against these items and consequently the carrying value is equal to the fair value thereof.

# 18. TRADE AND OTHER RECEIVABLES

	2017	2016
	R	R
Trade receivables	757 845 191	624 273 620
Employee costs in advance	73 672	112 860
Prepayments	3 550 964	4 106 907
Deposits	724 839	577 696
Value added tax receivable	68 736 009	57 622 605
Other receivables	27 836 432	27 203 756
	858 767 107	713 897 444

Trade receivables consist mainly of production accounts and current accounts.

Production accounts mainly include the extension of credit to producers on a seasonal basis for purpose of procuring inputs and or mechanisation purchases from or via TWK. These accounts bear interest at market-related rates.

Current accounts consist of 30-day month accounts and is interest-free for the first 30 days after statement. Interest on arrear accounts is levied at guideline rates as determined by the National Credit Act.

The fair value of trade and other receivables approximates its carrying value. The fair value measurement of trade and other receivables have been categorised as level 3 in terms of the fair value measurement hierarchy.

#### Trade and other receivables pledged as security

Trade receivables with a carrying value of R492 801 865 (2016: R581 409 417) have been pledged to secure the borrowings, as set out in note 25.

#### Trade and other receivables past due but not impaired

On 31 August 2017, trade and other receivables of R 44 192 448 (2016: R 59 683 727) were past due but not considered to be impaired. These relate to a number of independent customers for whom there is no recent history in default. The Group held R 26 113 800 (2016: R 26 213 800) in terms of mortgage bonds, notarial covering bonds, general guarantees and cessions on crops as security for these past due accounts. Credit Guarantee insurance cover is purchased on a portion of the debtors book to compensate for possible non-payment.

The ageing of amounts past due, but not impaired, is as follows:

Up to 6 months 7 to 12 months past due 13 to 24 months past due Total

2017	2016
R	R
19 096 201	40 590 644
9 542 245	4 511 986
15 554 002	14 851 097
44 192 448	59 683 727

# Trade and other receivables impaired

The impairment objective is to recognise expected losses in respect of trade and other receivables for which there have been significant increases in credit risk. The provision for impairment is based on an individual basis after considering all reasonable facts. The factors that influence Management's estimates and judgment include payment default, non-compliance with agreements, insolvency, financial problems and poor financial ratios. The provision is based on the exposure and the estimation of the quality and expected realisation of securities held for the specific customer.

As of 31 August 2017, trade and other receivables of R1 892 282 (2016: R3 575 614) were impaired and provided for.

The amount of the provision was R4 377 725 as of 31 August 2017 (2016: R5 536 598).

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES	2017	2016
	R	R
Opening balance	(5 536 598)	(5 562 348)
Provision for impairment	(1 892 282)	(3 575 614)
Amounts written off as uncollectable	3 051 155	3 601 364
	(4 377 725)	(5 536 598)

The creation and release of provision for impaired receivables have been included in operating expenses in profit or loss. The objective of the impairment is to recognise expected credit losses of which there have been significant increase in credit risk since initial recognition on an individual basis. The individual impairment of trade receivables is in respect of debtors who could possibly not settle their debts from current activities.

Before accepting new and existing customers, the Group uses firm accessing procedures, according to the approved credit policy, to assess the customer's credit quality and defines credit limits by customer. The maximum exposure to credit risk at the reporting date is the fair value of receivables, mentioned above, less securities held by the Group. In addition to the above, credit guarantee insurance cover is purchased on a portion of the debtors book to compensate for possible non-payments. The Group has no significant concentration of credit risk, due to its wide spread of customers. The Group has policies in place to ensure that sales of products and services are only made to customers with an appropriate credit history, within approved credit limits and against appropriate securities. Management believes that credit risk, inherent in trade receivables, has sufficiently been accounted for through the provision of impairment.

# 19. CASH AND CASH EQUIVALENTS

	2017	2016
Cash and cash equivalents consist of:	R	R
Cash on hand	384 965	334 837
Bank balances	84 547 763	119 871 329
Short-term deposits	10 844 807	11 255 119
Deposit call account	16 994 776	-
Other cash and cash equivalents	1 777 403	1 789 863
Bank overdraft	(394 545)	(250 271)
	114 155 169	133 000 877
Current assets	114 549 714	133 251 148
Current liabilities	(394 545)	(250 271)
Total	114 155 169	133 000 877



#### 19. CASH AND CASH EQUIVALENTS (CONTINUED)

#### Cash and cash equivalents pledged as collateral

Safex initial margins consist of deposits made for hedging positions which are held for pre-season grain contracts and own grain inventory.

The overdraft facility of the Group at Standard Bank is R290 000 000 (2016: R330 000 000) and is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd (RF)). TWK Agri (Pty) Ltd and Constantia Kunsmis (Pty) Ltd indemnify the Security SPV against all claims in terms of the SPV guarantee.

As security for performing their indemnity obligation to the Security SPV, cessions over certain debtors' month accounts is bonded in security to the Security SPV.

The call account deposit of R16 952 511 serves as security for a guarantee issued by First National Bank Limited to the contractor Ric-Hansen Projects (Pty) Ltd for the new granular bagging facility in Umlaas Road, Pietermaritzburg.

The banking facilities, which includes the term loans of Bedrock Mining Support (Pty) Ltd, are secured by an unrestricted cession of book debt, a special notarial bond over all plant and equipment, a general notarial bond over all moveable assets including inventory, a first bond over property, and a negative pledge over qualifying assets, as well as rights and title to the security shares.

The Group has adequate financial resources available for future operating activities and commitments.

# 20. DISCONTINUED OPERATIONS, DISPOSAL GROUPS AND NON-CURRENT ASSETS HELD FOR SALE

During the previous year, the Group decided to discontinue its operations at the Port Alfred branch, and also disposed of the investment property held by Castle Walk Property Investments (Pty) Ltd. The decision was made by the Board to discontinue these operations, due the lack of return on investment. The analysis of the result of discontinued operations is as follows:

PROFIT AND LOSS	2017	2016
	R	R
Revenue	-	39 075 400
Expenses	-	(37 736 557)
Net profit before tax	-	1 338 843
Tax	-	(374 876)
	-	963 967

During the current year, the Group decided to dispose of its investment in one of its subsidiaries, Maluti Milling (Pty) Ltd. On 31 August 2017, a sale-of-share transaction was concluded.

FINANCIAL PERFORMANCE INFORMATION OF MALUTI MILLING (PTY) LTD	0017	0017
FOR THE 12 MONTHS	2017	2016
	R	R
Revenue	62 219 205	80 706 173
Expenses	(71 663 970)	(88 683 558)
Net profit before tax	(9 444 765)	(7 977 385)
Tax	2 513 026	1 943 430
	(6 931 739)	(6 033 955)
ASSETS AND LIABILITIES OF MALUTI MILLING (PTY) LTD	2017	2016
Carrying amounts of assets and liabilities at date of sale:	R	R
Non-current assets	13 520 358	16 484 504
Current assets	10 996 266	16 122 561
Total assets	24 516 624	32 607 065
		_
Assets held for sale		
Non-current liabilities	(40 874 042)	(19 514 876)
Current liabilities	(2 184 657)	(18 900 774)
	(42.050.400)	(38 415 650)
Total liabilities	(43 058 699)	(30 413 030)

ASSETS AND LIABILITIES OF MALUTI MILLING (PTY) LTD (CONTINUED)	2017	2016
	R	R
Detail of sale of subsidiary		
Realisation with sale	1	-
Non-controlling interest	(9 092 072)	-
Less: Net asset value	18 542 075	<u> </u>
Profit on sale of subsidiary	9 450 004	-

# Non-current assets held for sale

During the year, the directors made a decision to reclassify certain Investment Property and Land and Buildings as assets held for sale due to a not desired return on capital, and not strategic of nature. A register containing the information is available for inspection at the registered office of the Company.

	2017	2016
	R	R
Assets held for sale	5 900 000	-
Investment property	4 185 332	-
Land and buildings	10 085 332	-

# 21. SHARE CAPITAL

#### **Authorised**

50 000 000 (2016: 50 000 000) non par-value ordinary shares

	2017	2016
	R	R
Issued		
12 425 114 (2016: 12 409 014) non par-value ordinary shares	10 001 816	9 518 817
Reconciliation of ordinary share movement:		
Balance at the beginning of the year	13 062 070	13 062 070
Share issued to TWK Group Customer Loyalty Scheme Trust	487 930	-
	13 550 000	13 062 070
Less: Treasury shares	(1 124 886)	(653 070)
	12 425 114	12 409 000
Reconciliation of ordinary share capital:		
No par-value ordinary shares	13 550 000	13 062 070
Less: Shares held by subsidiaries at cost	(3 548 184)	(3 543 253)
	10 001 816	9 518 817

Certain rights, preferences and restrictions are attached to the shares, as described in the TWK Agriculture Holdings (Pty) Ltd Memorandum of Incorporation.

The total issued shares are 13 550 000 (2016: 13 062 070). At year-end, TWK Motors (Pty) Ltd – an indirect subsidiary of the Company – held 653 056 (2016: 653 056) shares and the TWK Group Customer Loyalty Scheme Trust held 471 830 (2016: 0) shares in TWK Agriculture Holdings (Pty) Ltd.

# 22. SHARE-BASED PAYMENTS

Aligned with TWK's strategic objective to be an employer of choice, the Group offers its key employees an equity-settled share-based payment scheme.

The long-term incentive (LTI) affords certain employees the right to purchase awarded shares in TWK Investments at the exercise price. During the vesting period (the period between grant date and vesting date), the shares are acquired and held in a trust. During this period, the option cannot be exercised and is forfeited should the employee leave the employment of TWK Group. After the grant date, employees have the option to exercise their rights in four-yearly vesting tranches of 20%, 25%, 25% and 30%, respectively. The grant date is the date on which the Company and the participant agree to a share-based payment arrangement. Participants is required to pay the exercise price on vesting date for shares awarded. The exercise price is determined by the lowest weighted average share price of any three successive months preceding the grant date.

The scheme is treated as an equity-settled scheme. The scheme is valued at the reporting date in terms of IFRS 2, by using the Black-Scholes model.

The total expense recognised for the year amounts to R2 420 831. The accumulated equity-settled reserve amounts to R3 871 703.

# Key assumptions used:

Discount rateDividend yieldVolatility8.34%5.00%75.00%

	R
Share-based payment reserve	
Opening balance	-
Previous periods	3 191 992
Expense recognised for the period	2 420 831
Rights awarded	(1 741 120)
Equity settled share based payment reserve	3 871 703

2017

Three allocations of these share-based payments were made since inception. The first on 1 September 2014 (LTI1), the second on 13 October 2015 (LTI2), and the third on 12 October 2016 (LTI3).

DETAILS OF ALLOCATIONS	LTI1	LTI2	LTI3
Grant date	1 September 2014	13 October 2015	12 October 2016
Total share options granted	2 730 000	1 399 000	860 200
Outstanding shares at year-end	819 000	1 119 200	860 200
Exercise price	R1.00	R1.10	R4.11

# 23. REVALUATION RESERVE

In terms of the Memorandum of Incorporation, the revaluation reserve is non-distributable and relates to the revaluation of land and buildings included in property, plant and equipment as indicated in note 4.

	2017	2016
	R	R
Fair value – balance at the beginning of the year	325 243 773	327 690 936
Fair value adjustment for the year	19 026 873	7 566 729
Attributable to non-controlling interest holders	(2 931 035)	(1 749 054)
Transfers directly to equity	(635 211)	(3 653 878)
Deferred taxation	(4 280 762)	(4 610 960)
	336 423 638	325 243 773

During the year, Weston Timbers (Pty) Ltd and Piet Retief Trekkers (Pty) Ltd have been deregistered, and therefore the revaluation reserve has been transferred directly to equity.

# 24. FAIR VALUE ADJUSTMENT ASSETS - AVAILABLE-FOR-SALE RESERVE

The reserves represent fair value changes on available-for-sale financial assets, as indicated in note 12 (Investments in Unlisted Shares). The fair value reserve comprises the cumulative net change in the fair value of the available-for-sale financial assets until the assets are derecognised or impaired.

Fair value-balance at the beginning of the year Fair value adjustment for the year Movement due to non-controlling interest holders Deferred taxation

2017	2016
R	R
27 459 797	24 932 269
8 178 434	9 148 084
169 502	(3 906 309)
(1 831 970)	(2 714 247)
33 975 763	27 459 797

# 25. OTHER FINANCIAL LIABILITIES

	2017	2016
	R	R
At fair value through profit or (loss)		
Commodity forward contracts  The forward purchase contracts represent contracts with producers for the procurement of physical commodities in the future. The forward sale contracts represent contracts with millers and other clients. It is against Group policy to have speculative positions.	1 400 833	5 233 948
US dollar forward contracts  The Group's US dollar forward contracts relate to cash flows that are expected to occur during the period September – December 2017.	-	28 243 645
	1 400 833	33 477 593
Held at amortised cost		
Land and Agricultural Bank of South Africa: Revolving loan facility The facility is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd (RF)). TWK indemnifies the Security SPV against all claims in terms of the SPV guarantee. As security for TWK performing their indemnity obligations to the Security SPV, mortgage and notarial bonds over plant and equipment and computer software (refer to notes 4 and 7), cessions over inventory of TWK Agri (Pty) Ltd and Constantia Kunsmis (Pty) Ltd (refer to note 16), standing timber (refer to note 6), certain debtors (refer to note 18) and finance lease receivables (refer to note 13), are bonded in security to the Security SPV. The loan bears interest at the prime linked rate. The loan is repayable on 31 August 2018, provided that the lender shall, following a written request by the borrower be entitled, in its sole discretion, to extend the final repayment date.	375 315 000	1 085 000 000
Standard Bank of South Africa: Revolving loan facility The facility is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd (RF)). TWK indemnifies the Security SPV against all claims in terms of the SPV guarantee. As security for TWK performing their indemnity obligations to the Security SPV, mortgage and notarial bonds over plant and equipment and computer software (refer to notes 4 and 7), cessions over inventory of TWK Agri (Pty) Ltd and Constantia Kunsmis (Pty) Ltd (refer to note 16), standing timber (refer to note 6), certain debtors (refer to note 18) and finance lease receivables (refer to note 13), are bonded in security to the Security SPV. The loan bears interest at the prime linked rate. The loan is repayable on 31 August 2018, provided that the lender shall, following a written request by the borrower be entitled, in its sole discretion, to extend the final repayment date.	375 315 000	-
Land and Agricultural Bank of South Africa: Revolving loan facility The facility is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd (RF)). TWK indemnifies the Security SPV against all claims in terms of the SPV guarantee. As security for TWK performing their indemnity obligation to the security SPV, own plantations (refer to note 6) is bonded in security to the Security SPV. The loan bears interest at the prime linked rate. The loan is repayable on 31 August 2018, provided that the lender shall, following a written request by the borrower be entitled, in its sole discretion, to extend the final repayment date.	80 000 000	-
First National Bank The loan bears interest at a prime linked rate. The loan is repayable in monthly installments over a remaining period of 120 months.	24 500 000	-



# 25. OTHER FINANCIAL LIABILITIES (CONTINUED)

	1 557 044 417	1 450 208 992
ABSA Bank The mortgage bonds are secured by certain property, plant and equipment, with a carrying amount of R5 455 000, and bear interest at a prime linked rate. The loans are repayable in monthly installments of R31 981, over a remaining period of 156 months.	2 614 514	2 723 343
Land and Agriculture Bank of South Africa: Term Loan  The loan is payable in monthly installments. The loan is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd (RF)). TWK indemnifies the Security SPV against all claims in terms of the SPV guarantee. As security for TWK performing its indemnity obligations to the Security SPV, cessions over biological assets (refer to note 6), investments in subsidiaries (refer to note 8), debtors (refer to note 18), forestry and term loans (refer to note 12), finance lease receivables (refer to note 13), inventory (refer to note 16), mortgage and notarial bonds over certain property, plant and equipment (refer to note 4) in the Group is bonded in security to the Security SPV. The loan was repaid during the year.		25 732 347
Land and Agriculture Bank of South Africa: Term loan The loan bears interest at a prime linked rate. The loan is repayable in monthly installments over a remaining period of 36 months, with a residual value of R208 000 000. The facility is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd (RF)). TWK indemnifies the Security SPV against all claims in terms of the SPV guarantee. As security for TWK performing their indemnity obligation to the Security SPV, term loans (refer to note 12) and fixed property (refer to note 4) is bonded in security to the Security SPV.	260 000 000	-
Standard Bank Term Ioan: Bedrock Mining Support (Pty) Ltd The facility is secured by an unrestricted cession of book debt, a special notarial bond over all plant and equipment, a general notarial bond over all moveable assets including inventory, a first bond over property and a negative pledge over qualifying assets, as well as rights and title to the security shares. The Ioan bears interest at a JIBAR-linked rate, and is repayable over 4 years.	29 000 000	
Rand Merchant Bank The revolving loan facility is secured by cessions over inventory (refer to note 16) and the loan bears interest at a prime linked rate.	33 348 170	61 620 937
Land and Agriculture Bank of South Africa: Term loan  The loan is payable in monthly installments. The loan is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd (RF)). TWK Indemnifies the Security SPV against all claims in terms of the SPV guarantee. As security for TWK performing its indemnity obligations to the Security SPV, cessions over biological assets (refer to note 6), investments in subsidiaries (refer to note 8), debtors (refer to note 18), forestry and term loans (refer to note 12), finance lease receivable (refer to note 13), inventory (refer to note 16), mortgage and notarial bonds over certain property, plant and equipment (refer to note 4) in the Group is bonded in security to the Security SPV. The loan was repaid during the year.	-	75 000 000
Land and Agricultural Bank of South Africa: Term loan  The loan is payable in monthly installments. The loan is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd (RF)). TWK indemnifies the Security SPV against all claims in terms of the SPV guarantee. As security for TWK performing its indemnity obligations to the Security SPV, cessions over biological assets (refer to note 6), investments in subsidiaries (refer to note 8), debtors (refer to note 18), forestry and term loans (refer to note 12), finance lease receivables (refer to note 13), inventory (refer to note 17), mortgage and notarial bonds over certain property, plant and equipment (refer to note 4) in the Group is bonded in security to the Security SPV. The loan was repaid during the year.	-	141 392 695
Standard Bank of South Africa: Term Ioan  The facility is secured by a first continuing covering mortgage bond over the immovable property and notarial general bond to the maximum of R25 000 000 over the movable assets (wood chips and wood logs) of Shiselweni Forestry Company Limited, a fellow subsidiary of the Company. The loan carries interest at a prime linked rate and is payable in 36 equal monthly capital installments of R1 400 000, plus interest, with a residual amount of R199 600 000.	250 000 000	-
Land and Agricultural Bank of South Africa The loan bears interest at a prime linked rate. The loan is repayable in monthly installments over a remaining period of 36 months, with a residual value of R80 000 000.	100 000 000	-
Land and Agricultural Bank of South Africa: Revolving loan facility  The loan was granted to TWK Agri (Pty) Ltd for the financing of loans to emerging farmers for production credit and establishment finance. The loan has a final repayment date of 5 years from the month following the month in which the first advance was made. No interest is payable on the loan.	25 550 900	25 262 077
THER THANGIAE LIABILITIES (CONTINOES)		

TWK Investments Ltd and TWK Agriculture Holdings (Pty) Ltd signed unlimited surety as guarantee for the loan facilities granted by Land and Agriculture Bank of South Africa and Standard Bank of South Africa to TWK Agri (Pty) Ltd.

The Land Bank and Standard Bank facilities are further limited to the following loan conditions (covenants):

- Interest cover ratio of greater than or equal to 2.3 to 1;
- Total debt to equity ratio of smaller than 250%;
- Longterm debt to equity smaller than 80%;
- Debt service cover ratio with regards to longterm debt principal of greater than or equal to 1.1;
- Security cover ratio of greater than 1 to 1.

The Group provides the Land and Agriculture Bank and Standard Bank of South Africa on a quarterly basis with a compliance certificate and during the year no event or potential event of default occurred.

	2017	2016
	R	R
Non-current liabilities		
At amortised cost	628 015 248	224 484 257
Current liabilities		
Fair value through profit/(loss)	1 400 833	33 477 593
At amortised cost	927 628 336	1 192 247 142
	929 029 169	1 225 724 735
	1 557 044 417	1 450 208 992

The carrying amount of financial liabilities approximates the fair value thereof. The fair value measurement of commodity forward contracts has been categorised as level 1 in terms of the fair value measurement hierarchy.

# 26. FINANCIAL LEASE LIABILITIES

	2017	2016
	R	R
Minimum lease payments due		
- within one year	736 405	129 174
- in second to fifth year inclusive	1 466 911	
	2 203 316	129 174
Less: future finance charges	-	(996)
Present value of minimum lease payments	2 203 316	128 178
Non-current liabilities	1 466 911	-
Current liabilities	736 405	128 178
	2 203 316	128 178

The finance leases bear interest at a prime linked rate and have total monthly installments of R79 044 (2016: R24 532).

# 27. PROVISIONS

RECONCILIATION OF PROVISIONS – 2017		Opening balance	Additions	Total
		R	R	R
Provisions		528 885	147 568	676 453
Share based payments		-	203 858	203 858
		528 885	351 426	880 311
RECONCILIATION OF PROVISIONS – 2016	Opening balance	Additions	Utilised during the year	Total
	R	R	R	R
Provisions	680 215	327 654	(478 984)	528 885

# = 27. PROVISIONS (CONTINUED)

The provisions consist mainly of retrieval deficits at the TWK Group's tyre segment companies, Protea Versoolwerke Ermelo (Pty) Ltd and Protea Tyres Kimberly (Pty) Ltd, and severance pay provisions at the TWK Group's grain segment company, Arrow Feeds (Pty) Ltd.

The provision for share-based payments relates to the estimated value of the employees that selected cash payments instead of shares as part of the share-based payment scheme (refer to note 22).

# 28. FINANCIAL LIABILITIES BY CATEGORY

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

2017	Financial liabilities at amortised cost	Total
	R	R
Other loans payable	20 457 680	20 457 680
Finance lease liabilities	2 203 316	2 203 316
Other financial liabilities	1 557 044 417	1 557 044 417
Trade and other payables	626 924 876	626 924 876
Bank overdraft	394 545	394 545
	2 207 024 834	2 207 024 834

2016	Financial liabilities at amortised cost	Total
	R	R
Other loans payable	20 486 589	20 486 589
Finance lease liabilities	128 382	128 382
Other financial liabilities	1 450 208 992	1 450 208 992
Trade and other payables	554 473 090	554 473 090
Bank overdraft	250 271	250 271
	2 025 547 324	2 025 547 324

# 29. TRADE AND OTHER PAYABLES

	2017	2016
	R	R
Trade payables	485 310 589	385 752 207
Amounts received in advance	4 706 293	3 569 701
Value added tax	1 266 383	3 160 096
Internal Group current accounts	-	4 616 667
Accrued expenses	63 293 362	60 803 513
Operating lease payables	797 453	1 048 021
Deposits received	1 651 327	2 856 279
Other payables	70 961 993	95 826 704
	627 987 400	557 633 188

# Fair value of trade and other payables

The fair value of trade and other payables approximates its carrying value. The fair value measurement of trade and other payables have been categorised as level 3 in terms of the fair value measurement hierarchy.

# 30. DIVIDEND PAYABLE

The dividends already declared and paid to shareholders during the period are as reflected in the statement of changes in equity.

# 31. REVENUE

	2017	2016
	R	R
Sale of goods	6 839 941 281	6 403 076 136
Rendering of services	33 378 170	36 381 925
Rental income	1 898 971	2 373 788
Interest received (trading)	69 994 872	63 644 709
Commission received	70 350 780	50 027 757
Discount allowed	(6 501 498)	(7 228 184)
	7 009 062 576	6 548 276 131

# 32. COST OF SALES

	2017	2016
	R	R
Sale of goods	5 958 613 110	5 656 537 961
Rendering of services	10 796 370	8 819 655
Discount received	(10 080 937)	(8 533 267)
	5 959 328 543	5 656 824 349

# 33. OTHER OPERATING INCOME

	2017	2016
	R	R
Administration and management fees received	3 614 283	1 094 219
Fees earned	73 228	44 365
Commissions received	-	8 869
Rental income	297 833	1 332 946
Recoveries	12 238 897	10 369 993
Interest received	2 075 420	3 137 685
Insurance claims	1 422 790	1 143 161
Other income	41 679 076	52 754 490
Government grants	3 988 229	947 774
	65 389 756	70 833 502

# 34. OTHER OPERATING GAINS

	2017	2016
	R	R
Gains on disposals, scrappings and settlements		
Property, plant, equipment and intangible assets	967 514	9 682 347
Foreign exchange gains/(losses)  Net foreign exchange gains/(losses)	21 096 935	(5 837 720)
Fair value gains Investment property	975 072	-
Biological assets 6	10 686 236	20 269 522
Total other operating gains/(losses)	33 725 757	24 114 149

# 35. OPERATING PROFIT

Operating profit for the year is stated after charging (crediting) the following, amongst others:

	2017	2016
	R	R
Auditor's remuneration – external		
Audit fees	2710719	2 573 545
Expenses	487 697	405 161
	3 198 416	2 978 706
Employee costs		
Salaries, wages, bonuses and other benefits	401 031 844	318 588 435
Equity-settled share-based payments 22	2 420 831	
Total employee costs	403 452 675	318 588 435
Leases		
Operating lease charges		
Premises	39 507 300	34 350 726
Motor vehicles	6 217 974	4 832 644
Equipment	5 127 713	1 396 146
	50 852 987	40 579 516
Depreciation and amortisation		
Depreciation of property, plant and equipment	25 866 502	22 316 556
Amortisation of intangible assets	860 359	798 100
Total depreciation and amortisation	26 726 861	23 114 656
Impairments and other losses		
Loans written off 11	12 888 334	

# **36. INVESTMENT INCOME**

	2017	2016
	R	R
Dividend income		
From investments in financial assets classified as available for sale:		
Unlisted investments – local	915 564	559 495
Interest income		
From investments in financial assets:		
Bank and other cash	130	-
Trade and other receivables	180 799	248 268
From loans to Group and other related parties:		
Associates	1 363 228	-
Total interest income	1 544 157	248 268
Total investment income	2 459 721	807 763

# **37. FINANCE COSTS**

	2017	2016
	R	R
Trade and other payables	16 338	36 437
Finance leases	3 720	27 564
Borrowings	128 656 962	110 121 293
Total finance costs	128 677 020	110 185 294

# 38. OTHER NON-OPERATING GAINS

	2017	2016
	R	R
Gains on disposals, scrappings or settlements		
Other financial assets	611 910	-
Investments in subsidiaries 8	12 237 868	_
	12 849 778	-

# 39. TAXATION

MAJOR COMPONENTS OF THE TAX EXPENSE	2017	2016
	R	R
Current		
Local income tax – current period	38 315 830	29 439 367
Foreign income tax or withholding tax – current period	-	9 949
	38 315 830	29 449 316
Deferred		
Originating and reversing temporary differences	28 630 237	22 372 755
Arising from previously unrecognised tax losses	(4 689 389)	(2 226 271)
	23 940 848	20 146 484
	62 256 678	49 595 800
RECONCILIATION OF THE TAX EXPENSE	2017	2016
Reconciliation between applicable tax rate and average effective tax rate.		
	%	%
Applicable tax rate	28.00	28.00
Disallowable charges	(1.50)	0.97
Dividends received	(0.37)	(4.35)
Profit on equity accounted investments	(0.93)	-
Capital gains tax	3.93	(0.34)
Prior year adjustments	0.90	(0.30)
Security transfer tax	0.25	(0.49)
Other	(0.35)	4.64
Foreign tax at lower rate than standard rate	0.25	0.85
	30.18	28.98

# 40. OTHER COMPREHENSIVE INCOME

COMPONENTS OF OTHER COMPREHENSIVE INCOME – 2017  R  ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT/(LOSS)  Remeasurements on net defined benefit liability/asset  Remeasurements on net defined benefit liability/asset  (4 206 991)	R (4.007.003)
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT/(LOSS) Remeasurements on net defined benefit liability/asset	
Remeasurements on net defined benefit liability/asset	/4.00/.001)
**	(4.007.001)
Remeasurements on net defined benefit liability/asset (4 206 991)	// 00/ 001)
	- (4 206 991)
Movements on revaluation	
Gains/(losses) on property revaluation 16 095 838 (4 280	762) 11 815 076
Total items that will not be reclassified to profit/(loss) 11 888 847 (4 280	762) 7 608 085
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT/(LOSS)	
Available-for-sale financial assets adjustments	
Gains/(losses) arising during the year 8 347 935 1 831	969) 6 515 966
Total 20 236 782 (6 112	731) 14 124 051



# 40. OTHER COMPREHENSIVE INCOME (CONTINUED)

COMPONENTS OF OTHER COMPREHENSIVE INCOME – 2016	Gross	Tax	Net
	R	R	R
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT/(LOSS)			
Movements on revaluation			
Gains on property revaluation	8 010 525	(5 878 450)	2 132 075
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT/(LOSS)			
Available-for-sale financial assets adjustments			
Gains arising during the year	11 393 510	(3 750 052)	7 643 458
Total	19 404 035	(9 628 502)	9 775 533

# 41. EARNINGS PER SHARE

	2017	2016
	R	R
Basic earnings per share		
From continuing operations (c per share)	776.52	716.87
From discontinued operations (c per share)	(76.01)	10,79
	700.51	727.66
Profit for the year	144 004 654	121 520 829
Non-controlling interest	(56 966 030)	(31 225 601)
Consolidated profit attributable to the owners of the holding company	87 038 624	90 295 228
Total number of shares in issue at year-end	12 425 114	12 409 014
Basic earnings per share (c)	700.51	727.66

The calculation of earnings per share is based on the consolidated profit attributable to the owners of the holding company divided by the total number of shares in issue at year-end.

# 42. CASH (USED IN)/GENERATED FROM OPERATIONS

	2017	2016
	R	R
Profit before taxation	215 706 097	169 777 786
Adjustments for:		
Depreciation and amortisation	26 726 859	23 093 674
Gains on disposals, scrappings and settlements of assets and liabilities	(967 514)	(10 699 503)
Income from equity-accounted investments	(1 917 051)	-
Dividend income	(915 564)	(1 035 636)
Interest income	(1 544 157)	(4 318 467)
Finance costs	128 677 020	112 375 261
Fair value gains on biological assets	(10 686 236)	(20 269 522)
Fair value gains on investment property	(975 072)	-
Impairment losses and reversals	12 888 334	-
Movements in retirement benefit assets and liabilities	(732 000)	1 332 723
Movements in provisions	1 205 075	250 282
Share-based payments	2 420 831	-
Consolidation of inter-group trusts	2 655 655	-
Cash flow with sale of subsidiaries	9 627 502	-
Changes in working capital:		
Inventories	(8 711 522)	49 980 187
Trade and other receivables	(101 913 045)	100 065 238
Trade and other payables	15 661 190	31 855 722
	287 206 402	452 407 745

# 44. DIVIDENDS PAID

Balance at beginning of the year Dividends Balance at end of the year

2017	2016
R	R
(1 939 326)	(2 185 385)
(21 408 064)	(12 346 983)
6 526 073	1 939 326
(16 821 317)	(12 593 042)

# **45. LOYALTY SCHEME PAYMENTS**

The TWK Loyalty Scheme was implemented to incentive clients for doing business with the TWK Group by awarding shares to be taken up in the TWK Group and/or cash payments on an annual basis. All bona fide farmers who do significant business with the TWK Group by contributing to gross profit, exceeding a set minimum amount, qualify to be awarded through the TWK Loyalty Scheme.

# **48. RELATED PARTIES**

	الحاما	10	20	hi	-
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Subsidiaries Refer to note 8
Members of key management Directors

	2017	2016
	R	R
RELATED PARTY BALANCES		
Amounts included in trade receivables regarding related parties		
Directors	2 250 960	19 839 057
RELATED PARTY TRANSACTIONS		
Interest paid to/(received from) related parties		
Interest received from directors	(2 494 283)	(1 876 139)
Interest paid to directors	189 798	512 845
Purchases from/(sales to) related parties		
Purchases from directors	59 433 086	66 601 265
Sales to directors	(7 686 875)	(6 024 261)

# TOTAL NUMBER OF SHARES HELD BY THE DIRECTORS AND RELATED SHAREHOLDERS IN WHICH THEY HAVE DECLARED A PERSONAL FINANCIAL INTEREST

	Direct		Indirect		Related trust*	
	Shares	%	Shares	%	Shares	%
Non-executive						
RL Meyer	132 292	0.98	314 538	2.32	-	0.00
JS Stapelberg	-	0.00	-	0.00	259 723	1.92
TI Ferreira	-	0.00	-	0.00	11 287	0.08
HJK Ferreira	-	0.00	-	0.00	-	0.00
CA du Toit	-	0.00	-	0.00	-	0.00
AC Hiestermann	22 000	0.16	143 878	1.06	-	0.00
HW Küsel	51 365	0.38	-	0.00	-	0.00
JCN Wartington	1 000	0.01	-	0.00	-	0.00
Executive						
AS Myburgh	-	0.00	62 125	0.46	-	0.00
JEW Fivaz	-	0.00	41 125	0.30	-	0.00
Subtotal for directors	206 657	1.53	561 666	4.15	271 010	2.00
Other shareholders	13 343 343	98.47				
Total	13 550 000	100.00				

 $<sup>\</sup>hbox{$^*$ Excluding trusteeship in TWK Agri Aandele Aansporings Trust \& TWK Customer Loyalty Scheme Trust.}\\$ 



