2014

ANNUAL FINANCIAL STATEMENTS

Senwes

CertiSure Brokers • Makelaars

GRAINOVATION Your Potential Delivered

Senwes village

BUNGE

Senwes credit

Tradevantage™

Senwes grainlink

Hinterland™

JD IMPLEMENTE

Senwes

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Statement of Responsibility by the Board of Directors

The directors are responsible for the preparation, integrity and reasonableness of presentation of the separate and consolidated financial statements ("annual financial statements") of the Company and its subsidiaries, associates and joint ventures. The annual financial statements set out on page 2 to 83 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act, 2008.

The directors are also responsible for the financial control and risk management of the Company and its subsidiaries, which are reviewed regularly. These controls are designed to provide reasonable but not absolute assurance with regard to the reliability of the annual financial statements, to provide adequate safeguarding and maintenance of assets and to prevent and identify misrepresentations and losses. Nothing has come to the attention of the Board which could indicate a material deficiency in the functioning of these controls, procedures and systems during the year under review.

The annual financial statements were prepared on a going concern basis. The directors have no reason to believe that the Group or any company in the Group will not be a going concern in the foreseeable future, based on results, operational trends, market environment, estimates and forecasts, risks, capital structure and available cash and finance resources.

The annual financial statements were audited by the independent auditor, Ernst & Young Inc. The independent auditor had unrestricted access to all financial records, including all minutes of the Board, Board committees and management and shareholder meetings. The Board believes that all representations made to the independent auditor during the audit were valid and proper.

The annual financial statements for the year ended 30 April 2014, set out on page 2 to 83, were approved by the Board

JDM Minnaar
Chairman

F Strydom
Managing Director

CF Kruger
Financial Director

Klerksdorp
27 June 2014

Notice in terms of section 29 of the Companies Act, Act 71 of 2008 (as amended) ("the Act")

These annual financial statements have been audited in accordance with the Act. These annual financial statements have been prepared under the supervision of CF Kruger, CA (SA), Financial Director.

CF Kruger
Financial Director

Klerksdorp
27 June 2014

Certification by the Company Secretary

In accordance with section 88 of the Companies Act, where applicable, it is hereby certified that the Company and its subsidiaries have lodged all such returns for the year ended April 2014 as required of a public company in terms of the aforesaid Act, with the Registrar of Companies and Intellectual Property Commission (CIPC) and that such returns are true, correct and up to date.

EM Joynt
Company Secretary

Klerksdorp
27 June 2014

Report of the Senwes Audit Committee

We are pleased to present our report for the financial year ended 30 April 2014 in accordance with section 94(7)f of the Companies Act 71 of 2008.

The manner in which the Audit Committee carried out its duties are referred to in the corporate governance report in respect of roles and responsibilities and mandate.

The committee consists of five non-executive directors, of which three are independent, and meets at least three times per annum as per the committee mandate and terms of reference.

Name of member	Meeting attendance
SF Booysen *B.Com (Acc), CA (SA), PhD Commerce*	3/3
ZBM Bassa *B.Com (Acc), CA (SA)*	3/3
JBH Botha *BLC.LLB, HDip (Tax)*	3/3
AJ Kruger *B.Compt (Hons), CA (SA)*	3/3
NDP Liebenberg *B.Com (Hons), M Sustainable Agriculture*	3/3

External auditors

The committee is satisfied that the external auditors, Ernst & Young Inc. are independent of the company, as determined in terms of the Companies Act, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board of Auditors.

The committee, in consultation with Executive Management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2014 financial year.

A formal written policy and procedures (incorporating an authority matrix) governs the process whereby the external auditors are considered for non-audit services. The committee approved the terms of the written policy for the provision of non-audit services by the external auditors and approved the nature and extent of non-audit services that the external auditors may provide.

The committee nominated Ernst & Young Inc. as the external auditors and Mr Mike Herbst as the designated audit director, for the 2015 financial year (for approval at the annual general meeting).

Internal financial controls

The committee is of the opinion that the Senwes Group's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements. This opinion is based on:

- the results of the formal documented review of the design, implementation and effectiveness of the Senwes Group's system of internal financial controls conducted by the internal audit function during the 2014 financial year;
- the information and explanations given by management; and
- the discussions held with the external auditors on the results of their audit.

Financial statements (including accounting practices)

The committee reviewed the financial statements of the company and the Senwes Group and is satisfied that it complies with International Financial Reporting Standards.

Financial function and Financial Director review

The committee is satisfied that the Financial Director of Senwes has appropriate expertise and experience.

The committee has considered, and is satisfied with the appropriateness of the expertise and adequacy of resources of the Senwes Group's financial function and experience of the senior members of management responsible for the financial function.

Duties assigned by the Board

The committee fulfils an oversight role regarding the Company's integrated annual report and the reporting process, including the system of internal financial control. It is responsible for ensuring that the company and the Senwes Group's internal audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to effectively perform its duties. Furthermore, the committee oversees co-operation between the internal and external auditors and serves as a link between the board of directors and these functions. During the year under review, the committee and the chairman met with the external auditors and with the head of internal audit separately.

The committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

Internal Audit

The committee is responsible for overseeing Internal Audit, in particular in respect of:

- Satisfying itself of the competence of the internal auditor and adequacy of internal audit staffing;
- Approving the internal audit plan as well as the internal audit charter;
- Ensuring that the internal audit function is subject to a periodic independent quality review; and
- Reviewing the functioning of the internal audit programme and department to ensure co-ordination between the internal and external auditors.

The head of Internal Audit has direct access to the Audit Committee, primarily through its chairman.

Sustainability reporting

The committee considered the company's sustainability information as disclosed in the integrated annual report and assessed its consistency with operational and other information known to committee members, and for consistency with the annual financial statements. A report from the Risk Committee regarding the top ten risks was presented to the Audit Committee for consideration.

The Audit Committee further discussed the sustainability information with management and is satisfied that the information is reliable and consistent with the financial results.

Recommendation of the annual financial statements for approval by the Board

The committee recommended the annual financial statements to the board of directors for approval, on 27 June 2014.

SF Booysen
Chairman: Audit Committee

Klerksdorp
27 June 2014

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SENWES LIMITED

We have audited the consolidated and separate annual financial statements of Senwes Limited set out on pages 17 to 83, which comprise the statements of financial position as at 30 April 2014, and the statements of comprehensive income, statements of changes in equity and the statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated annual financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the financial position of Senwes Limited as at 30 April 2014, and its performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate annual financial statements for the year ended 30 April 2014, we have read the Directors' Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate annual financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Mike Herbst
Registered Auditor
Chartered Accountant (SA)
3 July 2014

1. Main objectives

The main objectives of the Group are as follows:
1.1. To supply primary agricultural input products.
1.2. To provide market access for agricultural produce.

2. Change in nature of activities

There were no material changes in the nature of the business of the Group during the financial year.

3. Subsidiaries and other financial assets

Details of the Company's interest in subsidiaries, associates, joint ventures and other financial assets are set out in notes 3 to 5 of the annual financial statements.

4. Results

The net profit after tax of the Group for the year under review amounted to R251 million (2013 – R307 million). The summarised results are as follows:

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Revenue	**11 476**	13 884	**11 214**	13 691
Operating profit*	**453**	504	**573**	422
Profit after tax	**251**	307	**365**	233

Refer to note 1 of the financial statements for a full segmental analysis.
** Includes continued and discontinued operations and operations transferred to merged entity.*

The summarised statement of financial position is as follows:

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Total assets	**4 128**	4 021	**4 241**	3 852
Total interest-bearing debt	**1 961**	1 782	**1 972**	1 786

The increase in total assets is mainly the result of the higher investment in financing debtors.

5. Dividends

The Board proposed that a final dividend of 22 cents per share (2013 – 35 cents per share) be declared. An interim dividend of 26 cents per share was paid in December 2013 (2012 – 26 cents per share). Refer to note 22.2 for dividends paid and proposed.

6. Directors

Mr. JE Grobler retired as Chairman and Board member on 23 August 2013. On respectively 25 June 2013 and 29 November 2013, Mr. KI Mampuele and Mr. TF van Rooyen were appointed to the Board, whilst Ms. R Redfearn joined the Board on 5 September 2013 (alternate A. Olivier) as the Grindrod representative.

The following directors have a remaining term of office of less than one year:

Name	Retirement by rotation*
SF Booysen	2014
ZBM Bassa	2014

The following directors have a remaining term of office of more than one year:

Name	Retirement by rotation*
JDM Minnaar	2015
TF van Rooyen	2015
JBH Botha	2016
WH van Zyl	2016
NDP Liebenberg	2016
JJ Minnaar	2017
AJ Kruger	2017
R Redfearn	Appointed in terms of the shareholders agreement with Grindrod

** In accordance with the staggered rotation program adopted by the Board in terms of the Memorandum of Incorporation.*

The independent non-executive directors are appointed by the Board and their appointments are confirmed by shareholders at the annual general meeting. Currently the independent directors are JBH Botha, SF Booysen, ZBM Bassa and KI Mampeule.

7. Statutory appointments and registered address

7.1 Company Secretary
EM Joynt

7.2 Public Officer
CF Kruger

7.3 Registered address
1 Charel de Klerk Street, Klerksdorp, 2571

8. Share capital

No shares were issued during the year under review.

9. Buy-back of shares

During the year, the Group spent R102,2 million on the acquisition of Senwes shares on the open market. This brings the total repurchased shares since the beginning of the repurchase programme in 2012/2013 to 11,5 million shares. Senwes Capital (Pty) Ltd repurchased 6.4% of its shares as Treasury stock and the intention is to convert its current cash-settled long-term phantom incentive scheme to a full share scheme.

10. Special resolutions

The following special resolutions were adopted at the previous annual general meeting held on 23 August 2013:

10.1 Special resolution no. 1: Remuneration of non-executive directors;

10.2 Special resolution no. 2: Approval of financial assistance;

10.3 Special resolution no. 3: Approval of financial assistance for the acquisition of own shares.

10.4 Special resolution no. 4: Authorisation for the repurchase of issued shares by the Company. In terms of this resolution the Company or its subsidiaries are authorised to repurchase its shares. Such a repurchase shall, in any financial year, be limited to a maximum of 20% of the issued share capital. This resolution is renewable annually.

SENWES GROUP 5 YEAR REVIEW

STATEMENT OF FINANCIAL POSITION *	2014 R'm	2013 R'm	2012 R'm	2011 R'm	2010 R'm
Assets					
Non-current assets	**1 077**	822	696	548	508
Current assets	**3 051**	3 199	2 676	2 558	2 288
Total assets	**4 128**	4 021	3 372	3 106	2 796
Equity and liabilities					
Capital and reserves	**1 622**	1 583	1 368	1 230	1 059
Non-controlling interest	**13**	10	8	-	-
Equity	**1 635**	1 593	1 376	1 230	1 059
Non-current liabilities	**662**	1 009	457	446	436
Current liabilities	**1 831**	1 419	1 539	1 430	1 301
Total equity and liabilities	**4 128**	4 021	3 372	3 106	2 796
Interest-bearing liabilities included in current and non-current liabilities	**1 961**	1 782	1 440	1 399	1 196
INCOME STATEMENT					
Revenue					
Financial Services - ***Senwes Credit***	**170**	139	168	156	166
Input Supply - ***Senwes Village***	**1 552**	2 871	2 259	1 770	1 943
Market Access - ***Senwes Grainlink & Tradevantage***	**9 889**	12 209	10 659	5 567	6 895
Sundry operations	-	-	-	46	27
Normal operating activities	**11 611**	15 219	13 086	7 539	9 031
Corporate income	**15**	35	11	11	8
Total income	**11 626**	15 254	13 097	7 550	9 039
Discontinued operations	**(150)**	(1 370)	(1 222)	-	-
Income from continuing operations	**11 476**	13 884	11 875	7 550	9 039
Profit/(loss) *					
Financial Services - ***Senwes Credit & Certisure Group***	**95**	129	62	54	62
Input Supply - ***Senwes Village & Hinterland Group***	**226**	170	169	65	96
Market Access - ***Senwes Grainlink, Tradevantage & Bunge Senwes***	**85**	177	183	252	236
Sundry operations	**-**	-	-	-	2
Normal operating activities	**406**	476	414	371	396
Corporate costs	**(75)**	(69)	(54)	(56)	(66)
Investment income	**-**	-	2	4	2
Profit before tax	**331**	407	362	319	332
Tax	**(80)**	(100)	(97)	(100)	(123)
Profit for the year	**251**	307	265	219	209
Non-controlling interest	**3**	2	1	-	-
Finance charges included in results	**(124)**	(104)	(92)	(115)	(85)
CASH FLOW STATEMENT *					
Net cash flow					
Cash from operating activities	**381**	490	441	547	516
Total finance cost, tax and dividends paid	**(276)**	(295)	(307)	(250)	(469)
Finance cost paid	**(124)**	(104)	(89)	(113)	(79)
Tax paid	**(46)**	(117)	(92)	(92)	(110)
Dividends paid	**(106)**	(74)	(126)	(45)	(280)
Movement in operating capital	**(28)**	(544)	(88)	(290)	52
Dividends received	**2**	-	2	1	2
Net cash flow from/(used in) operating activities	**79**	(349)	48	8	101
Net cash from/(used in) investment activities	**4**	(148)	(133)	(31)	(46)
Net cash (used in)/from financing activities	**(102)**	531	102	-	-
Net (decrease)/increase in cash and cash equivalents	**(19)**	34	17	(23)	55

** Including discontinued and continuing operations*

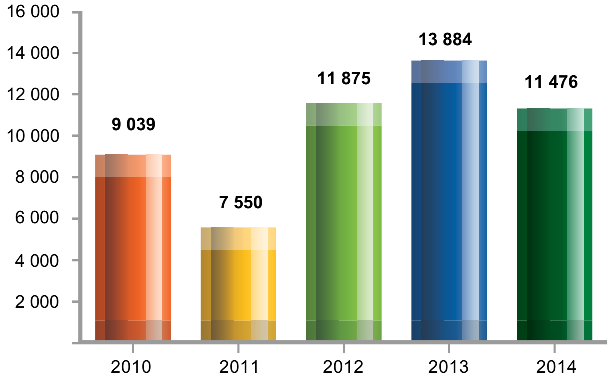
FINANCIAL AND OPERATING RATIOS

	Definitions	2014	2013	2012	2011	2010	5 year compounded annual growth %
FINANCIAL GROWTH (PERCENTAGE)							
Total assets		**2.7**	19.2	8.6	11.1	11.7	10.5
Total shareholder interest		**2.6**	15.8	11.9	16.1	(6.0)	7.7
Interest–bearing liabilities		**10.0**	23.8	2.9	17.0	66.8	22.3
Total revenue from continuing operations		**(17.3)**	16.9	57.3	(16.5)	(19.0)	0.6
Profit before tax		**(18.7)**	12.4	13.5	(3.9)	(36.9)	(8.8)
Normalised headline earnings per share		**(35.1)**	14.8	14.3	1.5	(39.9)	(12.3)
Net asset value per share		**8.3**	16.9	11.2	16.1	(6.0)	9.0
Closing market price per share		**3.4**	15.6	(11.8)	39.7	32.7	14.3
Total dividends for the year		**(21.3)**	1.7	71.4	(75.0)	125.8	(5.0)
PERFORMANCE OF ORDINARY SHARES							
Number of ordinary shares ('m)							
Weighted average number in issue		**172.38**	180.46	180.79	180.79	180.79	
Number in issue at year-end		**169.29**	178.99	180.79	180.79	180.79	
Cents per share							
Earnings	1	**143.9**	168.9	146.0	121.1	115.6	(6.7)
Normalised headline earnings	2	**99.0**	152.4	132.8	116.2	114.4	(12.3)
Net asset value	3	**958.1**	884.4	756.7	680.3	585.8	9.0
Closing market price	4	**1 075.0**	1 040.0	900.0	1 020.0	730.0	14.3
Total dividends for the year	5	**48.0**	61.0	60.0	35.0	140.0	
Final dividend declared		**22.0**	31.0	15.0	25.0	15.0	
Interim dividend paid		**26.0**	26.0	45.0	10.0	25.0	
Special dividend paid		**-**	4.0	-	-	100.0	
Percentage							
Price book ratio	6	**112.2**	117.6	118.9	149.9	124.6	
Dividend yield, including special dividends	7	**4.6**	6.8	5.9	4.8	25.5	
Dividend yield, excluding special dividends	8	**4.6**	6.3	5.9	4.8	7.3	
Dividend yield on average market price, including special dividends	9	**4.5**	6.3	6.3	4.0	21.9	
Times							
Price earnings ratio	10	**7.5**	6.2	6.2	8.4	6.3	
Dividend cover, including special dividends	11	**3.0**	2.8	2.4	3.5	0.8	
Dividend cover, excluding special dividends	12	**3.0**	3.0	2.4	3.5	2.9	
SHAREHOLDER RETURN (%)							
Return on opening equity	13	**15.7**	22.3	21.5	20.7	18.6	
Return on average equity	14	**15.5**	20.7	20.3	19.1	19.1	
Total shareholder return (dividends & capital growth)	15	**8.0**	22.3	(5.9)	44.5	58.2	
Total shareholder return (on average market price)	16	**7.8**	20.7	(6.3)	37.1	50.0	
PRODUCTIVITY							
Asset velocity (times) *	17	**2.8**	3.8	3.7	2.6	3.4	
Revenue/equity (times) *	18	**7.0**	8.7	8.6	6.1	8.5	
Number of employees	19	**1 443**	2 124	2 170	2 201	2 277	
Operating profit per employee (R'000)	20	**310**	237	206	194	181	
Return on total assets - EBIT (%)	21	**11.0**	12.7	13.5	14.0	14.9	
Operating profit as % of income*	22	**3.9**	3.6	3.8	5.7	4.6	
Effective tax rate (%)	23	**25**	25	27	31	37	
SOLVENCY AND LIQUIDITY							
Equity as % of net assets	24	**45**	47	49	47	47	
Equity as % of total assets (own capital ratio)	25	**40**	40	41	40	38	
Gearing ratio (%)	26	**118**	109	103	112	109	
Non-interest-bearing liabilities as % of equity	27	**33**	41	41	39	51	
Financing cost paid (R 'm)	28	**(124)**	(104)	(89)	(113)	(79)	
Interest cover - EBITDA (times)	29	**4.0**	5.3	5.4	4.1	5.4	
Current ratio	30	**1.7**	2.3	1.7	1.8	1.8	
Quick asset ratio	31	**1.3**	1.6	1.3	1.1	1.1	

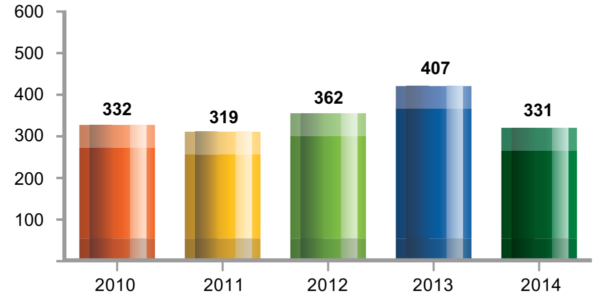
** Revenue from continuing operations used*

INCOME STATEMENT

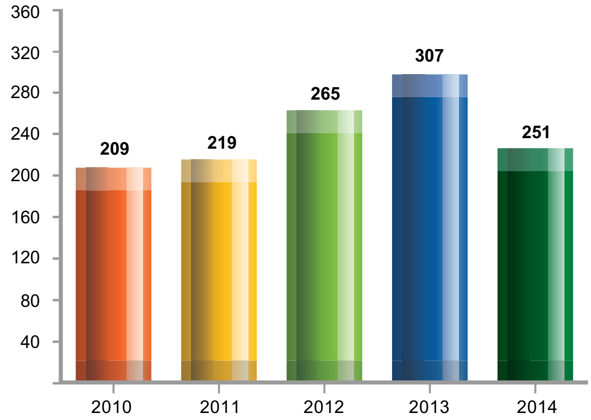
Total Revenue from Continuing Operations (R'm)



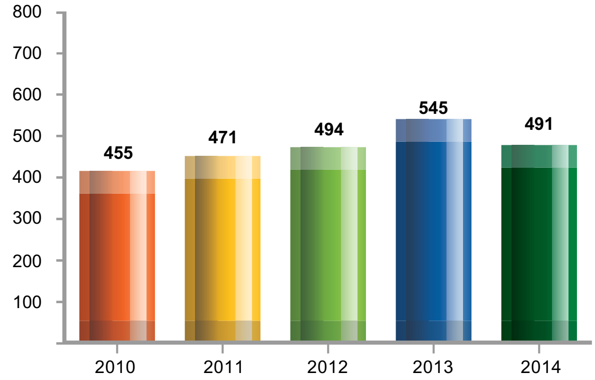
Profit Before Tax (R'm)



Profit After Tax (R'm)

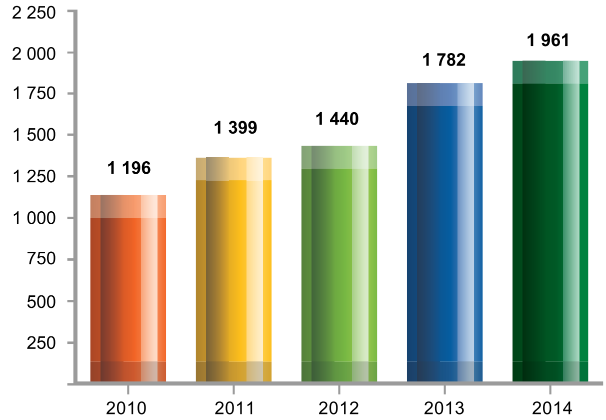


Earnings Before Interest, Tax, Depreciation and Amortisation (R'm) (EBITDA)

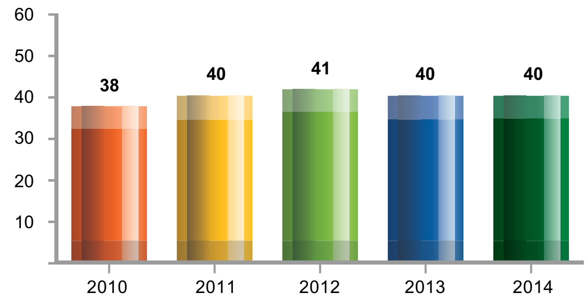


BALANCE SHEET

Interest-Bearing Debt (R'm)

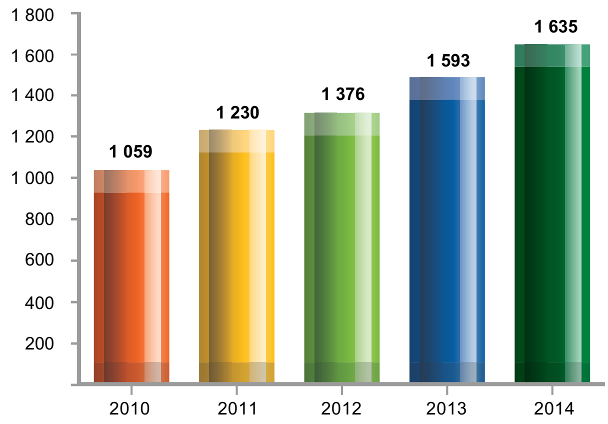


Own Capital Ratio (%)

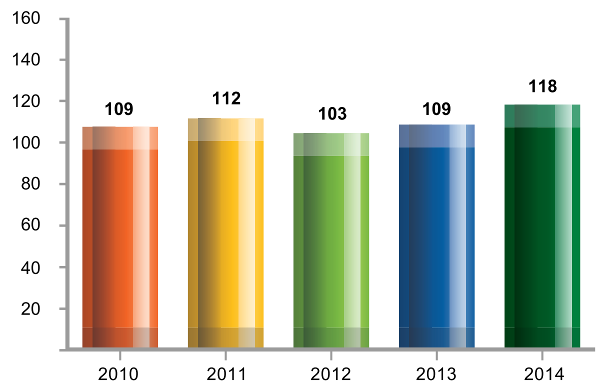


BALANCE SHEET (continued)

Total Equity (R'm)

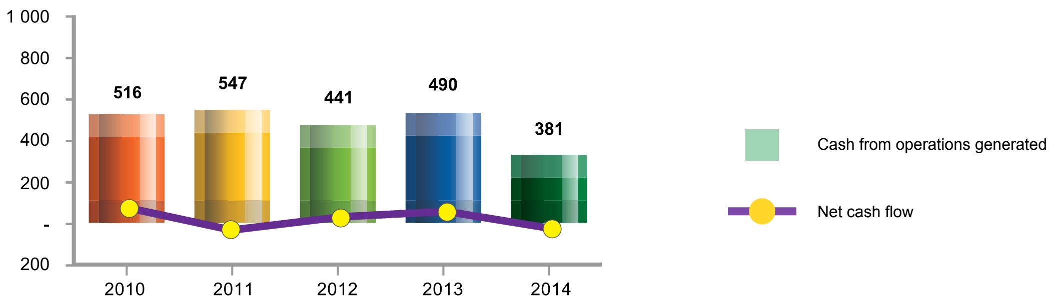


Gearing Ratio (%)



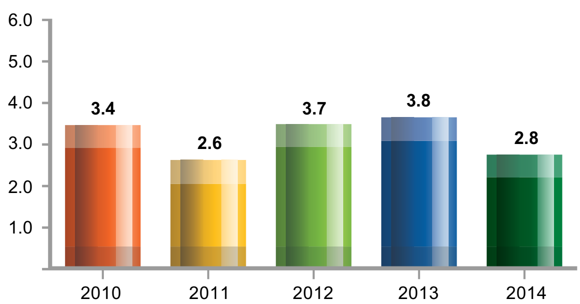
CASH FLOW STATEMENT

Cash from Operations generated vs Net Cash flow (R'm)

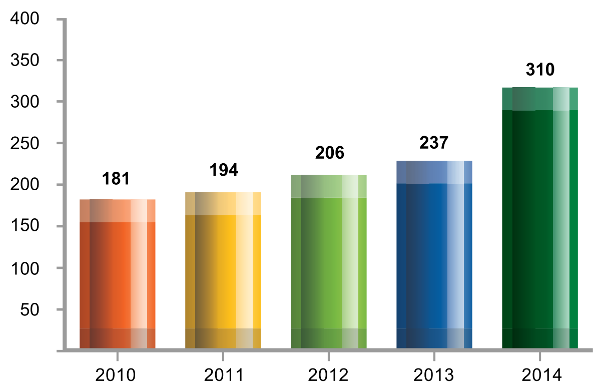


EFFICIENCY AND PRODUCTIVITY

Asset Velocity (times)

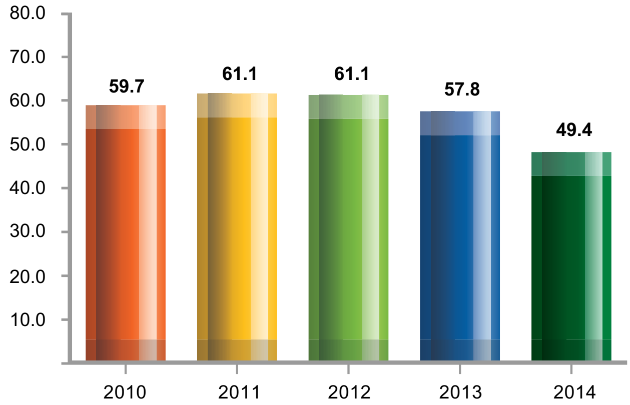


Operating Profit per Employee (R'000)

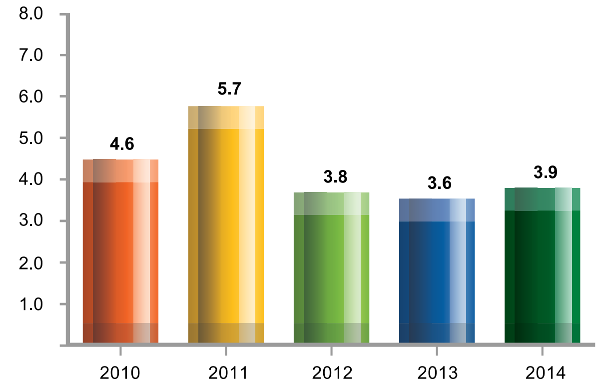


EFFICIENCY AND PRODUCTIVITY (continued)

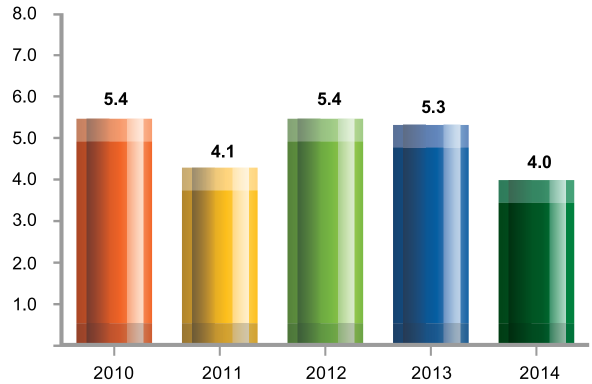
Distribution, Sales and Administrative Expenses and Gains as Percentage of Gross Profit (%)



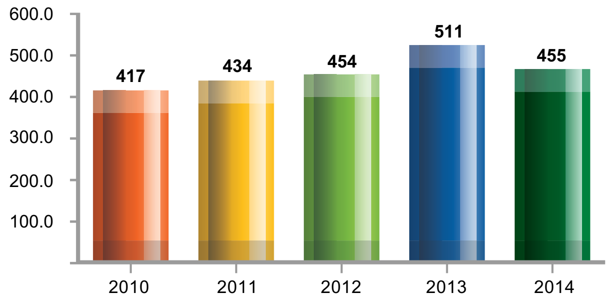
Operating Profit Margin (%)



Interest Cover (times)

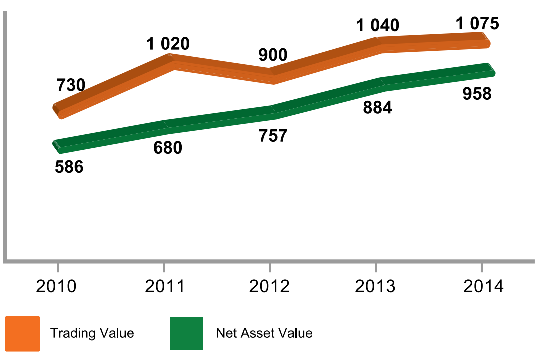


Earnings Before Interest and Tax (EBIT)

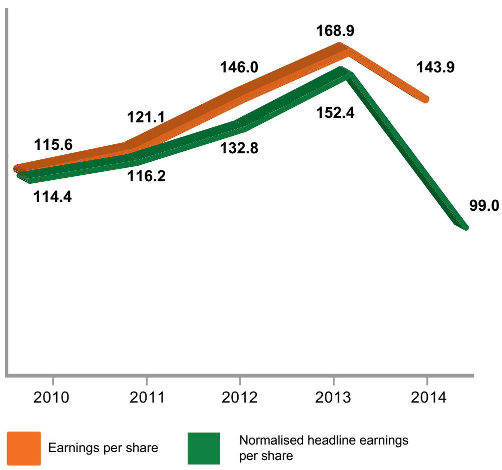


SHAREHOLDERS

Share Price: Trading Value vs Net Asset Value (c/share)

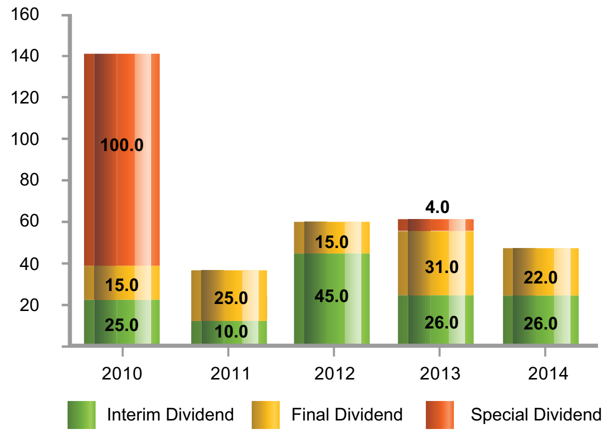


Earnings per share vs Normalised earnings per share (cent)

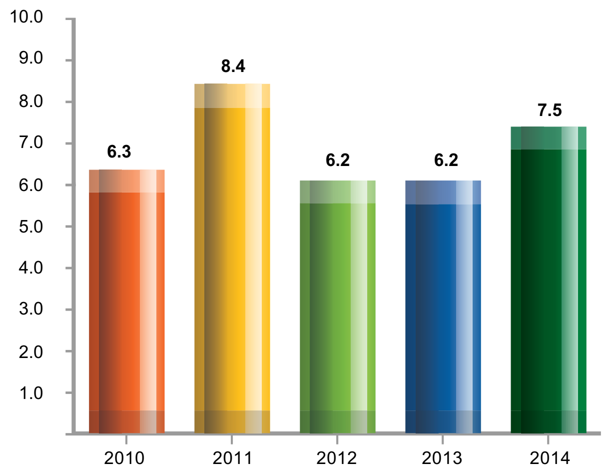


SHAREHOLDERS (continued)

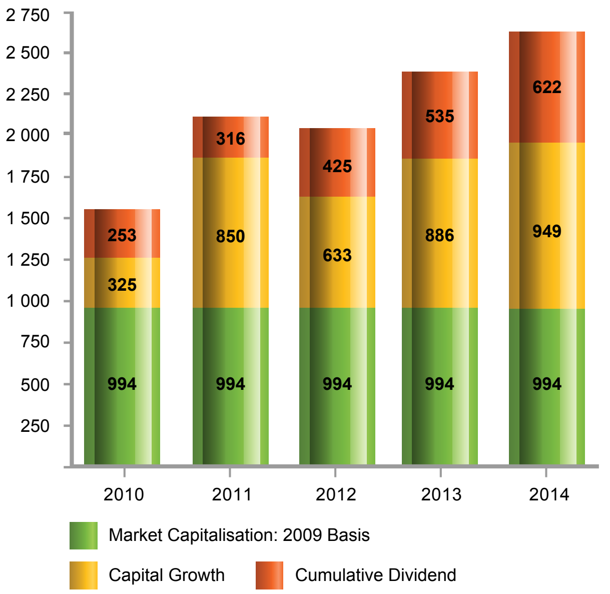
Dividend (c/share)



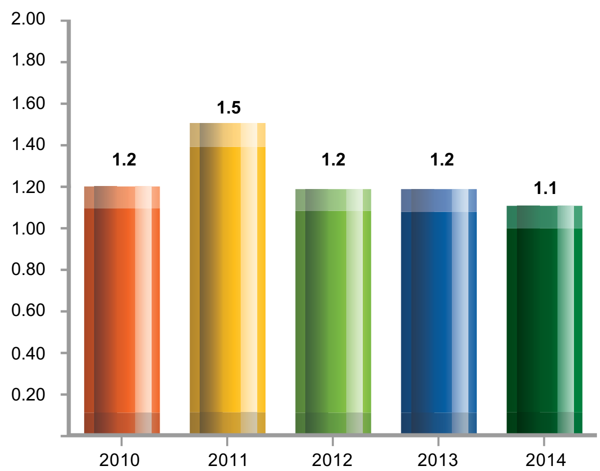
Price Earnings Ratio (times)



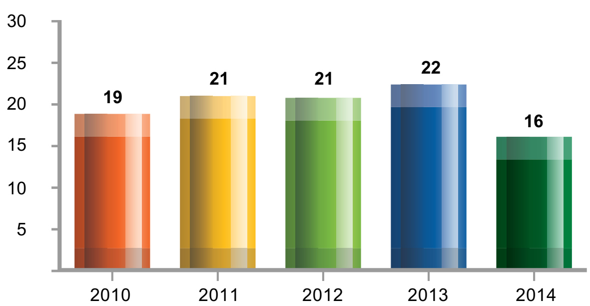
Value Creation and Value Unlocking for Shareholders by means of Capital and Dividends (R'm)



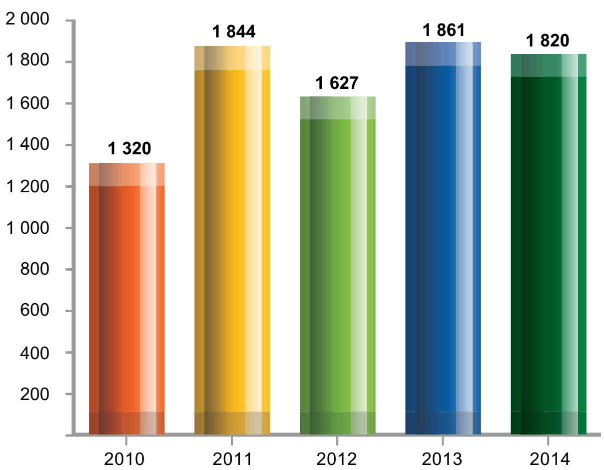
Price-book Ratio (times)



Return on Equity - Opening Equity (%)



Market Capitalisation - Closing Price (R'm)



DEFINITIONS

1. **Earnings per share**
Earnings attributable to shareholders divided by the weighted average number of shares in issue during the year.

2. **Normalised headline earnings per share**
Normalised headline earnings (refer note 22.1.3), divided by the weighted average number of shares in issue during the year.

3. **Net asset value per share**
Capital and reserves, divided by the number of shares in issue at year-end.

4. **Closing market price per share**
Trading price derived from the last share trading transaction of the financial year.

5. **Total dividends for the year**
Total of normal (interim and final) and special dividends for the year.

6. **Price book ratio**
Closing market price per share divided by the net asset value per share, at year-end.

7. **Dividend yield, including special dividends**
Total dividend per share divided by the opening market price per share.

8. **Dividend yield, excluding special dividends**
Total dividend per share, excluding special dividends, divided by opening market price per share.

9. **Dividend yield on average market price, including special dividends**
Total dividend per share, including special dividends, divided by the average market price per share.

10. **Price earnings ratio**
Closing market price per share divided by the earnings per share.

11. **Dividend cover, including special dividends**
Earnings per share divided by total dividend per share.

12. **Dividend cover, excluding special dividends**
Earnings per share divided by total dividend per share, excluding special dividends.

13. **Return on opening equity**
Profit after tax divided by the opening balance of capital and reserves.

14. **Return on average equity**
Profit after tax divided by average capital and reserves.

15. **Total shareholder return (dividend & capital growth)**
Total dividend yield (definition 7), plus growth in market share price.

16. **Total shareholder return (on average market price)**
Total dividend yield (definition 7), plus average growth in market price.

17. **Asset velocity**
Revenue divided by total average assets.

18. **Revenue/equity**
Revenue divided by total closing equity.

19. **Number of employees**
Number of employees (total of permanent and temporary) at year-end.

20. **Operating profit per employee**
Profit before taxation from continuing operations, adjusted with finance costs, investment income and share of profit from associates and joint ventures (operating profit), divided by the total number of employees at year-end.

21. **Return on total assets**
Profit before taxation and finance costs from continuing operations (EBIT) as % of total assets less assets of discontinued operations (held-for-sale).

22. **Operating profit as % of income**
Operating profit as percentage of revenue from continuing operations.

23. **Effective tax rate**
Tax expense as per the financial statements as a % of profit before tax.

24. **Equity as % of net assets**
Total equity expressed as a % of total assets less non-interest bearing debt.

25. **Equity as % of total assets**
Total equity expressed as a % of total assets.

26. **Gearing ratio**
Interest-bearing debt, reduced by cash, divided by total equity.

27. **Non-interest-bearing liabilities as % of equity**
Non-interest-bearing liabilities and provisions divided by total equity.

28. **Finance costs paid**
Refer to page 20.

29. **Interest cover**
Profit before tax, adjusted with depreciation and finance cost (EBITDA), divided by finance cost (refer note 21.1.4).

30. **Current ratio**
Current assets divided by current liabilities.

31. **Quick asset ratio**
Current assets less inventory divided by current liabilities.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 April 2014

	Notes	GROUP 2014 R'm	GROUP 2013 R'm Reclassified*	COMPANY 2014 R'm	COMPANY 2013 R'm Reclassified*
ASSETS					
Non-current assets					
Property, plant and equipment	2	**270**	253	**210**	193
Investment in subsidiaries	3.2	**-**	-	**49**	44
Investment in associates	5.1	**2**	1	**-**	-
Investment in joint ventures	5.2	**241**	114	**277**	43
Other financial assets	4.1.1	**4**	3	**4**	3
Loans and other receivables	6	**554**	340	**554**	340
Deferred tax asset	15.2	**6**	23	**1**	32
Total non-current assets		**1 077**	734	**1 095**	655
Current assets					
Inventory*	7	**431**	421	**350**	391
Trade and other receivables*	8	**2 117**	1 999	**1 999**	1 990
Other loans receivable	4.1.2	**170**	171	**541**	173
Inventory held to satisfy firm sales*	9	**278**	288	**255**	288
Derivative financial instrument*	17.1	**25**	15	**1**	15
Cash and short-term deposits	4.1.3	**30**	49	**-**	33
Tax receivable	26	**-**	1	**-**	2
Total current assets		**3 051**	2 944	**3 146**	2 892
Assets classified as held-for-sale	10	**-**	343	**-**	305
TOTAL ASSETS		**4 128**	4 021	**4 241**	3 852
EQUITY AND LIABILITIES					
Equity					
Issued capital	11	**1**	1	**1**	1
Share premium	12.1	**67**	67	**67**	67
Treasury shares	12.2	**(121)**	(19)	**-**	-
Reserves	12.3 ,12.4, 12.5	**3**	4	**2**	1
Retained earnings		**1 672**	1 530	**1 640**	1 385
Own equity		**1 622**	1 583	**1 710**	1 454
Non-controlling interest	3.3	**13**	10	**-**	-
Total equity		**1 635**	1 593	**1 710**	1 454
Non-current liabilities					
Interest-bearing loans	4.2.3	**652**	1 000	**650**	1 000
Incentive bonuses: Long-term portion	13.1	**10**	9	**10**	9
Total non-current liabilities		**662**	1 009	**660**	1 009
Current liabilities					
Trade and other payables	14	**423**	375	**436**	341
Interest-bearing loans	4.2.2	**1 285**	765	**1 296**	769
Other loans payable	4.2.1	**24**	17	**26**	17
Derivative financial instruments	17.2	**72**	24	**72**	24
Tax payable	26	**5**	-	**4**	-
Incentive bonuses: Short-term portion	13.1	**19**	76	**19**	76
Bank overdraft	4.1.3	**-**	-	**15**	-
Provisions	16	**3**	3	**3**	3
Total current liabilities		**1 831**	1 260	**1 871**	1 230
Liabilities directly associated with the assets classified as held-for-sale	10	**-**	159	**-**	159
Total liabilities		**2 493**	2 428	**2 531**	2 398
TOTAL EQUITY AND LIABILITIES		**4 128**	4 021	**4 241**	3 852

** Refer to reclassification note 7.7*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
as at 30 April 2014

	Notes	GROUP 2014 R'm	GROUP 2013 R'm	COMPANY 2014 R'm	COMPANY 2013 R'm
Services rendered		**248**	403	**253**	378
Finance income	19.3	**203**	153	**208**	158
Income from operating activities		**4 067**	4 009	**4 574**	3 800
Income from commodity trading		**6 958**	9 319	**6 179**	9 355
Revenue		**11 476**	13 884	**11 214**	13 691
Cost of sales		**(10 609)**	(12 873)	**(10 398)**	(12 726)
Gross profit		**867**	1 011	**816**	965
Other operating income	20	**1**	-	**105**	-
Distribution, sales, administrative expenses and gains		**(381)**	(556)	**(313)**	(607)
Operating profit	19.1	**487**	455	**608**	358
Finance cost	19.2	**(124)**	(104)	**(120)**	(107)
Share of profit from joint ventures	5.2	**7**	7	**-**	-
Profit before tax from continuing operations		**370**	358	**488**	251
Taxation	15.1	**(79)**	(78)	**(86)**	(60)
Profit for the year after tax from continuing operations		**291**	280	**402**	191
Profit after tax from discontinued operations and operations to be transferred to merged entity	10	**(40)**	27	**(37)**	42
Profit for the year		**251**	307	**365**	233
Other comprehensive income recyclable to profit, net of tax		**4**	3	**1**	-
Fair value adjustment available-for-sale financial asset		**1**	-	**1**	-
Exchange difference on translation of foreign operations		**3**	3	**-**	-
Total comprehensive income for the year, net of tax		**255**	310	**366**	233
Profit attributable to:					
Equity holders of the parent		**248**	305	**365**	233
Non-controlling interest		**3**	2	**-**	-
Total comprehensive income attributable to:					
Equity holders of the parent		**252**	308	**366**	233
Non-controlling interest		**3**	2	**-**	-
Earnings per share					
Basic and diluted earnings for the year attributable to ordinary equity holders of the parents (cents)	22.1.3	**143,9**	168,9		
Normalised headline earnings per share (cents)	22.1.3	**99,0**	152,4		

DIVIDENDS FOR THE YEAR

	Notes	2014 cents/share	2013 cents/share
Dividend per share paid during the year	22.2	**61**	41
Final dividend previous year		**31**	15
Special final dividend		**4**	-
Interim dividend		**26**	26
Final dividend per share proposed		**22**	31
Special dividend per share proposed		**-**	4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2014

	Notes	Issued share capital R'm	Share premium R'm	Treasury Shares R'm	Changes in owner-ship R'm	Fair value adjust-ments R'm	Foreign currency transla-tion reserve R'm	Retained earnings R'm	Non-con-trolling interest R'm	Total equity R'm
		11	12.1	12.2	12.5	12.3	12.4		3.3	
GROUP										
Balance as at 30 April 2012		**1**	**67**	**-**	**-**	**1**	**-**	**1 299**	**8**	**1 376**
Total comprehensive income		-	-	-	-	-	3	305	2	310
Profit for the year		-	-	-	-	-	-	305	2	307
Other comprehensive income		-	-	-	-	-	3	-	-	3
Dividends	22.2	-	-	-	-	-	-	(74)	-	(74)
Treasury shares purchased		-	-	(19)	-	-	-	-	-	19
Balance as at 30 April 2013		**1**	**67**	**(19)**	**-**	**1**	**3**	**1 530**	**10**	**1 593**
Total comprehensive income		-	-	-	-	1	3	248	3	255
Profit for the year		-	-	-	-	-	-	248	3	251
Other comprehensive income		-	-	-	-	1	3	-	-	4
Dividends	22.2	-	-	-	-	-	-	(106)	-	(106)
Treasury shares purchased		-	-	(102)	-	-	-	-	-	(102)
Shares issued to non-controlling shareholders		-	-	-	(5)	-	-	-	-	(5)
Balance as at 30 April 2014		**1**	**67**	**(121)**	**(5)**	**2**	**6**	**1 672**	**13**	**1 635**
COMPANY										
Balance as at 30 April 2012		**1**	**67**	**-**	**-**	**1**	**-**	**1 226**	**-**	**1 295**
Total comprehensive income		-	-	-	-	-	-	233	-	233
Profit for the year		-	-	-	-	-	-	233	-	233
Other comprehensive income		-	-	-	-	-	-	-	-	-
Dividends	22.2	-	-	-	-	-	-	(74)	-	(74)
Balance as at 30 April 2013		**1**	**67**	**-**	**-**	**1**	**-**	**1 385**	**-**	**1 454**
Total comprehensive income		-	-	-	-	1	-	365	-	366
Profit for the year		-	-	-	-	-	-	365	-	365
Other comprehensive income		-	-	-	-	1	-	-	-	1
Dividends	22.2	-	-	-	-	-	-	(110)	-	(110)
Balance as at 30 April 2014		**1**	**67**	**-**	**-**	**2**	**-**	**1 640**	**-**	**1 710**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2014

	Notes	GROUP 2014 R'm	GROUP 2013 R'm	COMPANY 2014 R'm	COMPANY 2013 R'm
Cash from operating activities	24	**381**	490	**357**	459
Dividends received		**2**	-	**2**	-
Finance costs paid	19.2	**(124)**	(104)	**(120)**	(107)
Tax paid	26	**(46)**	(117)	**(38)**	(109)
Dividends paid	22.2	**(106)**	(74)	**(110)**	(74)
Changes in operating capital*	25	**(28)**	(544)	**226**	(539)
Net cash flows (used in)/from operating activities		**79**	(349)	**317**	(370)
Net cash flows (used in)/from investment activities		**4**	(148)	**(365)**	(152)
Purchase of property, plant and equipment	27	**(56)**	(72)	**(54)**	(67)
Proceeds from the disposal of property, plant and equipment	28	**3**	3	**3**	3
Proceeds from the sale of subsidiaries/available-for-sale financial asset		**1**	26	**1**	12
Increase of investments in subsidiaries and joint ventures		**-**	(3)	**-**	(3)
Net cash received on formation of Hinterland	5.2.1	**94**	-	**94**	-
Increase in other loans receivable	29	**(38)**	(102)	**(409)**	(97)
Net cash flows before financing activities		**83**	(497)	**(48)**	(522)
Net cash (used)/from financing activities		**(102)**	531	**-**	550
Treasury shares	12.2	**(102)**	(19)	**-**	-
Increase in interest-bearing loans		**-**	550	**-**	550
Net (decrease)/increase in cash and cash equivalents		**(19)**	34	**(48)**	28
Cash and cash equivalents of subsidiary sold		**-**	(9)	**-**	-
Cash and cash equivalents - beginning of the year		**49**	24	**33**	5
Cash and cash equivalents - end of the year		**30**	49	**(15)**	33

**Senwes' grain marketing division has been operating in a new entity from 1 November 2013. Change in operating capital of this division will no longer be on company level, but on group level.*

NOTES TO THE FINANCIAL STATEMENTS

1. Segment information

1.1 For management and control purposes, the Group is divided into business units based on their products, services and clients and consists of the following reportable segments:

Financial Services *(Senwes Credit & Certisure Group)*
Credit extension to agricultural producers and grain buyers. Senwes Credit renders agricultural services to its growing client base. Certisure includes commission received on short-term crop and life insurance premiums and administration fees.

Input Supply *(Senwes Village & Hinterland Group)*
Sales at retail outlets, direct sales of farming input requirements and sales of mechanisation goods and spare parts.

Market Access *(Senwes Grainlink, Tradevantage & Bunge Senwes)*
Income received from the handling and storage of agricultural produce. Commission earned on grain marketing. Income received from the sale of own grain.

Corporate	Head office services, information technology, human resources, properties, fleet management, secretarial services, legal services, corporate marketing, risk management, internal audit, strategic development, group finance, treasury and directors.

Income tax is managed on a group basis and is not allocated to operating segments. Services rendered between related parties as reflected in operating segments are on an arm's length basis in a manner similar to transactions with third parties. Management monitors the operational results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segmental performance is evaluated, based on operating profit or loss, and is measured consistently against operating profit or loss in the consolidated financial statements.

1.2 Segmental revenue and results

	GROUP			
	2014 R'm	**2013 R'm**	**2014 R'm**	**2013 R'm**
	SEGMENTAL REVENUE		**SEGMENTAL PROFIT**	
Financial services *(Senwes Credit & Certisure Group)*	**170**	139	**95**	129
Operating activities	**170**	139	**95**	71
Profit from transfer of subsidiary to joint venture	**-**	-	**-**	58
Input supply *(Senwes Village & Hinterland Group)*	**1 552**	2 871	**226**	170
Operating activities	**1 581**	2 871	**80**	170
Intragroup sales	**(29)**	-	**-**	-
Profit from merger of retail business	**-**	-	**146**	-
Market access *(Senwes Grainlink & Tradevantage)*	**9 889**	12 209	**85**	177
Operating activities	**11 478**	12 209	**85**	177
Intragroup sales	**(1 589)**	-	**-**	-
Normal operational activities	**11 611**	15 219	**406**	476
Corporate costs	**15**	35	**(75)**	(69)
Other operating income	**-**	-	**-**	-
Total revenue	**11 626**	15 254	**-**	-
Revenue from discontinued operations	**(150)**	(1 370)	**-**	-
Input supply	**(144)**	(1 332)	**-**	-
Market access	**(6)**	(38)	**-**	-
Revenue from continuing operations	**11 476**	13 884	**-**	-
Profit before tax from continuing and discontinued operations			**331**	407
Taxation			**(80)**	(100)
Profit for the year from continuing and discontinued operations			**251**	307
Loss/(profit) after tax from discontinued operations and operations to be transferred to merger entity			**40**	(27)
Input supply			**(4)**	(56)
Market access			**44**	29
Profit after tax from continuing operations			**291**	280

1.3 Net segment assets

	GROUP					
	2014 R'm	2013 R'm	2014 R'm	2013 R'm	2014 R'm	2013 R'm
	ASSETS		LIABILITIES		NET	
Financial services	**2 458**	1 956	**(1 466)**	(1 084)	**992**	872
Input supply	**694**	934	**(448)**	(695)	**246**	239
Market access	**901**	960	**(466)**	(448)	**435**	512
Total operations	**4 053**	3 850	**(2 380)**	(2 227)	**1 673**	1 623
Corporate	**69**	136	**(113)**	(201)	**(44)**	(65)
Total segmental assets/(liabilities) before held-for-sale	**4 122**	3 986	**(2 493)**	(2 428)	**1 629**	1 558
Deferred tax	**6**	35	**-**	-	**6**	35
Total	**4 128**	4 021	**(2 493)**	(2 428)	**1 635**	1 593
(Assets)/liabilities held-for-sale	**-**	(343)	**-**	159	**-**	(184)
Total	**4 128**	3 678	**(2 493)**	(2 269)	**1 635**	1 409

1.4 Segment disclosable items

	GROUP					
	2014 R'm	2013 R'm	2014 R'm	2013 R'm	2014 R'm	2013 R'm
	CAPITAL EXPENDITURE		DEPRECIATION		NON-CASH* TRANSACTIONS	
Financial services	**2**	-	**-**	-	**9**	6
Input supply	**4**	20	**5**	8	**(2)**	11
Market access	**36**	35	**20**	15	**51**	3
Corporate	**14**	17	**11**	11	**(10)**	4
Total	**56**	72	**36**	34	**48**	24

**Non-cash transactions consist of provisions made*

2. PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Cost price	**697**	673	**634**	613
Land	**16**	20	**1**	3
Silos	**117**	110	**117**	110
Buildings and improvements	**117**	194	**75**	116
Plant and equipment	**380**	394	**376**	391
Vehicles	**67**	81	**65**	81
Held-for-sale	**-**	(126)	**-**	(88)
Accumulated depreciation and impairments	**(427)**	(420)	**(424)**	(420)
Land	**-**	-	**-**	-
Silos	**(68)**	(67)	**(68)**	(67)
Buildings and improvements	**(47)**	(70)	**(47)**	(70)
Plant and equipment	**(273)**	(290)	**(270)**	(289)
Vehicles	**(39)**	(43)	**(39)**	(44)
Held-for-sale	**-**	50	**-**	50
Total carrying value	**270**	253	**210**	193

2.1. Registers of land and buildings are available for inspection at the registered offices of the relevant companies.
2.2. Certain assets are encumbered as set out in note 4.2.3.
2.3. The capital commitments of the Group are set out in note 18.2.
2.4. Refer to note 10 for detailed information on discontinued operations.
2.5. Refer to note 5.2.1 for the profit realised on the contribution of property, plant and equipment to Hinterland SA (Pty) Ltd.

Reconciliation of the movements on property, plant and equipment - 2014

	Balance at the beginning of the year R'm	Purchases R'm	Disposals R'm	Impair-ments and reversals R'm	Depreciation R'm	Balance at the end of the year R'm
GROUP – 2014						
Land	16	-	-	-	-	16
Silos	43	7	-	-	(1)	49
Buildings and improvements	69	4	-	-	(3)	70
Plant and equipment	95	36	(1)	-	(23)	107
Vehicles	30	9	(2)	-	(9)	27
Total	**253**	**56**	**(3)**	**-**	**(36)**	**270**
COMPANY – 2014						
Land	1	-	-	-	-	1
Silos	43	7	-	-	(1)	49
Buildings and improvements	27	3	-	-	(2)	28
Plant and equipment	93	37	(1)	-	(23)	106
Vehicles	29	7	(1)	-	(9)	26
Total	**193**	**54**	**(2)**	**-**	**(35)**	**210**

Reconciliation of the movements on property, plant and equipment - 2013

	Balance at the beginning of the year R'm	Purchases R'm	Disposals R'm	Impair-ments and reversals R'm	Depreciation R'm	Held-for-sale R'm	Balance at the end of the year R'm
GROUP – 2013							
Land	16	4	-	-	-	(4)	16
Silos	40	5	-	-	(2)	-	43
Buildings and improvements	120	5	(1)	-	-	(55)	69
Plant and equipment	92	38	(4)	-	(22)	(9)	95
Vehicles	29	20	(1)	-	(10)	(8)	30
Total	297	72	(6)	-	(34)	(76)	253
COMPANY – 2013							
Land	3	-	-	-	-	(2)	1
Silos	40	5	-	-	(2)	-	43
Buildings and improvements	42	5	(1)	-	-	(19)	27
Plant and equipment	87	36	-	-	(21)	(9)	93
Vehicles	26	21	-	-	(10)	(8)	29
Total	198	67	(1)	-	(33)	(38)	193

3. INVESTMENT IN COMPANIES

3.1 Corporate transactions

2014

Senwes and AFGRI retail merger

On 1 June 2013, the retail and indirect businesses of Senwes Ltd and AFGRI Operations Ltd were merged into a new joint venture, Hinterland SA (Pty) Ltd. Senwes Ltd and AFGRI Operations Ltd are equal shareholders in the joint venture. Refer to note 5.2.1 and note 10 for detailed information.

Tradevantage Grain (Pty) Ltd

Senwes' Grain Marketing division has been operating in a new entity, Tradevantage, from 1 November 2013. Senwes Agrowth (Pty) Ltd holds a 100% share in Tradevantage (Pty) Ltd. Senwes holds a 73,5% share and Kotulo Trust, a BEE Trust, holds a 26,5% share in Senwes Agrowth (Pty) Ltd.

2013

Senwes Ltd and NWK Ltd

Senwes Ltd and NWK Ltd announced a merger of the insurance businesses of both companies with effect from 1 May 2012. The new insurance business renders financial advice and services to particularly agricultural producers. Senwes Ltd and NWK Ltd are equal shareholders in the joint venture. Refer to note 5.2.4 for detailed information.

Senwes Ltd and Bunge Europe

Bunge Europe, the European operating arm of Bunge Limited (NYSE: BG), a leading global agribusiness and food company, exercised its rights to invest in 50% of Senwes' foreign operations. The agreement became effective on 1 September 2012. Refer to note 5.2.3 and note 10 for detailed information.

3.2 Investment in subsidiaries

	Total shares in issue	Interest %	Shares R'm	Provision for impairment on investment R'm	Total net investment R'm
COMPANY – 2014					
JD Implemente (Pty) Ltd	1 000	50	6	-	6
Senwes Capital (Pty) Ltd	11 054	100	24	-	24
Senwes Graanmakelaars (Pty) Ltd	100	100	-	-	-
Senwes Mauritius Ltd	240	100	19	-	19
Senwes Agrowth (Pty) Ltd*	1 000	73,5	-	-	-
Total carrying value			**49**	**-**	**49**

** Senwes Agrowth (Pty) Ltd is the holding company of Tradevantage and consists of equity and an investment of R100 only.*

	Total shares in issue	Interest %	Shares R'm	Provision for impairment on investment R'm	Total net investment R'm
COMPANY – 2013					
JD Implemente (Pty) Ltd	1 000	50	6	-	6
Senwes Capital (Pty) Ltd	11 054	100	24	-	24
Senwes Graanmakelaars (Pty) Ltd	100	100	-	-	-
Senwes International Holdings (Pty) Ltd	100	100	-	-	-
Senwes Mauritius Ltd	240	100	19	(5)	14
Total carrying value			49	(5)	44

3.3 Financial information of subsidiaries

The following is the financial information of significant subsidiaries. A full list of subsidiaries is available for inspection at the registered office of the company.

3.3.1 Senwes Mauritius Ltd

Senwes has a 100% interest in Senwes Mauritius Ltd, incorporated in Mauritius. Senwes Mauritius' core business is the investment in foreign entities (Malawi, Mozambique, Zambia and Kenya). The financial year-end is the same as Senwes' financial year-end. The registered office of the company is in Mauritius.

The following is the summarised financial information:

	2014 R'm	2013 R'm
Financial position		
Current assets	**64**	6
Non-current assets	**-**	19
Current liabilities	**(101)**	-
Non-current liabilities	**-**	(25)
Equity (Including foreign translation reserve)	**(37)**	-
Financial results		
Financial results		
Finance income received	**6**	1
Expenses	**(1)**	-
Finance costs	**(5)**	(1)
Provision for impairment	**(41)**	(30)
Loss after taxation	**(41)**	(30)
Other comprehensive income:		
Foreign translation reserve	**3**	3
Total comprehensive income	**(38)**	(27)

3.3.2 JD Implemente (Pty) Ltd

Senwes has a 50% interest in JD Implemente (Pty) Ltd ("JDI"). JDI's core business is the sale of mechanisation goods, spare parts and rendering of workshop services in the Southern and Western Cape. The financial year-end is the same as Senwes' financial year-end. The registered office of the company is in Swellendam, South Africa.

The following is the summarised financial information:

	2014 R'm	2013 R'm
Financial position		
Current assets	**65**	48
Non-current assets	**16**	16
Current liabilities	**(47)**	(32)
Non-current liabilities	**(8)**	(14)
Equity	**26**	18
Attributable to:		
Equity holders of the parent	13	9
Non-controlling interest	13	9
Financial results		
Revenue	**201**	172
Cost of sales	**(169)**	(149)
Expenses	**(21)**	(18)
Profit before tax	**11**	5
Tax	**(3)**	(1)
Profit after taxation	**8**	4
Non-controlling interest share in profit or loss	**4**	2

3.3.3 Tradevantage Grain (Pty) Ltd

Senwes has a 73,5% interest in Tradevantage Grain (Pty) Ltd ("Tradevantage"). Tradevantage's core business is trading of agricultural commodities. The financial year-end is the same as Senwes' financial year-end. The registered office of the company is the same as Senwes' registered office.

The following is the summarised financial information:

	2014 R'm	2013 R'm
Financial position		
Current assets	**271**	-
Non-current assets	**1**	-
Current liabilities	**(274)**	-
Non-current liabilities	**-**	-
Equity	**(2)**	-
Attributable to:		
Equity holders of the parent	**(2)**	-
Non-controlling interest	**-**	-
Financial results		
Revenue	**1 671**	**-**
Cost of sales	**(1 665)**	**-**
Expenses	**(9)**	-
Finance costs	**(6)**	-
Other income	**4**	-
Loss after taxation	**(2)**	-
Non-controlling interest share in profit or loss	**-**	-

3.3.4 Senwes Capital (Pty) Ltd

Senwes has a 100% interest in Senwes Capital (Pty) Ltd ("Senwes Capital"). Senwes Capital is the owner of the head office building of Senwes. The financial year-end is the same as Senwes' financial year-end. The registered office of the company is the same as Senwes' registered office.

The following is the summarised financial information:

	2014 R'm	2013 R'm
Financial position		
Current assets	**-**	-
Non-current assets	**168**	106
Current liabilities	**(84)**	(1)
Non-current liabilities	**-**	-
Equity	**84**	105

Equity includes deemed dividends of R103 million paid to Senwes due to the unbundling of Senwes Capital Investment in Hinterland to Senwes.

	2014 R'm	2013 R'm
Financial results		
Revenue	**14**	27
Investment income	**5**	1
Profit from sale of property	**65**	-
Taxation	**(4)**	(8)
Profit after taxation	**80**	20
Other comprehensive income		
Available-for-sale financial assets fair value adjustment	**2**	-
Total comprehensive income	**82**	20

Senwes Capital holds 11 500 126 shares in Senwes Ltd. During the year dividends of R3,8 million were paid to Senwes Capital.

4. OTHER FINANCIAL ASSETS AND LIABILITIES

4.1 Financial assets

4.1.1 Other financial assets

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Financial assets available-for-sale	**4**	3	**4**	3

Financial assets available-for-sale comprise of an investment in Suidwes Holdings Ltd (2013: Suidwes Investment Ltd and Suidwes Holdings Ltd). All shares in Suidwes Investment Ltd were disposed of during September 2013 and 223 829 shares were disposed of in Suidwes Holdings Ltd. Refer to note 21.5 for further detail on the disposal of shares in these companies.

4.1.2 Other loans receivable

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Interest-bearing loans to related parties (foreign companies)				
Bunge Senwes International Ltd – incorporated in Mauritius	**78**	34	**-**	-
Senwes Mauritius Ltd	**-**	-	**100**	24
Interest-bearing loans to related parties (local companies)				
Tradevantage Grain (Pty) Ltd	**-**	-	**247**	-
JD Implemente (Pty) Ltd	**-**	-	**7**	12
Bunge Senwes (Pty) Ltd	**120**	151	**120**	151
Hinterland SA (Pty) Ltd	**34**	-	**34**	-
Senwes Capital (Pty) Ltd	**-**	-	**95**	-
Certisure Group	**1**	-	**1**	-
Provision for impairment – Bunge Senwes International as part of Senwes Mauritius Ltd	**(63)**	(14)	**(63)**	(14)
Non-interest-bearing loans to related parties				
Silo Certs (Pty) Ltd	**3**	3	**3**	3
Provision for impairment	**(3)**	(3)	**(3)**	(3)
Balance at the end of the year	**170**	171	**541**	173

- The loan to Bunge Senwes (Pty) Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The loan to Bunge Senwes International Ltd is unsecured, has no fixed repayment terms and bears interest at a fixed rate.
- The loan to Senwes Mauritius Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate. This loan is dominated in US dollars. The exchange profit recognised on this loan is R8 million.
- The loan to Tradevantage Grain (Pty) Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The loan of R3,9 million to JD Implemente (Pty) Ltd is secured by the shares held by Tomlinson Trust in JD Implemente (Pty) Ltd, has a fixed repayment term of 10 years and bears interest at a prime-linked rate. The loan of R1,1 million to JD Implemente (Pty) Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate. The loan of R2 million to JD Implemente (Pty) Ltd is unsecured, has no fixed repayment terms and bears no interest.
- The loan to Hinterland SA (Pty) Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The loan to Senwes Capital (Pty) Ltd is unsecured, has no fixed repayment terms but is repayable on demand and bears no interest.
- The loan to Certisure Group is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The non-interest-bearing loans are unsecured, interest free with no fixed repayment terms. The total loan to Silo Certs (Pty) Ltd is subordinated to the claims of other creditors.

Investments in and loans to/from private companies

The register of shares and loans to/from private companies is available for inspection at the registered office of the company.

4.1.3 Cash and short-term deposits

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Cash and short-term deposits	**30**	49	**(15)**	33

Cash bears interest at a prime-linked rate on a daily basis and Senwes aims to have a zero balance on the group of bank accounts by sweeping amounts to and from the short-term facilities.

4.2 Financial liabilities

4.2.1 Other loans payable

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Interest-bearing loans from related parties				
Senwesbel Ltd	**24**	16	**24**	16
Certisure Group	**-**	1	**-**	1
Senwes Capital (Pty) Ltd	**-**	-	**2**	-
Total	**24**	17	**26**	17

- The loan from Senwesbel Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The loan from Certisure Group is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The loan from Senwes Capital (Pty) Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.

4.2.2 Current interest-bearing loans

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Short-term loans	**1 262**	668	**1 273**	672
Commodity finance	**23**	97	**23**	97
Total	**1 285**	765	**1 296**	769

Short-term loans

Absa:
As continuing security for Senwes' current facilities with Absa Bank Ltd ("Absa"), all rights and interest to producer debtors and their underlying security have been ceded and pledged to Absa. The Absa loan is renewable annually and the current facilities bear interest at a sub-prime-linked rate, capitalised on a monthly basis.

Land Bank:
A facility of R350 million, effective from 3 May 2010. This loan is repayable as a balloon payment on 30 April 2015 and bears interest at a sub-prime-linked rate. Interest is paid on a monthly basis, therefore only the capital amount will be repayable at the end of the term.

Commodity finance:
The carrying value of the finance is in accordance with the fair value of the underlying commodities. Commodities which are pledged as security are reflected in note 9. Interest on the commodity finance is linked to the sub-prime-linked rate and is capitalised monthly.

4.2.3 Non-current interest-bearing loans

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Interest-bearing loans	**652**	1 000	**650**	1 000

The Group has a non-current interest-bearing loan with Land Bank:

- A facility of R650 million, effective from 19 January 2012. R650 million of the facility was utilised on 30 April 2014. This loan is repayable as a balloon payment on 31 May 2022 and bears interest at a sub-prime-linked rate. Interest is paid on a monthly basis, therefore only the capital amount will be repayable at the end of the term.

Assets (silos) with a market value of R1 372 million serve as security for the above-mentioned long-term loans.

The loan of R2 million is payable by JD Implemente (Pty) Ltd to Tomlinson Family Trust. This loan is interest free, has no fixed repayment terms and is unsecured

5. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

5.1 Associates

		GROUP		COMPANY	
	Notes	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Silo Certs (Pty) Ltd	5.1.1	**2**	1	**-**	-

The investment in Grain Silo Industry is immaterial (less than R500 000) and is therefore not disclosed as part of the note 5.1.

5.1.1 Silo Certs (Pty) Ltd

The Group has a 42,5% interest in Silo Certs (Pty) Ltd ("Silo Certs"). Silo Certs deals with the electronic issuing and trading of silo certificates. The financial year-end is the same as the Senwes Group financial year-end.

The following is the summarised information of Silo Certs:

	2014 R'm	2013 R'm
Statement of financial position of Silo Certs:		
Assets	**4**	4
Liabilities	**(6)**	(6)
Equity	**(2)**	(2)
42,5% proportion of the Group's ownership:		
Carrying amount of the investment	**(1)**	(1)
The revenue and profit of Silo Certs is as follows:		
Revenue	**3**	1
Profit after taxation	**1**	-
Group's share of profit for the year	**-**	-

5.2 Joint ventures

		GROUP		COMPANY	
	Notes	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Hinterland SA (Pty) Ltd	5.2.1	**124**	-	**240**	-
Bunge Senwes (Pty) Ltd	5.2.2	**32**	38	**32**	38
Bunge Senwes International Ltd	5.2.3	**-**	-	**-**	-
Certisure Group	5.2.4	**62**	55	**3**	3
Grainovation (Pty) Ltd	5.2.5	**7**	5	**-**	-
Grasland Ondernemings (Pty) Ltd	5.2.6	**16**	16	**2**	2
		241	114	**277**	43

5.2.1 Hinterland SA (Pty) Ltd

The merger between the retail and direct business of Senwes and AFGRI took place on 1 June 2013. Senwes contributed its retail and direct business, excluding working capital of R96,5 million which was financed by shareholders loans, and Senwes Capital contributed its retail property, to Hinterland in exchange for shares in Hinterland. An equalisation distribution of R93,7 million was made to Senwes as part of this merger transaction. The shares received as consideration were recognised as an investment in Hinterland, which is accounted for as a joint venture. Retail property, plant and equipment of Senwes and Senwes Capital with a book value of R76 million were contributed. Shares to the value of R240 million were issued to Senwes Group.

A Group profit of R146 million and taxation of R16 million were recognised in profit. This transaction also met the definition of a discontinued operation, refer to note 10, where discontinued operations will be disclosed at company level.

The core business activity of Hinterland is the sale of farming inputs and direct sales. The financial year-end is the same as the Senwes Group financial year-end. The registered office of the company is the same as Senwes' registered office.

The following is the summarised financial information of Hinterland:

	2014 R'm	2013 R'm
Statement of financial position of Hinterland:		
Current assets	**832**	-
Non-current assets	**719**	-
Trade payables	**(377)**	-
Provisions	**(4)**	-
Other current liabilities	**(474)**	-
Non-current liabilities	**(96)**	-
Equity	**600**	-
50% proportion of the Group's ownership:		
Cost price of investment	**300**	-
Acquisition date fair value adjustment	**(60)**	-
Elimination of unrealised profit on non-monetary assets contributed to joint venture	**(112)**	-
Carrying amount of investment before Group's share of profit/(loss)	**128**	-
Group's share of profit for the year	**2**	-
Elimination of intragroup sales	**(1)**	-
Change in ownership – 25% shareholding in Prodist owned by LRB	**(5)**	-
Carrying amount of the investment	**124**	-

	2014 R'm	2013 R'm
The revenue and profit of Hinterland are as follows:		
Revenue	**2 691**	-
Cost of sales	**(2 301)**	-
Operating expenses, excluding depreciation and amortisation	**(368)**	-
Depreciation and amortisation	**(21)**	
Other income	**13**	-
Investment income	**7**	-
Finance costs	**(30)**	-
Loss before taxation	**(9)**	-
Taxation	**9**	-
Loss after taxation	**-**	-
(Loss)/profit attributable to:		
Owners of the parent	**4**	-
Non-controlling interest	**(4)**	-
Group's share of profit for the year	**2**	-
Cash and cash equivalents of Hinterland are as follows:		
Operating	**(395)**	-
Investing	**(25)**	-
Financing	**491**	-
Net increase/(decrease) in cash and cash equivalents	**71**	-

5.2.2 Bunge Senwes (Pty) Ltd

The Group has a 50% interest in Bunge Senwes (Pty) Ltd ("Bunge Senwes"). The main business objective is the importing and exporting of grains, oilseeds and grain related by-products. The financial year-end is the same as the Senwes Group financial year-end. The principal place of business of Bunge Senwes is in Sunninghill, Johannesburg.

The following is the summarised financial information of Bunge Senwes:

	2014 R'm	2013 R'm
Statement of financial position of Bunge Senwes:		
Current assets	**380**	487
Non-current assets	**2**	4
Trade payables	**(62)**	(103)
Other current liabilities	**(2)**	(12)
Non-current liabilities	**(240)**	(300)
Equity	**78**	76
50% proportion of the Group's ownership:		
Carrying amount of the investment	**32**	38

**Includes an adjustment of a loss of R7 million, which is not accounted for in Bunge's financial statements*

	2014 R'm	2013 R'm
The revenue and profit of Bunge Senwes are as follows:		
Revenue	**3 856**	2 171
Cost of sales	**(3 817)**	(2 155)
Operating expenses	**(19)**	(7)
Finance income	**2**	4
Finance costs	**(20)**	(11)
Profit before taxation	**2**	2
Taxation	**(1)**	-
Profit after taxation	**1**	2
Group's share of profit/(loss) for the year	**1**	(4)*
Loss adjustment on group level	**(7)**	-

**Includes previous year adjustment of R3 million*

5.2.2 Bunge Senwes (Pty) Ltd (continued)

	2014 R'm	2013 R'm
Cash and cash equivalents of Bunge Senwes are as follows:		
Operating	**94**	(269)
Investing	**(21)**	10
Financing	**(61)**	225
Net increase/ (decrease) in cash and cash equivalents	**12**	(34)

5.2.3 Bunge Senwes International Ltd

The Group has a 50% interest in Bunge Senwes International Ltd ("BSI"). BSI is the holding company of Malawi, Mozambique, Zambia and Kenya. The core business activity is the trading of agricultural commodities. The financial year-end is the same as the Senwes Group financial year-end. The principal place of business of BSI is in Mauritius. Also refer to note 10 for more detail on this joint venture.

The following is the summarised financial information of BSI:

	2014 R'm	2013 R'm
Statement of financial position of BSI:		
Current assets	**195**	56
Non-current assets	**42**	36
Provisions	**(98)**	-
Other current liabilities	**(33)**	(11)
Non-current liabilities	**(155)**	(67)
Non-controlling interest	**6**	(4)
Equity	**(43)**	10
50% proportion of the Group's ownership:		
Carrying amount of the investment	**-**	5
Impairment of investment	**-**	(5)
Carrying amount of the investment	**-**	-
The revenue and profit of BSI are as follows:		
Revenue	**359**	75
Cost of sales	**(363)**	(60)
Operating expenses, excluding depreciation	**(47)**	(33)
Depreciation	**(2)**	(1)
Finance costs	**(11)**	(3)
Loss before taxation	**(64)**	(22)
Taxation	**-**	-
Loss after taxation	**(64)**	(22)
Non-controlling interest share in profit or loss	**10**	-
Loss after non-controlling interest	**(54)**	(22)
Group's share of loss for the year *	**(27)**	(11)
Other comprehensive income:		
Foreign translation reserve	**(1)**	2
Total comprehensive income/(loss)	**(55)**	(20)

** A provision was made to fully impair the investment and therefore the loss of BSI is not recognised as a profit or loss from joint ventures. An increase in the provision for impairment on loan is recognised instead.*

5.2.3 Bunge Senwes International Ltd (continued)

	2014 R'm	2013 R'm
Cash and cash equivalents of BSI are as follows:		
Operating	**(5)**	(10)
Investing	**(37)**	(86)
Financing	**50**	97
Net increase/ (decrease) in cash and cash equivalents	**8**	1

The Board of Senwes and Bunge approved the decision to discontinue activities in Africa. Refer to note 10 for discontinued operations.

5.2.4 Certisure Group

The Group has a 50% interest in the Certisure Group. The core business activity is insurance broking and administrative services. The financial year-end is the same as the Senwes Group financial year-end. The registered office of the company is the same as Senwes' registered office.

The following is the summarised financial information of Certisure Group:

	2014 R'm	2013 R'm
Statement of financial position of the Certisure Group:		
Current assets	**48**	36
Non-current assets	**3**	2
Trade payables	**(3)**	(2)
Provisions	**(5)**	(15)
Other current liabilities	**(11)**	(3)
Non-current liabilities	**-**	-
Equity	**32**	18
50% proportion of the Group's ownership:		
Carrying amount of the investment*	**62**	55

**Includes a revaluation of R46 million*

	2014 R'm	2013 R'm
The revenue and profit of Certisure Group are as follows:		
Revenue	**52**	46
Operating expenses	**(34)**	(30)
Finance income	**1**	1
Profit before taxation	**19**	17
Taxation	**(5)**	(5)
Profit after taxation	**14**	12
Groups' share of profit for the year	**7**	6
Cash and cash equivalents of Certisure Group are as follows:		
Operating	**15**	13
Investing	**(12)**	(6)
Financing	**-**	(4)
Net increase in cash and cash equivalents	**3**	3

On 1 May 2012 Senwes transferred its shares in the Univision Group to Certisure (Pty) Ltd in exchange for shares in Certisure (Pty) Ltd. Thereafter NWK Ltd acquired a 50% shareholding in Certisure. A profit from the sale of shares of R12 million, before tax, was recognised through profit or loss in the previous year. A further profit of R46 million, before tax, was also recognised through profit or loss, due to loss of control over a subsidiary.

5.2.5 Grainovation (Pty) Ltd

The Group has a 50% interest in Grainovation (Pty) Ltd ("Grainovation"), the core business activity of which is the transportation of grain commodities. The financial year-end is the same as the Senwes Group financial year-end. The registered office of the company is the same as Senwes' registered office.

The following is the summarised financial information of Grainovation:

	2014 R'm	2013 R'm
Statement of financial position of Grainovation:		
Current assets	**25**	38
Non-current assets	**24**	30
Provisions	**(4)**	(4)
Trade payables	**(12)**	(26)
Other current liabilities	**(9)**	-
Non-current liabilities	**(11)**	(28)
Equity	**13**	10
50% proportion of the Group's ownership:		
Carrying amount of the investment	**7**	5
The revenue and profit of Grainovation are as follows:		
Revenue	**306**	274
Cost of sales	**(285)**	(255)
Operating expenses, excluding depreciation	**(9)**	(9)
Depreciation	**(5)**	(5)
Finance costs	**(1)**	(2)
Profit before taxation	**6**	3
Taxation	**(2)**	(1)
Profit after taxation	**4**	2
Group's share of profit for the year	**2**	1
Cash and cash equivalents of Grainovation are as follows:		
Operating	**3**	16
Investing	**-**	-
Financing	**(10)**	(9)
Net increase/(decrease) in cash and cash equivalents	**(7)**	7

5.2.6 Grasland Ondernemings (Pty) Ltd

The Group has a 50% interest in Grasland Ondernemings (Pty) Ltd ("Grasland"). The company's main business objective is the mining and distribution of agricultural lime. The financial year-end is the same as the Senwes Group financial year-end. The principal place of business of Grasland is in Lichtenburg, in the North West province.

The following is the summarised financial information of Grasland:

	2014 R'm	2013 R'm
Statement of financial position of Grasland:		
Current assets	**20**	11
Non-current assets	**37**	32
Trade payables	**(8)**	(6)
Other current liabilities	**(5)**	(7)
Non-current liabilities	**(13)**	(4)
Equity	**31**	26
50% proportion of the Group's ownership:		
Carrying amount of the investment	**16**	16

5.2.6 Grasland Ondernemings (Pty) Ltd (continued)

	2014 R'm	2013 R'm
The revenue and profit of Grasland are as follows:		
Revenue	**37**	42
Cost of sales	**(16)**	(17)
Operating expenses, excluding depreciation	**(11)**	(12)
Depreciation	**(3)**	(2)
Finance costs	**(1)**	-
Profit before taxation	**6**	11
Taxation	**(2)**	(3)
Profit after taxation	**4**	8
Group's share of profit for the year	**2**	4
Dividends received	**1**	-
Cash and cash equivalents of Grasland are as follows:		
Operating	**(1)**	9
Investing	**(7)**	(15)
Financing	**9**	-
Net increase/(decrease) in cash and cash equivalents	**1**	(6)

6. LOANS AND OTHER RECEIVABLES

Represent debtors for items sold in terms of mortgage loans (note 6.1) granted over varying terms of up to 120 months. The underlying asset serves as security for the loan/agreement. Interest rates are market-related and can be variable or fixed, depending on the specific agreement.

		GROUP		COMPANY	
	Notes	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Gross investment in mortgage loans		**956**	599	**956**	599
Less: Unearned finance income		**(282)**	(173)	**(282)**	(173)
Carrying amount		**674**	426	**674**	426
Less: Current portion		**(120)**	(86)	**(120)**	(86)
Total loans and other receivables	6.1	**554**	340	**554**	340

6.1 Mortgage loans

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Within one year	**120**	86	**120**	86
After one year but not more than five years	**348**	203	**348**	203
More than five years	**206**	137	**206**	137
Carrying amount	**674**	426	**674**	426
Less: Current portion	**(120)**	(86)	**(120)**	(86)
Total	**554**	340	**554**	340

6.1.1 Terms and conditions

Mortgage loans are repayable over 2 to 10 years, secured mainly by first bonds over property. The interest rates are market related, depending on the specific agreement.

6.1.2 Fair value

The Board is of the opinion that the carrying amount of the mortgage loans is a reasonable approximation of the fair value thereof.

7. INVENTORY

	Notes	GROUP 2014 R'm	GROUP 2013 R'm Reclassified*	COMPANY 2014 R'm	COMPANY 2013 R'm Reclassified*
Merchandise	7.1, 7.3	**387**	615	**340**	585
Consumables		**10**	10	**10**	10
Grain commodities	7.4, 7.5	**34**	-	**-**	-
Held-for-sale	10	**-**	(204)	**-**	(204)
Balance at the end of the year	7.2	**431**	421	**350**	391

**Refer to note 7.7 for reclassifications*

7.1 Included in merchandise is floor plan inventory of R165,8 million (2013 – R186,6 million), which is subject to encumbrance in terms of an agreement with the relevant manufacturers of farming equipment.

7.2 Inventory is valued as follows:

	GROUP 2014 R'm	GROUP 2013 R'm Reclassified*	Valuation method
Merchandise and consumables	**85**	93	Weighted average cost price
Mechanisation whole goods	**312**	328	Purchase price
Grain commodities	**34**	-	Contract price and thereafter at fair value
Balance at the end of the year	**431**	421	

**Refer to note 7.7 for reclassifications*

7.3 Included in the merchandise inventory of the company and Group is a provision for slow-moving and obsolete inventory of R30 million (2013 – R30 million).

7.4 Grain commodities represent grain purchased from producers. The price of such inventory is hedged on the South African Futures Exchange (Safex). Variance margins are also set off against these items. Consequently the carrying value is equal to the fair value thereof.

7.5 Grain inventory has been pledged as security for loans granted by financiers to the value of R22,9 million (2013 - R108 million).

7.6 Retail inventory written off amounts to R nil (2013 – R6,5 million).

7.7 Reclassifications

Some items within the statement of financial position for the year ended 30 April 2013 and 30 April 2012 were reclassified during the year under review.

The Group and Company have reclassified certain inventory items to reflect the true nature of these items as inventory held to satisfy firm sales and derivative financial instruments (forward purchase contracts). Agency grain debtors were previously disclosed in a separate note but are now disclosed as part of trade and other receivables.

This has resulted in comparatives being reclassified for 30 April 2013 as reflected in the following table.

Assets (R'm)	GROUP 2013 As previously reported	GROUP 2013 Reclassification	GROUP 2013 Reclassified amount	GROUP 2012 As previously reported	GROUP 2012 Reclassified amount	GROUP 2012 Reclassified amount
Inventory	**712**	**(291)**	**421**	709	(321)	388
Inventory held to satisfy firm sales	**-**	**288**	**288**	-	308	308
Grain debtors	**263**	**(263)**	**-**	274	(274)	-
Trade and other receivables	**1 736**	**263**	**1 999**	1 589	274	1 863
Derivative financial instruments – forward purchase contracts (current assets)	**12**	**3**	**15**	41	13	54

Assets (R'm)	COMPANY 2013 As previously reported	COMPANY 2013 Reclassification	COMPANY 2013 Reclassified amount	COMPANY 2012 As previously reported	COMPANY 2012 Reclassified amount	COMPANY 2012 Reclassified amount
Inventory	**682**	**(291)**	**391**	669	(314)	355
Inventory held to satisfy firm sales	**-**	**288**	**288**	-	301	301
Grain debtors	**263**	**(263)**	**-**	274	(274)	-
Trade and other receivables	**1 727**	**263**	**1 990**	1 579	274	1 853
Derivative financial instruments – forward purchase contracts (current assets)	**12**	**3**	**15**	41	13	54

A third balance sheet is not provided as there is no impact on other line items other than the above and it will also not provide any useful information to users.

8. TRADE AND OTHER RECEIVABLES

	Notes	GROUP 2014 R'm	GROUP 2013 R'm Reclassified*	COMPANY 2014 R'm	COMPANY 2013 R'm Reclassified*
Trade receivables		**1 722**	1 643	**1 784**	1 634
Production accounts	8.1	**1 524**	1 460	**1 524**	1 460
Current accounts	8.2	**198**	183	**260**	174
Current portion of loans and other receivables	6.1, 6.2	**120**	86	**120**	86
Grain debtors	8.4	**215**	263	**85**	263
Sundry receivables	8.3	**108**	104	**58**	104
Less: Provision for impairment	8.5	**(48)**	(46)	**(48)**	(46)
Held-for-sale	10	**-**	(51)	**-**	(51)
Balance at the end of the year		**2 117**	1 999	**1 999**	1 990

**Refer to note 7.7 for reclassifications.*

8.1 Production accounts mainly include the extension of credit to producers on a seasonal basis for purposes of procuring inputs and/or mechanisation purchases from or via Senwes. These accounts bear interest at market-related rates.
This account consists of the following:

Summer production credit due	31 August
Winter production credit due	31 January
Animal production credit due	31 May

8.2 Current accounts consist of 30 day monthly accounts, silo cost accounts and other accounts for specific products.

These accounts bear interest at the following rates:

Monthly account:	Interest free for first 30 days after statement, thereafter classified as arrears
Silo cost account:	Interest free period that varies from season to season (determined before every season), thereafter classified as arrears
Deferred payment arrangement:	Interest free period that varies according to various transactions and products, thereafter classified as arrears.

Interest on arrear accounts is levied at guideline rates as determined by the National Credit Act.

8.3 Sundry receivables consist of accounts for corporate and statutory services as well as deposits held for trading purposes (Safex)

8.4 Grain debtors represent agricultural produce sold to third parties. A provision for impairment of R nil (2013 – R nil) is included in the balance. No agency grain debtors were encumbered at year-end (2013 – R nil).

8.5 Impairment is calculated on a basis of future cash flow discounted to a current value at the weighted average rate at which a debtor or group of debtors is contracted.

Impairment depends on whether there is an indication of impairment. In Senwes' case the biggest single indicator is debtors accounts in arrears and debtors which are individually material and this materiality is set at R1 million for Senwes debtors.

Specifically impaired (legal clients) – If both the factors (indication of impairment and individually material) are present the cash flow will be evaluated on an individual basis taking into account the security held and possible deferrals with clients

Portfolio impairment (non-legal clients) – If only one of these factors is present, the clients are grouped together according to similar credit risks and characteristics and are evaluated as a group. The majority of clients in the portfolio impairment are clients with no indication of impairment, which mainly represent the credit premium in current value as impairment.

As at year-end, a provision of R48 million (2013 – R46 million) was made for the impairment of trade and other receivables, the details of which are as follows:

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Specific impairment	**(2)**	(16)	**(2)**	(16)
Balance at the beginning of the year	**(16)**	(23)	**(16)**	(23)
Provision during the year	**10**	(1)	**10**	(1)
Utilised during the year	**4**	8	**4**	8
Portfolio impairment	**(46)**	(30)	**(46)**	(30)
Balance at the beginning of the year	**(30)**	(30)	**(30)**	(30)
Provision during the year	**(16)**	-	**(16)**	-
Utilised during the year	**-**	-	**-**	-
Total provision for impairment	**(48)**	(46)	**(48)**	(46)

8.6 Trade and other receivables can be summarised as follows:

	GROUP					
	2014			2013		
	Current R'm	Debt in arrears R'm	Total R'm	Current R'm	Debt in arrears R'm	Total R'm
Trade receivables	**1 663**	**59**	**1 722**	1 596	47	1 643
Production accounts	**1 483**	**41**	**1 524**	1 429	31	1 460
Current accounts	**180**	**18**	**198**	167	16	183
Current portion of loans and other receivables	**114**	**6**	**120**	77	9	86
Grain debtors	**215**	**-**	**215**	263	-	263
Sundry receivables	**107**	**1**	**108**	104	-	104
Less: Provision for impairment	**(42)**	**(6)**	**(48)**	(40)	(6)	(46)
Held-for-sale	**-**	**-**	**-**	(51)	-	(51)
Total trade and other receivables	**2 057**	**60**	**2 117**	1 949	50	1 999

8.6.1 Current receivables are accounts within current credit terms.

8.6.2 Debt in arrears are accounts outside current credit terms.

8.7 As security for Senwes' short-term facilities with Absa, all rights and interests in producer debtors and their underlying securities have been ceded and pledged to Absa. The value of security ceded amounts to R1 025 million (2013 – R1 462 million) as at year-end.

9. INVENTORY HELD TO SATISFY FIRM SALES

		GROUP		COMPANY	
	Notes	2014 R'm	2013 R'm Reclassified*	2014 R'm	2013 R'm Reclassified*
Inventory held	9.1	**278**	288	**255**	288
Total inventory held to satisfy firm sales		**278**	288	**255**	288

**Refer to note 7.7 for reclassifications.*

9.1 Inventory held to satisfy firm sales represents inventory purchases on behalf of third parties in respect of agricultural produce, which are payable by third parties on delivery of such agricultural produce to them. The price of such inventory is hedged on the South African Futures Exchange (Safex). Variance margins are also set off against these items. Consequently the carrying value is equal to the fair value thereof.

10. DISCONTINUED OPERATIONS

10.1 Africa activities to be discontinued: 2014

The board of Senwes and Bunge Europe approved the decision to discontinue business in Africa. Senwes and Bunge were equal shareholders in Bunge Senwes International ("BSI"). BSI is the holding company of Malawi, Mozambique and Kenya. The discontinuing of BSI will be completed within 12 months. This transaction meets the definition of discontinued operations.

10.2 To be transferred to joint venture: 2013

10.2.1 Senwes and AFGRI retail merger:

During November 2012 the boards of Senwes and AFGRI approved the conclusion of a contract relating to a merger of the agricultural retail businesses of the two companies to form a new joint venture. Both parties hold a 50% interest in the joint venture. The transaction was approved by the Competition Commission.

The disposal of the Senwes retail business was completed on 1 June 2013. This transaction met the definition of a disposal group held-for-sale and discontinued operations, but continued under the new merged entity, Hinterland SA (Pty) Ltd.

Senwes accounts for the investment by applying the equity method of accounting and 50% of the profit or loss of the joint venture was recognised in the profit or loss.

10.2.2 Share in African companies sold to Bunge Europe:

On 31 August 2012 the investment and loans of the African companies, held by Senwes Ltd and Senwes International Holdings (Pty) Ltd, were sold to Senwes Mauritius Ltd (100% owned by Senwes Group). It was then transferred to Bunge Senwes International Ltd (Mauritius), in which Bunge Europe bought 50% of the shares from Senwes Mauritius Ltd, which included a payment for establishment costs. A profit on the sale of Senwes' foreign operations and the recoupment cost of R13 million (Company: R10 million) were recognised in profit or loss.

This transaction met the definition of discontinued operations.

The investment in the joint venture has been accounted for by applying the equity method of accounting from 1 September 2012 and 50% of the profit and loss was included in share of profit from joint ventures in the profit or loss.

**None of the above has non-controlling interest.*

The results of discontinued operations for the period are presented below:

	GROUP			
	2014		2013	
	Senwes retail R'm	African companies R'm	Senwes retail R'm	African companies R'm
Revenue	**144**	**-**	1 332	38
Cost of sales	**(126)**	**-**	(1 157)	(30)
Interest income	**-**	**6**	-	-
Expenses	**(13)**	**(46)**	(97)	(37)
Loss from joint venture	**-**	**(4)**	-	-
Profit/(loss) before taxation from discontinued operations and operations to be transferred to merger entity	**5**	**(44)**	78	(29)
Taxation	**(1)**	**-**	(22)	-
Profit/(loss) after taxation from discontinued operations and operations to be transferred to merger entity	**4**	**(44)**	56	(29)
Other comprehensive income				
Foreign translation reserve	**-**	**3**	-	3
Total comprehensive income	**4**	**(41)**	56	(26)

	COMPANY			
	2014		2013	
	Senwes retail R'm	African companies R'm	Senwes retail R'm	African companies R'm
Revenue	**144**	**-**	1 332	-
Cost of sales	**(126)**	**-**	(1 157)	-
Expenses	**(13)**	**(41)**	(97)	(14)
Profit/(loss) before taxation from discontinued operations and operations to be transferred to merger entity	**5**	**(41)**	78	(14)
Taxation	**(1)**	**-**	(22)	-
Profit/(loss) after taxation from discontinued operations and operations to be transferred to merger entity	**4**	**(41)**	56	(14)

The major classes of assets and liabilities classified as held-for-sale are as follows:

		GROUP		COMPANY	
		2014 R'm	2013 R'm	2014 R'm	2013 R'm
	Notes	SENWES RETAIL			
Assets					
Property, plant and equipment	2	-	76	-	38
Inventory	7	-	204	-	204
Trade and other receivables	8	-	51	-	51
Deferred tax asset	15.2	-	12	-	12
Assets classified as held-for-sale		-	343	-	305

		GROUP		COMPANY	
		2014 R'm	2013 R'm	2014 R'm	2013 R'm
	Notes	SENWES RETAIL			
Liabilities					
Trade and other payables	14	-	(159)	-	(159)
Liabilities directly associated with assets classified as held-for-sale		-	(159)	-	(159)
Net assets classified as held-for-sale		-	184	-	146

The net cash flow of discontinued operations incurred is as follows:

	GROUP			
	2014		2013	
	Senwes retail R'm	African companies R'm	Senwes retail R'm	African companies R'm
Operating activities	**4**	5	**11**	(14)
Investing activities	**-**	-	**(16)**	(1)
Net cash inflow/(outflow)	**4**	5	**(5)**	(15)

	COMPANY			
	2014		2013	
	Senwes retail R'm	African companies R'm	Senwes retail R'm	African companies R'm
Operating activities	**4**	-	**11**	-
Investing activities	**-**	-	**(16)**	-
Net cash inflow/(outflow)	**4**	-	**(5)**	-

Earnings per share from discontinued operations (cents):

	GROUP			
	2014		2013	
	Senwes retail Cents	African companies Cents	Senwes retail Cents	African companies Cents
Earnings per share	**2.2**	(25.1)	**31.4**	(16.3)
Normalised headline earnings per share	**2.2**	1.2	**31.4**	-

11. ISSUED CAPITAL

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Authorised: 581 116 758 (2014 and 2013) ordinary shares of 0,516 cents each	**3**	3	**3**	3
Issued: 180 789 308 (2014 and 2013) ordinary shares of 0,516 cents each	**1**	1	**1**	1

	GROUP		COMPANY	
Reconciliation of issued shares:	2014	2013	2014	2013
	Number of shares		Number of shares	
Shares issued	**180 789 308**	180 789 308	**180 789 308**	180 789 308
Treasury shares purchased*	**(11 500 126)**	(1 800 268)	**-**	-
Total shares in issue	**169 289 182**	178 989 040	**180 789 308**	180 789 308

**Senwes Capital (Pty) Ltd, a subsidiary of Senwes Ltd, bought 9 699 858 shares (2013:1 800 268) from Senwes' shareholders during the year. Senwes Capital (Pty) Ltd held 11 500 126 shares in Senwes Ltd as at 30 April 2014. The unissued shares are under the control of the directors until the forthcoming annual general meeting.*

12. RESERVES

12.1 Share premium

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Balance at the end of the year	**67**	67	**67**	67

12.2 Treasury shares

	GROUP	
	2014 R'm	2013 R'm
Balance at the beginning of the year	**(19)**	-
Treasury shares purchased*	**(102)**	(19)
Balance at the end of the year	**(121)**	(19)

**Senwes Capital (Pty) Ltd, a subsidiary of Senwes Ltd, bought 9 699 858 shares (2013: 1 800 268 shares) from Senwes' shareholders during the year. The shares were sold at market price as traded on the OTC market.*

12.3 Fair value adjustments

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Balance at the end of the year	**2**	1	**2**	1

This reserve represents fair value changes on available-for-sale financial assets as indicated in note 4.1.1.

12.4 Foreign currency translation reserve

	GROUP	
	2014 R'm	2013 R'm
Balance at the beginning of the year	**3**	-
Exchange difference for the year	**3**	3
Balance at the end of the year, net of tax	**6**	3

The reserve represents the difference from translating the foreign currency into the functional currency of the Company.

12.5 Change in ownership

	GROUP	
	2014 R'm	2013 R'm
Opening balance	**-**	-
Change in ownership for the year	**(5)**	-
Balance at the end of the year	**(5)**	-

Prodist (Pty) Ltd a subsidiary of Hinterland (Pty) Ltd issued shares to Mica to obtain a 25% shareholding in Prodist. Hinterland owns 75% of Prodist after the issuing of shares. Where the holding company's share changes in a subsidiary, without losing control, the profit or loss will be accounted for in other comprehensive income (equity).

13. EMPLOYEE BENEFITS

13.1 Incentive bonuses

	GROUP AND COMPANY					
	2014			2013		
	Short-term R'm	Long-term R'm	Total R'm	Short-term R'm	Long-term R'm	Total R'm
Balance at the beginning of the year	**65**	**20**	**85**	43	16	59
Increase in provision during the year	**9**	**8**	**17**	63	13	76
Utilised during the year	**(63)**	**(10)**	**(73)**	(41)	(9)	(50)
Total for the year	**11**	**18**	**29**	65	20	85
Short-term portion	**8**	**(8)**	**-**	11	(11)	-
Balance at the end of the year	**19**	**10**	**29**	76	9	85

The Group has a short-term and a long-term incentive scheme for employees. It is aligned with the objectives and remuneration philosophy of the Group in that a portion of the remuneration is subject to risk. A provision is created in accordance with the rules of the schemes.

13.1.1 Short-term incentive scheme

The short-term incentive scheme is paid each year to qualifying employees. The calculation is based on the performance of the Group, the division in which the employee is employed as well as an individual evaluation of the performance of the employee.

13.1.2 Cash-settled share-based payment scheme

The long-term incentive scheme is a phantom share scheme, which vests over a three-year period, based on the performance of the Group's shares due to growth in the share price, net asset value and dividends.

The table below reflects the number of shares, weighted average vested price and movement:

	GROUP AND COMPANY			
	2014		2013	
	Number of shares based on the market value scheme	Number of shares based on the net asset value scheme	Number of shares based on the market value scheme	Number of shares based on the net asset value scheme
Outstanding at the beginning of the year	**4 032 500**	**4 032 500**	3 512 500	3 512 500
Allocated during the year	**1 395 000**	**1 395 000**	1 440 000	1 440 000
Forfeited during the year	**(135 000)**	**(135 000)**	-	-
Exercised during the year	**(1 245 000)**	**(1 245 000)**	(920 000)	(920 000)
Outstanding at the end of the year	**4 047 500**	**4 047 500**	4 032 500	4 032 500

	Market value scheme		
	1 May		
DATE OF GRANT	2013	2012	2011
Issue price of phantom shares	*R10,25	*R8,74	*R10,08
Expiry date	30/04/2016	30/04/2015	30/04/2014
Market price of underlying shares as at 30 April 2014	*R10,18	*R10,18	*R10,18
Accumulated dividends per share	R0,61	R1,02	R1,72

	Net asset value scheme		
	1 May		
DATE OF GRANT	2013	2012	2011
Net asset value of phantom shares	R8,84	R7,57	R6,80
Expiry date	30/04/2016	30/04/2015	30/04/2014
Net asset value of underlying shares as at 30 April 2014	R9,58	R9,58	R9,58
Accumulated dividends per share	R0,61	R1,02	R1,72

** The market price is normally the weighted average price which applies from 30 trading days prior to year-end until 20 trading days there after, with the condition that at least 500 000 shares should trade during this period. 500 000 shares traded from 30 January 2014 to 29 May 2014*

The calculation of the liability was based on the following assumptions:

- Risk free rate: 7,3%
- Dividend yield: 5,7%
- Volatility: 30%

At year-end, the carrying value of the cash-settled share-based liability amounted to R18 million (2013 – R20 million).

14. TRADE AND OTHER PAYABLES

	Notes	GROUP 2014 R'm	GROUP 2013 R'm	COMPANY 2014 R'm	COMPANY 2013 R'm
Trade payables		**249**	392	**275**	360
Other amounts payable		**149**	110	**138**	109
Leave and thirteenth cheque accrual		**25**	28	**23**	27
Straight-line recognition of operating lease		**-**	4	**-**	4
Held-for-sale	10	**-**	(159)	**-**	(159)
Total trade and other payables		**423**	375	**436**	341

Terms and conditions in respect of trade and other payables:

- Trade payables are payable on different terms from 30 days after date of statement and are not interest-bearing.
- Other amounts payable have varying short-term payment dates and consists of grain handling and storage income received in advance, accounts receivables with credit balances, PAYE and audit fees.
- Leave and thirteenth cheques payable are accrued on a monthly basis.
- Straight-line recognition of operating lease: In terms of IAS 17, operating leases with a fixed term and fixed escalation rate have to be recognised on a straight-line basis. The straight-line provision was carried over to Hinterland (Pty) Ltd as part of the merger transaction.

15. INCOME TAX

15.1 Tax expense

	Notes	GROUP 2014 R'm	GROUP 2013 R'm	COMPANY 2014 R'm	COMPANY 2013 R'm
SA normal tax – current year		**(51)**	(111)	**(44)**	(102)
(Decrease)/increase in deferred tax asset		**(29)**	9	**(43)**	18
Capital gains tax		**-**	(2)	**-**	(2)
Previous year's adjustment		**-**	4	**-**	4
Total tax expense		**(80)**	(100)	**(87)**	(82)
Discontinued operations to be transferred to merger entity	10	**1**	22	**1**	22
Total tax of continued operations		**(79)**	(78)	**(86)**	(60)

15.2 Deferred tax asset

	Notes	GROUP 2014 R'm	GROUP 2013 R'm	COMPANY 2014 R'm	COMPANY 2013 R'm
The main temporary differences:					
Property, plant and equipment		**(13)**	(12)	**(13)**	(12)
Inventory		**9**	8	**9**	8
Trade and other receivables		**11**	14	**11**	14
Provisions		**24**	25	**22**	34
Investment in joint ventures*		**(25)**	-	**(28)**	-
Balance		**6**	35	**1**	44
Discontinued operations to be transferred to merger entity	10	**-**	(12)	**-**	(12)
Balance of continued operations at the end of the year		**6**	23	**1**	32

** Consist of deferred tax on the Hinterland investment and provisions carried over to Hinterland as part of the merger transaction.*

	GROUP 2014 R'm	GROUP 2013 R'm	COMPANY 2014 R'm	COMPANY 2013 R'm
Reconciliation of deferred tax balance:				
Balance at the beginning of the year	**35**	26	**44**	26
Temporary differences - movements during the year	**(29)**	9	**(43)**	18
Balance at the end of the year	**6**	35	**1**	44

15.3 Reconciliation of the tax rate

	GROUP 2014 %	GROUP 2013 %	COMPANY 2014 %	COMPANY 2013 %
Standard tax rate	**28.0**	28.0	**28.0**	28.0
Adjusted for:				
Non-taxable income	**(0.2)**	(4.7)	**(6.7)**	(1.6)
Non-deductable expense	**4.7**	2.3	**3.4**	1.7
Other	**(0.1)**	-	**-**	0.3
Items at capital gains tax rate	**(7.8)**	-	**(5.4)**	-
Previous year adjustment	**(0.1)**	(1.1)	**(0.1)**	(2.5)
CFC-income	**0.1**	-	**0.1**	-
Effective tax rate	**24.6**	24.5	**19.3**	25.9

16. PROVISIONS

	Notes	GROUP AND COMPANY Grain risk R'm	Straight-line recognition of operating leases R'm	Total R'm
Balance as at 30 April 2012		**10**	**5**	**15**
Decrease in provision during the year		(7)	-	(7)
Classified as other accounts payable on 1 May 2012	14	-	(5)	(5)
Balance as at 30 April 2013		**3**	**-**	**3**
Decrease in provision during the year		-	-	-
Balance as at 30 April 2014		**3**	**-**	**3**

16.1 Grain risks

The Group is exposed to risks in the grain industry, which include the physical risk of holding inventory and non-compliance with grain contracts by counter-parties. Estimates for these risks are based on potential shortfalls and non-compliance with contracts at current market prices.

17. DERIVATIVE FINANCIAL INSTRUMENTS

	Notes	GROUP		COMPANY	
		2014 R'm	2013 R'm Reclassified*	2014 R'm	2013 R'm Reclassified*
17.1 Current assets		**25**	15	**1**	15
- Forward purchase contract	21.1.1.2	**25**	15	**1**	15
17.1 Current liabilities		**72**	24	**72**	24
- Forward purchase contracts	21.1.1.2	**68**	1	**68**	1
- Safex futures	21.1.1.2	**4**	23	**4**	23

**Refer to note 7.7 for reclassifications.*

18. CAPITAL OBLIGATIONS AND CONTINGENT LIABILITIES

18.1 Contingent liabilities

No contingent liabilities exist as at or after year-end.

18.2 Commitments in respect of capital projects

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Already contracted	**28**	26	**28**	26
Authorised by the Board but not yet contracted	**27**	10	**27**	10
Total future capital projects	**55**	36	**55**	36

18.3 Operating leases – minimum lease payments

The Group has certain non-cancellable operating lease obligations (fixed rental contracts) in respect of equipment and properties with an average period of between three and six years.

	GROUP		COMPANY	
	2014 R'm	**2013 R'm**	**2014 R'm**	**2013 R'm**
Within one year	**1**	7	**1**	7
More than one year and within five years	**3**	20	**3**	20
More than five years	**-**	1	**-**	1
Operating lease obligation	**4**	28	**4**	28

The capital commitments and operating leases will be financed by net cash flow from operations and/or loans from financial institutions.

19. OPERATING PROFIT

19.1 Disclosable items included in operating profit

	GROUP		COMPANY	
	2014 R'm	**2013 R'm**	**2014 R'm**	**2013 R'm**
Profit from operations is stated after the following:				
Auditors' remuneration – audit services	**(6)**	(6)	**(6)**	(6)
– other services	**-**	(1)	**(1)**	-
Bad debt written off	**(4)**	(19)	**(4)**	(19)
Bad debt recovered	**3**	12	**3**	12
Depreciation	**(36)**	(34)	**(35)**	(33)
Foreign exchange profit/(loss)	**8**	(1)	**8**	2
Operating lease expense	**(5)**	(8)	**(19)**	(21)
Property	**(3)**	(6)	**(17)**	(19)
Plant and equipment	**(2)**	(2)	**(2)**	(2)
Profit on disposal of property, plant and equipment	**1**	2	**1**	2
Profit from merger of retail business	**146**	-	**192**	-
Decrease/(increase) in provision for grain risk	**-**	7	**-**	7
Profit on disposal of subsidiaries	**-**	70	**-**	21
Impairment of investment	**(45)**	(15)	**(51)**	(17)

19.2 Finance costs

	GROUP		COMPANY	
	2014 R'm	**2013 R'm**	**2014 R'm**	**2013 R'm**
Loans from commercial banks	**(94)**	(65)	**(94)**	(65)
Commodity finance	**(25)**	(38)	**(25)**	(38)
Other	**(5)**	(1)	**(1)**	(4)
Total finance costs paid	**(124)**	(104)	**(120)**	(107)

19.3 Finance income

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Loans and other receivables	**55**	37	**55**	37
Trade receivables	**121**	118	**121**	121
Other loans to related parties	**33**	-	**32**	-
Discontinued operations: Africa	**(6)**	(2)	**-**	-
Total finance income	**203**	153	**208**	158

19.4 Employee costs (excluding directors' costs)

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Total remuneration	**313**	432	**296**	421
Remuneration and benefits	**302**	364	**285**	353
Incentive bonuses	**11**	68	**11**	68
Pension costs – defined contribution plan	**21**	26	**21**	26
Total employee costs	**334**	458	**317**	447
	Number	**Number**	**Number**	**Number**
Permanent employees	**1 335**	1 984	**1 255**	1 921
Temporary employees	**108**	140	**108**	140
Employees at the end of the year	**1 443**	2 124	**1 363**	2 061

20. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Dividends received	**1**	-	**105**	-
Total other operating income	**1**	-	**105**	-

Company:

Dividends received include deemed dividends received from Senwes Capital of R103 million due to the unbundling of Senwes Capital investment in Hinterland to Senwes.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects thereof on the Group's financial performance.

The methods and assumptions used for the year are consistent with the previous year. Major risks have been identified and are managed as set out below.

21.1 Financial risks

21.1.1 Market risks

21.1.1.1 Commodity price risk

The value of the grain commodities and the fair value of pre-season forward purchase contracts on the statement of financial position are exposed to commodity price risk.

The Group uses derivative instruments to manage and hedge exposure to commodity price risk. In accordance with the Group's risk management policy, only minimal unhedged market positions exist from time to time. The value of available commodities, the net value of futures contracts and option contracts and the value of the net position of the pre-season contracts indicate an effective hedge.

The hedging instruments used consist of futures contracts and option contracts. The net revaluation difference of the instruments used for hedging was taken into account against the value of the grain commodities and the fair value of pre-season contracts. The value of commodities on the statement of financial position reflects the market value thereof at year-end and the fair value of the futures contracts, option contracts and pre-season contracts is also included in the statement of financial position.

Positions that are not hedged on the Safex market leave Senwes with an exposure to price movements. This risk is exacerbated during low market liquidity. Senwes maintains a strict policy and limits are set at low levels with regard to open positions, whether speculative or operational in nature. The status of open positions is monitored daily and reported to appropriate senior management. The net open position as at 30 April 2014 is not material.

21.1.1.2 Trading risk

Market risk with regards to trading relates to the potential losses in the trading portfolio due to market fluctuations such as interest rates, spread between current and future prices of commodities, volatility of these markets and changes in market liquidity. Risk limits are set to govern trading within the risk appetite of the Group via forward purchase and sales contracts.

Forward purchase contracts represent contracts with producers for the procurement of physical commodities in future. The forward sales contracts represent contracts with clients for the sale of physical commodities in future.

21.1.1.3 Foreign exchange risk

The Group has minimal exposure to fluctuations in mainly the Rand/USD exchange rate in respect of imports and exports. Foreign currency transactions are mainly concluded for the purchasing and selling of inventory. Foreign exchange contracts are concluded for specific transactions to hedge against fluctuations in exchange rates.

Foreign exchange contracts are concluded for specific transactions to hedge against fluctuations in exchange rates. The currency risk on group level was R nil as at 30 April 2014 (2013 – R2,9 million). The fair value adjustment on foreign exchange contracts is recognised through profit and loss. A sensitivity analysis is not indicated since the amount is not material.

21.1.1.4 Interest rate risk

Funding

The Group is naturally hedged against fluctuating interest rates to a large extent since interest-bearing debt is mainly utilised for assets earning interest at fluctuating rates.

Interest rate risk	GROUP 2014 Total current assets R'm	Non-interest-earning assets R'm	Interest earning assets R'm
Inventory	**431**	**431**	**-**
Trade and other receivables (current)	**2 117**	**101**	**2 016**
Loans and other receivables (non-current)	**554**	**-**	**554**
Inventory held to satisfy firm sales	**278**	**278**	**-**
Cash and short-term deposits	**30**	**-**	**30**
Other	**195**	**-**	**195**
Total	**3 605**	**810**	**2 795**
Interest-bearing liabilities			**(1 961)**
Net exposure to interest rate risk (limited to R nil)			**-**

Interest rate risk	GROUP 2013 Total current assets R'm	Non-interest-earning assets R'm	Interest earning assets R'm
Inventory*	628	628	-
Trade and other receivables (current)*	2 050	56	1 994
Loans and other receivables (non-current)	340	-	340
Inventory held to satisfy firm sales	288	288	-
Cash and short-term deposits	49	-	49
Other	184	-	184
Total	3 539	972	2 567
Interest-bearing liabilities			(1 782)
Net exposure to interest rate risk (limited to R nil)			-

**Includes assets held-for-sale*

Interest costs are naturally hedged in instances where interest-earning assets exceed interest-bearing liabilities. Interest rates are hedged by means of financial instruments in times of high volatility or when interest-bearing liabilities significantly exceed interest-earning assets.

Sensitivity of interest rates

The potential impact of interest rate changes on finance costs is illustrated below:

	GROUP 2014 Increase/ (decrease) %	2014 (Increase)/decrease interest expenses before tax R'm	2013 Increase/ (decrease) %	2013 (Increase)/decrease interest expenses before tax R'm
Commodity financing	**2%**	**(0.5)**	2%	(1.7)
	1%	**(0.2)**	1%	(1.0)
	(1)%	**0.2**	(1)%	1.0
	(2)%	**0.5**	(2)%	1.7
Short-term rate	**2%**	**(25.2)**	2%	(13.3)
	1%	**(12.6)**	1%	(6.7)
	(1)%	**12.6**	(1)%	6.7
	(2)%	**25.2**	(2)%	13.3
Long-term rate	**2%**	**(13.0)**	2%	(20.0)
	1%	**(6.5)**	1%	(10.0)
	(1)%	**6.5**	(1)%	10.0
	(2)%	**13.0**	(2)%	20.0

21.1.2 Credit risk

Concentration risk

The potential credit concentration risk relates mainly to trade debtors. Trade debtors consist of a large number of clients, spread over different geographic areas and credit is extended in accordance with the credit policy of the Group. Prudent credit evaluation processes are strictly adhered to.

The value at risk mentioned below is calculated as follows:

1. "Gross exposure" is calculated by decreasing the total producer debtor balance by the security value held or ceded to Senwes as well as the appropriate provision for bad debt.
2. Distribution (spread) is measured against best practices in the industry, given the concentration in respect of geography, stratification, categorisation and arrears. Sources for measurement of concentration risk are formulated by using various industry norms, market trends in large agricultural companies and own analyses. The spread will increase the value at risk should it be higher than the norm and will decrease the risk should it be lower than the norm.

	GROUP	
	2014 R'm	**2013 R'm**
Gross exposure	**723**	798
Concentration decreased due to better credit spread and distribution	**(301)**	(299)
Value at risk of producer debtors (VaR)	**422**	499

The value at risk of R422 million (2013 – R499 million) was calculated before taking into account the statement of financial position of clients. Although the book increased by R301 million, the VaR decreased by R77 million (15.4%) from 2013 and can be attributed to more first grade securities (covering bonds) vested. All credit was approved according to the credit policy. This is an indication that the profiles of new clients are the same as the profiles of existing clients. An additional provision for bad debt of R6,4 million (2013: R3,8 million) was created (according to IAS 39) to provide for the increased VaR.

The above values at risk are measured in respect of concentration in the different areas, namely arrears, categorisation, stratification (individual extent of the balance of the debtor account) and geography and are discussed in detail below:

Geography

Low concentration risk is applicable due to an extensively spread geographic area, mainly the Free State, North West and Northern Cape.

Stratification and arrears

	GROUP			
	2014		2013	
Stratification of the client base to the extent of credit extended	**Exposure of book**	**Arrears**	**Exposure of book**	**Arrears**
R1 – R500 000	**3.15%**	**15.73%**	3.19%	15.56%
R500 000 – R1 250 000	**4.17%**	**7.36%**	6.99%	1.69%
R1 250 000 – R3 000 000	**16.22%**	**1.84%**	16.19%	2.01%
R3 000 000 – R5 000 000	**19.63%**	**2.88%**	25.12%	1.41%
R5 000 000 – R12 500 000	**25.63%**	**0.87%**	19.61%	2.31%
Above R12 500 000	**29.14%**	**0.64%**	27.46%	2.55%
Legal clients	**2.06%**	**66.86%**	1.44%	66.36%
	100.00%	**3.45%**	100.00%	3.38%

A fair distribution of client size and arrears is applicable and the size of the current book is in line with the risk appetite per segment of Senwes.

Categorisation

	GROUP	
	2014	**2013**
Distribution of debtors by category	**Trade debtors**	**Trade debtors**
Category 1	**44.20%**	49.28%
Category 2	**44.75%**	41.08%
Category 3	**6.81%**	4.83%
Category 4	**0.02%**	0.03%
Other	**2.79%**	4.05%
Legal clients	**1.43%**	0.73%
	100.00%	100.00%

The different categories are defined as follows:

Category 1 client: Top clients in the market with an excellent credit history, balance sheet, financial position and repayment ability.

Category 2 client: Top quartile clients (with the exclusion of category 1 clients) in the market with a good credit history, sound financial position and excellent repayment ability.

Category 3 and 4 client: Represents a broad client base varying from beginner farmers with relatively poor balance sheets to producers involved in a fight for survival. Senwes' policy only provides for this category in circumstances which include a high security position, specific tailor-made low risk financing products and where Senwes is of the opinion that the client should be able to recover to a stronger position.

Other: Accounts are evaluated on the basis on which the account is handled.

Counter-party risk

The credit crunch raises generic questions regarding the ability and appetite of financiers for funding. Absa and Land Bank as key financiers are regarded as excellent counter-parties and therefore fall within acceptable levels of counter party risk. Counter-party risk relating to credit extension to clients is managed actively and is considered to be within acceptable levels.

21.1.3 Liquidity risk

The Group monitors its liquidity risk by means of a cash flow planning and security model.

The Group takes into account the maturity dates of its various assets and funds its activities by obtaining a balance between the optimal financing mechanism and the different financing products, which include bank overdrafts, short-term loans, commodity finance and other creditors. These are the remaining undiscounted cash-flows. The different debt expiry dates are as follows:

	GROUP						
	Debt – 2014						
	Total R'm	Due within 1 month R'm	Due within 1 – 2 months R'm	Due within 2 – 6 months R'm	Due within 6- 12 months R'm	Due within 1 - 5 years R'm	Due after 5 years R'm
Non-current liabilities							
Interest-bearing loans	**650**	**-**	**-**	**-**	**-**	**-**	**650**
Interest on interest-bearing loans	**327**	**4**	**4**	**15**	**23**	**185**	**96**
Long-term incentive bonuses	**10**	**-**	**-**	**-**	**-**	**10**	**-**
Other	**2**	**-**	**-**	**-**	**-**	**-**	**2**
	989	**4**	**4**	**15**	**23**	**195**	**748**
Current liabilities							
Interest-bearing loans	**1 285**	**-**	**23**	**-**	**1 262**	**-**	**-**
Interest on interest-bearing loans	**23**	**2**	**2**	**8**	**11**	**-**	**-**
Trade and other payable	**447**	**312**	**135**	**-**	**-**	**-**	**-**
Other	**99**	**-**	**-**	**75**	**24**	**-**	**-**
	1 854	**314**	**160**	**83**	**1 297**	**-**	**-**
Total liabilities, including interest payable	**2 843**	**318**	**164**	**98**	**1 320**	**195**	**748**

	GROUP						
	Debt – 2013						
	Total R'm	Due within 1 month R'm	Due within 1 – 2 months R'm	Due within 2 – 6 months R'm	Due within 6- 12 months R'm	Due within 1 - 5 years R'm	Due after 5 years R'm
Non-current liabilities							
Interest-bearing loans	1 000	-	-	-	-	350	650
Interest on interest-bearing loans	423	5	5	21	33	201	158
Long-term incentive bonuses	9	-	-	-	-	9	-
	1 432	5	5	21	33	560	808
Current liabilities							
Interest-bearing loans	765	97	-	-	668	-	-
Trade and other payable*	634	444	190	-	-	-	-
Other	20	-	-	3	17	-	-
	1 419	541	190	3	685	-	-
Total liabilities, including interest payable	2 851	546	195	24	718	560	808

**Includes liabilities held-for-sale*

21.1.4 Capital maintenance guidelines

Capital includes equity attributable to the equity holders of the parent. The Group maintains its own capital ratio within the following guidelines:

	GROUP	
	2014	**2013**
Capital maintenance	**Own capital ratio**	**Own capital ratio**
Total assets*	**4 128**	4 021
Equity	**1 635**	1 593
Liabilities*	**2 493**	2 428
Total equity and liabilities	**4 128**	4 021
Calculated rate (%)	**40%**	40%
Set target band (%)	**35% - 45%**	35% - 45%

The own capital ratio is on the same level as the previous year and is still within the set target band. The policy in respect of the maintenance of capital is in accordance with the previous financial year.

** Includes assets and liabilities held-for-sale*

	GROUP	
	2014	**2013**
Interest cover	**Interest cover R'm**	**Interest cover R'm**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**491**	545
Finance costs	**124**	104
Calculated interest cover (times)	**4**	5.3
Set target (times)	**>2.5**	>3

The interest cover exceeds the minimum set target of 2.5.

21.2 Business Risks

21.2.1 Operational risks

Access to grain

There is a risk of Senwes not being able to maintain access to or increase volumes of grain within its geographic base and that the concomitant impact on its grain income stream can be significant. Reduced access to grain volumes could be the result of a number of causes such as:

- Downscaled planting – The occurrence of downscaled planting impacts Senwes at various levels. Models were developed and are being managed to reduce the impact of significant downscaled planting.
- Droughts – Climate change poses significant risks for Senwes and the sale of products could be affected significantly.
- Models have been developed and financial instruments are being used to manage and reduce the potential impact of droughts.
- Competitive alternative storage structures – Alternative storage structures are addressed by innovative market transactions and by maintaining good producer relationships. Differences between product offerings are also being addressed in the market. Logistics solutions and funding of grain buyers are additional risk reduction measures.
- Improper management of transformation and land reform could have a significant impact on production. Senwes works in conjunction with all government departments concerned in seeking and implementing viable options, taking the BEE-policy into account.

Human capital – scarcity and retention of talent

One of the cornerstones of good performance is access to and retention of excellent personnel. South Africa is currently involved in a talent war due to various reasons. Furthermore, Senwes has a relatively young talent profile which brings about difficulty to retain talent because of mobility. Added to this is the fact that Senwes is predominantly situated in rural areas and many young people relocate to the larger metropoles where there are more career opportunities. In order to mitigate this risk and as part of a comprehensive strategy in respect of the retention of talent, appropriate remuneration and incentive schemes have been implemented and ample opportunities for growth through training and practical exposure have been provided. Succession planning and identification of talent also receive the necessary attention.

Operational risk

Operational risks relate to events that are not caused by human error and form part of the normal running of the business. Such events would include operational breakdowns at critical times, unforeseen lead times on stock orders and lack of business enablers.

Theft and fraud

The current economic conditions give rise to increased possibilities of fraudulent activity. The diversified nature of the Group's activities also increases the possibilities of theft or fraud. This is further increased by the complexity of certain activities which require special control measures. A refocus of business processes, a culture programme, redesign of appointment practices and the upgrading of physical control measures are some of the management actions implemented to mitigate the risk to an acceptable level. The code of conduct is embedded into the risk culture of the company, which contributes to the mitigation of this risk.

21.2.2 Legal risks

Non-compliance with contracts

Senwes contracts with both producer and buyer, which poses a risk when prevailing conditions create circumstances of inability or the temptation not to comply with contractual obligations. These conditions could arise due to drought or significant price movements. Proper evaluation and accreditation of clients as well as the monitoring of the flow of the harvest play important roles in addressing this risk. Limiting contract volumes per counter party further reduces the risk. Market trends which may lead to non-compliance with contracts are monitored closely and strategies to hedge this risk on the Safex market are used when deemed necessary. These instruments are included with the values indicated in note 17.

21.2.3 Strategic risk

Sustainability and reputational risk

The possibility exists that certain events or perceptions could lead to uncertainty among certain stakeholders. This could in turn impact negatively on the business done with the Group or the share value.

The risk management process considers all relevant actions, events and circumstances that could have an impact on the reputation of the company. The process also endeavours to measure the impact of possible reputation risks. Appropriate measures and structures are in place to deal with this timeously and effectively.

The risk process also identifies events which place pressure on the sustainability of the Group. The process identifies areas for action that lead to the implementation of action plans to ensure sustained profitability.

21.2.4 System risks

The company relies heavily on technology. The main risks relate to archiving, capacity, data integrity, relevance, integration and adaptability. An IT-strategy and management committee are in place and formal change, project and integration management is applied.

21.3 Environmental risks

21.3.1 Weather and climate risks

Senwes is indirectly subjected to income volatility as a result of adverse weather and climate events. These events influence the volume of grain produced in the Senwes area of operation, subsequently reducing storage income and producer profitability. The income volatility of a catastrophic climate event is mitigated by using weather derivative products.

21.3.2 Political risks

Senwes utilises agricultural land owned by producers to secure credit extension to these clients. In the event of agricultural land being nationalised, the value of agricultural land will diminish and nullify the value of the security that Senwes holds against outstanding funds. This risk can only be accepted and cannot be mitigated.

21.4 Subsidiaries, joint ventures and associates

Senwes follows an Enterprise Wide Risk Management (ERM) framework, and as such very stringent reporting standards are placed on its subsidiaries, joint ventures and associates to comply with the ERM- methodology. The risk appetite levels of these entities differ and are governed by the Group risk appetite level established for these types of investments.

21.5 Fair value

The following table summarise fair value measurements recognised in the statement of financial position or disclosed in the Group's financial statements by class of asset or liability and categorised by level according to the significance of inputs used in making the measurements.

		Fair value as at 30 April 2014			
		Carrying amount as at 30 April 2014	Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs
Recurring measurements	**Notes**	**Total R'm**	**Level 1 R'm**	**Level 2 R'm**	**Level 3 R'm**
Assets					
Grain commodities	7	**34**	**34**	**-**	**-**
Inventory held to satisfy firm sales	9	**278**	**278**	**-**	**-**
Investment in Suidwes Holdings	4.1.1	**4**	**-**	**4**	**-**
Forward purchase contracts	17.1	**25**	**25**	**-**	**-**
Total assets		**341**	**337**	**4**	**-**
Liabilities					
Commodity finance	4.2.2	**23**	**23**	**-**	**-**
Forward purchase contracts	17.2	**68**	**68**	**-**	**-**
Safex futures	17.2	**4**	**4**	**-**	**-**
Total liabilities		**95**	**95**	**-**	**-**

Accounts receivable, loans receivable and loans payable at amortised cost are also the fair value thereof.

		Fair value as at 30 April 2013			
		Carrying amount as at 30 April 2014	Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs
Recurring measurements	**Notes**	**Total R'm**	**Level 1 R'm**	**Level 2 R'm**	**Level 3 R'm**
Assets					
Inventory held to satisfy firm sales	9	288	288	-	-
Investment in Suidwes Holdings & Suidwes Investment	4.1.1	3	3	-	-
Forward purchase contracts	17.1	15	15	-	-
Total assets		306	306	-	-
Liabilities					
Forward purchase contracts	17.2	1	1	-	-
Safex futures	17.2	23	23	-	-
Total liabilities		24	24	-	-

Accounts receivable, loans receivable and loans payable at amortised cost are also the fair value thereof.

Techniques used to determine fair value measurements categorised in level 1:
All items categorised in level 1 are revalued by applying the market value as determined by Safex (South African Future Exchange).

Techniques used to determine fair value measurements categorised in level 2:
Foreign currency collar
The mark to market is determined by using the closing mid-market rate on the day as well as the mid-market forward points and vols. This is done to accommodate both buyers and sellers with no differentiation between the two. It is also not a tradeable price but a fair value of market traded on that specific day in the past.

Investment in Suidwes Holdings no longer measured at fair value and therefore transferred from level 1 to level 2:
Investment in Suidwes Holdings:
Suidwes Group decided to restructure and implement a client loyalty scheme. Only bona fide-farmers will benefit from this scheme in the future.

As a result Senwes sold 223 829 of the 1 171 892 shares held in Suidwes Holdings at R4,31. The price was based on the highest of 66% of the affected share net asset value for the year or market value.

A transfer was done from level 1 tot level 2 due to the following:
Suidwes Holdings' shares are still traded on the OTC market, but not actively. The price at which the remaining shares will be sold in the future will more than likely be at 66% of the NAV and will be the fair value of the shares.

Suidwes Investment:
Suidwes Investment made a voluntary offer to all shareholders to repurchase their shares. Senwes accepted the repurchase offer and sold all the shares (375 074 shares) held in Suidwes Investment for R3,39 per share.

22. EARNINGS PER SHARE AND DIVIDENDS

22.1 Earnings per share

The following calculations are based on a weighted average number of 172 382 523 (2013 – 180 456 167) shares. The earnings were calculated on profit attributable to shareholders.

22.1.1 Earnings per share is based on a profit of R248 million (2013 – R305 million) attributable to ordinary shares.

22.1.2 Normalised headline earnings per share is based on a profit of R171 million (2013 – R275 million). Normalised headline earnings is HEPS as defined by the JSE, but adjusted with abnormal/once off items to obtain a sustainable profit after taxation.

22.1.3 Reconciliation between earnings and normalised headline earnings is as follows:

	GROUP	
	2014 R'm	2013 R'm
Earnings per statement of comprehensive income	**248**	305
Adjustments:		
Impairment and adjustments of silos and other buildings	**-**	-
(Profit)/loss on foreign exchange	**(8)**	1
Profit from sale of property, plant and equipment	**(1)**	(2)
Impairment of investments and loans	**45**	15
Profit from merger of retail business	**(130)**	-
Profit from sale of investment	**-**	(47)
Restructuring costs	**17**	3
Normalised headline earnings	**171**	275
Earnings per share (cents)	**143,9**	168,9
Normalised headline earnings per share (cents)	**99,0**	152,4

All adjustments are stated on an after-tax basis.

22.2 Dividends paid and proposed

	GROUP	
	2014 R'm	2013 R'm
Declared and paid during the year:		
Dividends on ordinary shares:		
Final dividend 2013 – 31 cents (2012 – 15 cents)	**55**	27
Special final dividend 2013 – 4 cents (2012 – 0 cents)	**8**	-
Interim dividend 2014 – 26 cents (2013 – 26 cents)	**47**	47
Total dividends paid (Company)	**110**	74
Elimination of dividends paid to Senwes Capital	**(4)**	-
Total dividends paid (Group)	**106**	74
Dividends paid by the Group exclude the dividend paid to Senwes Capital of R4 million.		
Proposed for approval at the annual general meeting (not recognised as a liability as at 30 April)		
Dividends on ordinary shares:		
Final dividend 2014 – 22 cents (2013 – 31 cents)	**40**	55
Special final dividend 2014 – nil cents (2013 – 4 cents)	**-**	8

23. RELATED PARTY TRANSACTIONS

23.1 Subsidiaries

The financial statements include the financial results of the subsidiaries listed. The table below reflects the total of transactions per subsidiary. Transactions include interest income, interest expense, sales, purchases and other services rendered.

	COMPANY		
	2014		
	% interest	Income received/(paid) R'm	Amounts owed (to)/ by subsidiaries R'm
JD Implemente (Pty) Ltd	**50%**	**29**	**7**
Senwes Capital (Pty) Ltd	**100%**	**(16)**	**95**
Senwes Mauritius Ltd	**100%**	**5**	**100**
Senwes Agrowth (Pty) Ltd	**73,5%**	**1 601**	**247**
Total		**1 619**	**449**

	COMPANY		
	2013		
	% interest	Income received/(paid) R'm	Amounts owed (to)/ by subsidiaries R'm
JD Implemente (Pty) Ltd	50%	1	12
Senwes Capital (Pty) Ltd	100%	(27)	-
Senwes Mauritius Ltd	100%	1	24
Senwes International Holdings (Pty) Ltd	100%	1	-
Total		(24)	36

For the interest rates and loan repayment terms, refer to note 4.

23.2 Associates and joint ventures

Details of transactions are listed in the table below. Transactions include interest income, interest expenses, sales, purchases and other services rendered.

	GROUP					
	2014	2013	2014 R'm	2013 R'm	2014 R'm	2013 R'm
	% interest		Transactions with related parties		Amounts owed (to)/by entities	
Associates						
Silo Certs (Pty) Ltd	**42,5%**	42,5%	**(1)**	(1)	**-**	-
Grain Silo Industry (Pty) Ltd	**26%**	26%	**-**	-	**-**	-
Joint Ventures						
Hinterland SA (Pty) Ltd	**50%**	-	**22**	-	**34**	-
Grainovation (Pty) Ltd	**50%**	50%	**(296)**	(229)	**-**	-
Bunge Senwes International Ltd	**50%**	50%	**6**	-	**78**	34
Bunge Senwes (Pty) Ltd	**50%**	50%	**2 349**	995	**147**	151
Certisure Group	**50%**	50%	**1**	-	**(24)**	(14)
Grasland Ondernemings (Pty) Ltd	**50%**	50%	**(3)**	(5)	**-**	-

For the interest rates and loan repayment terms, refer to note 4.

23.3 Parent company

Senwesbel Ltd's shareholding in Senwes decreased to 51,1% (2013 – 59,6%) during the 2014 financial year.

	PARENT COMPANY					
	2014 R'm	2013 R'm	2014 R'm	2013 R'm	2014 R'm	2013 R'm
	Management fees received		Interest paid		Loan payable	
Senwesbel Ltd	**1**	1	**1**	1	**24**	16

- Dividends paid to Senwesbel Ltd amounted to R61 million (2013 – R44 million).

For interest rates and loan repayment terms, refer to note 4.

23.4 Trade receivables – directors

These comprise of production credit and other accounts for which customers of the company qualify. Credit extension terms and interest rates in respect of loans are aligned with the company's credit policy. These amounts are included in trade and other receivables according to normal credit terms and conditions.

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Related parties – trade and other accounts receivable	**24**	34	**24**	34

23.5 Directors' remuneration (executive and non-executive)

	COMPANY	
	2014 R'm	2013 R'm
Salaries	**8**	6
Short-term incentive	**-**	4
Long-term incentive	**3**	2
Executive directors	**11**	12
Non-executive directors	**5**	4
Directors' remuneration	**16**	16

Non-executive directors' remuneration:

Non-executive	Status	Date	Total	Remuneration	Travelling and accommo-dation expenses	Committees
ZBM Bassa	In office	Full year	R364 330	R198 400	R15 730	R150 200
SF Booysen	In office	Full year	R668 857	R271 667	R29 290	R367 900
JBH Botha	In office	Full year	R478 652	R203 800	R9 352	R265 500
JE Grobler	Retired	23/08/2013	R268 214	R102 500	R87 714	R78 000
AJ Kruger	In office	Full year	R429 813	R203 800	R18 813	R207 200
NDP Liebenberg	In office	Full year	R622 239	R203 801	R16 738	R401 700
KI Mampeule	New	25/06/2013	R273 087	R164 633	R14 254	R94 200
JDM Minnaar	In office	Full year	R901 647	R422 900	R57 847	R420 900
JJ Minnaar	In office	Full year	R416 560	R203 800	R24 060	R188 700
R Redfearn	New	05/09/2013	R254 599	R197 800	R17 799	R39 000
TF van Rooyen	New	29/11/2013	R109 324	R77 917	R1 107	R30 300
WH v Zyl	In office	Full year	R343 544	R203 800	R15 544	R124 200
Total			**R5 130 866**	**R2 454 818**	**R308 248**	**R2 367 800**

Executive directors' remuneration:

Executive	Total	Remuneration	Other allowances	Performance incentives and bonuses	Statutory costs
F Strydom	R6 695 890	R4 570 255	R108 800	R1 892 284	R124 551
CF Kruger	R3 858 049	R2 610 752	R38 390	R1 135 370	R73 537
Total	**R10 553 939**	**R7 181 007**	**R147 190**	**R3 027 654**	**R198 088**

23.6 Other key management personnel

	GROUP		COMPANY	
	2014 R'm	**2013 R'm**	**2014 R'm**	**2013 R'm**
Salaries	**19**	23	**18**	23
Incentive schemes	**5**	20	**5**	20
Total remuneration to key management personnel	**24**	43	**23**	43
Number of key management personnel at year-end	**16**	17	**15**	17

23.7 Cash-settled share-based transaction

Refer to note 13.1.2 for information regarding the cash-settled share-based transactions of executive directors and key management personnel.

23.8 Information on directors' terms of office

For information regarding the non-executive directors, refer to the statutory directors' report (page 7).

Executive directors

Director	*Service contract expiry date*	*Position held*
F Strydom	31 July 2016	Managing Director
CF Kruger	31 January 2017	Financial Director

Directors' direct and indirect interests in the Company:

	COMPANY			
	2014		2013	
	Number of shares	% of total shares	Number of shares	% of total shares
Direct				
Non-executive directors	**199 910**	**0,11**	170 770	0,09
Executive directors	**61 570**	**0,03**	61 570	0,03
Indirect				
Non-executive directors	**18 108 815**	**10,02**	29 933 765	16,56
Executive directors	**1 037 626**	**0,57**	957 082	0,53
Total direct and indirect interest	**19 407 921**	**10,73**	31 123 187	17,21

Directors' direct and indirect interests in the Company:

	2014				2013			
Name	Direct		Indirect*		Direct		Indirect*	
	Shares	%	Shares	%	Shares	%	Shares	%
Non-executive								
JE Grobler (retired)	-	-	-	-	-	-	9 294 407	5.14%
AJ Kruger	137 386	0.08%	633 098	0.35%	132 386	0.07%	731 649	0.40%
NDP Liebenberg	-	-	770 073	0.43%	-	-	889 945	0.49%
JDM Minnaar	-	-	7 870 500	4.35%	-	-	8 959 263	4.96%
JJ Minnaar	-	-	3 147 254	1.74%	-	-	3 637 166	2.01%
TF van Rooyen	24 140	0.01%	72 556	0.04%	-	-	-	-
WH van Zyl	38 384	0.02%	5 615 334	3.11%	38 384	0.02%	6 421 335	3.55%
Executive								
F Strydom	-	-	812 304	0.45%	-	-	787 993	0.44%
CF Kruger	61 570	0.03%	225 322	0.12%	61 570	0.03%	169 090	0.09%
Subtotal of directors	261 480	0.14%	**19 146 441**	**10.59%**	232 340	0.12%	**30 890 848**	**17.08%**
Other shareholders	180 527 828	99.86%			180 556 968	99.88%		
TOTAL	**180 789 308**	**100.00%**			**180 789 308**	**100.00%**		

**Indirect interest is based on the percentage of the shareholding of the entity in Senwes, multiplied by the percentage interest held by the individual.*

24. RECONCILIATION OF PROFIT BEFORE TAX TO CASH FROM OPERATING ACTIVITIES

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Profit before tax from continuing operations	**370**	358	**488**	251
Profit before tax from discontinued operations to be transferred to merger entity	**(39)**	49	**(36)**	64
Profit before tax	**331**	407	**452**	315
Non-cash adjustments to reconcile profit before tax to net cash flows:	**50**	83	**(95)**	144
Foreign exchange profit/(loss)	**(8)**	1	**(8)**	2
Depreciation	**36**	34	**35**	33
Increase in provisions	**5**	8	**6**	8
Finance costs	**124**	104	**120**	107
Impairment of investments	**45**	15	**51**	17
Profit from associates and joint ventures	**(3)**	(7)	**-**	-
Profit from merger of retail business	**(146)**	-	**(192)**	-
Profit on disposal of property, plant and equipment	**(1)**	(2)	**(1)**	(2)
Profit on disposal of subsidiaries	**-**	(70)	**-**	(21)
Profit with sale of available-for-sale financial asset	**(1)**	-	**(1)**	
Other operating income: dividends received	**(1)**	-	**(105)**	-
Cash from operating activities	**381**	490	**357**	459

25. CHANGES IN OPERATING CAPITAL

	GROUP		COMPANY	
	2014 R'm	2013* R'm	2014 R'm	2013* R'm
Decrease/(increase) in inventory	**196**	(251)	**244**	(228)
Increase in trade and other receivables	**(284)**	(252)	**(176)**	(236)
Decrease in inventory held to satisfy firm sales	**11**	11	**33**	11
(Decrease)/increase in trade and other payables	**(128)**	164	**(60)**	139
Increase/(decrease) in interest-bearing current loans	**177**	(216)	**185**	(225)
Changes in operating capital	**(28)**	(544)	**226**	(539)

**Include assets and liabilities held-for-sale*

26. TAX PAID

	GROUP		COMPANY	
	2014 * R'm	2013* R'm	2014 * R'm	2013* R'm
Tax receivable/(payable) at the beginning of the period	**1**	(7)	**2**	(7)
Deferred tax asset at the beginning of the period	**35**	26	**44**	26
Amounts debited in profit and loss	**(81)**	(100)	**(87)**	(82)
Deferred tax asset at the end of the period	**(6)**	(35)	**(1)**	(44)
Tax payable/(receivable) at the end of the period	**5**	(1)	**4**	(2)
Tax paid	**(46)**	(117)	**(38)**	(109)

**Including tax relating to assets and liabilities held-for-sale and discontinued operations.*

27. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Land	**-**	(4)	**-**	-
Silos	**(7)**	(5)	**(7)**	(5)
Buildings and improvements	**(4)**	(5)	**(3)**	(5)
Machinery and equipment	**(36)**	(38)	**(37)**	(36)
Vehicles	**(9)**	(20)	**(7)**	(21)
Total acquisition of property, plant and equipment	**(56)**	(72)	**(54)**	(67)
Represented by:	**(56)**	(72)	**(54)**	(67)
Acquisition to increase operating capacity	**(26)**	(47)	**(24)**	(42)
Acquisition to maintain operating capacity	**(30)**	(25)	**(30)**	(25)

28. PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Carrying value of assets sold	**2**	1	**2**	1
Profit from disposal	**1**	2	**1**	2
Proceeds from disposal	**3**	3	**3**	3

29. OTHER LOANS RECEIVABLE

	GROUP		COMPANY	
	2014 R'm	2013 R'm	2014 R'm	2013 R'm
Increase in current financial assets	**(38)**	(102)	**(409)**	(97)

30. UNUTILISED FUNDING FACILITIES

Senwes utilised its ten-year facility of R650 million at favourable rates and conditions during the year under review and an unutilised short-term facility of R1 146 million ensures sufficient liquidity for growth opportunities as well as unexpected events. Senwes has R289 million unutilised commodity finance and unsecured assets of R2 332 million at its disposal for further funding.

31. AFTER - BALANCE SHEET EVENTS

To comply with the capital adequacy requirements imposed by the JSE (Derivative Rules dated March 2013), Senwes Graanmakelaars, previously dormant, were reactivated as from 1 May 2014 to host the brokerage and option book business of Senwes.

Accounting Policy

1. Basis of presentation

The financial statements are prepared on the historical cost basis, except for derivative financial instruments and available-for-sale financial assets measured at fair value. The carrying values of designated hedged assets and liabilities are adjusted to reflect changes in the fair values resulting from the hedged risks. The financial statements are presented in South African rand terms and all values are rounded to the nearest million (R' 000 000), except where stated otherwise.

1.1 Statement of compliance

The financial statements of Senwes Limited and all its subsidiaries, joint ventures and associates ("Group") have been prepared in accordance and in compliance with the requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and Interpretations issued by the International Reporting Interpretation Committee (IFRS) and with those requirements of the South African Companies Act, no 71 of 2008 (as amended), applicable to companies reporting under IFRS.

1.2 Change in accounting policy and disclosures

The accounting policy adopted in the preparation of the consolidated financial statements is consistent with the policy followed in the preparation of the Group's annual financial statements for the previous financial year, except for the adoption of new standards and interpretations effective as of 1 May 2013 as set out below:

- IAS 1 Financial Statement Presentation – Presentation of items of other comprehensive income (Amendment) – Effective date 1 July 2012

  This amendment introduces a grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items that will never be reclassified. This amendment can affect presentation only and has there no impact on the Group's financial position or performance.

- IAS 19 Employee Benefits (Amendment) – Effective date 1 January 2013

  The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. This amendment did not have any impact on the Group.

- IAS 27 Separate Financial Statements (as revised in 2011) – Effective date 1 January 2013

  As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements. The revised standard did not have any impact on the financial position or performance of the Group for the current financial year under review.

- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011) – Effective date 1 January 2013

  As a consequence of the new IFRS 11 and IFRS 12. IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard did not have any impact on the financial position or performance of the Group for the current financial year under review.

- IFRS 1 Government Loans (Amendment) – Effective date 1 January 2013

  The amendments dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRS relief from full retrospective application of IFRS when accounting for these loans on transition. This standard will have no impact on the Group.

- IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment) – Effective date 1 January 2013

  These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). This amendment affects disclosure only and has no impact on the financial position or performance of the Group.

- IFRS 10 Consolidated Financial Statements – Effective date 1 January 2013

  IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities which resulted in SIC-12 being withdrawn. IFRS 10 does not change consolidation procedures but establishes a single control model that applies to all entities including structured entities. The new standard did not have any impact on the financial position or performance of the Group for the current financial year under review.

- IFRS 11 Joint Arrangements – Effective date 1 January 2013

  IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 defines joint control and removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method and JCEs that meet the definition of a joint operation, a joint operator must recognise all of its assets, liabilities, revenues and expenses, including its relative share of jointly controlled assets, liabilities, revenue and expenses. The new standard did not have any impact on the financial position or performance of the Group for the current financial year under review.

- IFRS 12 Disclosure of Involvement with Other Entities – Effective date 1 January 2013

  IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This amendment can affect disclosure only and has no impact on the Group's financial position or performance.

- IFRS 13 Fair Value Measurement – Effective date 1 January 2013

  IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This amendment affects disclosure only and has no impact on the Group's financial position or performance.

- IFRIC 20 Stripping cost in the Production Phase of a Surface Mine – Effective date 1 January 2013

  IFRIC 20 applies to waste removal (stripping costs) incurred in surface mining activities, during the production phase of the mine. This standard will have no impact on the Group.

- Annual Improvements to IFRS (issued May 2012) – Effective date 1 January 2013

  These improvements to IFRS will have no impact on the Senwes Group.

1.3 New standards, interpretations and amendments

Standards already issued, but not yet effective upon the issuing of the Group's financial statements, are listed below. This list contains standards and interpretations issued, which are expected to be applicable at a future date. The intention of the Group is to adopt these standards, if applicable, when they become effective.

- IAS 32 Financial Instruments: Presentation (Amendment) – Offsetting of Financial Assets and Financial Liabilities – Effective date 1 January 2014
- IAS 36 Impairment of Assets (Amendment): Disclosure requirements for the recoverable amount of Non-Financial Assets – Effective date 1 January 2014
- IFRS 10, IFRS 12 and IAS 27 Investment Entities (Amendments) – Effective date 1 January 2014
- IAS 39 Financial Instruments: Recognition and Measurement – Effective date 1 January 2014
- IFRS 9 Financial Instruments: Classification and Measurement – Effective date 1 January 2015
- IFRIC 21 Levies – Effective date 1 January 2014

The Group is in the process of evaluating the effects of these standards. The first phase of IFRS 9, Financial instruments, may have an impact on the Group's classification and measurement of investments. The other new or amended standards are not expected to have a significant impact on the Group's financial position or performance. Additional disclosures may be required.

2. Significant accounting policies

2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of Senwes Limited and its subsidiaries, joint ventures and associates as at 30 April 2014.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the holding company, using consistent accounting policies. All intragroup balances, transactions, unrealised gains and losses resulting from intragroup transactions and dividends are eliminated.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest, even if that results in a deficit balance.

For purchases of additional interests in subsidiaries from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is added to, or deducted from, equity. For disposals of non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

Where the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the cumulative translation differences recorded in equity
- Derecognises the carrying amount of any non-controlling interest
- Reclassifies the share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises in profit or loss any difference between the fair value and the net carrying amount of the subsidiary on date of loss of control.

Investments in subsidiaries at company level are shown at cost less any accumulated impairment losses. Where impairments occur, these are accounted for against the relevant class of assets. Upon consolidation, the impairment provisions relating to accumulated losses made will be written back.

2.1.2 Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group's interests in joint ventures are accounted for by applying the equity method. In applying the equity method, account is taken of the Group's share of accumulated retained earnings and movements in reserves from the effective dates on which the companies become joint ventures and up to the effective dates of disposal.

Under the equity method, the investment in joint ventures is initially recognised in the statement of financial position at cost. Subsequent to acquisition date the carrying amount of the investment is adjusted with changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not amortised or separately tested for impairment. The share of the results of operations of joint ventures is reflected in profit or loss. This is the profit or loss attributable to equity holders of joint ventures and is therefore profit after tax and non-controlling interests in the subsidiaries of the joint ventures. Adjustments are made where the accounting period and accounting policies of joint ventures are not in line with those of the Group. Where a change in other comprehensive income of joint ventures was recognised, the Group recognises its share of any changes and discloses this, where applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint ventures are eliminated to the extent of the interest in joint ventures.

When downstream transactions provide evidence of a reduction in the net realisable value of the assets to be sold or contributed, or of an impairment loss of those assets, those losses shall be recognised in full by the investor. When upstream transactions provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets, the investor shall recognise its share in those losses.

Where non-monetary assets are contributed to a joint venture in exchange for an equity interest in the joint venture, the profit or loss recognised shall be the portion of gain or loss attributable to the equity interests of the other venturer. The unrealised gains or losses shall be eliminated against the investment and shall not be presented as deferred gains or losses in the consolidated statement of financial position. Where such contribution lacks commercial substance, the gain or loss is regarded as unrealised and not recognised

Adjustments are made where the accounting period and accounting policies of joint ventures are not in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the Group's investments in its joint ventures. The Group determines at each reporting date whether there is any objective evidence that the investments in joint ventures are impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of joint ventures and its carrying value and recognises the amount in profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal, is recognised in profit or loss.

2.1.3 Associates

The Group's investments in its associates are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Acquisition of shares in investments is reflected as available-for-sale financial assets until significant influence is obtained in that investment, thereafter that investment is recognised as an associate.

Under the equity method, the investment in the associate is initially recognised in the statement of financial position at cost. Subsequent to acquisition date the carrying amount of the investment is adjusted with the post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment. The share of the results of operations of associates is reflected in profit or loss. This is the profit or loss attributable to equity holders of associates and is therefore profit after tax and non-controlling interests in the subsidiaries of the associates. Adjustments are made where the accounting period and accounting policies of associates are not in line with those of the Group. Where a change in other comprehensive income of associates was recognised, the Group recognises its share of any changes and discloses this, where applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and associates are eliminated to the extent of the interest in associates.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of associates and its carrying value and then recognises the amount in profit or loss.

Upon loss of significant influence over associates, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of associates upon loss of significant influence and the fair value of the retained investments and proceeds from disposal, is recognised in profit or loss.

2.1.4 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Transactions under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Where a business is obtained through common control, the assets and liabilities will be reflected at their carrying amount on acquisition date. No 'new' goodwill is recognised as a result of the common control transaction, except for existing goodwill relating to either of the combining entities. Any difference between the consideration paid/ transferred and the equity 'acquired' is reflected within equity.

2.1.5 Fair value measurements

The Group measures financial instruments, such as, derivative and certain inventory at fair value at each statement of financial position date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 4.1.2, 4.2.1 and 4.2.2.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 − Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 − Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 − Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.2 Foreign currencies

2.2.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the business operates (functional currency). The financial statements are presented in Rand, which is the Company's and Group's functional and presentation currency.

2.2.2 Foreign transactions

Transactions in foreign currencies are converted at spot rates applicable on the transaction dates. Monetary assets and/or liabilities in foreign currencies are converted to rand at spot rates applicable at the reporting date. Exchange differences arising on settlement or recovery of such transactions are recognised in profit or loss.

2.2.3 Foreign operations

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

- Assets and liabilities at the closing exchange rate at the reporting date,
- Income and expense items are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income

On disposal of foreign operations, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

2.3 Property, plant and equipment

Property, plant and equipment are held with a view to generating economic benefit from it for more than one period from use in the production or supply of goods or services or for administrative purposes and are not acquired for resale purposes.

All property, plant and equipment items are initially recognised at cost. Thereafter it is measured with reference to the cost of the asset less accumulated depreciation and accumulated impairments.

- The cost of property, plant and equipment includes the following: purchase price including import duties, non-refundable purchase taxes and costs directly attributable to bringing an asset to the location and condition necessary to operate as intended by management, less trade discounts and rebates.
- Property, plant and equipment with a cost of more than R7 000 are capitalised, while assets with a cost of less than R7 000 are written off against operating profit.
- Profits and losses on sale of property, plant and equipment are calculated on the basis of their carrying values and are accounted for in operating profit.
- With the replacement of a part of an item of property, plant and equipment, the replaced part is derecognised. The replacement part shall be recognised according to the recognition criteria as an individual asset with specific useful life and depreciation.

The carrying values of property, plant and equipment are considered for impairment when the events or changes in circumstances indicate that the carrying values are no longer recoverable from its future earnings or realisation of the assets.

Depreciation is calculated on a fixed percentage basis over the expected useful life at the following rates:

	%
Land	-
Silos	2,85
Buildings and improvements	2,5
Plant and equipment	7,5 – 33,3
Vehicles	20

Depreciation begins when an asset is available for use, even if it is not yet brought into use. Each part of an item of property, plant and equipment with a cost which is significant in relation to the total cost of the item, is depreciated separately. Land is not depreciated as it is deemed to have an unlimited life.

The useful life method of depreciation and residual value of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate. The evaluations in respect of the useful life and residual value of assets can only be determined accurately when items of property, plant and equipment approach the end of their lives. Useful life and residual value evaluations can result in an increased or decreased depreciation expense. If the residual value of an asset equals its carrying amount, the asset's depreciation charge is zero, unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

2.4 Inventory

Inventory represents assets held for resale in the normal course of business, to produce assets for sale, or for use in production processes, or the rendering of services. Included in cost of inventory are the cost price, production costs and any costs incurred in bringing the inventory to its current position and condition, ready for the intended purpose. Cost of inventory does not include interest, which is accounted for as an expense in the period when incurred.

Included in cost of production are costs directly attributable to units produced, direct costs such as direct wages and salaries, variable overheads, as well as the systematic allocation of fixed production overheads based on the normal capacity of the production facility.

Cost of inventory items is determined in accordance with the weighted average cost method, unless it is more appropriate to apply another basis on account of the characteristics of the inventory. Cost of inventory determined on a basis other than weighted average cost is as follows:

Mechanisation whole goods	-	Purchases price
Grain commodities	-	At fair value

Cost of inventory items is determined on the basis of its characteristics in terms of its nature and use. Inventory is valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the normal course of business, less estimated costs necessary to conclude the sale.

2.5. Inventory held to satisfy firm sales

Inventory held to satisfy firm sales represent inventory purchases on behalf of third parties in respect of agricultural produce received from producers, which are payable by the third party on delivery of such agricultural produce to them. This includes sales in terms of sales contracts secured by inventory.

2.6 Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax shall be recognised outside profit and loss if the tax relates to items, in the same or different period, outside profit or loss. Therefore if items are recognised in other comprehensive income the current tax should be recognised in other comprehensive income and if items are recognised directly in equity the current tax should be recognised directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establish provisions where appropriate.

Tax receivables and tax payables are offset if a legally enforceable right exists to set off the recognised amounts and if there is an intention to settle on a net basis.

Deferred tax

Provision is made for deferred tax using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying values for purposes of financial reporting, at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, applying the tax rate applicable at the reporting date. The liability for deferred tax or deferred tax assets are adjusted for any changes in the income tax rate.

Deferred tax assets arising from all deductible temporary differences are limited to the extent that future taxable income will probably be available against which the temporary differences can be charged.

The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax shall be recognised outside profit and loss if the tax relates to items, in the same or different period, outside profit or loss. Therefore if items are recognised in other comprehensive income the deferred tax should be recognised in other comprehensive income and if items are recognised directly in equity the deferred tax should be recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Revenue, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

2.7 Post–employment benefits

2.7.1 Retirement liability

The retirement liability comprises a defined contribution fund registered in terms of the Pension Funds Act, 1956, and the assets are administered separately by trustees. Funding is in terms of conditions of employment by means of contributions by the Company, participating subsidiaries, as well as employees. Contributions are recognised in profit or loss in the period in which the employees rendered the related services. As the funds are defined contribution funds, any underfunding that may occur when the value of the assets decrease below that of the contributions, is absorbed by the employees by means of decreased benefits. The Group therefore has no additional exposure in respect of the retirement liability.

2.7.2 Share-based payments

Key employees of the Group receive remuneration in the form of share-based payment transactions, as part of a share appreciation scheme (cash-settled share-based payment). The cost of cash-settled transactions is measured initially at fair value at the grant date using an economic forecasting model, taking into account the terms and conditions upon which the instruments were granted (see note 13). This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss.

2.8 Employee benefits

Short-term

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services

These include normal benefits such as salaries, wages, paid leave, paid sick leave, profit-sharing and other bonuses as well as fringe benefits in respect of existing employees, and are charged to profit and loss in the period in which they occurred.

A provision is raised for the expected costs of incentive bonuses where a legal or constructive obligation exists, an accurate estimate of the obligation can be made and the obligation is payable within twelve months after the end of the period in which the employees rendered the related services

A provision is raised for the expected cost of the obligation where the obligation is due to be settled within twelve months after the end of the period in which the employees rendered the related employee services. The provision is for both normal leave days and long-service leave days accumulated, converted to a rand value at year-end, based on the cash equivalent thereof. The required adjustment is recognised in profit or loss.

A provision is raised for normal thirteenth cheque bonuses accrued, as a pro rata payout is made where resignation occurs prior to the employee's normal elected date of payout.

Long-term

The distinction between short-term and other long-term employee benefits are based on the expected timing of settlement rather than the employee's entitlement to the benefits.

These include a leave provision in respect of existing employees where leave is not expected to be settled wholly within 12 months.

Termination benefits

Termination of service benefits are recognised as a liability and expensed where the business is committed to terminating the position prior to the employee's normal retirement, or where benefits are offered to encourage voluntary termination of service by redundant employees. However, only a contingent liability is disclosed where it is uncertain by whom the offer would be accepted.

2.9 Revenue recognition

Revenue includes income earned from the sale of goods, storage and handling fees, income from services rendered, commission income and in the case of finance and investment companies, finance and dividend income. Interest received as a result of credit extension is also stated as revenue but only to the extent that collection is reasonably assured. Revenue is measured at fair value of the consideration received or receivable, net of any discounts, rebates and related taxes. The Group assesses its revenue agreements in order to determine if it is acting as a principal or agent. Intragroup sales are eliminated.

Services rendered

Revenue from services provided is recognised by taking into account the stages of completion at reporting date and/or if results can be determined with reasonable accuracy. If revenue cannot be determined with reasonable accuracy, it is only recognised to the extent of recoverable expenses incurred.

Direct delivery transactions with regard to fuel, fertiliser, seed and other farming inputs are eliminated from revenue, since their nature is in line with agency principles rather than acting as principal. The underlying reason for the transactions is credit extension. Commission income is recognised on receipt of evidence that the goods or services have been delivered to the buyer.

Other commission is recognised as income as and when the service is rendered or, if applicable, in terms of the contract agreement,

Finance income

Interest income for all financial instruments measured at amortised cost and is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

Income from operating activities
Income from operating activities comprise of income received from the sale of own grain and sales of mechanisation goods and spare parts

Revenue from sales of goods is recognised when the material risks and rewards of ownership of the goods are transferred to the buyer and reasonable assurance exists that the economic benefits of the transaction will flow to the business.

Income from commodity trading
In grain selling transactions, price risk exposure with regard to purchases is hedged by selling on the futures exchange, Safex. Where the objective is hedging, rather than delivery to Safex, these transactions are eliminated from revenue.

For sale and repurchase agreements on an asset other than a financial asset the terms of the agreement need to be analysed to determine whether the seller has transferred the risk and rewards of ownership to the buyer and hence revenue is recognised. When the seller has retained the risk and rewards of ownership, even though the legal title has been transferred, the transaction is a financing agreement and does not give rise to revenue.

Dividends received
Dividends received from investments are recognised when the shareholders' right to receive payment is established.

2.10 Financial instruments

2.10.1 Financial assets:

Initial recognition and measurement
Financial assets within the scope of IAS 39 are classified as loans and receivables, available-for-sale or at fair value through profit and loss financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value, through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

2.10.1.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables and or trade and other receivables financed by a commercial financier in the statement of financial position. Loans and receivables are recognised initially at fair value plus transaction costs. The subsequent measurement is at amortised cost less impairment, using the effective interest rate method. Interest income determined by using the effective interest rate method is included in finance income in profit or loss.

2.10.1.2 Available-for-sale financial investments

Available-for-sale financial assets include equity investments and debt securities and are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the other categories.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs. Transaction costs are incremental costs, directly attributable to the purchase of the financial asset; in other words costs which would not have been incurred should the asset not have been purchased.

After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in other comprehensive income, until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in other comprehensive income is recognised in profit or loss.

Derecognition

Financial assets are derecognised when:

- The right to receive cash flow from investments expires, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained

2.10.2 Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

2.10.2.1 Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received, including directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Interest expense determined by using the effective interest rate method is included in finance cost in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting

Where a legal right to set-off assets and liabilities exists and where it is intended to settle the relevant assets and liabilities simultaneously or on a net basis, the amounts are set-off.

Financial instruments to which the Group is a party are disclosed in note 21.

2.10.2.2 Commodity finance loans

Finance is obtained from banks were inventory serves as security. Senwes can enter into two types of commodity finance transactions:

- *Non-executory contracts*

  A commodity finance loan is obtained on inventory where the delivery month on Safex is in the current month.

Commodity finance loans are initially recognised at the fair value of the inventory less location differential, including directly attributable transaction costs. After initial recognition, commodity finance loans are subsequently measured at amortised cost using the effective interest rate method. Interest expense is included in finance cost in profit or loss.

- *Executory contracts:*
  Commodity finance loan is obtain on inventory which delivery month on Safex is in future months.

Commodity finance loans is initially recognised at of the fair value of the inventory less location deferential, including directly attributable transaction costs. After initial recognition, commodity finance loans are subsequently measured at fair value taking in to account the movement in the commodity markets. The fair value movements is included in profit or loss. Interest expense is included in finance cost in profit or loss.

2.11 Derivative financial instruments

Derivative instruments are used by the Group in the management of business risks. They are initially recognised in the statement of financial position at cost (which is the fair value on that date) and are thereafter remeasured to fair value. The method of recognising the resultant profit or loss depends on the type of item being hedged. The Group allocates certain financial instruments as:

- A hedge of the exposure to changes in fair value of a recognised asset or liability or, an unrecognised firm commitment (fair value hedge); or
- A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

Changes in the fair value of derivative instruments which have been allocated, and which qualify as fair value hedges, that are highly effective, are accounted for in profit or loss together with any change in the fair value of the hedged asset or liability that is attributable to the hedged risk, and are therefore effectively set off against one another. Changes in the fair value of derivative instruments which have been allocated and qualify as cash flow hedges, that are also highly effective, are accounted for in other comprehensive income. The ineffective portion of a cash flow hedge is recognised immediately in profit and loss. If the forward transaction results in the recognition of an asset or a liability, the profit or loss that was deferred earlier to other comprehensive income, is transferred from other comprehensive income and included in the initial determination of the cost of the asset or liability. Otherwise, amounts deferred to other comprehensive income are transferred to profit or loss and classified as revenue or expenditure during the same period when the hedged fixed commitment or forward transaction has an influence on profit or loss.

Changes in the fair value of any derivative instrument that do not qualify for hedge accounting with reference to IAS 39, are immediately recognised in profit or loss. If the hedging instrument lapses or is sold, or if the hedge no longer meets the criteria for hedge accounting, any cumulative profit or loss that exists at that point in other comprehensive income, is retained in other comprehensive income and recognised when the forward transaction is finally recognised in profit or loss. If it is expected that the forward transaction will no longer realise, the reported cumulative profit or loss is immediately transferred to profit or loss.

From the inception of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as the risk management aim and strategy for entering into the hedging transaction. As part of this process, all derivative instruments are allocated as hedges to specific assets and liabilities or to specific fixed commitments or forward transactions. The Group also documents valuations, both at the outset and continuously, in order to determine whether the derivative instrument being used in hedging transactions, is indeed highly effective to set-off the changes in fair value or cash flows of the hedged items.

Commodity term contracts (futures)
The Group participates in various over-the-counter (OTC) future buying and selling contracts for the buying and selling of commodities. Although certain contracts are covered by the physical provision or delivery during normal business activities, OTC-contracts are regarded as a financial instrument. In terms of IAS 39, it is recorded at fair value, where the Group has a long history of net finalisation (either with the other party or to participate in other offsetting contracts).

2.12 Cash and short-term deposits

Included in cash and short-term deposits, which form an integral part of cash management, are cash on hand and bank overdraft balances. Bank overdraft balances are stated as current liabilities. For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash and short-term deposits as defined above, net of outstanding overdrafts.

2.13 Operating leases

Leases in respect of property, plant and equipment, where substantially all the risks and rewards attached to property rights to an asset are retained by the lessor, are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Future escalations in terms of the lease agreement are calculated and the average lease expenditure is recognised over the lease period in equal amounts, only if a fixed escalation rate has been agreed to contractually.

2.14 Impairment of assets

All categories of assets are assessed for impairment at each reporting date.

Financial assets
Financial assets held at amortised cost
Trade receivables
Trade receivables are stated at an expected realisable value; which is the original invoiced amount less any provisions created by way of impairments. An impairment provision will be calculated if there is proof that the Group will not be able to collect all amounts from the debtor, as set out in the original terms of payment. The amount of the provision is the difference between the carrying value and the recoverable amount, which is the present value of future cash flows (excluding future credit losses not yet exposed to), discounted against the financial asset's original effective rate of interest, as calculated at the initial recognition of the asset. Bad debts are written off in the year in which they occur or are identified.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. If a write-off is later recovered, the previously recognised impairment loss is increased or decreased by adjusting the allowance account.

Other accounts receivable
An assessment is made at each reporting date as to whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence for impairment includes observable data that comes to the attention of the Group in relation to the asset about the following loss events:

- significant financial difficulty of the issuer, or
- a breach of contract, such as a default in payment, or
- probability that the borrower will enter bankruptcy or other financial reorganisation, or
- disappearance of an active market for that financial asset because of financial difficulties, or
- indications that there is a measurable decrease in the estimated future cash flows from the Group of financial assets since the initial recognition of these assets.

The impairment is determined as the difference between the carrying amount and the recoverable amount. This is done on the basis of discounting the future cash flows to present value using the original effective interest rate. This rate is the rate of the financial debtor or group of debtors contracted.

Available-for-sale financial investments
For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or group of investments are impaired.

Non-financial assets
On each reporting date the Group considers whether there are any indications of impairment of an asset. If such an indication exists, the Group prepares an estimate of the recoverable amount of the asset. The recoverable amount of an asset or the cash generating unit, within which it and other assets operate, is the greater of the fair value less the cost of selling and the value in use of the asset. Where the carrying amount of an asset exceeds the recoverable amount, the impairment is determined and the carrying amount written off to the recoverable amount. Where the value

in use is determined, the expected future cash flow is discounted to their present value by using a pre-tax discounting rate reflecting the current market assessments of the time value of money and specific risks associated with the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publically traded companies or other available fair value indicators. Impairment losses of continuing operations are recognised in profit or loss.

If there is an indication that previously recognised impairment losses no longer exist or that they have decreased, an estimate is once again made of the recoverable amount of the asset in question excluding goodwill and if necessary, the impairment is written back to the statement of profit or loss. The write-back may not cause the carrying value to exceed the recoverable amount or the value it would have been if it was not previously impaired. After such a write-back, the depreciation expense in future periods is adjusted to apportion the adjusted carrying amount of the asset, less its residual value, systematically over the remaining useful life.

2.15 Provisions and contingent liabilities

Provisions

Provisions are liabilities of which the timing or amount is uncertain and can therefore be distinguished from other creditors. Provisions are only recognised if:

- a currently constructive or legal obligation exists due to a past event;
- an outflow of economic benefits is probable in order to meet the commitment; and
- a reliable estimate of the amount is made.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are disclosed in note 16.

Liabilities are current obligations arising from past events, which are expected to result in economic benefits flowing from the business, when met, and are accounted for directly after the occurrence of the event giving rise to the obligation. Liabilities form part of creditors in the statement of financial position.

Contingent liabilities

Contingent liabilities are potential obligations arising from past events, the existence of which will only be confirmed upon the occurrence or non-occurrence of one or more uncertain future events beyond the control of the business.

Contingent liabilities may also arise from a current obligation arising from past events but are not recognised because:

- it is improbable that an outflow of economic resources will occur; and/or
- the amount cannot be measured or estimated reliably.

Contingent liabilities are not recognised but are merely disclosed by way of a note in the financial statements. (See note 18.)

2.16 Non-current assets held-for-sale and discontinued operations

A discontinued operation is a component of an entity which has been sold or classified as held-for-sale and:

- represents a separate important business component or geographical area of activities;
- forms part of a single co-ordinated plan to sell a separate important business segment or geographical area of activities; or
- is a subsidiary acquired with the sole purpose of selling it.

An item is classified as held-for-sale if the carrying amount of such item will largely be recovered through a transaction of sale rather than through continued use. Non-current assets and disposal groups classified as held-for-sale are measured at the lower of their carrying value and fair value less cost to sell

In the statement of comprehensive income, the after tax profit or loss is reported separately from profit or loss from continuing operations. Property, plant and equipment, once classified as held-for-sale, are not depreciated.

2.17 Treasury shares

Own equity instruments that are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reporting amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of income and expenses, assets and liabilities within the next financial year, are discussed below.

3.1 Share-based payments

The Group measures the cost of cash settled transactions with certain employees by reference to the fair value at the grant date using an economic forecasting model. The terms and conditions upon which the instruments were granted are also taken into account. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is measured at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss. The assumptions used for estimating the fair value of share-based payment transactions are disclosed in note 13.1.

3.2 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The key assumptions used for estimating the fair value of financial instruments are disclosed in note 5 (Investment in Hinterland) and note 21.5, Fair value measurements.

3.3 Impairment of financial assets

A decision framework was implemented to establish whether a debt is classified as doubtful or bad. Debtors are stated at an expected realisable value; which is the original invoiced amount less any provisions created by way of impairments. An impairment provision will be calculated if there is proof that the Group will not be able to collect all amounts from the debtor, as set out in the original terms of payment. The amount of the provision is the difference between the carrying value and the recoverable amount, which is the current value of future cash flows (excluding future credit losses not yet exposed to), discounted against the financial asset's original effective rate of interest, as calculated at the recognition of the asset. Bad debts are written off in the year in which they occur or are identified. For the carrying value of impairment on financial assets refer to note 8, accounts receivable.

3.4 Inventory impairment provision

Inventory is valued at the lower of cost and net realisable values. A provision is raised against inventory according to the nature, condition and age and net realisable value of inventory. For the carrying value of provision for slow moving inventory refer to note 7.

3.5 Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the loss can be utilised. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of taxable future profits together with future tax planning strategies. For the carrying value of deferred tax refer to note 15.2.

3.6 Provision for non-compliance with pre-season grain contracts

The calculations are based on the following key assumptions:

- Default rate on current deliveries extrapolated to the total extrapolated;
- A fixed recovery rate on defaults; and
- Compensating financial instruments.

For the carrying value of non-compliance provision refer to note 16.

3.7 Useful life and residual value of property, plant and equipment

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate. This review takes into account the location, condition and nature of the asset.

3.8 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value in use. The fair value less cost to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to, or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Senwes

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