



CROOKES
BROTHERS
LIMITED

Integrated Report 2017

for the year ended 31 March

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ibc Corporate information

Scope of the report

The integrated annual report to stakeholders covers the performance of the operations of the Crookes Brothers Limited group, which includes subsidiaries, associate companies and joint ventures.

The financial reporting period is for the 12 months ended 31 March 2017. However, the long-term nature of the group's business and the intention of this report require reporting on operational and strategic activities and projects that fall beyond this period.

The aim of the report is to communicate to all stakeholders an overview of our operations in a format that is both comprehensive and clear. The full report, which includes the full company and consolidated annual financial statements, is available on our website at www.cbl.co.za.

In the period under review there were no major changes to the business that materially affect the comparability of the information provided in this report.

The King Code of Governance for South Africa 2009 (King III) and elements of King IV, as well as the Global Reporting Initiatives (GRI) G3 guidelines and certain elements of The International Integrated Reporting Framework, have guided the compilation of this report.

This report, together with the full report that includes consolidated annual financial statements, provide information in accordance with the following:

- the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS);
- the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee;
- Financial Pronouncements as issued by the Financial Reporting Standards Council;
- the requirements of the International Accounting Standards Board's IAS 34: Interim Financial Reporting;
- the requirements of the Companies Act of South Africa; and
- the JSE Listings Requirements.

The external auditors, Deloitte & Touche, have provided independent assurance in respect of the annual financial statements.

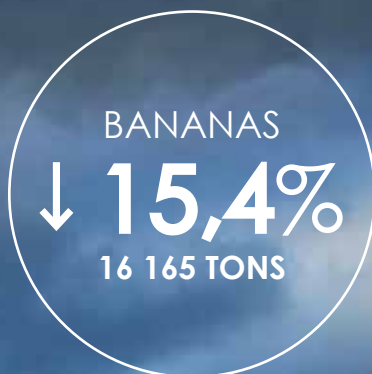
The board of directors acknowledges its responsibility to ensure the integrity of this report and, in the opinion of the board, it addresses all material issues and fairly presents the integrated performance of the organisation. The board has authorised the release of the integrated annual report for 2017.



Reflecting on the highlights of 2017

*Murrimo Macadamias LDA,
Mozambique*

PRODUCTION



FINANCIAL



Report of the board

The board is pleased to report on a successful 2017 financial year, with improved profitability and continued development on several strategic projects. These augur well for the 2019 financial year and beyond, although short-term prospects are negatively affected by the aftermath of the drought in Mpumalanga and ongoing uncertainty surrounding the extremely dry conditions prevailing in the Western Cape.



The good results are a reflection of effectiveness of our management and quality of our farms and infrastructure under extreme drought conditions, assisted by increased prices for bananas and sugar cane. Meaningful progress was made on our major projects during the year, with the first macadamia crop exceeding expectations, the bedding-down of the Mawecro JV, strong initial sales of housing units by the property division and the start of the banana project in southern Mozambique. These major projects are set to drive strong growth for the medium-term.

Global political uncertainty and volatile exchange rates also contributed to a difficult business environment. The uncertain operating environment validates the group's strategy of diversification into a range of countries, crops and markets to mitigate these risks.

Financial

During the year under review the group revenue increased by 22% over the prior year to R664 million, operating profit by 73% to R125 million and profit after tax by 92% to R96 million. Headline earnings per share, however, increased by a lesser 16% to R65 million, with earnings attributable to non-controlling interests of R31 million and dilution for the rights issue during the prior year. This was the first year that we have not received the full benefit of the proceeds from the leased Komati properties, following the inception of the Mawecro community partnership from April 2016 on this land. The results were also impacted by a change in the accounting standard relating to bio-assets which stripped R17 million from operating profit for the year.

The good results were driven by strong banana and sugar pricing arising from reduced production caused by the drought.

This was offset by sharply lower export deciduous profitability due to the firming of the Rand during the year and severe pressure in our African markets caused by economic weakness in the face of the commodity downturn.

As anticipated, the equity capital raised during the 2016 financial year has largely been applied in developing the major projects under implementation over the past year. At year end the group balance sheet reflects a small net cash deficit. In 2017/18 it is expected that the group will take on debt of some R180 million to progress these and other projects, in line with our long-term strategy. A large portion of the additional debt is backed by property pre-sales that substantially mitigate project development risk.

The board is pleased to report a final dividend of 115 cents per share, bringing the total dividend for the year to 165 cents, an increase of 10% over the previous year.

Strategy

The board remains committed to the strategy of expansion into the southern African region to exploit opportunities arising from increasing global food demand, notwithstanding the many uncertainties arising out of weaker economic growth in the region. Africa is host to 60% of the world's undeveloped agricultural land, making it a key player in meeting future global food requirements. We are confident that the group has the resources and expertise to play a meaningful role in agricultural development in the region, by taking a measured approach involving all relevant stakeholders.

While the immediate focus is on completing the major projects currently under implementation, we are constantly on the look-out for opportunities to complement our current portfolio. Several promising options are under review, but any future major expansion initiatives in the short-term will depend on our ability to raise additional finance for these ventures.

The group is committed to supporting the transformation of the agricultural industry based on sound economic fundamentals. To this end we have established three highly successful joint ventures with the community recipients of land claims, as well as a community joint venture for block manufacture to supply the Renishaw property development. We are currently looking at further options in this arena. We believe that a strong culture of integrity, excellence and caring gives the group a significant advantage in positioning itself as a preferred partner for such ventures.

In the year under review R28 million in lease fees and dividends were distributed to our community partners, comprising some 1 500 households.

We are extremely proud of our track record in these operations, which we believe are an essential component in the transformation of the agricultural sector. In the year under review R28 million in lease fees and dividends were distributed to our community partners, comprising some 1 500 households. In addition to the financial benefits accruing to our partners, these partnerships provide opportunities for extensive skills development and community upliftment. In the forthcoming year we plan to expand some of these existing partnerships and tackle new initiatives.



The macadamia operation in northern Mozambique made excellent progress during the year. The first small macadamia crop exceeded our expectations and industry norms.

Report of the board

continued

An accredited B-BBEE evaluation of the group was undertaken during the year, resulting in a level 5 accreditation. It should be noted that this was done under the original codes, while the next evaluation to be undertaken in September 2017 will be under the new codes which set much more stringent targets. To align our structures to the partnering and accreditation needs in our different geographies, the group's SA agricultural assets have been transferred to a separate subsidiary, Crookes Brothers South Africa (Pty) Ltd.

Operations

For the second successive year the drought affecting large parts of southern Africa was a key determinant of production in our various divisions. The group's Mpumalanga farms were the most severely affected, with the irrigation allowance reduced to below 20% for most of the period. The Swaziland, Zambia, KwaZulu-Natal, Mozambique and Cape operations were relatively unaffected in the year.

Nonetheless, yields on all our cane farms were better than expected. Credit must be given to the farm management for taking timely and appropriate actions to minimise the impact. These efforts were greatly assisted by the upgraded drip irrigation systems installed over the past few years, which both conserve water and improve irrigation effectiveness.

The impact of the drought on the banana plantations was exacerbated by several wind and hail storms, resulting in yields and quality below expectations. Fortunately the high prices compensated.

The deciduous operations in the Western Cape experienced an excellent 2017 production season. More than 80% of the water for these operations was drawn from our own dams, which have proved to be resilient under the drought conditions. Weak export prices took a severe toll on returns, however, driven as noted by a stronger Rand in the year and reduced consumer demand in Africa as a whole and particularly Nigeria as oil prices led commodity economies down.

While reasonable rains were received in the summer rainfall areas in 2016/17, resulting in much higher dam levels than at the same time last year, the situation remains precarious in Mpumalanga going into the new season, with irrigation restrictions still in force. Swaziland and Zambia are better positioned. The dire position in the Western Cape has been well publicised. If we do not have good winter rains in the 2017 calendar year to fill our dams on the deciduous farms, the impact on the 2018 crop will be serious.

As a result of the impact of the drought, significant areas of cane and bananas (nearly 20% of the total area under cultivation) in Mpumalanga will have to be replanted in the 2017/18 year. This will reduce production in the 2018 financial year, but should result in good yields and quality in the following year.

Project development

Property development

Following the final approvals for the Renishaw (near Scottburgh, KwaZulu-Natal) property development in March 2016, the group commenced construction of the 500 unit Renishaw Hills lifestyle estate in May. To date 56 of the 61 first and second phase units have been sold, with buyers due to take occupation from September 2017. We expect continued strong demand for future phases due to the outstanding quality of the product and competitive pricing.

Sales are recorded on transfer, and building of new phases commences only when sale agreements are signed with buyers of the great majority of units for that phase. The Renishaw Hills development should provide a solid contribution to group profitability for several years, with the major impact between 2019 and 2024.

Renishaw Hills is one of many commercial, light industrial, hospitality and residential projects targeted for the Renishaw estate masterplan. A total of 1 300 ha have been rezoned which includes 260 ha of developable land, of which Renishaw Hills comprises just 28 ha. It is planned to implement these profitable developments over the next two decades and beyond.

Several potential purchasers have been identified for other portions of land at Renishaw, some of which are subject to a land claim. The hearing of the claims has continued on-and-off since 2016. The process is proving to be frustrating and costly. While we are confident of our case, it is difficult to predict the eventual outcome in the current political climate.

Mozambique

The macadamia operation in northern Mozambique made excellent progress during the year. The first small macadamia crop (harvested after the year-end) exceeded our expectations and industry norms. We are engaged in discussion with potential partners to expand the operations to achieve better economies of scale in the remote region.

A start has been made with infrastructure development on the 300 ha Quinta Da Bela Vista Lda ("QBV") banana project in southern Mozambique where the group is in joint venture with Silverlands, but planting has had to be delayed due to the impact of the drought. The major dam supplying the project is currently only 28% full. The feasibility of the development should not be materially affected by the delay.

Irrigation projects

The continuous improvement programme, started several years back, which applies the latest technologies to improve yields, reduce costs and increase resource sustainability, has been a consistent success. To date some 2 000 ha of 6 000 ha of irrigated cane managed by the group has been converted to drip irrigation, with a further 500 ha planned to be converted during 2017/18. Conversion to drip not only improves yields but also reduces water consumption – the drip fields substantially outperformed other fields under the drought conditions of the past year.

Prospects

Prospects for the 2018 financial year remain uncertain in the face of the ongoing water crisis and price volatility. Deciduous fruit prices remain under pressure, but the short-supply of bananas in the local market continues to drive firm prices. A recent flood of imports has also reduced local sugar price expectations. The first property revenues will be recorded but material profits are not expected before 2019.

Agriculture and property development are long-term endeavours, however. With our new projects rapidly reaching the stage where they will make a substantial contribution to profits, as well as increasing production from the deciduous orchards, the board is confident that the group will meet its medium-term growth targets.

During the 2017/18 financial year, we look forward to concluding the restructuring of the business to meet our B-BBEE goals, and through Crookes Brothers SA to increase our contribution towards the transformation of the local agricultural sector.

Appreciation

We would like to thank fellow board members and management for their ongoing commitment in this exciting and demanding development phase of the company. We would also like to extend a special thank you to Anthony Hewat who retires from the board after 10 years of dedicated service, for eight of which he also served in the demanding role of Chairman of the Audit Committee. Anthony will be missed for his high level of professionalism and his astute insights into business issues.

About us

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*Mawecro community partnership,
Komatipoort*



The group

Crookes Brothers Limited is a South African company with agricultural operations in the KwaZulu-Natal, Mpumalanga and Western Cape provinces of South Africa, as well as in Swaziland, Zambia and Mozambique. We specialise in the production of primary agricultural products, including sugar cane, bananas, deciduous fruit and macadamias. The group has also recently embarked on a long-term property development project at Renishaw (Scottburgh, KZN), which will unlock value from what was otherwise sub-optimal agricultural land.

The group has a proud history dating back more than 150 years as a pioneer in the development of the South African sugar cane industry. Our long-term sustainability has been built on the values established by our founders of excellence (we do things right), integrity (we keep our promises) and respect (we care). We believe that these values are even more relevant today as we strive to play a meaningful role in creating an inclusive agricultural economy in southern Africa.

It is the group's established strategy to form strategic partnerships with like-minded companies able to add value to the group's operations, through the provision of specific expertise and generating economies of scale in the marketing of the group's products. We own minority shareholdings in and have long established relationships with the Two-A-Day group which packs, processes and markets our deciduous fruit, and Lebombo Growers which provides a similar service for our banana production. Both groups are leaders in their respective fields and subscribe to Crookes' values and ethos.

We have recently concluded a similar arrangement with Mayo Macadamias to process and market our macadamia crop, and look forward to cementing a similar mutually beneficial relationship with Mayo in years to come.

In recent years we have established several successful partnerships with communities and aspirant black farmers to manage leased farms in conjunction with these groups. These partnerships are described in detail under "Strategic Performance" on page 42. We are proud of the success of the partnerships which have become a major part of our South African business and make a vital contribution to transformation in the agricultural sector.

We plan to continue to build on our expertise and track record in expanding our farming operations in southern Africa, balancing commodity, currency and geographic exposure. We aim to use our cane assets as a base from which to continue to diversify into a range of high value crops offering exceptional market opportunities.





Our vision

It is our vision to become a major player in the southern African agricultural sector while remaining true to our founding values. To this end, we remain committed to uplifting the communities in which we operate and actively support efforts to transform the agricultural sector throughout the region.

Our values

We do things right

The group's commitment to excellence is reflected in the high standards maintained at all our operations. We adhere to best-practice industry norms and judiciously apply the latest technologies to optimise yields and quality, while conserving the environment and uplifting the communities in which we operate.

We keep our promises

The high standards of integrity established by the group's founders are ingrained in all our operations, processes and activities, as well as in our dealings with stakeholders. Our reputation for honesty, transparency and fairness is a key factor in positioning the group as a partner of choice in the industry, particularly in community ventures.

We care

We care for employees, the environment, the communities in which we operate and all our stakeholders. This approach is rewarded through the commitment, enthusiasm and loyalty of our employees. The group strives to provide a supportive working environment, to maintain healthy community and labour relations and to give each employee, at every level, an opportunity to achieve his or her full potential.



Our operating footprint

Crookes Brothers Limited is a South African company with agricultural operations in the **KwaZulu-Natal**, **Mpumalanga** and **Western Cape** provinces of South Africa, as well as in **Swaziland**, **Zambia** and **Mozambique**.

The group's head office is located at Mount Edgecombe, Durban.

The accompanying map indicates the extent and diversity of the group's operations.

ZAMBIA

Hagiar Kim Farm

- **Mazabuka**
- Sugar cane
- 440 ha

SWAZILAND

Crookes Plantations

- **Big Bend**
- Sugar cane
- 2 450 ha

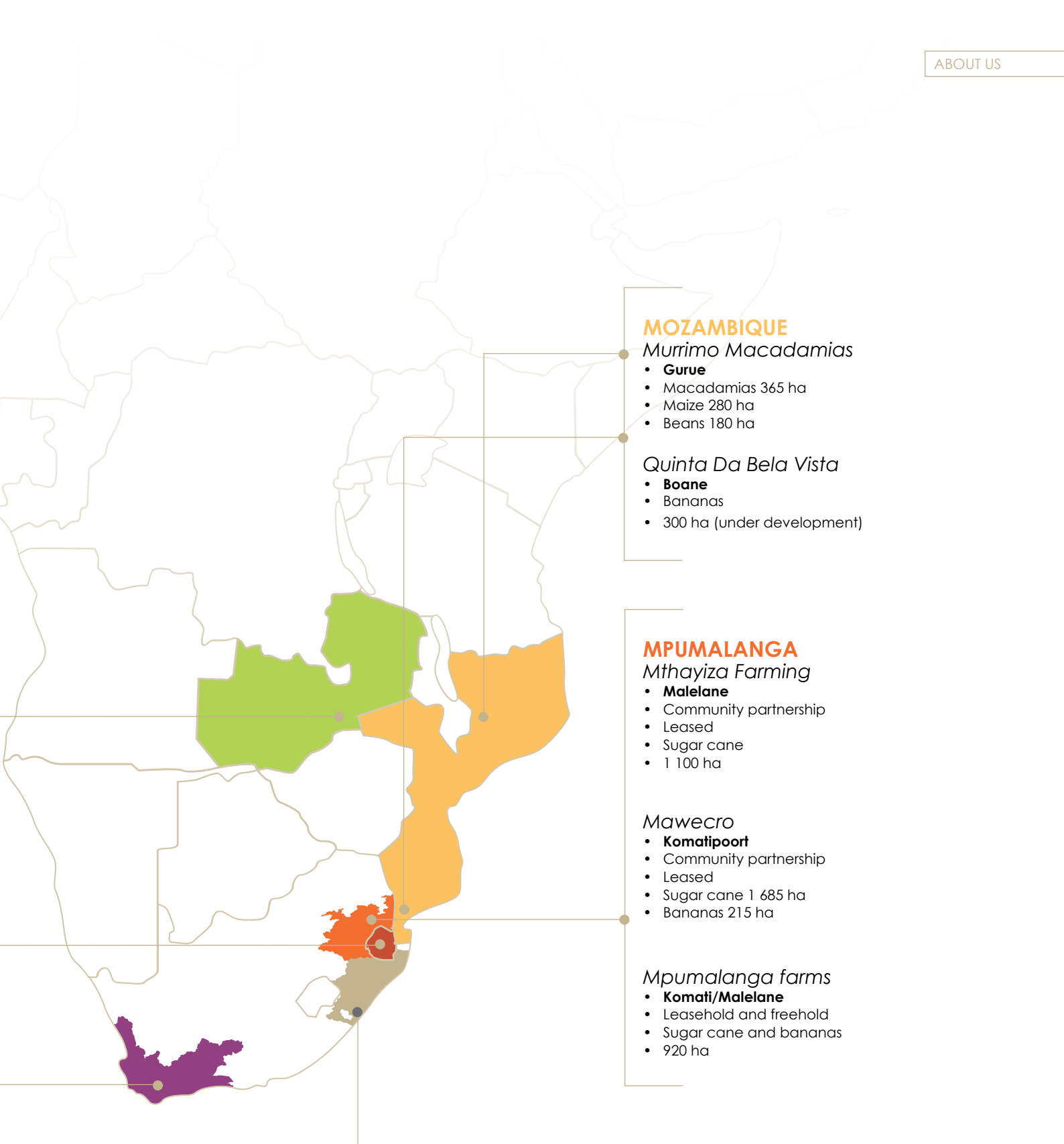
WESTERN CAPE

Ouwerf Estate

- **Elgin – Grabouw – Villiersdorp**
- Deciduous fruit
- 630 ha

Bellevue

- **Villiersdorp**
- Community partnership
- Deciduous fruit
- 45 ha



MOZAMBIQUE

Murrimo Macadamias

- **Gurue**
- Macadamias 365 ha
- Maize 280 ha
- Beans 180 ha

Quinta Da Bela Vista

- **Boane**
- Bananas
- 300 ha (under development)

MPUMALANGA

Mthayiza Farming

- **Malelane**
- Community partnership
- Leased
- Sugar cane
- 1 100 ha

Mawecro

- **Komatipoort**
- Community partnership
- Leased
- Sugar cane 1 685 ha
- Bananas 215 ha

Mpumalanga farms

- **Komati/Malelane**
- Leasehold and freehold
- Sugar cane and bananas
- 920 ha

KWAZULU-NATAL

Renishaw Property Developments

- **Scottburgh**
- Commercial, residential, industrial property development
- 266 ha developable

Mpambanyoni estate

- **Scottburgh**
- Sugar cane – dry land
- 740 ha

Riversbend estate

- **Nkwalini Valley**
- Leased to Tongaat Hulett Sugar
- Sugar cane
- 1 400 ha

Our board of directors



1 Anthony Hewat (57)
MA (Oxon), CA(SA)

Independent non-executive director
Audit committee chairman

Appointed to the board: October 2006

Anthony co-founded the Metier private equity and sustainability investing group and has extensive private equity investing, management consulting and financial accounting experience with Brait, Capital Partners, Gemini Consulting and Deloitte.

2 Guy Clarke (61)
MSc (Eng), MBA, Adv Tax Cert

Group managing director
Member of the risk and social and ethics committees

Appointed to the board: April 2006

Prior to his appointment as group managing director, Guy was a senior executive at the Industrial Development Corporation (IDC). During his time at the IDC he was extensively involved in project evaluation and implementation in the agricultural and food industries.

3 Richard Chance (60)
BA Lib, CSEP (Columbia)

Independent non-executive director
Member of remuneration, social and ethics and nominations committees

Appointed to the board: July 2015

Richard was a practicing attorney before joining SA Breweries, where he served in a number of executive positions over many years. Richard has consulted to a number of leading companies and is founder and executive director of Altor Africa (Pty) Limited, which is engaged primarily in animal and human nutrition in Sub-Saharan Africa.

4 Rodger Stewart (68)
BSc (Agric)

Independent non-executive director
Member of the audit, risk and social and ethics committees

Appointed to the board: May 2011

Rodger is a non-executive director of the Institute of Natural Resources. He is a previous chairman of the South African Cane Growers Association and of the South African Sugar Association. Rodger has been integrally involved in sugar cane operations and policy at a senior level for more than three decades.

5 John Barton (69)
FCMA, CGMA, AMP (Harvard)

Independent non-executive chairman
Nomination committee chairman

Member of the remuneration committee

Appointed to the board: May 2013

Appointed chairman: August 2014

John worked for the Anglo American group and subsidiary company Mondi where he was CEO and deputy chairman until 2007. He is a past president of the Durban Chamber of Commerce and was previously co-chairman of the KZN Growth Coalition. John is currently Chairman of Bell Equipment Limited and is a non-executive director at Foskor.



6 Malcolm Rutherford (55)
BCom, BAcc, CA(SA)

Independent non-executive director
Risk committee chairman
Member of the audit committee
Appointed to the board: May 2008

Trained at Deloitte and UAL Merchant Bank, Malcolm spent his working career as chief financial officer of Dimension Data. He currently runs his own private equity fund specialising in investment in the agricultural and food sectors.

7 Tim Crookes (40)
M Agric Mgt

Non-executive director
Member of risk committee
Appointed to the board: July 2015

Tim has significant personal farming interests as well as serving as Managing Director of Ellingham Estate. Tim was previously manager of the Banana Growers Association of South Africa and is currently a member of several SA Cane Growers structures, as well as serving as a grower nominee on Illovo's Sezela Mill management committee.

8 Phumla Mnganga (49)
BA, BEd, MBL, PhD

Independent non-executive director
Remuneration committee chairman
Social and ethics committee chairman
Member of the nominations committee
Appointed to the board: May 2011

Phumla is the founder and managing director of Lehumo Women's Investment Holdings, a women-owned investment holding company. Prior to this she spent most of her career working for the Tongaat Hulett Group and Deloitte.

Phumla is chairperson of the boards of the Tolcon Group and Gold Circle, and is a director of Spar. She is chairperson of the Siyazisiza Trust, established to benefit rural women, and served as chairperson of the University of KwaZulu-Natal Council from 2011 to 2015.

9 Tim Denton (55)

Non-executive director
Appointed to the board: November 2012

Tim is Head of Agricultural Research for Silverstreet Capital. He has extensive experience in the management of large commercial farms in Africa, including the development of green-field sites and out-grower schemes.

10 Gary Vaughan-Smith (53)
BSc, MPhil, FIA

Non-executive director
Member of the nominations committee
Appointed to the board: November 2012

Gary is chief investment officer of Silverstreet Capital, a London-based investment management business focused on the agricultural sector in Africa. He previously worked at Gartmore Investment and ABN AMRO, both based in London.

11 Greg Veale (52)
BCompt, BCom (Hons), CA(SA)

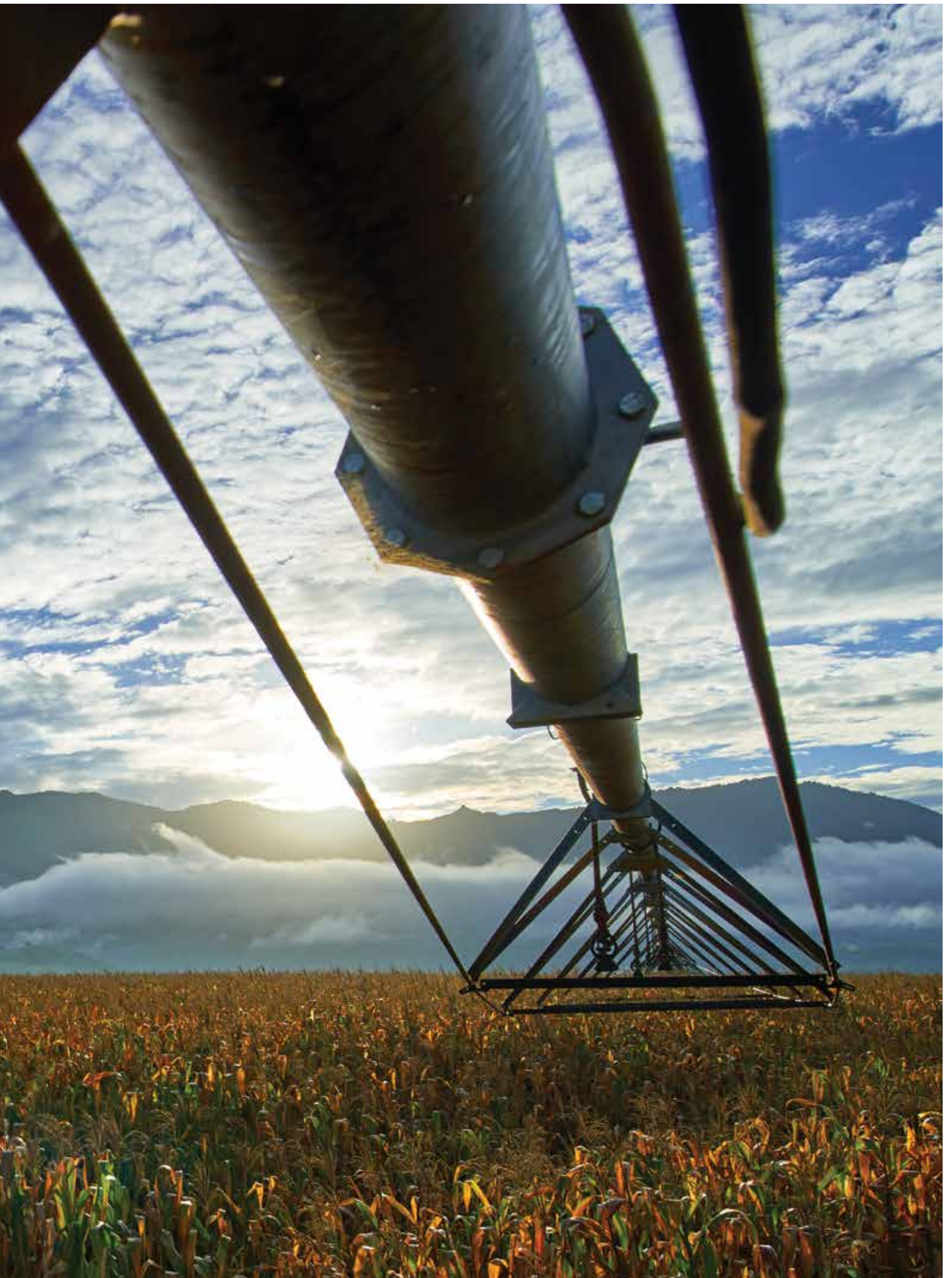
Group financial director
Member of risk and social and ethics committees
Joined the board: April 2016

Greg ran his own accounting practice prior to joining Nashua as financial director. He subsequently served as group financial executive at Africa Procurement Agencies (APA), a retail, wholesale and hospitality business trading throughout southern Africa. Greg joined Crookes Brothers in August 2015.

Our operating environment

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*Maize crop
Gurue, Mozambique*



Our operating environment

The environment in which the group operates has become increasingly volatile over the past year with political and economic uncertainty prevailing both locally and globally. The drought which has impacted agriculture and other economic activities in the southern African region over the past two years and uncertainty over climate change have contributed to the volatility.

Group position

The group's strategy is well adapted to mitigate these external risks by producing a range of crops in several countries and a variety of locations, thereby mitigating climate, market and political risk. **Our farms are mostly (95%) irrigated and well-supplied by regional and farm dams.** The change to drip irrigation on large parts of our farms has further reduced drought risk. By embracing transformation through our community partnerships and social contributions we mitigate political risks inherent in the drive for land restitution in South Africa and indigenisation in the rest of the region. The group's low financial gearing also puts it in a strong position to resist periodic external shocks.



Climate change

Climate change remains a key risk to agricultural production worldwide, although the effects on a micro-level appear still to be poorly defined. Nonetheless, extreme climatic events appear to be on the increase.

The widespread drought of the past two seasons had a marked effect on production and prices in the past year. While good summer rains fell in many parts of South Africa, dam levels in the Mpumalanga region are still well below capacity, with some indication of a looming El Niño next summer. Dams in the Western Cape are at critical levels following poor winter rains in 2016, and better rainfall is now urgently required if the region and our deciduous crop are to avoid a water crisis.



Political uncertainty

Brexit, the election of Donald Trump and the re-emergence of the right-wing as a political force in global politics have all had a profound, yet unpredictable, effect on the global power and economic balance. Locally, the volume of rhetoric around land restoration and radical economic transformation has reached unprecedented levels. While much of this can be ascribed to politicking, we believe that the land question in SA will not be resolved without more pro-active involvement by organised agriculture, and have taken steps to expedite the transformation of the group and increase our B-BBEE commitment in the short-term. **Already more than 50% (by value) of the farms managed by the group in SA are owned by communities and leased to joint ventures in which we partner successfully for mutual benefit.**



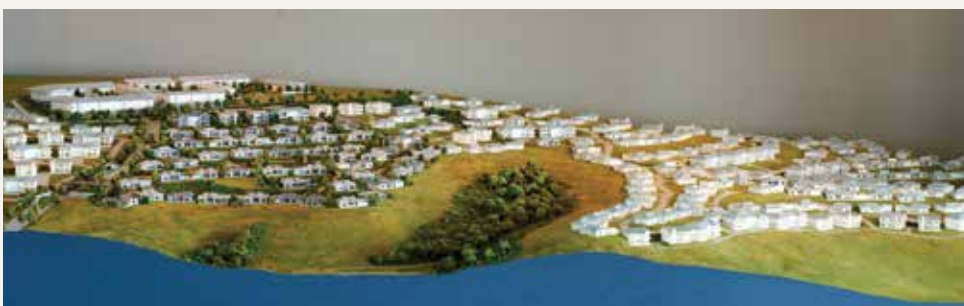
Markets

As we have experienced in the past, political and economic uncertainty serves to increase price volatility. The group is essentially a price taker in the markets in which it operates and both local and export prices are heavily dependent on relative exchange rates.

Property

The medium-term prospects of the group are also linked to the property market on the South Coast as well as demand for second homes and retirement property in KZN. The initial phases at Renishaw have sold quickly, despite the infrastructure not yet being visible to buyers, which gives the group a positive sense that there is strong demand particularly at unit price points below R2 million.

The number of successful developments in KZN and improving resale pricing on the North Coast and in the Howick region underpin our confidence in the mature lifestyle estate market for the medium-term, particularly where healthcare facilities are offered. Demand is expected to escalate if the hospital and school plans on the Renishaw property materialise, once the land claim uncertainty has been resolved. Likewise sales at Renishaw Hills itself should accelerate once the surfaced road, lighting, gatehouse and security infrastructure are completed and operational, and the first owners take occupation from September 2017.



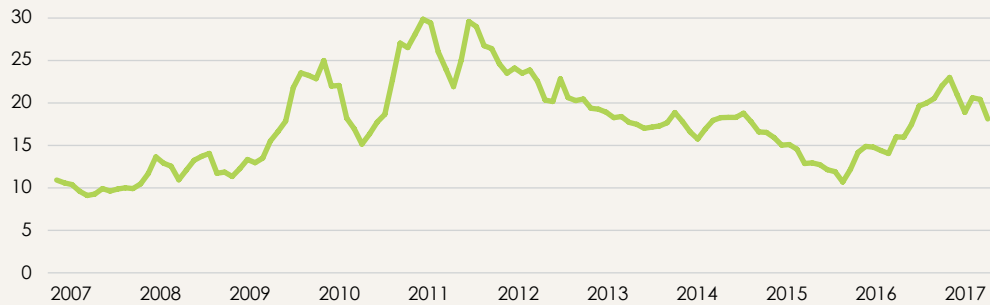
Our operating environment continued

Sugar

In the year under review the group benefited from a firm sugar price in the SA market, with exports reduced to a trickle as production volumes fell due to the drought. The sugar price was also assisted by the weak Rand at the start of the year. The high Zambian sugar price predicted never fully materialised as the Kwacha regained much of the ground it had lost against the US\$ during the year. The Swaziland sugar price benefited from the high SA price, but to a lesser extent, as nearly 50% of Swazi sugar is exported to global markets. The prices of sugar in the various regions in which the group operates are all, to a varying extent, dependant on the global sugar price and relative exchange rates. As shown in the graph below, the global sugar price has historically been highly volatile.

Since March 2017, the price of raw sugar (US no 11) increased from less than 15 US cents per pound to more than 22 cents, before retracing its steps back to around 15 cents currently. The general consensus is for a level of around 16 cents for the 2017 calendar year as global stocks start to increase again following last year's production deficit. Upward pressure could occur, however, due to a potential cut in subsidies by the Thailand government and lower production out of India due to a poor monsoon season.

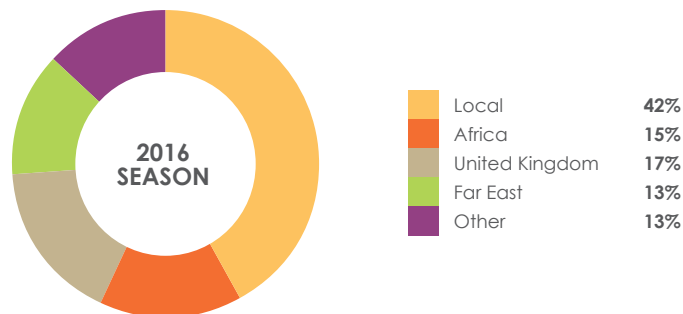
WORLD SUGAR PRICE (US cents per pound)



Deciduous fruit

Deciduous fruit prices have declined markedly since the highs in February 2016. The effect of Brexit on the relative value of the UK £, economic uncertainty in Europe and the impact of the decline in the oil price on African economies all put pressure on hard currency prices. The strengthening of the Rand over the period exacerbated the situation.

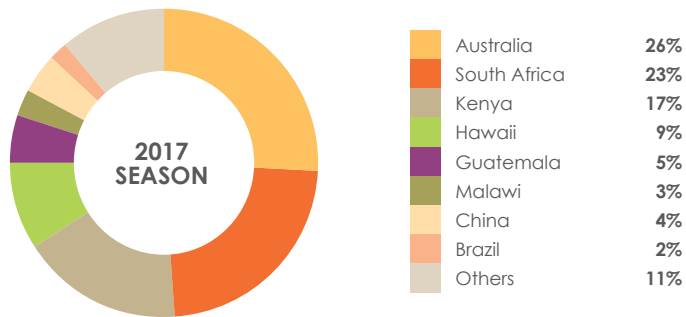
TWO-A-DAY VOLUMES BY DESTINATION



Macadamias

Macadamia prices remained buoyant as the drought limited SA production and Australia also experienced production difficulties. Prices could come under pressure as SA recovers from the drought due to the large-scale plantings coming into production.

ESTIMATED GLOBAL PRODUCTION OF MACADAMIAS*



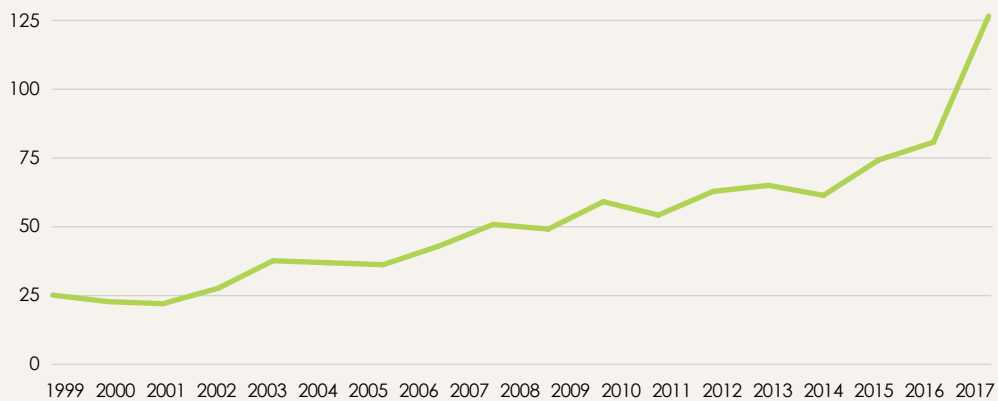
* Total global production 193 000 tons NIS

Bananas

During the year under review the group benefited from record banana prices in the local market due to the drought. These high prices have persisted into the new financial year as the water situation remains critical in southern Mozambique, affecting its supply to South Africa.

We expect prices to remain high in the short-term as significant areas in SA need to be replanted due to drought damage.

FIRST GRADE SOUTH AFRICAN BANANA PRICE (Rand per carton)



Engaging with our stakeholders

The directors appreciate that stakeholder relationship management is an essential element of strategy implementation supporting long-term sustainability objectives. The board has set up processes to regularly consider and address legitimate interests of stakeholders with the conviction that stakeholder perceptions affect the group's reputation and stakeholder support influences group performance.



Stakeholder management poses significant challenges due to the large number of diverse stakeholders, arising from the variety of products in diverse geographic locations. The board considers stakeholder management particularly important because of the impact of agriculture and property development on the daily lives of mainly rural communities in terms of job opportunities, water quality and availability, food security and land occupation. Because of this, government and quasi-government institutions tend to take a keen interest in the agricultural sector. In South Africa alone, the group deals on a regular basis with the Department of Agriculture, Department of Rural Development and Land Reform, the Land Claims Commission, the Department of Water Affairs and the Department of Labour, all at both regional and national level and with local municipal structures.

To address this challenge, both centrally and at regional level, the group has compiled a comprehensive stakeholder database and introduced a formalised planning and reporting structure. Stakeholder interaction is a management priority.

At regional or estate level, the general managers are responsible for the identification of stakeholders and the management of these stakeholders, including communication and relationships, the reporting process and most important, the continuity and follow up of matters arising from the interactions.

The group executive committee carries the responsibility for the facilitation and co-ordination of an integrated process. The group's internal audit team periodically evaluates the results and reports thereon to the risk committee.



Elandsrivier Primary School where CBL maintains sporting facilities and provides funding for a teacher

STAKEHOLDER GROUPING	OBJECTIVES	ENGAGEMENT PROCESS
Business partners	<ul style="list-style-type: none"> Consistent performance Efficient dispute resolution process Transparent and effective communication 	<ul style="list-style-type: none"> Participation on working groups Participation on boards of directors Regular management meetings Participation in management development workshops
Communities	<ul style="list-style-type: none"> Business opportunities Employment opportunities Social investment Demand for products 	<ul style="list-style-type: none"> Programmed meetings Strategy sessions with joint venture partners Community functions Community liaison officer
Customers	<ul style="list-style-type: none"> Understanding of requirements Establish sound relationships Build trust 	<ul style="list-style-type: none"> Formal interaction driven by line management Ad-hoc informal contact Attendance of industry events
Employees	<ul style="list-style-type: none"> Employer of choice Challenging and safe work Fair remuneration and benefits Sound inter-group relationships 	<ul style="list-style-type: none"> Formal and informal interaction on a daily basis by line management Quarterly newsletter Internal communication channels Attendance of workshops and functions
Government and regulators	<ul style="list-style-type: none"> Land restitution Regulatory compliance Participation in sector transformation Access government initiative 	<ul style="list-style-type: none"> Formal meetings Attendance of functions Participation in workshops
Shareholders and investor	<ul style="list-style-type: none"> Keep investors informed Increase liquidity Promote company 	<ul style="list-style-type: none"> Annual general meeting Integrated annual report SENS announcements and press releases
Suppliers	<ul style="list-style-type: none"> Quality products Reliable delivery Sustainability of relationship Value 	<ul style="list-style-type: none"> Meetings and roadshows Formal and informal interaction via line management Detailed briefs in terms of standards and specifications Periodic feedback on performance

Managing our risks and opportunities

The board recognises that the proactive engagement of risk is an essential aspect of the group's core business and is thus fully committed to and accountable for an effective risk management process that mitigates exposure to losses and enhances exposure to opportunities by identifying, understanding and managing risks in accordance with a defined risk management strategy.



A formal strategy document defines the group's risk management objectives, its risk management structure, and the roles and responsibilities of the board, the risk committee, a risk facilitator, management, the executive committee, the audit committee and internal audit.

In pursuance of risk management objectives, the board undertakes to:

- openly disclose, both internally and externally, the risk management process to ensure that stakeholders view the group as a transparent organisation;
- ensure the establishment of awareness and understanding of the risk management framework at the appropriate levels of the organisation;
- constantly identify, manage, monitor and report on risk; and
- hold management accountable for the effective management of those risks.

To ensure that the risk management process is effective, the board:

- executes the process under the governance of a risk management strategy, the key components of which are documented in the risk management strategy document;
- identifies risks through an objective driven process, which assesses the impact that risks would have on the achievement of the objectives of the organisation; and
- has a clearly defined responsibility structure.

Risk assessment workshops are held annually and risk management is a standing item on the quarterly executive committee meeting agenda.

The key strategic risks identified during workshops and meetings, together with current and planned actions to mitigate these risks, have been summarised in the table opposite.

The board appoints the risk committee to assist it in carrying out its responsibilities in relation to risk management, which relates to the facilitation, development, establishment and maintenance of an efficient and effective risk management process in the organisation.

Detailed on page 32 in the corporate governance section of this integrated annual report is the composition, proceedings and role of the risk committee.

Based on assurances obtained and information reported, it is the board's opinion that the systems and processes in place, as described above, have ensured effective risk management during the period under review.

Description of risk	Mitigating controls/actions
Climatic	
<ul style="list-style-type: none"> • Extreme weather conditions • Long-term changes in weather patterns 	<ul style="list-style-type: none"> • Geographic diversification • Product diversification • Portfolio of quality farms • Irrigation and dams • Asset insurance
Market	
<ul style="list-style-type: none"> • Volatility in agricultural and property markets • Prolonged market weakness • Exchange rate volatility 	<ul style="list-style-type: none"> • Skilled marketing partners • Market diversification • Balance of long- and short-term crops • Geographic diversification
Operational	
<ul style="list-style-type: none"> • Project delays and/or cost over-runs • Termination of lease agreements • Input cost pressures: wages, electricity, fuel and fertiliser 	<ul style="list-style-type: none"> • Evaluation and implementation skills • Rigorous project analysis • Added-value partnerships • Tried and tested systems • Limit greenfield projects • Proactive engagement with lessors and other stakeholders • Aim to be the "partner of choice" in community joint ventures • Geographic and product diversification • Budgetary control systems • Environmental management
Resource	
<ul style="list-style-type: none"> • Scarcity of quality land • Interruption of electricity supply • Disruption in water supply • Shortage of skills • Labour unrest 	<ul style="list-style-type: none"> • Geographic diversification • Best practice environmental management • Standby generators at key sites • Efficient water systems • Participation in irrigation management structures • Skills development programmes • Aim to be "employer of choice" • Maintain good labour relations
Regulatory	
<ul style="list-style-type: none"> • Legislative and regulatory compliance • Agricultural market controls • Legislative changes 	<ul style="list-style-type: none"> • Compliance monitoring through board committees • Engagement with legal and tax consultants • Market, product and geographic diversification • Proactive monitoring of planned changes
Financial	
<ul style="list-style-type: none"> • Fluctuations in exchange rates • Cash flow pressure 	<ul style="list-style-type: none"> • Geographic and market diversification • Regular monitoring of funding requirements, resources and facilities • Adequate facilities to manage working capital requirements • Proactive engagement with funding providers
Reputational	
<ul style="list-style-type: none"> • Negative incident with reputational consequence 	<ul style="list-style-type: none"> • Stakeholder management • Partnerships with local communities • Maintain culture of dignity and respect
Geo-political	
<ul style="list-style-type: none"> • Land restitution claims • Unstable political regimes • Unlawful occupation of farms 	<ul style="list-style-type: none"> • Settlement of valid claims • Proactive monitoring of proposed legislative changes • Geographic diversification • Relationship management • Stakeholder engagement • Sound corporate governance • Corporate social investment initiatives



Our strategy and how we lead

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- 30 Corporate governance review
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Vyboom in the spring



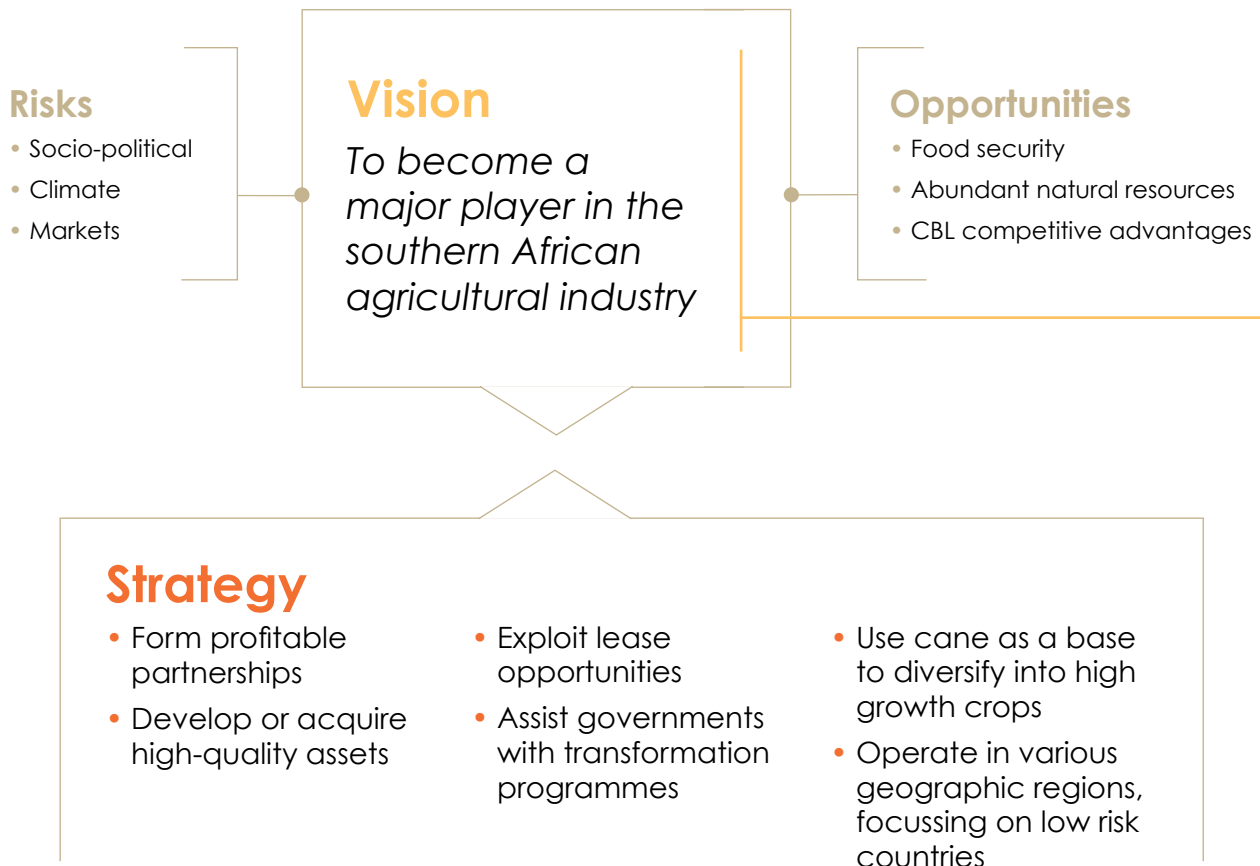
Our strategy

Global food security has been identified as a key challenge of the 21st century, with the nutritional demands of an increasing world population becoming more difficult to supply from finite natural resources, specifically water and land.

The demand for food is also driven by changes in dietary patterns in the rapidly expanding middle classes in China, India and Africa, and the often unpredictable impact of climate change on agricultural production. The recent drought in southern Africa brought this challenge into sharp focus with most countries in the region experiencing food shortages.

Sub-Saharan Africa is one of the few areas in the world that still offers abundant under-utilised land and water resources for a substantial expansion of agricultural production to meet global food security needs.

Crookes Brothers is well-positioned to capitalise on the many exciting opportunities in the region, exploiting its proven skills in project execution and reputation as a reliable partner and leader in transformation. We aim to lead the way in developing sustainable farm production in southern Africa, focusing on the more stable countries with established administrative and fiscal processes. Our property development initiative is another form of sustainably optimising value from the land and human resources under our stewardship.





Our goals

In setting our long-term financial goals we have considered the characteristics of the industry, market benchmarks, opportunities, resources and the expectations of stakeholders.

Our primary financial goal is to achieve long-term growth in headline earnings per share (HEPS) of 15% per annum.

This compares favourably with average long-term growth of JSE-listed companies. In evaluating the appropriateness of this target, it needs to be borne in mind that farming is an asset and labour intensive business, which limits opportunities for rapid growth. Farming is also a long-term endeavour, subject to climatic and market fluctuations.

A secondary financial goal is to achieve a return on equity of greater than 15% per annum as measured by headline earnings as a percentage of capital and reserves. This is considered aggressive for a farming operation, where single digit returns are the norm.

No less important are our transformational goals; to actively involve communities in our projects and generate a positive social impact, not only in South Africa, but also in the neighbouring countries in which we operate. This is vital for the long-term sustainability of agricultural development in the region.

We have invested more than R500 million over the past five years in new projects which will drive the group's growth in the medium-term. The current strategic thrust of the group is to complete the major projects in progress and develop the deciduous fruit operation to maturity. These projects include the macadamias in Mozambique, the Renishaw property development, the new banana project in southern Mozambique and the continuous improvement of mainly our cane operations by upgrading irrigation infrastructure.

Crookes Brothers is well-positioned to capitalise on the many exciting opportunities in the region, exploiting its proven skills in project execution and reputation as a reliable partner and leader in transformation.

Corporate governance review

Governance, ethics and compliance structures

While transitioning to the principles of King IV, the board of directors is fully committed to the principles of good corporate governance as set out in the King Report on Governance for South Africa 2009 (King III) and in the King Code of Governance Principles for South Africa 2009 (the Code). The group's stated policy is to conduct business in accordance with the principles of integrity, accountability, fairness and transparency.

The group has a written Code of Business Ethics and a set of Professional Management Practices with which all directors and employees are required to comply.

The board receives assurance on the group's compliance with applicable laws, regulations, codes and standards from reports of the chairmen of the board committees. These committees have a delegated duty to monitor the legislative and regulatory framework and the group's adherence to the applicable laws, regulations, codes and standards. Compliance is a regular item on the agenda of the board committees and management regularly submits a compliance evaluation report.

The board of directors has satisfied itself that the group has complied during the period under review in all material respects, with King III and the Code as well as the JSE Listings Requirements.

The group utilises the Governance Assessment Instrument (GAI) of the Institute of Directors (IODSA) in order to assess its level of compliance with the recommendations of the King Report. It has achieved an overall AAA rating (highest application level).

A compliance assessment scorecard, based on chapter 2 of the King Report, can be viewed on the Crookes Brothers website.

Assurance

King III introduced the combined assurance model, which proposes that assurance be affected on three levels, by management, internal assurance providers and external assurance providers.

In accordance with these principles:

- the first level of assurance is via management's quality assurance processes and self-audits, with the reporting line to executive management;
- the second level is through risk management, compliance functions and the safety, health and environmental management processes, with the reporting line to the agricultural managers' forum and the executive management committee; and
- the third level comprises internal audit, external audit, regulators, certification bodies and insurance assessors, with the reporting line to the board of directors via the audit committee, risk committee and social and ethics committee.

Board of directors

The group has a unitary board structure, which comprises a majority of non-executive directors, most of whom are independent. Brief biographical details of each of the directors are set out on pages 14 and 15 of this integrated annual report.

The responsibility for the functioning of the board and the executive responsibility for managing the business are separated and the chairman is an independent non-executive director.

The board's objective is to ensure responsible business leadership in a manner that balances the needs of all stakeholders. The board aims to retain full and effective control of the group and to give strategic direction to management.

The detailed responsibilities of the board are set out in a formal charter, which is updated from time to time to align it with corporate law and governance best practice. The group has adopted a written Directors' Code of Conduct, with which all directors are required to comply, as well as a formal document detailing the chairman's roles and responsibilities.

Appointments to the board are made after consideration of the recommendations of the nominations committee and are subject to confirmation by shareholders at the first annual general meeting after appointment.

Non-executive directors are subject to retirement and re-election by shareholders at intervals of no more than three years. Non-executive directors who have served three terms or more of three years each are subject to retirement and re-election annually.

The board regularly evaluates its own performance and that of its members through a formal process of detailed evaluation questionnaires, discussion of results and formulation of action plans at a board meeting, as well as individual engagement between the chairman and each board member. Board committees follow similar processes.

For the year under review, the board fulfilled its responsibilities in compliance with its charter.

Board committees

The board has established five committees to assist in discharging its responsibilities without in any way reducing its accountability.

The board formally delegates responsibilities to the audit committee, the risk committee, the remuneration committee, the nominations committee and the social and ethics committee.

Board-approved charters define terms of reference, reporting procedures and scope of authority for each board committee. The committees and the board review and update the charters annually to stay abreast of developments in corporate law and governance best practice.

Independent non-executive directors chair the board committees and membership of the committees is made up predominantly of non-executive directors. The chairmen of the board committees attend the annual general meeting in order to respond to shareholder queries.

The chairmen and members of the board committees are appointed annually at the first board meeting after the annual general meeting. Audit committee members are elected each year at the annual general meeting of shareholders.

Audit Committee

The audit committee is a statutory committee in terms of the Companies Act. The audit committee report, which includes details of its responsibilities and activities, is included in the annual financial statements on pages 72 and 73 of this report.

Membership

Director	Qualifications	Appointed
Anthony Hewat*	MA (Oxon) CA(SA)	November 2006
Malcolm Rutherford	BCom, BAcc CA(SA)	January 2009
Rodger Stewart	BSc (Agric)	July 2015

* Chairman

Anthony Hewat retires from the Board with effect from the annual general meeting at which it will be proposed that Malcolm Rutherford succeeds him as audit committee chairman.

Composition and proceedings

An independent non-executive director chairs the committee, which consists exclusively of independent non-executive directors. The group managing director, group financial director, group financial manager, chief audit executive and internal audit manager attend meetings by invitation but do not have a vote. In addition, representatives of the external auditors attend committee meetings to answer queries. The committee is required to meet at least twice a year.

Role

A formal charter, which details statutory and delegated duties, governs the committee's activities.

The function of the committee is to assist the directors in discharging their responsibilities relating to the safeguarding of assets, the operation of adequate and effective systems and control processes, the preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, and the oversight of the external and internal audit appointments and functions.

Remuneration Committee

Membership

Director	Qualifications	Designation	Appointed
Phumla Mnganga*	BA, BEd MBL, PhD	Independent non-executive	August 2014
John Barton	FCMA,CGMA AMP(Harvard)	Independent non-executive	August 2013
Richard Chance	BALLB, CSEP (Columbia)	Non-executive	February 2016

* Chairman

Composition and proceedings

An independent non-executive director chairs the committee, which consists exclusively of non-executive directors, the majority of whom are independent. The managing director attends the meetings by invitation, but does not participate in discussions regarding his own remuneration. The committee is required to meet at least once a year.

Role

The overall objective of the committee, which operates under formal terms of reference approved by the board, is to ensure that the company remunerates directors, executives and senior management fairly and responsibly.

The remuneration philosophy and practices are described in the group's remuneration policy, which is reproduced in full on pages 36 and 37 of this corporate governance report.

Nominations Committee

Membership

Director	Qualifications	Designation	Appointed
John Barton*	FCMA CGMA, AMP (Harvard)	Independent non-executive	August 2014
Phumla Mnganga	BA, BEd MBL, PhD	Independent non-executive	February 2014
Gary Vaughan-Smith	BSc, MPhil FIA	Non-executive	August 2013
Richard Chance	BALLB, CSEP (Columbia)	Non-executive	February 2016

* Chairman

Composition and proceedings

An independent non-executive director chairs this committee, which consists exclusively of non-executive directors, the majority of whom are independent. The managing director attends the meetings by invitation. The committee is required to meet at least once a year.

Role

The objective of the nominations committee is to ensure that the board has the appropriate composition to execute its duties effectively. It is mandated to review and make representations to the board on the structure, size and composition of the board and its committees. New appointments to the board are subject to the recommendations of this committee.

Risk Committee

Membership

Director	Qualifications	Designation	Appointed
Malcolm Rutherford*	BCom BAcc CA(SA)	Independent non-executive	April 2010
Rodger Stewart	BSc (Agric)	Independent non-executive	August 2011
Tim Crookes	M Agric Mgt	Non-executive	February 2016
Tim Denton		Non-executive	February 2016
Greg Veale	BCompt BCom (Hons) CA(SA)	Executive	February 2016
Guy Clarke	MSc (Eng) MBA, Adv Tax Cert	Executive	May 2010

* *Chairman*

Composition and proceedings

The committee consists of four non-executive directors, one of whom chairs the meetings, the group managing director and the group financial director. The group financial manager, group operations manager and group human resources manager attend meetings by invitation. The committee is required to meet at least twice a year.

Role

A charter governs the committee with a formal risk policy and strategy document guiding its responsibilities and activities. The primary objective of the committee is to assist the board and the audit committee to fulfil their corporate governance responsibilities relating to the management of risk in the group. Their role is to oversee the identification of risks, ensure the development of policies, procedures and controls, evaluate risk mitigation strategies, promote effective and efficient risk management practices and provide appropriate advice on risk issues to facilitate decision-making by the board.

There is an ongoing process for identifying, evaluating and managing the strategic risks faced by the group. These are subject to review and discussion at both risk committee and board meetings.

The risk management report, presented on pages 24 and 25, provides further detail regarding the risk management process.

Social and Ethics Committee

The social and ethics committee is a statutory committee in terms of the Companies Act.

Membership

Director	Qualifications	Designation	Appointed
Phumla Mnganga*	BA, BEd MBL, PhD	Independent non-executive	August 2011
Rodger Stewart	BSc (Agric)	Independent non-executive	August 2011
Richard Chance	BALLB, CSEP (Columbia)	Non-executive	February 2016
Guy Clarke	MSc (Eng), MBA Adv Tax Cert	Executive	August 2011
Greg Veale	Bcompt, BCom (Hons) CA(SA)	Executive	February 2016

* *Chairman*

Terms of reference

The social and ethics committee has adopted formal terms of reference in the form of a charter, approved by the board of directors.

Composition and proceedings

The committee consists of three non-executive directors, one of whom chairs the meetings, the group managing director and the group financial director. The group human resources manager, assistant financial manager and assistant human resources manager attend meetings by invitation. The committee is required to meet at least twice a year.

Primary objective and role

The primary objective of the committee is to assist the board to fulfil its corporate governance responsibilities relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relations, labour and employment.

The committee's role is to monitor the group's activities with regard to these issues, to draw matters within its mandate to the attention of the board and to report to shareholders at the annual general meeting.

Committee activities

During the period under review the committee, in line with its corporate governance responsibilities, reviewed the committee charter and annual work plan, conducted a self-assessment of the committee's performance, reviewed the appropriateness of the expertise and experience of committee members and updated the social and ethics committee resource pack. It also reviewed and updated the group's code of ethics and professional management practices documents.

The committee continues to monitor compliance with relevant legislation and regulations as well as with the group's code of ethics. In addition, the committee approved the group's corporate social responsibility policy and CSI budget, reviewed the employment equity report, reviewed the health and safety incident report, noted the group's talent management and employee development reports, and monitored the employee housing strategy plan.

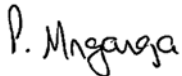
In the coming year the committee will continue to focus on ensuring further progress towards compliance with internationally recognised governance standards, as embodied in guidelines provided by the International Finance Corporation (IFC), the International Labour Organisation (ILO) and the Organisation for Economic Co-operation and Development (OECD).

Codes of best practice

The group is committed to the principles of integrity, accountability and transparency. The implementation of sound corporate governance practices has been an integral part of the group's business operations for many years. The board has continued to provide effective leadership based on an ethical foundation as articulated in the Code of Business Ethics.

Assurance

Based on the processes in place, assurances obtained and information reported it is our opinion that the social and ethics committee has executed its duties and responsibilities in accordance with the requirements of the Companies Act and its terms of reference.



Phumla Mnganga

Social and ethics committee chairman

Executive Committee

The executive directors, together with the senior executives responsible for finance, human resources and operations, constitute the core executive committee that meet weekly to discuss current relevant operational issues.

On a quarterly basis, the full executive management team meets to review operational performance, capital programmes, project progress and issues of strategic importance.

Company Secretary

The board has been assisted by a suitably qualified company secretary, Highway Corporate Services (Proprietary) Limited, whose competence and expertise are regularly assessed in accordance with the JSE Listings Requirements.

The company secretary maintains an arm's-length relationship with the board and its directors and is recognised as the gatekeeper of good governance. Directors have access to the advice and services of the company secretary who provides guidance on their responsibilities according to the prevailing regulatory and statutory environment and the manner in which such responsibilities should be discharged.

In March 2017, Crookes Brothers Limited employed Ziyanda Mkhwanazi, a qualified attorney, on a full-time basis to provide in-house secretarial services and act as the group legal and compliance officer. Ziyanda will be supported by Highway Corporate Services who will remain the appointed company secretary for the foreseeable future.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

		Board	Audit	Risk	Rem	Nom	S&E
Independent non-executive directors							
JR Barton	Chairman and Nomination committee chair	5/5			2/2	3/3	
JAF Hewat	Audit committee chair	5/5	2/2				
P Mnganga	Remuneration and Social and Ethics committee chair	4/5			1/2	2/3	1/2
MT Rutherford	Risk committee chair	5/5	2/2	2/2			
RGF Chance		5/5			2/2	3/3	2/2
RE Stewart		5/5	2/2	2/2			2/2
Non-executive directors							
TJ Crookes		5/5		2/2			
TK Denton		4/5		2/2			
G Vaughan-Smith		5/5			2/3		
Executive directors							
GS Clarke	Group managing director	5/5		2/2			2/2
GL Veale	Group financial director	5/5		2/2			2/2

JSE Sponsor

Sasfin Capital, a division of Sasfin Bank Limited, is mandated to act as the group's sponsor. Sasfin provides an annual audit programme checklist to assist compliance with the continuing obligations and other applicable rules and regulations imposed by the JSE Listings Requirements.

Information Technology (IT)

The board has assigned the responsibility of monitoring IT governance to the risk committee. Management has applied the recommendations of King III and is in the process of adopting King IV with regard to IT governance best practice.

Internal audit

A formal charter approved by the audit committee, defines the scope and responsibilities of internal audit. The annual internal audit plan, approved by the audit committee, is risk-based.

The department acts as an independent appraisal function, which conducts reviews of operations and management procedures. It reports findings and recommendations to management, the audit committee and the risk committee.

The head of internal audit reports administratively to the financial director and functionally to the chairman of the audit committee to whom he has unrestricted access.

Internal controls

The group maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to safeguard, verify and maintain accountability for its assets. Such controls and systems are based on established policies and procedures. These are implemented by trained personnel and are monitored, dependent upon the particular circumstances, through the:

- use by management of internal accounting control checklists;
- establishment of defalcation reporting procedures;
- functions of the internal audit department; and
- use of suitably qualified external assurance services to conduct independent quality reviews of the scope and approach of the group's internal audit function.

There are comprehensive management reporting disciplines in place, which include the preparation of annual budgets by all operating and service units. The board reviews and approves Individual and consolidated operational budgets.

Management structures report monthly results and the financial status of operating units against approved budgets and prior years. The board reviews profit projections and cash flow forecasts, which are updated quarterly.

Nothing has come to the attention of the directors to indicate any material breakdown in the functioning of internal controls and systems during the year under review.



Financial statements

The directors are responsible for the preparation and integrity of the annual financial statements and other information presented in the integrated annual report in a manner that fairly presents the state of affairs and results of the operations of the company and the group.

The annual financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the International Accounting Standards Board's IAS 34: Interim Financial Reporting, the requirements of the Companies Act, No 71 of South Africa and the JSE Listings Requirements.

The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing and reporting their findings thereon.

In the opinion of the directors, the group has adequate resources to continue in operational existence for the foreseeable future. Financial gearing, cash flows and access to equity and loan capital are considered to be sufficient to fund existing activities and any chosen opportunities to expand the business cost-effectively. For this reason, the directors continue to adopt the going-concern basis in preparing the annual financial statements.

Conflicts of interest

Directors are obliged to disclose their shareholdings, additional directorships and any potential conflicts of interest, direct or indirect, that may arise, at every board meeting. These are appropriately managed and recorded in a register and in the minutes of the meeting.

The group has a formal policy in place governing the dissemination of price-sensitive information. Only the chairman and the managing director may discuss matters which may involve price-sensitive information with third parties, within appropriately regulated confidentiality undertakings.

Directors and officers of the group who have access to unpublished and price-sensitive information are prohibited from dealing in shares of the company during restricted periods, covering those immediately prior to the announcement of the interim and final results, whilst the company is under a cautionary announcement, as well as at any other time the directors may deem it necessary.

Directors and the company secretary may not deal in the company's shares without advising the chairman in advance and after receiving clearance from him. Officers of the company may not deal in the company's shares without advising the managing director in advance and after receiving clearance from him. Share dealings by directors of the company are notified to the JSE for publication via the Stock Exchange News Services (SENS).

Access to information

The group complies with the requirements of the Promotion of Access to Information Act, 2000.

The relevant information is available on application from the group head office. No request for access to records was received during the year under review.



Remuneration report

Remuneration management

The objective of the group's remuneration management strategy is to employ the necessary skills for the group to achieve its strategic objectives and to base remuneration on personal and group performance in accordance with competitive market practices.

The application of the group's remuneration management practices ensures that performance management is an integral part of remuneration with the aim of attracting, retaining and motivating talented people and encouraging superior performance. It also forms an integral part of competing to be a preferred employer.

The board has delegated responsibility for oversight of the group's remuneration management policy and practices to the remuneration committee as indicated in the board committees section of the Corporate Governance report on page 31.

Remuneration policy

Preamble

As a listed agricultural company operating throughout southern Africa, the Crookes Brothers Limited remuneration policy needs to be consistent throughout the group, while at the same time taking account of regional and industry norms. This is achieved by offering a combination of fixed and incentive-based remuneration to attract the right mix of expertise and experience to achieve the group's objectives.

Objectives

The policy has the following key objectives:

- To support the group's strategic objective of becoming a major player in the southern African agricultural sector;
- To support the group's objective of becoming employer of choice in regions in which it operates;
- To attract and retain people with the right skills, expertise, experience and commitment to achieve the required growth and financial performance to realise the group's strategic objectives;
- To reflect the group's culture of equity and fairness, in correlating levels of remuneration with individuals' contribution, roles and responsibilities;
- To take account of scarce skills and regional variances in order to attract appropriate skills;
- To motivate employees and reward them for exceptional performance; and
- To enable employees to share in the financial success of the company.

Remuneration structure

The remuneration packages offered comprise the following elements, as appropriate for different job grades:

- Fixed remuneration, including base pay and benefits (all permanent staff);
- Short-term incentive, based on achievement of short-term financial and strategic objectives (Paterson bands C3 to F1); and
- Long-term incentive, comprising share options, based on achievement of long-term financial and strategic objectives, to reward senior executives for increasing returns to shareholders (Paterson D, E and F bands).

Fixed (guaranteed) remuneration

The following basic structure applies in terms of fixed remuneration:

- All permanent positions are defined by a job description and are allocated a Paterson grading according to the job description;
- Seasonal jobs (e.g. picking fruit and cutting cane) are remunerated purely on a task basis;
- Salary bands generally ranging from 80% to 120% of a median are defined for each Paterson grading;
- The salary bands are adjusted periodically using the results of appropriate external salary surveys;
- An employee's position within a salary band depends on his or her performance, skills, experience, commitment and years of service, as well as the scarcity of skills in the relevant job category;
- Remuneration for employees in the C band and above is defined as a "total-cost-to-company package";
- Annual increases are awarded to take account of the impact of inflation on the cost of living, and also to adjust employees' relative salaries within a salary band; and
- Apart from annual increases, increases are also granted for promotions when these occur, or as special adjustments to take account of the factors listed above.

Short-term incentive

Performance-based incentive pay is offered to employees ranked Paterson grade C3 and above.

Performance is evaluated annually at year-end and bonuses awarded accordingly. Bonuses are paid within three months of the year-end. Performance reviews performed for all qualifying employees ensure that problem areas are addressed, that a transparent process is maintained and appropriate development plans are put in place.

Performance is rated according to a balanced scorecard which takes into account individual, divisional and company performance, with a mix of subjective and objective measures, as well as each individual's achievement of specific objectives and personal development targets.

The performance ratings of employees ranked D3 and below are reviewed by the executive committee and those for executives by the remuneration committee of the board to ensure that the ratings are equitable and consistent.

A detailed performance bonus policy outlines the philosophy and process in detail. The policy is updated by the remuneration committee on a regular basis to meet the needs of the group and to maintain alignment with industry best practice.

Long-term incentive

The long-term incentive scheme is designed to retain key senior executives in the medium- to long-term, to focus their attention on long-term strategic imperatives and to ensure sustainable future growth of the group.

This scheme is governed by a detailed policy which is also updated as required by the remuneration committee. In terms of the scheme share options may be offered to senior executives on an annual basis. Eligibility criteria, the quantum of the allocations and the conditions governing each allocation are determined by the remuneration committee.

Governance

The board remuneration committee meets bi-annually to consider strategic and policy issues, review remuneration of non-executive directors, approve salary increases for executives and senior management, approve the performance bonus and approve the granting of share options.

The board, in consultation with the remuneration committee, may amend the remuneration policy from time to time to comply with applicable legislation and/or industry best practice, or as circumstances may require.

The remuneration committee comprises three non-executive directors and is chaired by an independent non-executive director. The managing director attends the meetings by invitation and assists the committee in its deliberations except when issues relating to his own remuneration or performance are discussed. No executive directors are involved in determining their own remuneration.

Non-executive directors' remuneration

The remuneration of non-executive directors, including that for participation on board committees, is reviewed annually in terms of market standards. Fees are recommended by the board and approved by the shareholders at annual general meetings.

Non-executive directors are compensated based on the responsibilities allocated to them and their overall contribution and input to the company, not just for attendance at meetings. On this basis, non-executive directors receive an annual fee, payable quarterly in arrears, for their services on the board and board committees.

There are no contractual arrangements for compensation for the loss of office for any directors. Non-executive directors do not receive short-term incentives nor do they participate in the company's long-term incentive scheme.

Over and above their remuneration as members of the board and its various committees, non-executive directors are compensated at market-related rates for undertaking consulting work for the company.

Performance bonus policy

All employees occupying positions grade Paterson C3 and above, qualify for a performance-based incentive bonus. The quantum of the maximum bonus ranges from 20% to 60% of total cost-to-company (TTC) remuneration package, based on grade.

The performance of each eligible employee is evaluated in terms of a "balanced scorecard". Objective production/profit targets constitute 40% of the scorecard, subjective competency targets constitute 40% and group strategic targets the remaining 20%.

The total bonus payable to each eligible employee is adjusted in accordance with a group profitability target, based on return on capital employed, set annually by the remuneration committee, the adjustment being in the ratio of achieved return to target return. No bonuses are paid if the achieved return is less than 70% of the target return, and a 30% bonus premium is paid if the achieved return is greater than 120% of target return, capped at 100% of the individual's TTC package.

The target for headline earnings for the 2017 financial year was R80 million and the achieved return was R64,9 million. The bonus adjustment ratio accordingly amounted to 81,1%.

The board has the discretion to amend or cancel the payment of the performance-based incentives to all or individual employees.

Remuneration report continued

Directors' fees and remuneration

Executive directors

Executive directors are remunerated in accordance with the remuneration policy and do not have rights to additional benefits which are not available to be awarded to other executive management.

	Salary R'000	Bonus R'000	Retirement and medical contributions R'000	Share options exercised R'000	Other benefits R'000	Total R'000
31 March 2017						
GS Clarke	2 742	1 117	529	–	180	4 568
G L Veale	1 671	592	393	–	96	2 752
Total	4 413	1 709	922	–	276	7 320
31 March 2016						
GS Clarke	2 281	938	415	–	180	3 814
PJ Barker	1 292	511	401	–	201	2 405
G L Veale	917	364	218	–	64	1 563
Total	4 490	1 813	1 034	–	445	7 782

Non-executive directors

Non-executive directors do not have employment contracts with the company and are paid for their services as both directors and board-appointed committee members and in accordance with the group's remuneration policy.

Fees for non-executive directors are recommended by the remuneration committee, endorsed by the board and approved by shareholders at the annual general meeting. Proposed fees for the period 1 April 2017 to 31 March 2018 in respect of directorship and membership of the board and the various board committees are detailed in the directors' report in the annual financial statements and in the notice of the annual general meeting.

For the period ended 31 March 2017, fees paid to non-executive directors totalled R2,571 million (2016: R2,033 million) as follows:

	Directors' fees 2017 R'000	Directors' fees 2016 R'000	Committee fees 2017 R'000	Committee fees 2016 R'000
JR Barton	430	405	44	38
CJH Chance*		40		5
JAF Hewat	187	160	132	114
P Mnganga	187	160	87	75
MT Rutherford	187	160	114	98
RE Stewart	187	160	122	91
G Vaughan-Smith	187	160	13	–
T Crookes	187	120	35	–
R Chance	187	120	63	8
T Denton	187	120	35	–
Total	1 926	1 605	645	428

* Resigned 29 May 2015

The Crookes Brothers Share Option Scheme

As approved at an annual general meeting of shareholders, a total of 900 000 ordinary shares is reserved and placed under the control of the directors for the purpose of the Crookes Brothers Share Option Scheme for employees. With only 94 000 reserved shares still available for issue, it is proposed to increase this amount by 300 000 to provide for future issues. A resolution will be presented at the annual general meeting to this effect for the approval of shareholders.

At the discretion of the board, share options are awarded for outstanding contributions to meeting the strategic objectives of the business. Options are exercisable at a price equal to the volume-weighted average price of a share on the JSE over the 20 trading days immediately prior to the day on which the option was granted. Options vest after stipulated periods over five years and are exercisable up to a maximum of ten years from the date of grant.

Options granted and unexpired as at 31 March 2017

Executive directors and prescribed officers	Options as at 31 March 2016	Options granted during the year	Weighted average option price (cents)	Options forfeited during the year	Options exercised during the year	Exercise price (cents)	Options as at 31 March 2017
GS Clarke	128 000	–	5 228	–	–	–	128 000
G Veale	25 000	12 000	5 644	–	–	–	37 000
Management	173 000	53 000	5 922	–	–	–	226 000
Total	326 000	65 000	5 669	–	–	–	391 000

Options available at 31 March 2017, for further grants

	Options
Number of shares	
Shares reserved for the share option scheme	900 000
Shares issued to the end of the financial year	(415 000)
Options granted and unexpired as shown above	(391 000)
Balance available	94 000



Our performance

- 42** Strategic performance
- 48** Operational performance
- 50** Financial performance
- 54** Performing sustainably
- 64** Our investment case

*Renishaw Hills
lifestyle development*



Strategic performance

Project development

Murrimo Macadamias

To date 360 ha of macadamias have been planted with a further 45 ha to follow in 2017/18. The first macadamia harvest completed in May 2017 yielded 53 tons (dry nut-in-shell) from three- and four-year-old trees, 30% above our expectations for the 2017 crop year. With firm macadamia prices on global markets, we expect revenue from macadamias, which will reflect in the 2018 financial results, also to substantially exceed initial expectations.

The annual crops (maize and beans) cultivated on 180 ha irrigated and 100 ha dryland fields are also showing great potential, following a good 2016 bean crop and excellent early yields from the 2017 maize crop, driven by improved planting/cultivation techniques and control of theft with improved security. It is planned to erect drying and storage facilities for the beans and maize in the upcoming year. This will allow the farm to store the crop to achieve higher off season prices. These crops have potential for expansion in this productive area, although local market demand has faltered recently as low gas prices and country risk factors affect the economy of northern Mozambique.

During the year the group acquired membership rights in Mayo Macadamias, which has processing, marketing and distribution facilities throughout South Africa's growing regions. We believe that the co-operative type structure of Mayo offers the group an attractive opportunity to participate in the downstream value chain.

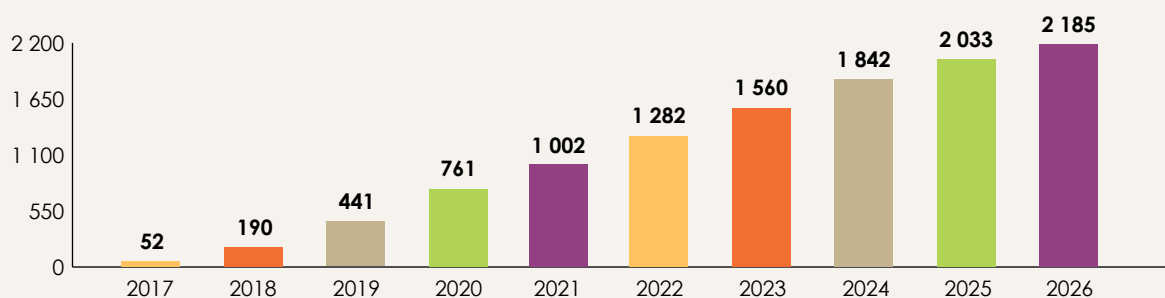
We are currently in discussions with potential partners to expand our operations in the Gurue area to capitalise on the infrastructure and expertise we have established.

First macadamia crop substantially exceeds yield expectations

Mozambique Bananas Quinta da Bela Vista ("QBV")

The 300 ha banana project which is being undertaken in a JV with Silverstreet Capital, located 70 km from the Komatipoort border, continues to be hampered by drought. The Piquinos Libombos Dam which supplies all the banana farms in the region was only 28% full at the end of March 2017. As a result we have delayed the planned start of planting from February 2017 to February 2018, and then only if sufficient rain is received to substantially increase the level of the dam. In the interim the project is continuing with infrastructure development on a limited basis. The delay in planting should not materially impact the viability of this high return project.

DRY-NUT-IN-SHELL ANNUAL YIELD FORECAST (tons)





Sale of 56 housing units in first two phases of Renishaw Hills lifestyle village

Start of implementation of Renishaw property development

Implementation of Mawecro community partnership with record profits

Renishaw Property Development

Of the total farm size of some 1 800 ha on the coast between Scottburgh and Umkomaas in KwaZulu-Natal, 1 308 ha has been approved for rezoning with 266 ha comprising developable land, the balance consisting of wetlands, coastal forest or areas too steep for development. Approximately 52 of the 266 ha is subject to a longstanding land claim, which we have contested and is currently being heard in the Land Claims Court.

This long-term project is made up of many different development zones. In April 2016 we started the development of the Renishaw Hills mature lifestyle village in the area around the group's previous head office. The 500 unit project is well underway with infrastructure and services expected to be complete in the first half of 2017. A total of 56 of 61 first and second phase units have been pre-sold, with buyers due to take transfer and occupation in the second part of the 2017 calendar year.

Sales are recorded on transfer and the building of a new phase only starts when the greater majority of the units in that phase have been pre-sold. With the first transfers only taking place from September 2017, the first substantial profits from the venture are only expected in the 2019 financial year.

Renishaw Hills takes up only 28 ha of the 266 ha developable land available, giving an indication of the total extent of the project. The balance of the land is earmarked for a combination of commercial, industrial and residential development.

A memorandum of understanding with the local KwaCele community provides for their potential participation in the development projects and the facilitation of local economic development. An agreement has been reached whereby emerging local businesses receive preference when appointing sub-contractors and a formal training programme for unemployed youths, under the auspices of the Construction Education and Training Authority (CETA), has been initiated.

Enterprise development

It is an established strategy of the group to participate in joint ventures with communities and other recipients of quality farmland through the land restitution process. Via the JV mechanism Crookes Brothers offers its expertise and administrative systems to optimise sustainable farm production to maximise the financial benefits accruing to the community. At the same time structured mentoring and training programmes are used to transfer skills to community members.

Typically a joint venture operating company is set up which is majority owned (51% to 55%) by a community property association (CPA) or trust, with CBL owning a minority shareholding. The JV company leases the farmland from the CPA or trust formed to own the land on behalf of the community. CBL provides management services and working capital finance to the JV. The JV is directed by a board on which both parties are equally represented.

Our success in these ventures is achieved by establishing a strong mutual trust with the communities and their leadership, through regular communication and by taking a strong and active interest in the community well-being. With land restitution gaining momentum, we believe that the group can make a substantial and increasing contribution to the government's transformation initiatives through participation in these JVs. During the year R31 million was distributed in lease fees and dividends to our community partners, which together represent some 1 500 households in the Mpumalanga region.

The first such joint venture was established with the Libuyile community near Malelane in

2009. Since then we have established four similar ventures and successfully exited one by transitioning to full control by the community. We have also set up a brick manufacturing operation with the community in Scottburgh to supply the Renishaw development. We have concluded a memorandum of understanding the KwaCele community near Scottburgh for them to participate in the Renishaw development and are working with Two-a-Day to increase our partnering footprint in the Western Cape.

Two of the larger JVs are described in more detail in the following pages.



Members of the Mawecro Farm board



Members of the Mithayiza Farm board and trustees



The Belleview community partnership where 13 previously employed Crookes Brothers employees own 55% of the enterprise





Mawecro Farming

In the middle of 2015 approximately 1 900 ha of cultivated land on the Komati Estate leased by the group from the Department of Rural Development and Land Reform was transferred to the Mawewe community. Although the CBL lease still had four years to run, it was decided to convert the balance of the group's rights into a 20-year joint venture to lease and operate the land with the community effective from 1 April 2016.

It is anticipated that the balance of the Komati Estate still leased from government, comprising some 600 ha under cultivation, will be transferred to the community in the coming year and also be included in the JV structure. The venture has good potential for expansion including an additional 80 ha under cane to be developed in the forthcoming year. Over the past 12 months, a good relationship has been established with the community leadership, essential for the sustained success of such ventures. The operating company recorded exceptional profits in the first year of operation and in addition to the substantial annual lease fee, was able to pay its first dividend. We will continue to seek expansion opportunities in this partnering arrangement, also capitalising on and supporting preferential funding available to structures of this nature.

Mthayiza Farming

The Mthayiza community partnering arrangement was established in 2009 when the Libuyile community acquired 600 ha of run down cane farms near Malelane. Since then we have replanted 400 ha of the original farms and planted an additional 200 ha. With a further 1 300 ha farm acquired by the community, the area under cane now totals 1 100 ha. In the process we have built up a close relationship with the community and continue to seek further opportunities for expansion.

Project CapEx budget

The planned project CapEx for the 2018 financial year is shown in the table below:

Project and working capital

2018 BUDGET	R'm
Renishaw Hills	
Completion phase 2, start phase 3	110
QBV bananas	
Infrastructure development, planting	18
Murrimo macadamias	
Expansion, new planting, silos	48
Mawecro	
New 80 ha cane development	5
Continuous improvement irrigation upgrades:	
Swaziland	8
Mawecro	6
Mthayiza	7
Zambia	2
Total	204

Operational performance

Sugar Cane

For the second year in a row all the group's cane estates were affected by severe drought conditions. Although the yields were depressed, mostly these exceeded our expectations. The table below reflects the decline in yields over the past three years due to drought. As can be seen, Renishaw was largely unaffected in 2016/17 but remains a marginal farming operation. The impact in Swaziland and Zambia was limited, but the Mpumalanga region came under severe pressure.

Yield by financial year			
Estate	2015 t/ha	2016 t/ha	2017 t/ha
Swaziland	102	96	101
Komati	118	109	74
Mthayiza	102	92	69
Malelane	107	102	100
Mawecro	118	109	91
Zambia	125	116	115
Renishaw	54	48	57
Average	104	96	89

In order to optimise the use of water we had to abandon many weaker and older fields, which will have to be replanted in 2017/18. A positive side effect is that this has given us an opportunity to clear out under-performing areas and accelerate the upgrading to drip irrigation. The table below shows the areas scheduled to be replanted on each estate in the coming year. In normal years we would expect to replant only 10% to 12% but the year ahead will be closer to 15%. Unfortunately production in the 2018 financial year will thus be impacted by the reduced area to be harvested.

Estate	Farm size (ha) ¹	Area to be replanted in 2018 (ha)	Area under drip ² (ha)
Swaziland	2 454	279	776
Komati	424	158	221
Mthayiza	1 098	183	428
Malelane	318	19	199
Mawecro	1 636	270	504
Zambia	438	52	91
Renishaw	699	67	-
Total	7 067	1 028	2 219

¹ Area under cultivation

² Post-2018 replanting

As reflected in the table above, we will have 2 219 ha out of a total of 6 368 ha irrigated (35%) under drip irrigation. The drip irrigation produces better yields with lower water consumption and hence lower electricity costs. The drip fields performed significantly better than other forms of irrigation under drought conditions in 2017 as shown in the table below.

Estate	Area drip (ha)	Area other (ha)	Yield drip (t/ha)	Yield other (t/ha)
Swaziland	580	1 875	118	99
Komati	73	359	111	88
Mthayiza	285	814	88	62
Malelane	199	124	118	72
Mawecro	504	1 124	114	78
Zambia	37	401	162	110
Total	1 678	4 697	113	87

The 2017/18 season is likely to be difficult in the aftermath of the drought. While dam levels have recovered somewhat from the low levels at same time last year, these are still well below capacity. The levels of the major dams supplying our cane and banana farms are shown in the table below.

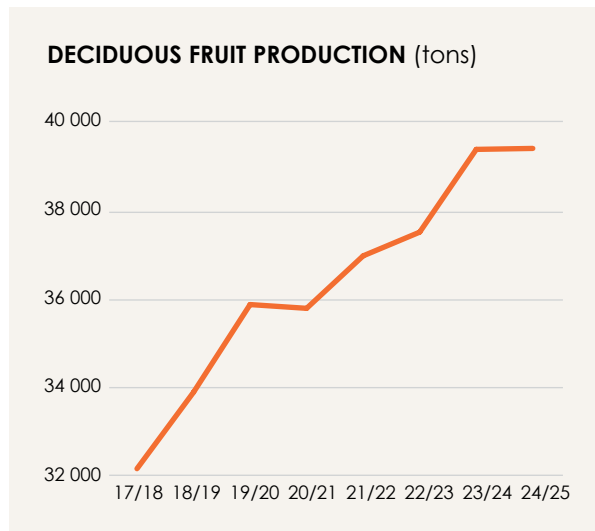
Estate	Dam	Level March 2016	Level March 2017
Swaziland	Lubovane	70,0%	90,1%
Komati	Maguga	31,1%	81,1%
Mawecro	Driekoppies	44,7%	47,0%
Malelane Mthayiza	Kwena	49,6%	68,5%
QBV bananas	Piquinos Libombos	36,0%	28,2%

Deciduous

The deciduous division achieved excellent production levels in both the 2016 and recently completed 2017 seasons. However, by the end of summer the farm dams from which we get most of our water as well as the regional Theewaterskloof Dam were at critically low levels, as shown below. The prognosis for the entire industry is dire unless good winter rains occur in the winter of 2017.

Dam	Size (mm ³)	Level March 2017
Theewaterskloof	479,3	21,7%
Ouwerf	0,97	17,1%
Vyeboom	0,69	17,0%
High Noon	1,10	12,0%

The large scale replanting programme undertaken over the past five years is starting to deliver improved quality from newer and better varieties and steadily increasing production. However, as depicted in the graph below, the farms are still some way from planned peak production and profitability will remain under pressure in the short-term if prices remain at current low levels.



Bananas

Banana production in the past season was also significantly affected by the drought, as well as by several severe wind and hail storms which swept through the plantations. Fortunately the high prices more than compensated and the banana division achieved record profits in the year under review.

With the improved dam levels compared to last year, we expect better production in the 2018 financial year, but it will still be some way off normal levels. Prices are likely to remain at high levels, with SA producers suffering from the aftermath of the drought and the Libombos Dam supplying Mozambican producers still at a very low level. This has necessitated a delay in our new planting plans for the QBV joint venture in the area.



Financial performance

Comments on results

Revenue from continuing operations increased by 22% to R664 million (2016: R543 million), with the major contributions from the sugar and bananas segments, driven mainly by high selling prices due to supply constraints caused by the drought. In contrast, the deciduous operation suffered from a substantial decline in prices driven by Rand strength as well as the effects of a slump in oil and other commodity prices impacting our African markets.

Operating profit increased by 73% to R125 million (2016: R72 million), despite a R10 million operating loss recorded in our deciduous fruit segment. Headline earnings per share increased by 15,9% to 424,1 cents (2016: 366,0 cents).

Cash generated from operations increased by 5% to R102 million (2016: R97 million).

Community partnerships

A feature of our results is the substantial increase in profit attributable to non-controlling interests of R31,3 million (2016: R1,1 million), consisting of our community partners' share of profit. As of 1 April 2016, CBL converted its rights to the balance of a lease over a major portion of the 2 500 ha Komati Estate to a 20-year partnering arrangement with the Mawewe community.

The long-term benefits are significant and this arrangement is in line with the group's empowerment and sustainability objectives. We are currently negotiating a similar arrangement for the rest of the Komati farm.

Unproductive assets

It is important to note the value of non-producing assets currently reflected on the group's balance sheet is approximately R407 million. These assets are in a development phase and will come into production in the next few years.

These projects are on track to realise close to or above originally planned return profiles and underpin the group's confidence that performance from 2019 should be substantially ahead of the 2017 and 2018 levels, all else being equal. These unproductive assets are:

Project	Current value on group balance sheet (R'm)	Expected normal production date
Macadamia Mozambique	250	2023
Bananas Mozambique	30	2017
Renishaw property development	100	2019
Deciduous replant	27	2019
	407	

It should be noted that our planned project and capital expenditure for the next 12 months amounts to R226 million. This spend will be funded by our current overdraft facilities and term loans. Cash generated from our non-producing assets are planned to rapidly reduce our net debt levels as they come into production.

Functional currency

An assessment was done in our macadamia and banana operations in Mozambique, and it was concluded that the functional currency for both these projects was Rand. This best reflects the operating reality and eliminates the effect of meticals volatility on earnings.

Change in Bearer Biological Asset Standard to Property Plant and Equipment – IAS 16

Retrospectively with effect from 1 April 2015, CBL adopted the accounting standard change in respect of bearer biological assets. Bearer assets are now classified under property, plant and equipment at cost, with no subsequent revaluations, and are depreciated over the useful life of the crop. The impact of the change on current and prior year operating profit is a reduction of R17 million and R15 million in 2017 and 2016 respectively.

Details on the restatement are shown in the consolidated annual financial statements

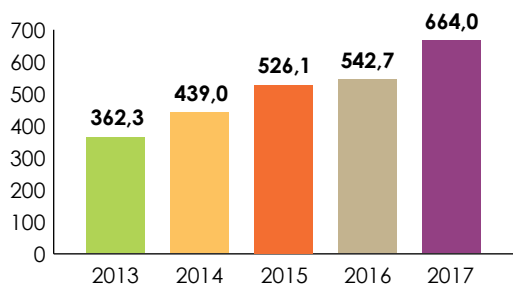
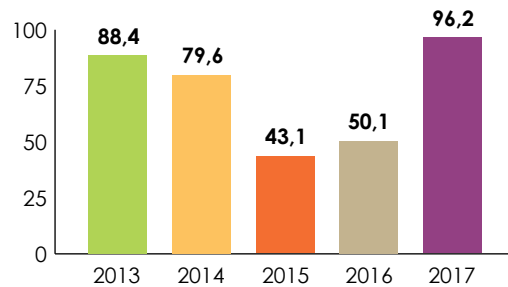
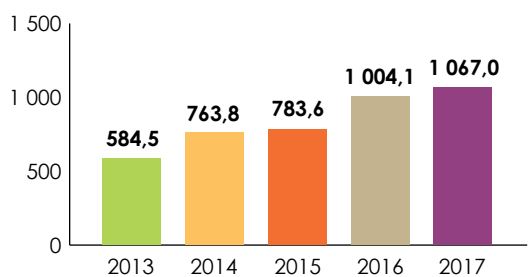
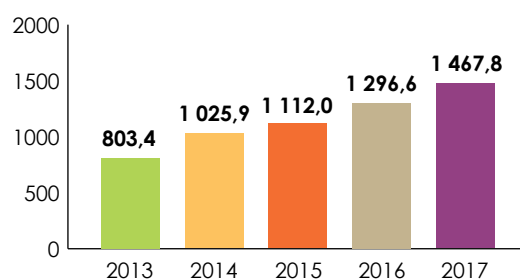
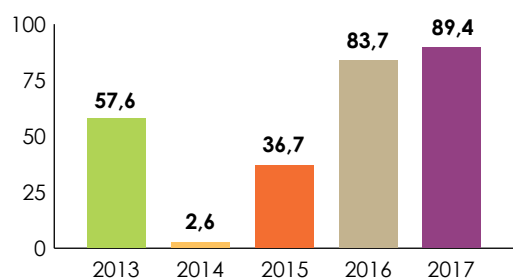
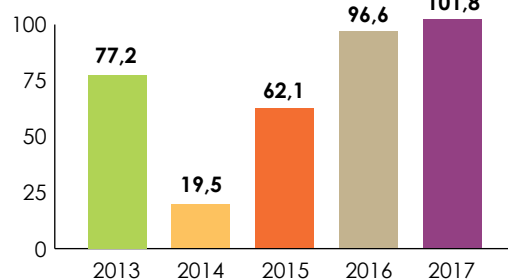
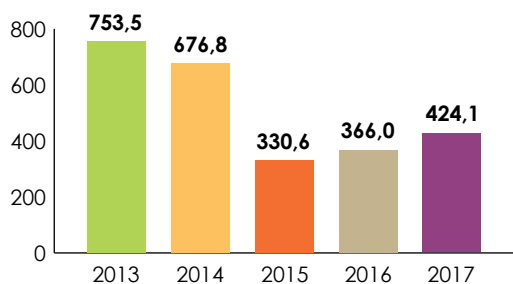
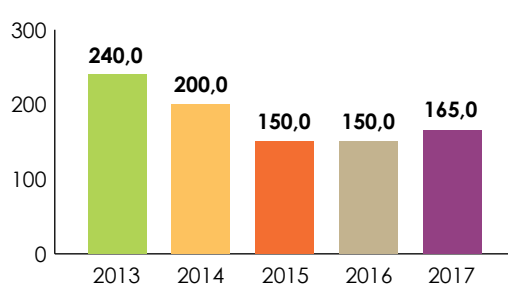
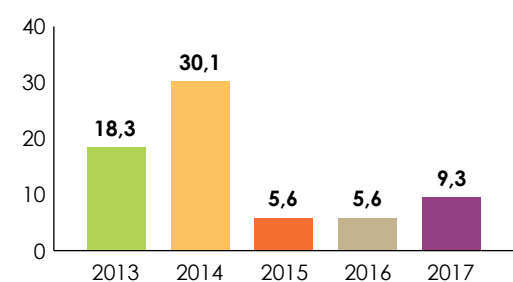
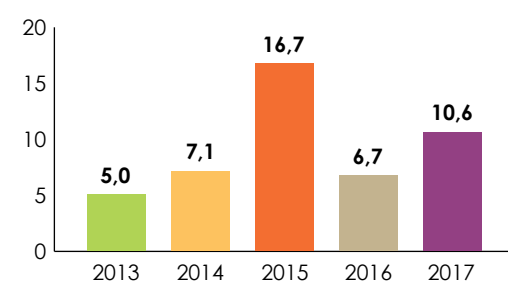
Prospects

The next 12 months will be challenging as we recover from the effects of the drought, particularly in our cane segment in Mpumalanga. Our deciduous division continues to be exposed to water risk due to the severe ongoing drought in the Western Cape.

The performance of the deciduous division in 2018 will depend on rainfall in the current winter months.

With deciduous fruit orchards approaching maturity, an excellent first harvest from the macadamia project and the start of the Renishaw property development during the financial year under review, the group's medium-term prospects are promising.

We are confident that our financial goals of achieving long-term headline earnings growth of 15% per annum and a return in equity of 15% are attainable with the maturing of our non-producing assets.

REVENUE (Rm)**PROFIT (Rm)****CAPITAL AND RESERVES (Rm)****ASSETS (Rm)****OPERATING CASH FLOW (Rm)****CASH GENERATED FROM OPERATIONS (Rm)****HEPS (cents)****DISTRIBUTIONS PER SHARE (cents)****RETURN ON SHAREHOLDER FUNDS (%)****FINANCIAL GEARING RATIO (%)**

Financial performance continued

Five year financial review	2017 R'000	2016* R'000	2015 R'000	2014 R'000	2013 R'000
Consolidated statement of comprehensive income					
Revenue	663 951	542 712	526 087	439 019	362 348
Operating profit from continuing operations	125 154	72 212	61 109	90 765	85 843
Share of profit of associate companies	2 105	3 549	655	1 121	158
Investment income	97	109	166	78	1 532
Interest received	8 958	3 847	3 045	4 426	33 739
Finance costs	(5 453)	(8 026)	(7 316)	(4 538)	(2 183)
Capital items	–	–	251	7 430	–
Profit before tax	130 861	71 691	57 910	99 282	119 089
Taxation	(34 655)	(21 638)	(14 774)	(19 692)	(30 726)
Profit for the year from continuing operations	96 206	50 053	43 136	79 590	88 363
Profit for the year from continuing operations	96 206	50 053	43 136	79 590	88 363
Operating profit for the year from discontinued operations	–	–	–	8 793	5 550
Capital profit for the year from discontinued operations	–	–	–	114 314	–
Profit for the year	96 206	50 053	43 136	202 697	93 913
Other comprehensive profit/(loss)					
Remeasurement of post employment benefits	251	1 658	1 086	5 977	418
Investment revaluation	(46)	128	(189)	(5 378)	2 821
Exchange differences on translating foreign operations	1 551	(28 040)	(2 121)	(257)	8 776
Other comprehensive profit/(loss) for the year	1 756	(26 254)	(1 224)	342	12 015
Total comprehensive income for the year	97 962	23 799	41 912	203 039	105 928
Headline earnings	64 734	48 774	41 531	84 603	93 327
Consolidated statement of financial position					
Assets					
Property, plant and equipment	874 815	769 941	514 116	460 961	285 614
Bearer biological assets	–	–	254 234	192 883	145 518
Investments	56 429	24 322	20 063	19 660	20 827
Deferred tax	13 082	6 946	–	–	–
Other non-current assets	–	–	9 635	6 644	1 203
Current assets	523 495	495 433	313 937	345 722	329 444
Assets classified as held for sale	–	–	–	–	20 837
Total assets	1 467 821	1 296 642	1 111 985	1 025 870	803 443
Equity and liabilities					
Capital and reserves	1 066 978	1 004 117	783 603	763 778	584 549
Deferred taxation	148 326	132 559	118 320	107 199	88 427
Long-term borrowings – interest-bearing	33 169	42 967	39 162	19 955	13 513
Long-term liability – interest free	37 423	33 959	45 082	41 763	51 635
Post-employment obligations	–	–	10 936	9 618	10 514
Current liabilities – interest-bearing	80 356	24 629	91 653	34 178	15 911
Trade and other payables and provisions	101 569	58 411	23 229	49 379	38 894
Total equity and liabilities	1 467 821	1 296 642	1 111 985	1 025 870	803 443
Total equity and liabilities	1 467 821	1 296 642	1 111 985	1 025 870	803 443
Consolidated statement of cash flows					
Cash generated from operations	101 818	96 569	62 108	19 451	77 173
Net finance and other costs	3 505	(4 545)	(4 271)	(1 112)	(2 183)
Taxation paid	(15 962)	(8 358)	(21 134)	(16 781)	(17 431)
Cash inflow from operating activities	89 361	83 666	36 703	2 558	57 559
Dividends paid	(36 081)	(16 945)	(23 231)	(20 953)	(26 628)
Net cash (outflow)/inflow from operating activities	53 280	66 721	13 472	(18 395)	30 931
Net cash (outflow)/inflow from investing activities	(189 266)	(104 216)	(106 896)	(33 459)	7 543
(Increase)/decrease in funding requirements	(135 986)	(37 495)	(93 424)	(51 854)	38 474

* Prior year restated to account for bio assets standard change.

Five year financial review		Notes	2017 R'000	2016* R'000	2015 R'000	2014 R'000	2013 R'000
Share performance							
Headline earnings per share	cents		424,1	366,0	330,6	676,8	753,5
Basic earnings per share	cents		424,7	366,9	323,9	1 609,0	760,8
Dividends declared per share – ordinary	cents		165,0	150,0	150,0	200,0	240,0
Dividend cover (headline earnings)	times	1	2,6	2,4	2,2	3,4	3,1
Earnings yield (headline earnings)	%		6,5	6,5	4,6	9,7	13,6
Dividend yield	%	2	2,5	2,7	2,1	2,9	4,3
Net asset value per share	cents	3	6 990	6 578	6 231	6 087	4 720
Market price per share – closing	cents		6 500	5 590	7 200	7 000	5 550
– highest	cents		7 000	7 145	8 297	7 500	6 000
– lowest	cents		5 199	5 050	6 689	4 997	4 600
Closing price/net asset value per share	%		93,0	82,9	115,6	115,0	117,6
Price/headline earnings ratio at year-end	times	4	15,3	12,2	21,8	10,3	7,4
Shares in issue	'000		15 264	15 264	12 577	12 547	12 385
Shares in issue (weighted)	'000		15 264	13 326	12 564	12 501	12 385
Volume of shares traded	'000		412	784	1 175	343	3 956
Number of share transactions			509	288	435	438	285
Value of shares traded	R'm		24,5	46,6	85,2	21,2	205,6
Volume of shares traded/issued shares	%		2,7	5,1	9,3	2,7	31,9
Returns and profitability							
Return on shareholders' funds	%	5	9,3	5,6	5,6	30,1	18,3
Taxed return on net assets	%	6	8,5	5,0	5,0	28,3	17,4
Pre-tax return on total assets	%	7	9,2	6,3	5,8	10,1	12,5
Operating margin	%	8	18,8	13,3	11,6	20,7	23,7
Solvency and liquidity							
Total liabilities to total shareholders' funds	%	9	37,6	29,1	41,9	34,3	37,4
Financial gearing ratio	%	10	10,6	6,7	16,7	7,1	5,0
Current ratio	times	11	2,9	6,0	2,7	4,1	6,4
Cash flow per share	cents	12	585,4	627,8	292,1	20,5	464,7
Interest cover	times	13	23,4	9,5	8,5	20,3	40,1

Notes to the five-year review

1. Dividend/cash distribution cover

Headline earnings per share divided by cash distributions and ordinary dividends per share (interim: paid; final: declared).

2. Dividend/cash distribution yield

Dividends per share (interim: paid; final: declared) and cash distributions per share as a percentage of year-end market price.

3. Net asset value per share

Shareholders' funds divided by the number of shares in issue at year-end.

4. Price: headline earnings ratio

Market price at year-end divided by headline earnings per share.

5. Return on shareholders' funds

Profit after taxation, expressed as a percentage of the average of the financial period's opening and closing shareholders' funds.

6. Taxed return on net assets

Profit after taxation, expressed as a percentage of average net assets.

7. Pre-tax return on total assets (continuing operations)

Operating profit before interest and taxation (but including income from investments), expressed as a percentage of the average of the financial period's opening and closing total assets.

8. Operating margin (continuing operations)

Operating profit before interest, expressed as a percentage of revenue.

9. Total liabilities ratio

Interest-bearing debt and other liabilities, expressed as a percentage of shareholders' funds.

10. Financial gearing ratio

Interest-bearing debt, expressed as a percentage of shareholders' funds.

11. Current ratio

Current assets divided by current liabilities.

12. Cash flow per share

Cash available from operating activities divided by the weighted average number of shares in issue during the year.

13. Interest cover (continuing operations)

Operating profit before interest paid and taxation (but including income from investments), divided by interest paid.

Performing sustainably

Sustainable development ensures that we meet our present needs without compromising our ability to meet future needs.

Considerations of sustainability become increasingly important as global climate change poses new challenges for the future of humanity and social issues become more relevant to the growing world population.

As a significant regional player in the agricultural sector, Crookes Brothers focuses on optimising the social and environmental impact of its operations, without compromising economic viability.

It is the group's goal to position itself as employer and partner of choice for employees, communities, businesses and governments.

Economic impact

Transformation, Entrepreneurial Development

Support for the transformation of the agricultural sector, in terms of the transfer of ownership and skills and the upliftment of the communities in which we operate, is a key element of the group's strategy, both in South and southern Africa.

This has largely been achieved through co-operation with government in transferring properties to communities under land restitution legislation and the establishment and implementation of operational partnerships with the community recipients of claimed land. Over the past eight years the group has transferred land to the value of R288 million to the government or communities on a willing buyer – willing seller basis. In the majority of these cases we have engendered sufficient trust to partner the new owners for sustainable long-term success of these operations.

This model has been proven by Crookes Brothers to be an effective option for land reform. In this model, the community retains ownership of the land and also partners for the medium-term with an established commercial agricultural group to farm the land. The jointly-owned farming company typically leases the land from the community and the commercial farmer has a management contract with the farming company to provide administration and technical services, as well as to train and mentor aspirant farmers from the community. This model not only ensures the commercial viability of the business, but also facilitates community involvement at all levels. Our reputation for integrity, excellence and fairness is a key differentiator in earning selection as a preferred partner in such structures.

Some of these ventures are described below:

- Since 2008 we have been involved in a joint venture with 600 households comprising the Libuyile community near Malelane (Mthayiza Farming) for the management and operation of a 1 100 ha cane farm.
- A major part of the group's 2 500 ha Komati Estate, which was sold to government in 2010 and leased back on a 10-year lease, was transferred to the neighbouring Mawewe community during the course of last year. After engagement with the community it was agreed to convert the group's rights in terms of the balance of the lease into a 20-year joint venture with the community from 1 April 2016. While this arrangement results in a short-term reduction of profits, it offers significant long-term economic benefits and will position the group as a major player in this arena. 1 500 households have benefited directly through dividends, rental payments and preferential employment opportunities in the Mawecro operation.



Anton Alexander, Assistant Human Resources Officer, overall winner of the Western Cape Agricultural Worker of the Year with Mandla Shangase, the Regional Human Resources Manager for the Western Cape

- A similar structure will be implemented this year at the 40 ha Belleview deciduous fruit farm previously owned by the group, where we are working with the Department of Rural Development and Land Reform of the Western Cape in finalising the joint venture with ex-employees.
- At Scottburgh, we established Mpambinyoni Construction Supplies (MCS), in which the local KwaCele community and historically disadvantaged individuals have a 37% shareholding and Crookes Brothers holds a minority share. MCS mines sand on Crookes Brothers' property and manufactures bricks and blocks for the construction industry with a cornerstone client being our own Renishaw property development.
- We have concluded a memorandum of understanding with the KwaCele community to involve them as partners and shareholders in the Renishaw property development project itself.
- We are working with the Two-A-Day Group which packs and markets the group's deciduous production to establish a farming venture in which our deciduous division employees will own a major shareholding.

We continually seek opportunities to establish viable businesses with community partners as an effective transformation mechanism. We pride ourselves on the success of these ventures and believe that with the right government support we can play a far wider role in this arena.

Employment equity is a further focus area in terms of the group's transformation activities. We strive to increase representivity in management through the implementation of affirmative action employment policies, supplemented by well-established training and mentorship programmes.

We follow similar policies in the other southern African countries in which the group operates to increase the involvement of the indigenous populations in the agricultural sector and ensure that the benefits derived from agriculture are shared with local communities.

Black Economic Empowerment

In August 2016 the group undertook a B-BBEE accreditation process under the generic Code of Good Practice for Agriculture. The results are shown in the table below.

	Maximum score	CBL score
Ownership	25.0	23.0
Management	20.0	6.6
Skills development	20.0	6.3
Procurement	20.0	6.4
Enterprise development	10.0	10.0
Socio-economic development	5.0	4.5
Total	100.0	56.8

This accreditation is valid until September 2017

A total of 56.8 points scores the group at a level 5 rating, with a score of 23 out of a possible 25 under the ownership category. The ownership score is driven by the sale over recent years of a significant portion of the group's South African farms to the government or communities for purposes of transformation and land reform.

The group has formed partnerships with communities which have yielded direct benefits to 1 500 community families amounting to R28 million over the past 12 months, made up of distributions through rentals as well as dividends. Working capital for these ventures is either provided by or guaranteed by the group, hence the high score under enterprise development.

The group is developing plans to improve its scores in the management, procurement and skills development categories through:

- a group restructure placing South African assets under the management of a predominantly black management team;
- giving greater preference to black-owned suppliers as well as providing assistance in setting up such businesses; and
- greater spend on skills development, particularly on disabled individuals.

It should be noted that the group will probably be scored under the revised agricultural code (which is still in draft form) in the 2017/18 year, which is likely to be significantly more stringent in all areas in line with the general Code of Good Practice. Our target score for each category is tabled below and our aim is to be accredited at a level 4 in the medium-term.

	Points	Target
Ownership	25	25.0
Management control	19	14.0
Skills development	20	18.9
Enterprise/supplier development:		
Preferential procurement	25	4.0
Supplier development	10	5.0
Enterprise development	5	5.0
Socio-economic development	15	15.0
Total	119	86.9

Our goal is to become a leader in transformation in the agricultural sector through developing successful and sustainable partnerships with previously disadvantaged communities.

Rural economies

As a major employer and often community business partner in the various regions in which we operate, Crookes Brothers plays an increasingly significant economic role in rural communities in South Africa, Swaziland, Zambia and Mozambique. We proactively support the socio-economic transformation of the communities in which we operate.

Performing sustainably continued

Employment

The group provides permanent employment for 1 102 people and contracts a further 1 491 seasonal staff. Rural communities in close proximity to our farming operations are the main beneficiaries of the wages and benefits received.

Operating country	Full-time (permanent)	Seasonal workers	Total
South Africa	848	940	1 788
Mozambique	52	346	398
Swaziland	162	123	285
Zambia	40	82	122
Total	1 102	1 491	2 593

Preferential procurement

We have a preferential procurement policy that supports the participation of historically disadvantaged communities in economically beneficial activities. Local suppliers of goods and services are used whenever feasible and a growing proportion of our procurement spend is received by small and emerging businesses.

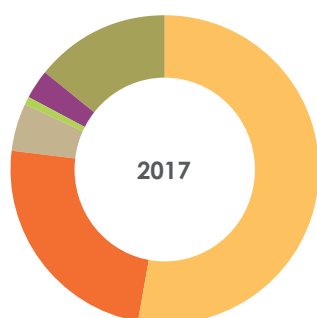
Value added

The value added statement shows the wealth created and distributed by the group. During the 2017 financial year R683 million of value was generated, with R585 million of that being distributed to suppliers, employees, providers of capital and government. Note that 2016 numbers are restated in line with the group results and we have included suppliers as a stakeholder in our analysis.

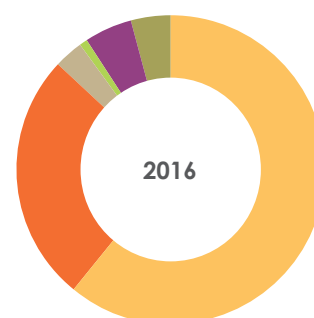
Value added statement for the year ended 31 March 2017

Value added is the wealth created and this statement shows how this wealth has been distributed amongst its various stakeholders.

	2017 R'000	%	2016 R'000	%
Wealth created				
Revenue	663 951		542 712	
Other operating income	7 944		5 522	
Capital items				
Share of profits/(loss) of associate company	2 105		3 549	
Dividends received	97		109	
Interest received	8 958		3 847	
Total revenue generated	683 055		555 739	
Wealth distributed				
To pay employees' salaries, wages and other benefits	162 787	24	143 426	26
To pay providers of capital	41 534	6	24 971	4
Distributions	36 081	5	16 945	3
Interest paid	5 453	1	8 026	1
To pay direct taxation to the state	22 159	3	25 307	5
Paid to suppliers and service providers	358 613	53	338 236	61
Total spend	585 093	86	531 940	96
Wealth retained for future growth				
Depreciation	48 908	7	32 870	6
Retained earnings	49 054	7	(9 071)	(2)
	683 055	100	555 739	100



	2017	2016
Suppliers and service providers	53%	61%
Employees	24%	26%
JV partners and shareholders	5%	3%
Providers of finance	1%	1%
State	3%	5%
Retentions	14%	4%



Training and development

The group endeavours to offer equal opportunities to all and avoid discrimination based on race and gender, not only by adhering to the standards set out in codes of practice, but also by establishing a culture of fairness, transparency and reward for effort. We are committed to maintain a supportive management culture and to encourage open communication in all our operations.

We have several ongoing initiatives to establish our position as employer of choice in the agricultural industry. In addition to competitive salaries and performance-based incentives for staff, these initiatives include an employee wellness programme, continuous upgrading of company housing and employee facilities, various corporate social investment initiatives and the provision of bursary and training schemes.

Talent management

The group recognises that the expertise of its staff is central to the achievement of its regional growth strategy. Crookes Brothers is committed to ensuring that all employees are given the opportunity to develop to their full potential to meet their own aspirations and enhance the group's value. To this end, Crookes Brothers has implemented a talent management system that aims to ensure that we attract and retain the best talent and skills available, that mission-critical positions and roles are staffed with key people and that a pipeline of talent and skills is provided for the future.

Skills development

The maintenance and development of an adequate skills base is identified as a critical component in ensuring the sustainability of the agricultural industry. The group's core strategic goal of continued expansion outside South Africa and across a range of crops requires an ongoing commitment to skills development. Our processes integrate selection and recruitment, training, coaching and mentoring, promotion and succession planning to meet our goals. Just under 900 staff were trained in the 2017 financial year.

The Western Cape farms participated in the Prestige Agri Worker awards during the year. Anton Alexander, HR Officer at Ouwerf Farm, was selected as the Western Cape Agri Worker of the year for 2016. Anton has worked on the Ouwerf Farm for the past 20 years, initially employed as a general worker, tractor driver and supervisor before being promoted to HR Officer. Anton is an example to the sector, showing what can be achieved through commitment to skills development and hard work. Anton's success is also a tribute to the supportive workplace environment provided by the group and our policy of giving every employee the opportunity to reach his or her full potential.

Our farm manager development programme continues to create a talent pipeline from supervisory to farm management level. The programme is supported by internal on-the-job training, coaching and mentoring, as well as specific training courses offered by the Sugar Association of South Africa and other service providers.

A similar programme is run for financial trainees. We currently have eight agricultural trainees and two finance trainees on the programme, and work closely with AgriSeta, which provides partial funding for some trainees.

The group has partnered with a local training and development provider to access learnerships within the construction sector for the Renishaw development. The Construction Education and Training Authority (CETA) has allocated 25 learnerships to Renishaw Property Developments for the National Certificate: Building and Civils Construction, NQF Level 3 for 2017/18, with the aim of developing skills in the surrounding communities. Learners have been selected from the surrounding communities in the Umdoni district bordering Renishaw.

The group has also partnered with a local organisation that focuses exclusively on the training, employment and economic mainstreaming of persons with disabilities in the agriculture sector. We are funding 10 disabled learners to complete a learnership in Plant Production in the 2018 year.

General training

Programme categories	Employees trained	Percentage of employees
Safety Fire fighting, health and safety, safe handling of chemicals, first aid	39	1,50%
Operators Forklift, tractor, knapsack, chainsaw	18	0,69%
General agricultural skills Plant production, orchard irrigators, orchard monitors and orchard sprayers	680	26,22%
Finance, IT Payroll, Excel, tax, capital allowances, Institute of Internal Auditors SA Conference	11	0,42%
Other Shine project, peer educator training, crèche	132	5,10%

Bursaries

The group's skills development initiatives include a bursary program for selected candidates pursuing qualifications in agricultural sciences through South African universities. In 2016 two students who had been funded to study Bachelor of Science degrees in Agriculture completed their degrees and were permanently employed. A further four students are being funded in the 2018 financial year.

Wellness

The group's wellness programme is based on a holistic approach to employee wellbeing, as outlined in company policies and procedures. Wellness interventions are extended beyond staff and employees to reach their families and communities as well. The focus areas of the programme are primary health care, health education, HIV/AIDS and malaria.

HIV and AIDS

We have collaborated with local public healthcare facilities to improve the delivery of services to assist our employees and their communities. We also provide access to the services of the South African Social Security Agency (SASSA) on all our farms. Private service providers are contracted to support wellness programs on our estates in Komatipoort, Malelane and the Western Cape, including peer education, condom distribution, workplace policy education, community outreach, and HIV counselling and testing.

The group observed World Aids Day across all our operations within and outside South Africa. HIV/AIDS education, voluntary counselling and testing and TB testing were conducted to assist employees in identifying and monitoring their health risk.

Malaria

CBL recognises that malaria is a major health risk, particularly in Mozambique, and has recently implemented a holistic Malaria Management Programme.

No malaria-related fatalities were recorded for the 2017 period. However there were eight (five employees and three family members) cases reported for the year. This is a significant improvement compared to the 30 cases reported in the previous year. We continue with the following interventions:

- Mosquito control measures.
- Use of a malaria consultant to conduct assessments and provide training.
- Use of mosquito nets.
- Medical check-ups, provision of test kits, mosquito repellents and preventative medication.



Learnerships for Renishaw Hills, provided with workplace training for National Certificate in Building and Civils Construction.

Corporate social investment

The group is committed to improving the lives of the disadvantaged communities in the areas in which we operate. Our CSI programme is needs-driven and is planned and implemented in consultation with the community. These initiatives are directed towards improving standards of healthcare, improving access to education and training, and protecting and rehabilitating the natural environment. In the past year, the focus has been on education, with the majority of the initiatives addressing the challenges faced in the public schools in the communities in which we operate.

Despite financial constraints imposed by the drought, in the past financial year over R0,5 million was spent on corporate social investment ("CSI"). In addition to this expenditure the group also makes resources and expertise available to maximise its social impact. The main initiatives are shown in the following table.



CBL has funded 10 learnerships in Plant Production, they will attend the Khulisani Training Centre which provides training for people with disabilities

South Africa	Activities
KwaZulu-Natal	<ul style="list-style-type: none"> Amandawe Community Garden Project Upgrading and maintenance of sport facilities and school Maintenance of facilities at TC Robertson Nature Reserve Funding for school transport – Amaquza School Renovation of church/temple on the farm for community
Western Cape	<ul style="list-style-type: none"> Vyeboom community hall made available for SASSA services to the surrounding community twice a month Removal of community and school waste – Daniel le Roux School Maintenance of sports field – Elandrivier Teacher and school staff salary – Daniel le Roux School
Mpumalanga	<ul style="list-style-type: none"> Project for people with disabilities Uthando Lwamakhosikazi HBC Food packs for community Maintenance at Ndlavela High School Layout and planning for Strathmore farm Library Renovation – Ndlavela School Phenduka Mhlaba food security project
Africa	Activities
Zambia	<ul style="list-style-type: none"> Funding three teachers and two cleaners at Ngoma Basic School Donations and sponsorship
Swaziland	<ul style="list-style-type: none"> Renovations at Bholi School – Additional Renovations Hired transport for soccer clubs Clearing and preparing for construction of a school in a nearby community Big Bend Business Against Crime sponsorship – refreshments
Mozambique	<ul style="list-style-type: none"> Farmer support programme with CLUSA¹ Maintenance of school sports facilities

¹ NGO based in USA



Safety

Crookes Brothers recognises its moral and legal responsibility to protect the health and safety of its employees or any persons affected by the operations of the group. As a core priority, our goal is to create a health and safety culture throughout the company which is integrated into every task. The behaviour of individuals at all levels of the organisation is influenced by the health and safety culture, and their behaviours in turn shape the culture.

Industrial relations

The unrest experienced in previous years in the agricultural sector emphasises the importance of maintaining sound and functional relationships with employees and their representative structures. Our operations were largely unaffected by disruptions during the past year. We are committed to continuous interaction and communication at all levels with our employees and their representatives.

Unions are recognised across the group in South Africa, Zambia, Swaziland and Mozambique. The Mthayiza community partnership and the Renishaw estate are not unionised and here issues are dealt with through Employee Representative Forums.

Country	Recognised Union
South Africa	<ul style="list-style-type: none"> • Food and Allied Workers Union • Bawsi Agricultural Workers Union of South Africa • United Workers Front
Swaziland	Swaziland Agriculture and Plantation Workers Union
Zambia	Zambia Union of Sugar Industry and Allied Workers Union
Mozambique	Sindicato Nacional Dos Trabalhadores Agro Florestais (Agriculture and Forest Workers National Union)

Disciplinary procedures

The disciplinary code and procedure ensures that an acceptable and consistent standard of behaviour is maintained in a fair, equitable and just manner, in line with the legislation of the countries in which we operate.

Human rights

The group is committed to supporting freedom of association and collective bargaining, as well as preventing child and forced labour at all its operations. Every employee is expected to commit to a code of business conduct which incorporates human rights principles.

Environmental impact

The group is committed to the sustainable production of primary agricultural products in a manner that is not only economically viable and socially acceptable, but also environmentally sound.

Climate change

Although the threats posed by climate change are well documented on a macro scale, less information is available to determine an appropriate response at the micro level. It appears that the occurrence of extreme climatic events and climatic variability are increasing. We mitigate these risks by diversifying our operations geographically and in terms of crop types, and apply appropriate technology to reduce water and electricity demand and enhance storage.

Environmental management

It is our ongoing goal to have the group established and recognised as a benchmark for good farming practice. Accordingly, we endeavour to employ best management practices in our operations to ensure agricultural production on a sustainable basis with a positive impact on the environment. We base our management practices on farming guidelines for deciduous fruit and bananas advocated by the Global GAP (Good Agricultural Practices) system and the SUSFARMS (Sustainable Sugarcane Farm Management System) system initiated by the South African Sugar Research Institute.

Global GAP is an international best practice standard designed to minimise possible detrimental environmental impacts of farming operations, promote responsible use of chemicals and ensure a responsible approach to worker health and safety.

In all our operations, we aim to conserve and upgrade natural assets, maintain and enhance critical ecosystems and use agricultural resources sustainably. In order to achieve this, each estate draws up an environmental management plan (EMP) which is updated and audited every year.

A forum of senior agricultural managers meets to evaluate global best practice standards and update and monitor the implementation of the EMP.

The plans are estate- and crop-specific and incorporate programmes with the following elements:

Conservation of flora and fauna

Problem plants are categorised according to the Conservation of Agricultural Resources Act, 1983. A number of the category 1 plants (problematic species) occur on our estates. The control process focuses on the initial reduction by uprooting, chipping for mulch, treating with registered herbicides and biological control, followed by repeated programmes to remove seedlings, root suckers and coppice growth. This is coupled with the rehabilitation of indigenous species in the areas that have had alien vegetation removed.





Playtime at Elandsrivier school

Hunting is not permitted on any estates and poaching is controlled by security patrols. The maintenance of natural species and rehabilitation of indigenous species assist with conservation by creating safe and natural habitats for animals and birds.

Soil improvement

Conservation farming is primarily aimed at improving soil health. Some of the specific techniques employed are:

- We allow a fallow period between uprooting an old crop or orchard and replanting with the same material.
 - Chemical fumigation is limited, with environmentally friendly products used where possible.
 - We perform soil analyses to determine the chemical condition of the soil and the quantity and type of ameliorants to be used.
 - Soil cultivation is limited to the fallow period when we incorporate ameliorants (e.g. lime and gypsum) in the soil to the potential root depth. Unnecessary soil disturbance is therefore avoided.
- We plant green manure (fallow) crops to enhance soil health and fertility. Soils are rejuvenated and problem weeds controlled. The areas selected are where the soil has become degraded and requires increased organic matter to improve soil structure and fertility in order to consistently achieve good yields.
 - We use inorganic fertilisers responsibly to satisfy the nutritional needs of the crops. Application rates are based on recommendations provided by established research institutions. We apply organic fertilisers in some instances as a means to increase the organic content of the soil.
 - We implement green cane harvesting and trash blanketing where possible on the sugar cane estates, as this reduces smoke pollution, increases soil organic matter content, reduces water runoff and limits weed infestation.
 - We lay out drainage and water-carrying structures according to good agricultural practices and land use plans, thereby reducing soil erosion. We plant waterways with grass to slow down the flow of water.



- We apply mulch to increase the organic content of the soil, reduce moisture content fluctuations and maintain constant soil temperatures, resulting in better crop health, growth and quality. We use wood chips as mulch on the group's fruit estates. The wood chips are derived from grubbed orchards, thereby reducing air pollution through burning old trees.

Application of agro-chemicals and fertilisers

We take extreme care when applying pesticides, herbicides and fertiliser adjacent to natural watercourses to ensure that minimal pollution of water occurs.

Integrated pest management

We plant cane areas susceptible to eldana (stem borer) with tolerant varieties and cut these areas annually.

The deciduous fruit farms have adopted an integrated pest management approach that complies with both Global GAP and Nature's Choice standards as required by the European and UK retailers. Emphasis is placed on using biologically friendly products that are pest- and disease-specific.

Electricity

A reduction in electricity consumption and associated electricity costs is the target of an ongoing project. Low energy pumps, variable speed drives, optimisation of irrigation systems, use of heat pumps instead of geysers and use of off-peak tariffs are methods used to reduce consumption and costs. The co-generation of electricity from cane bagasse may also offer opportunities in the medium-term.

We monitor, record and report electricity usage across the group.

Water

On our irrigated farms, we are gradually changing from high water use systems to drip and pivot irrigation systems that are more efficient, as part of our continuous improvement programme. The increased use of probes to measure soil moisture as well as the interpretation of the results by irrigation specialists are resulting in a more detailed irrigation scheduling which also has a positive impact in reducing both water and electricity usage.

We monitor, record and report water usage across the group.

Our investment case

The global population is projected to increase from around seven billion currently to over nine billion by 2050, with approximately half of this increase occurring in Africa. At the same time global food consumption is expected to increase by 60%, driven by the increasing population and changing dietary patterns in the rapidly increasing middle classes in China, India and Africa.

Africa is home to some 60% of the world's unutilised agricultural land and water resource and offers numerous prime locations for agricultural development. The group plans to capitalise on this opportunity, with a portfolio of quality farms producing a variety of commodity and high value crops in the region. It has a proven track record of operational excellence and executing projects in often remote locations across Africa, and has established a strong reputation as a reliable, ethical and long-term partner committed to community development.

The demand for our products is expected to increase

The group makes a strong social impact in the areas in which it operates. In addition to providing 2 600 job opportunities, in the past financial year the community partnerships in which the group participates contributed R30 million in dividends and lease fees to the 1 500 households making up these communities, and reinvested a further R20 million to generate further growth.

Over the past decade the group has steadily increased its portfolio of farms and production capacity by improving and expanding existing operations, acquiring new farms and developing new projects. At present around half of the group's assets (by value) are in a development phase, either not contributing to profit at all, or producing well below what is considered optimal capacity. These projects include the macadamia, deciduous and Mozambique banana farming operations.

We are well-positioned to capitalise on our opportunities

The Renishaw property development on the South Coast of KZN is also expected to be a major future contributor over many years. In total 1300 ha of agricultural land has been rezoned for development, yielding 260 ha of developable land, the balance comprising wetlands, coastal forest or land too steep for development. The current first phase project comprising the development of the Renishaw Hills lifestyle village will cost some R750 million to implement over six years, but will utilise only 28 ha of the developable area, giving some indication of the overall scope of the opportunity.



We are key contributors to the socio-economic development of our communities

Over the next five years the contribution from these assets will increase rapidly, driving the growth of the group. At the same time further opportunities for growth will be evaluated, focussing on high value niches exhibiting rapid growth in demand, including selected further fruit and nut products.

We are improving and expanding existing operations, acquiring new farms and developing new projects to increase production capacity and diversify income streams

In South Africa itself, the group is strongly aligned to the national transformation agenda. Already more than half (by value) of the assets under management in SA are owned by communities. The success of these partnerships is testimony to our commitment and we plan to expand our reach in this arena. The establishment of a separate SA company meeting our empowerment objectives is a step forward on this journey.

Despite the many political uncertainties, challenges posed by climate change and economic volatility in the region, we believe that the Crookes Brothers group has the resources and capability to meet investor growth expectations over the long-term. Since 2002 the share price has achieved a 17% annual average growth rate and the group has not missed a single dividend – we aim to build on this trend.



Summarised consolidated financial statements

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Directors' approval of financial statements

The directors of the company are responsible for the integrity and objectivity of the annual financial statements, and summarised financial statements and other information contained in the integrated report, which has been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

In discharging this responsibility, the group maintains appropriate internal control systems designed to provide reasonable assurance that assets are safeguarded and transactions are executed and recorded in accordance with group policies.

The directors, supported by the audit committee, are satisfied that such controls, systems and procedures are in place to minimise the possibility of material loss or misstatement.

The directors believe that the group has adequate resources to continue in operation for the foreseeable future. Therefore, the financial statements have been prepared on a going-concern basis.

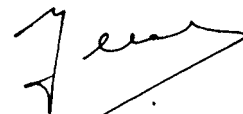
The annual consolidated financial statements and summarised financial statements for the year ended 31 March 2017 have been prepared on behalf of Crookes Brothers Limited by Nigel Naidoo CA(SA), under the supervision of Gregory Veale CA(SA), group financial director.

The board of directors approved the annual consolidated financial statements and the summarised consolidated financial statements versions on 25 May 2017. They are signed on its behalf by:



John Barton
Chairman

Durban
25 May 2017



Guy Clarke
Group managing director

Certificate from the company secretary

I hereby certify that the company has lodged with the Companies and Intellectual Property Commission, all such returns that are required of a public company in terms of the Companies Act, 2008, as amended, in respect of the year ended 31 March 2017 and that all such returns are true, correct and up to date.



Highway Corporate Services (Pty) Ltd
Company secretary

Durban
25 May 2017

Independent auditor's report on the summarised consolidated financial statements

to the shareholders of Crookes Brothers Limited

Opinion

The summarised consolidated financial statements of Crookes Brothers Limited, which comprise the summarised consolidated statement of financial position as at 31 March 2017, the summarised consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Crookes Brothers Limited for the year ended 31 March 2017.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Crookes Brothers Limited, in accordance with the minimum information required by IAS 34 Interim Financial Reporting, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summarised financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The audited consolidated financial statements and our report thereon

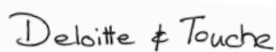
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 31 May 2017. That report also includes the communication of key audit matters as reported in the auditors report of the audited consolidated financial statements.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the minimum information required by IAS 34 Interim Financial Reporting, 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 the summarised consolidated 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 whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial Statements.



Deloitte & Touche
Registered Auditor

Per: Camilla Howard-Browne
Partner

23 June 2017

2 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
La Lucia
4051

Directors' report

The directors have pleasure in submitting the summarised consolidated financial statements of the group for the year ended 31 March 2017.

Nature of business

Crookes Brothers Limited is an agricultural business growing sugar cane, bananas, deciduous fruit and macadamia nuts in South Africa, Swaziland, Mozambique and Zambia, and has also initiated a major property development in Scottburgh, KwaZulu-Natal.

Share capital

The authorised share capital at 31 March 2017 consisted of 16 000 000 shares of 25 cents each (2016: 16 000 000). The company has no unlisted securities.

The number of issued shares is 15 264 317 at 31 March 2017 (2016: 15 264 317).

The company holds no treasury shares and has not repurchased any of its own shares during the year under review.

Financial results

Group attributable earnings for the year ended 31 March 2017 amounted to R64,8 million (2016: R48,9 million), representing earnings per share of 424,7 cents (2016: 366,9 cents). Headline earnings per share amounted to 424,1 cents (2016: 366,0 cents).

Full details of the financial position and results of the group are set out in the summarised consolidated financial statements.

Going concern

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

Dividends

The following dividends per share were declared in respect of the year ended 31 March 2017:

- An ordinary interim dividend of 50,0 cents (2016: 35,0 cents) declared in November 2016 and paid in January 2017.
- An ordinary final dividend of 115,0 cents (2016: 115,0 cents) declared in May 2017 and payable in July 2017.

The aggregate distribution in respect of the year ended 31 March 2017 is therefore 165,0 cents (2016: 150,0 cents) per share.

Directorate and company secretary

The names of the directors at the date of this report are set out on pages 14 and 15 of this report and the name and business address of the company secretary on the inside back cover.

In terms of the company's memorandum of incorporation John Barton, Richard Chance, Gary Vaughan-Smith and Malcolm Rutherford retire at the annual general meeting and, being eligible, offer themselves for re-election.

Anthony Hewat retires at the annual general meeting as he has not made himself available for re-election.

Interests of directors in share capital

At 31 March 2017, the directors of the company held beneficial interests in 236 756 of the company's issued ordinary shares. The register of interests of directors and managers in the share capital of the company is available for inspection at the registered office of the company. Details of the shares held per individual director, as at 31 March 2017, are listed below.

Director	2017 Direct	2017 Indirect	2016 Direct	2016 Indirect
PJ Barker	–	–	25 500	–
RGF Chance	–	75 000	–	75 000
GS Clarke	18 616	–	18 616	–
TJ Crookes	–	143 140	–	143 140
	18 616	218 140	44 116	218 140

In addition, at 31 March 2017, managers of the company held 65 750 shares (2016: 40 250 shares).

Non-executive director Gary Vaughan-Smith and non-executive director Tim Denton represent the interests of, and are directly and indirectly interested in, Silverlands (SA) Plantations Sarl, a wholly-owned subsidiary of SilverStreet Private Equity Strategies SICAR – Silverlands Fund (“the Silverlands Fund”), a private equity fund based in Luxembourg. The Silverlands Fund is managed by SilverStreet Management Sarl (the fund’s General Partner) of which they are directors and shareholders. Both also have invested interests in the Silverlands Fund. Silverlands (SA) Plantations Sarl owned 6 838 444 shares at year-end (2016: 6 793 314), representing 44,8% (2016: 44,5%) of the issued share capital of the company.

Directors’ remuneration

At the forthcoming annual general meeting, shareholders will be requested to pass a non-binding advisory vote approving the group’s remuneration policy and a special resolution to approve increases in fees payable to non-executive directors with effect from 1 April 2017 as follows:

	Proposed Rands per annum	Current Rands per annum
Board		
Chairman	460 000	430 000
Other non-executive board members	200 000	187 000
Audit committee		
Chairman	140 000	130 000
Other members	67 000	62 000
Remuneration committee		
Chairman	40 000	37 000
Other members	27 000	25 000
Nominations committee		
Chairman	20 000	18 500
Other members	13 500	12 500
Risk committee		
Chairman	56 000	52 000
Other non-executive board members	38 000	35 000
Social and ethics committee		
Chairman	40 000	37 000
Other non-executive board members	27 000	25 000
Retirement funds		
Chairman	80 000	76 000

Subsidiary companies

The names and financial information in respect of the interest of the company in its subsidiaries are set out in the full audited consolidated financial statements on the company’s website at www.cbl.co.za.

Special resolutions adopted by the company and its subsidiary companies

The company or its subsidiary companies have passed no special resolutions since the previous annual general meeting.

Events after the reporting period

There have been no major changes in the affairs or financial position of the company or its subsidiary companies since the end of the period under review.

Audit committee report

The audit committee is a committee of the board of directors. In addition to having specific statutory responsibilities in terms of the Companies Act of South Africa, it assists the board through advising and making recommendations on financial reporting, oversight of internal financial controls, external and internal audit functions and statutory and regulatory compliance of the company and the group.

Terms of reference

The audit committee has adopted formal terms of reference that have been approved by the board of directors. The committee has executed its duties during the past financial year in accordance with these terms of reference.

Composition

The committee consists of three independent non-executive directors. At 31 March 2017, the audit committee comprised:

Anthony Hewat	MA (Oxon), CA(SA)
Malcolm Rutherford	BCom, BAcc, CA(SA)
Rodger Stewart	BSc (Agric)

The group managing director, group financial director, senior financial and IT executives of the group and representatives from the external and internal auditors attend the committee meetings by invitation. The auditors, both external and internal, have unrestricted access to the audit committee chairman or any other member of the committee as required.

Meetings

The audit committee held two meetings during the period under review and there was full attendance at both meetings.

Statutory duties

In execution of its statutory duties during the financial year under review, the audit committee:

- nominated for appointment as auditor, Deloitte & Touche, who, in its opinion, is independent of the company;
- determined the fees to be paid to Deloitte & Touche;
- determined Deloitte & Touche's terms of engagement;
- ensured that the appointment of Deloitte & Touche complied with the relevant provisions of the Companies Act of South Africa and King III;
- pre-approved all non-audit service contracts with Deloitte & Touche;
- confirmed that there were no complaints relating to accounting practices and internal audit of the company, the content or auditing of its annual financial statements, the internal financial controls of the company and any other related matters; and
- advised the board that, regarding matters concerning the company's accounting policies, financial control, records and reporting, it concurs that the adoption of the going concern premise in the preparation of the annual financial statements is appropriate.

Internal financial controls and internal audit

In execution of its delegated duties in this area, the committee has:

- reviewed and recommended the internal audit charter for approval;
- evaluated the independence, effectiveness and performance of the internal audit function;
- reviewed the effectiveness of the company's system of key internal financial controls;
- reviewed the competence, qualifications and experience of the company secretary;
- reviewed significant issues raised by the external and internal audit process and the adequacy of corrective action in response to such findings;
- reviewed audit reports regarding the adequacy of accounting records; and
- reviewed policies and procedures for preventing and detecting fraud.

The chief audit executive functionally reported to the audit committee, had unrestricted access to the audit committee chairman, and is of the opinion that significant internal financial controls operated effectively during the period under review.

Based on the processes and assurances obtained, the audit committee believes that significant internal financial controls are effective.

Regulatory compliance

The audit committee has complied with all applicable legal, regulatory and other responsibilities.

External audit

Based on processes followed and assurances received, the committee is satisfied that Deloitte & Touche is independent of the group.

The committee confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Professions Act, No 26 of 2005.

The committee has considered the key audit matters included in the audit report and are in agreement with the information included therein.

Based on our satisfaction with the results of the activities outlined above, the audit committee has recommended to the board that Deloitte & Touche should be reappointed for 2018, with the designated audit partner being Camilla Howard-Browne.

Finance function

We believe that Gregory Veale CA(SA), the group financial director for the period under review, possessed the appropriate expertise and experience to meet his responsibilities in that position. We are also satisfied with the expertise and adequacy of resources within the finance function. In making these assessments we have obtained feedback from both external and internal audit.

Based on the processes and assurances obtained we believe that the accounting practices are effective.

Financial statements

Based on the processes and assurances obtained we recommend that the current summarised consolidated financial statements be approved by the board.

On behalf of the audit committee



Anthony Hewat
Audit committee chairman

Durban
24 May 2017

Summarised consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March 2017

	Note	2017 R'000	2016* R'000
Revenue		663 951	542 712
Cost of sales		(402 155)	(331 554)
Gross profit		261 796	211 158
Other gains and losses		9 880	5 522
Distribution expenses		(57 551)	(53 538)
Operating and administrative expenses		(88 971)	(90 930)
Operating profit		125 154	72 212
Share of profit of joint venture and associate companies		2 105	3 549
Investment income	1	9 055	3 956
Finance costs	2	(5 453)	(8 026)
Profit before tax		130 861	71 691
Income tax expense		(34 655)	(21 638)
Profit for the year		96 206	50 053
Other comprehensive income/(loss), net of income tax			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of defined benefit surplus		(211)	(115)
Remeasurement of post-employment medical aid obligation		462	1 773
		251	1 658
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net fair value (loss)/gain on available-for-sale financial assets		(46)	128
Exchange differences on translating foreign operations		1 551	(28 040)
		1 505	(27 912)
Other comprehensive income/(loss) for the year, net of income tax		1 756	(26 254)
Total comprehensive income for the year		97 962	23 799
Profit for the year attributable to:			
Owners of the company		64 826	48 893
Non-controlling interests		31 380	1 160
		96 206	50 053
Total comprehensive income for the year attributable to:			
Owners of the company		66 582	22 639
Non-controlling interests		31 380	1 160
		97 962	23 799
Earnings per share			
Basic	(cents)	424,7	366,9
Diluted	(cents)	424,6	365,5

* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: Property, plant and equipment.

Summarised consolidated statement of financial position

as at 31 March 2017

	2017 R'000	2016* R'000
ASSETS		
Non-current assets	944 326	801 209
Property, plant and equipment	874 815	769 941
Other financial assets	1 019	710
Investments in joint venture and associates	55 410	23 612
Deferred tax assets	13 082	6 946
Current assets	523 495	495 433
Inventories	151 191	111 601
Biological assets	213 272	189 522
Trade and other receivables	84 512	53 963
Current tax assets	6 900	4 356
Retirement benefit surplus	10 212	9 708
Unsecured loans	540	540
Cash and bank balances	56 868	125 743
Total assets	1 467 821	1 296 642
EQUITY AND LIABILITIES		
Capital and reserves	1 066 978	1 004 117
Share capital	3 816	3 816
Share premium	222 455	222 455
Investment revaluation reserve	951	997
Foreign currency translation reserve	(23 764)	(25 315)
Share-based payment reserve	2 414	1 434
Retained earnings	836 706	796 815
Equity attributable to owners of the company	1 042 578	1 000 202
Non-controlling interests	24 400	3 915
Non-current liabilities	218 918	209 485
Deferred tax liabilities	148 326	132 559
Long-term borrowings: interest-bearing	33 169	42 967
Long-term liability: interest-free	37 423	33 959
Current liabilities	181 925	83 040
Trade and other payables	51 182	32 337
Short-term borrowings: interest-bearing	80 356	24 629
Provisions	16 810	14 104
Outside shareholders' loan	597	660
Current tax liabilities	14 074	2 307
Dividend withholding tax	–	63
Post-employment medical aid obligation	9 023	8 940
Bank overdraft	9 883	–
Total equity and liabilities	1 467 821	1 296 642

* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: Property, plant and equipment.

Summarised consolidated statement of cash flows

for the year ended 31 March 2017

	2017 R'000	2016* R'000
Operating activities		
Operating profit for the year	125 154	72 212
Other comprehensive income	348	2 302
Adjustment for non-cash items:		
Depreciation	48 557	45 691
Change in fair value of biological assets	(22 998)	(11 863)
Other non-cash items	2 262	19 005
Operating cash flows before movements in working capital	153 323	127 347
Increase in inventories	(39 487)	(40 124)
Increase in trade and other receivables	(30 863)	(8 915)
Increase in trade and other payables	18 845	18 261
Cash generated from operations	101 818	96 569
Interest received	8 958	3 847
Interest paid	(5 453)	(8 026)
Income taxes paid	(15 962)	(8 358)
Purchase of annuities for post-employment medical aid benefits	–	(366)
Net cash generated by operating activities	89 361	83 666
Investing activities		
Dividends received	24	27
Proceeds on disposal of investments	–	100
Investment in unlisted investments	(236)	–
Proceeds on disposal of property, plant and equipment	1 743	665
Investment in property, plant and equipment:		
– replacement	(9 065)	(12 528)
– expansion and development	(102 783)	(33 777)
– bearer asset replants	(47 151)	(57 976)
Investment in joint venture and associate companies	(31 798)	(727)
Net cash used in investing activities	(189 266)	(104 216)
Financing activities		
Net increase in long-term borrowings	249	3 805
Net increase/(decrease) in short-term borrowings	58 526	(67 024)
Investment in assets financed by instalment sale	(1 547)	–
Proceeds from issue of equity instruments of the company	–	215 000
Payment for share issue costs	–	(1 738)
Net increase in outside shareholders' loans	–	122
Cash dividends paid – prior financial year final: ordinary shareholders	(17 554)	(10 690)
Cash dividends paid – current financial year interim: ordinary shareholders	(7 632)	(4 402)
Cash dividends paid – current financial year final: community partners	(10 895)	(1 853)
Net cash generated by financing activities	21 147	133 220
Net (decrease)/increase in cash and cash equivalents	(78 758)	112 670
Cash and cash equivalents at beginning of the year	125 743	13 073
Cash and cash equivalents at end of the year	46 985	125 743

* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: Property, plant and equipment.

Summarised consolidated statement of changes in equity

for the year ended 31 March 2017

	Share capital and premium R'000	Investment revaluation reserve R'000	Foreign currency translation reserve R'000	Share-based payment reserve R'000	Retained earnings* R'000	Attributable to owners of the company* R'000	Non-controlling interest in subsidiary* R'000	Total* R'000
Balance at 31 March 2015 (as previously reported)	13 009	869	2 725	1 036	761 356	778 995	4 608	783 603
Net profit attributable to shareholders								
– adjusted per note 6	–	–	–	–	48 893	48 893	1 160	50 053
Other comprehensive (loss)/income	–	128	(28 040)	–	1 658	(26 254)	–	(26 254)
Total comprehensive income for the year	–	128	(28 040)	–	50 551	22 639	1 160	23 799
Dividends declared and paid	–	–	–	–	(15 092)	(15 092)	(1 853)	(16 945)
Share issue	215 000	–	–	–	–	215 000	–	215 000
Share issue costs	(1 738)	–	–	–	–	(1 738)	–	(1 738)
Share-based payment expense	–	–	–	398	–	398	–	398
Balance at 31 March 2016 (restated)*	226 271	997	(25 315)	1 434	796 815	1 000 202	3 915	1 004 117
Net profit attributable to shareholders	–	–	–	–	64 826	64 826	31 380	96 206
Other comprehensive (loss)/income	–	(46)	1 551	–	251	1 756	–	1 756
Total comprehensive income for the year	–	(46)	1 551	–	65 077	66 582	31 380	97 962
Dividends declared and paid	–	–	–	–	(25 186)	(25 186)	(10 895)	(36 081)
Share-based payment expense	–	–	–	980	–	980	–	980
Balance at 31 March 2017	226 271	951	(23 764)	2 414	836 706	1 042 578	24 400	1 066 978

* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: Property, plant and equipment.

Segmental analysis

for the year ended 31 March 2017

	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Mac- adamias R'000	Property develop- ment R'000	Other operations R'000	Total R'000
Year to 31 March 2017							
Revenue	342 844	170 219	126 493	-	-	24 395	663 951
Operating profit	136 979	(10 386)	38 076	2 317	(1 530)	9 261	174 717
Unallocated profit on disposal of property, plant and equipment							128
Unallocated corporate expenses							(49 691)
Consolidated operating profit							125 154
Share of profit of joint venture and associates							2 105
Unallocated investment income							9 055
Unallocated finance costs							(5 453)
Consolidated profit before tax							130 861
Balance sheet							
Assets							
Segmental assets	457 712	381 206	31 178	214 816	93 580	29 292	1 207 784
Unallocated investments and loans							56 969
Unallocated corporate assets							203 068
Consolidated total assets							1 467 821
Liabilities							
Segmental liabilities	83 455	11 945	13 691	27 439	-	-	136 530
Unallocated corporate liabilities							264 313
Consolidated total liabilities							400 843
Other information							
Capital expenditure on property, plant and equipment	56 685	9 773	1 357	49 915	34 451	94	152 275
Unallocated corporate capital expenditure							8 271
Consolidated capital expenditure							160 546
Depreciation	25 265	10 418	3 696	6 343	-	333	46 055
Unallocated corporate depreciation							2 502
Consolidated depreciation							48 557

	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Mac- adamias ⁽¹⁾ R'000	Property develop- ment [^] R'000	Other operations [^] R'000	Total R'000
Year to 31 March 2016							
Revenue	283 321	134 012	104 962	–	–	20 417	542 712
Operating profit*	49 108	46 719	23 718	(13 782)	(64)	6 355	112 054
Unallocated profit on disposal of property, plant and equipment							399
Unallocated corporate expenses ⁽¹⁾							(40 241)
Consolidated operating profit							72 212
Share of profit of associates							3 549
Unallocated investment income							3 956
Unallocated finance costs							(8 026)
Consolidated profit before tax							71 691
Balance sheet							
Assets*							
Segmental assets	409 284	390 098	27 043	172 074	13 588	25 744	1 037 831
Unallocated investments and loans							24 862
Unallocated corporate assets							233 949
Consolidated total assets							1 296 642
Liabilities*							
Segmental liabilities	53 642	11 598	6 673	30 301	–	–	102 214
Unallocated corporate liabilities							190 311
Consolidated total liabilities							292 525
Other information*							
Capital expenditure on property, plant and equipment	6 854	6 987	904	19 460	4 279	186	38 670
Unallocated corporate capital expenditure							7 635
Consolidated capital expenditure							46 305
Depreciation	22 973	10 491	1 431	8 702	–	330	43 927
Unallocated corporate depreciation							1 764
Consolidated depreciation							45 691

* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: Property, plant and equipment.

[^] Prior year reclassified to disaggregate the "Property Development" segment, previously included under "Other Operations".

⁽¹⁾ Prior year reclassified to reallocate operating lease rentals and unrealised foreign exchange differences to the relevant crop segment. The "Macadamias" segment represents mainly interest and gains and losses arising from the translation of the US Dollar term loan to Rands.

Notes to the summarised consolidated financial statements

for the year ended 31 March 2017

	2017 R'000	2016* R'000
1. Investment income		
Interest received on loans and bank deposits	8 958	3 847
Dividends received from unlisted equity investments	97	109
	9 055	3 956
2. Finance costs		
Interest on bank overdrafts and loans	3 997	6 785
Interest on loan from Two-A-Day Group	1 000	1 000
Interest on obligations under instalment sale agreements	374	233
Other interest expense	82	8
	5 453	8 026
3. Headline earnings per share		
Profit for the year attributable to owners of the company	64 826	48 893
Adjusted for:		
Gain on disposal of property, plant and equipment	(128)	(399)
Tax effect of the adjustment	36	280
Headline earnings	64 734	48 774
Headline earnings per share (cents)	424,1	366,0
Headline earnings per share (diluted) (cents)	424,0	364,6
4. Proposed capital expenditure		
<i>Contracted and anticipated:</i>		
– replacement	1 231	1 100
– expansion and development	25 736	8 780
	26 967	9 880
<i>Authorised by the directors but not yet contracted:</i>		
– replacement	11 538	5 295
– expansion and development	177 882	200 056
– bearer asset replants	36 825	16 000
	226 245	221 351

* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: Property, plant and equipment.

5. Change in functional currency

Mozambique operations

With effect from 1 April 2016, due to changes in trading arrangements that meet the requirements of IAS 21:36, the functional currency of the group's Mozambique operations changed from Meticaís (MZN) to Rands (ZAR). In accordance with IAS 21:37, the group has applied the new functional currency prospectively from 1 April 2016.

6. Impact of changes in accounting policies

The current year's results have been reported on, based on application of the revised IAS 41 standard.

To the extent that those changes have had an impact on results reported for the prior year, they have had an impact on the amounts reported in the group's summarised consolidated statement of profit or loss, earnings per share and summarised consolidated statement of financial position.

The following table summarises the effect on the summarised consolidated statement of profit or loss of the prior year:

Cost of sales	2016 R'000
Increase in allocated depreciation	(12 821)
Reversal of fair value adjustment	(17 423)
Decrease in land preparation and planting costs	8 176
Decrease in carrying costs	6 742
Decrease in profit for the year	(15 326)
Deferred tax	3 616
Total attributable to:	(11 710)
Non-controlling interests	138
Owners of the company	(11 572)

The following table summarises the effect on earnings per share of the prior year:

Changes related to:	Basic earnings	Diluted earnings	Headline earnings	Diluted headline earnings
	per share	per share	per share	per share
	2016	2016	2016	2016
	cents	cents	cents	cents
Application of IAS 41 – as previously reported	453,7	452,0	452,9	451,1
Decrease due to increased cost of sales	(86,8)	(86,5)	(86,9)	(86,5)
Application of amendments to IAS 41 and IAS 16	366,9	365,5	366,0	364,6

The following table summarises the effect on the summarised consolidated statement of financial position of the prior year:

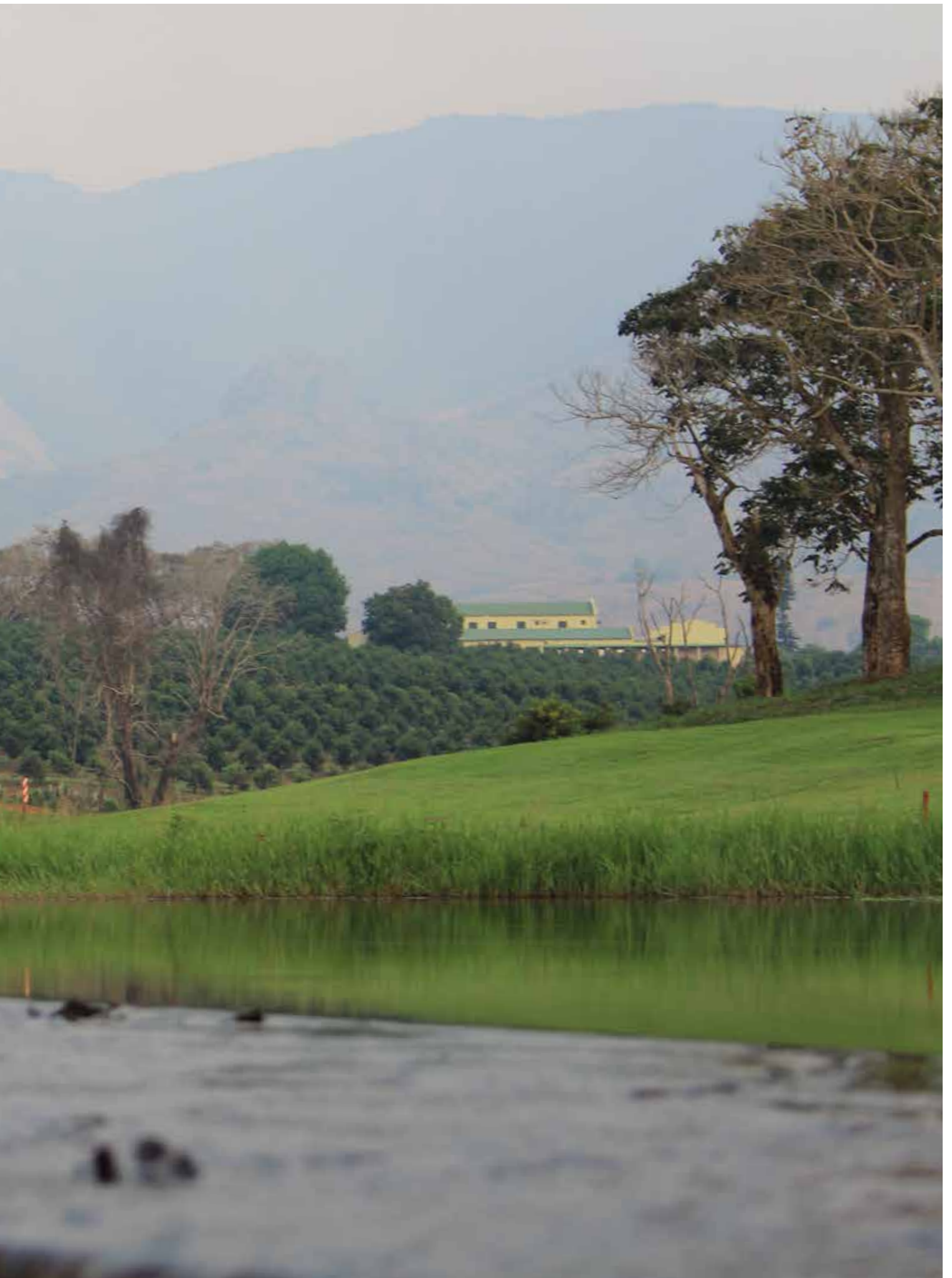
Property, plant and equipment	2016 R'000	2015 R'000
Net book value – as previously reported	494 705	514 116
Change in accounting policy – decrease in profit for the year	(15 326)	–
Change in accounting policy – adjustment to leased bearer assets	(19 090)	–
Change in accounting policy – reclassification of bearer biological assets	309 652	254 234
Net book value – restated	769 941	768 350

7. Basis of preparation

The summarised consolidated financial statements have been prepared in accordance with the minimum information required by IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa as applicable to summarised financial statements. A copy of the auditor's report on consolidated annual financial statements is available for inspection at the company's registered office, together with the financial statements identified in the auditor's report.

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Shareholder profile

	Number of shareholdings	Percentage of total shareholdings	Number of shares	Percentage of shares in issue
Shareholder spread				
1 – 2 000 shares	289	55,0	1 67 582	1,1
2 001 – 10 000 shares	117	22,3	582 058	3,8
10 001 – 20 000 shares	40	7,6	536 349	3,5
20 001 – 50 000 shares	48	9,1	1 619 512	10,6
50 001 – 100 000 shares	16	3,0	1 241 523	8,1
Over 100 000 shares	16	3,0	11 117 293	72,9
Total	526	100,0	15 264 317	100,0
Shareholder distribution				
Trusts	84	16,0	3 382 534	22,2
Stockbrokers and nominees	5	1,0	41 738	0,3
Individuals	373	70,9	2 213 562	14,5
Private companies and other corporations	64	12,1	9 626 483	63,0
Total	526	100,0	15 264 317	100,0
Shareholder type				
Non-public shareholders				
Silverlands (SA) Plantations SARL	1		6 838 444	44,8
Directors (direct and indirect holdings)	6		233 440	1,5
Directors (Associates)	3		55 571	0,4
	10	1,9	7 127 455	46,7
Public shareholders	516	98,1	8 136 862	53,3
Total	526	100,0	15 264 317	100,0
Beneficial shareholders with a holding greater than 5% of the shares in issue				
Silverlands (SA) Plantations SARL			6 838 444	44,8
Oasis Asset Management			864 838	5,7
Ellingham Estate (Pty) Ltd			840 000	5,5
Total			8 543 282	56,0

Shareholders' diary

Financial year-end		March
Annual general meeting		July
Reports and profit statements	Interim report	November
	Audited group results	May
	Integrated report and financial statements	June
Distributions Interim	– declaration	November
	– payable	January
Final	– declaration	May
	– payable	July

Notice of annual general meeting

Notice is hereby given to shareholders as recorded in the company's securities register on 21 July 2017 that the 104th annual general meeting of shareholders of Crookes Brothers Limited ("Crookes Brothers" or "the company"), in respect of the financial year ended 31 March 2017 will be held at the Durban Country Club, Isaiah Ntshangase Road, Durban, 4001 on Friday, 28 July 2017, at 11:00 ("the AGM" or "the annual general meeting").

Purpose

The purpose of the annual general meeting is to transact the business set out in the agenda below.

Agenda

Presentation of annual financial statements

To present the audited annual financial statements of the company, including the reports of the directors, audit committee, social and ethics committee and auditors for the year ended 31 March 2017.

The summarised consolidated financial statements are included in the integrated report, while the full set of audited annual financial statements is available on the company's website at www.cbl.co.za.

To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

Note: For any of the ordinary resolutions numbers 1 to 4 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.

1. Ordinary resolution number 1: re-appointment of external auditors

"Resolved to authorise the company to re-appoint, on the recommendation of the audit committee of the company, the external auditors, Deloitte & Touche with the designated auditor currently being Mrs Camilla Howard-Browne, until the conclusion of the next annual general meeting."

The reason for this ordinary resolution is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed, as the case may be, each year at the annual general meeting of the company.

2. Ordinary resolution number 2: re-election of directors

The nominations committee of the company assessed the performance of each of the retiring directors and the board of directors considered the findings of the nominations committee. Based on these findings, the board recommends to shareholders the re-election of each of the retiring directors as set out in ordinary resolutions 2.1 to 2.3.

2.1 The following non-executive directors retire by rotation in terms of clause 24.7.1 of the company's memorandum of incorporation (MOI) and, being eligible, offer themselves for re-election, each by way of a separate vote. Brief *curricula vitae* in respect of these directors are shown on pages 14 and 15 of the 2017 integrated report to which this notice is attached.

2.1.1 "Resolved that Mr JR Barton, who retires by rotation in terms of the company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a non-executive director of the company."

2.1.2 "Resolved that Mr RGF Chance, who retires by rotation in terms of the company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a non-executive director of the company."

2.1.3 "Resolved that Mr G Vaughan-Smith, who retires by rotation in terms of the company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a non-executive director of the company."

The reason for ordinary resolution number 2.1. is that the company's MOI and, to the extent applicable, the Companies Act (Act 71 of 2008), as amended, ("Companies Act") require that a component of the company's non-executive directors retire every year at the company's annual general meeting.

2.2 The following non-executive director who has served for longer than nine years retires in terms of article 24.7.3 of the company's MOI and, being eligible, offers himself for re-election. A brief *curriculum vitae* in respect of the retiring director is shown on page 14 of the 2017 integrated report.

It is a requirement of the company that all directors who have been on the board for longer than nine years are subject to annual re-election by shareholders at the annual general meeting.

2.2.1 "Resolved that Mr MT Rutherford, who retires in terms of the company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a non-executive director of the company."

The reason for ordinary resolution number 2.2. is that the company's MOI, requires that a director who has served on the board for longer than nine years retires every year at the company's annual general meeting.

Notice of annual general meeting continued

- 2.3 The following non-executive director who was appointed during the year retires in terms of article 24.7.4 of the company's MOI and, being eligible, offers herself for election. Mrs T Abdool-Samad was appointed a director on 6 June 2017.

Tasneem is a qualified Chartered Accountant with many years of experience in the auditing profession where she was a partner at Deloitte for eight years. Tasneem currently serves on various boards and committees, including Audit Committees, of JSE listed companies.

- 2.3.1. "Resolved that Mrs T Abdool-Samad, who retires in terms of the company's MOI and, being eligible and offering herself for election, be and is hereby elected as a non-executive director of the company."

The reason for ordinary resolution number 2.3 is that the company's MOI and to the extent applicable the Companies Act, require that directors appointed subsequent to the previous annual general meeting retire at the company's annual general meeting.

3. Ordinary resolution number 3: re-election of the members of the audit committee

"Resolved that the following independent non-executive directors be and are hereby individually re-elected, by way of a separate vote, as members of the audit committee to remain members until the conclusion of the next annual general meeting of the company:

3.1 Mr RE Stewart;

3.2 Subject to the passing of ordinary resolution 2.2.1, Mr MT Rutherford; and

3.3 Subject to the passing of ordinary resolution 2.3.1, Mrs T Abdool-Samad;

Brief *curricula vitae* in respect of these directors are shown on pages 14 and 15 of the 2017 integrated report to which this notice is attached.

The reason for this ordinary resolution is that the company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be re-appointed, at each annual general meeting of the company.

4. Ordinary resolution number 4: endorsement of the company's remuneration policy by way of a non-binding advisory vote

"Resolved to consider and endorse, by way of a non-binding advisory vote, the company's remuneration policy and its implementation."

The reason for this ordinary resolution is to request shareholders to signify their approval of the company's remuneration policy by way of a non-binding advisory resolution as is provided for in the King Report on Governance for South Africa – 2009 (King III). The policy is outlined on pages 36 and 37 of the 2017 integrated report.

5. Ordinary resolution number 5: reservation of an additional 300 000 shares for the share option scheme

"Resolved that the company, subject to the Companies Act, the company's MOI and the JSE Listings Requirements, may reserve an additional 300 000 ordinary shares for allocation as share options in terms of Clause 3.1 of The Crookes Brothers Limited Share Option Scheme to increase the shares available for allocation from 900 000 ordinary shares to 1 200 000 ordinary shares."

The reason for this ordinary resolution is that the company, being a public listed company, must obtain the prior approval of the shareholders in order to increase the aggregate number of shares which may be acquired by participants of The Crookes Brothers Limited Share Option Scheme.

To consider and, if deemed fit, to approve, with or without modification, the following special resolutions:

Note: For the special resolutions numbers 1 – 4 (inclusive) to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

6. Special resolution number 1: authority to repurchase own shares

"Resolved that the company or any subsidiary of the company, as the case may be, subject to the Companies Act, the company's MOI and the JSE Listings Requirements, may repurchase ordinary shares issued by the company, provided that this authority shall be valid only until the date of the next annual general meeting of the company or for 15 (fifteen) months from the date of the resolution, whichever is the shorter, and may be varied by a special resolution at any general meeting of the company at any time prior to the annual general meeting."

It is recorded that the company or any subsidiary of the company may only make a general repurchase of ordinary shares if:

- any such acquisition of ordinary shares is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter-party;
- the company is so authorised by its MOI;
- the repurchases are made at a price no greater than 10% (ten percent) above the volume weighted average of the market value for such securities for the 5 (five) business days immediately preceding the date on which the repurchase is effected;

- at any point in time, the company may only appoint one agent to effect any repurchases on the company's behalf;
- the company or its subsidiaries do not repurchase securities during a prohibited period defined in terms of the JSE Listings Requirements, unless it has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE, in writing, prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- a paid press announcement, containing full details of such repurchases is published as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of securities in issue prior to the repurchases and for each 3% (three percent), on a cumulative basis, thereafter; and
- acquisitions of the company's securities by the company or its subsidiaries in the aggregate in any one financial year may not exceed 5% (five percent), in the case of a repurchase by the company and 5% (five percent) in the case of a purchase by a subsidiary, of the company's issued share capital from the date of the grant of this general authority.

In terms of the general authority given under this special resolution, any acquisition of ordinary shares shall be subject to:

- the Companies Act;
- the JSE Listings Requirements and any other applicable stock exchange rules, as may be amended from time to time;
- the sanction of any other relevant authority whose approval is required by law; and
- a resolution by the board that it authorises the repurchase, that the company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the company or the group.

After having considered the effect of any repurchases of ordinary shares pursuant to this general authority, the directors of the company in terms of the Companies Act and the JSE Listings Requirements, confirm that they will not undertake such repurchase of ordinary shares unless at the time that the contemplated repurchase is to take place:

- the company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the notice of the annual general meeting;
- the consolidated assets of the company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company and its subsidiaries for a period of 12 (twelve) months after the date of the notice of the annual general meeting;
- the company and its subsidiaries will have adequate capital and reserves for the ordinary business purposes of the company and its subsidiaries for a period of 12 (twelve) months after the date of the notice of the annual general meeting; and
- the working capital available to the company and its subsidiaries will be sufficient for the group's ordinary business purposes for a period of 12 (twelve) months after the date of the notice of the annual general meeting.

Explanatory note to special resolution number 1

The company's MOI contains a provision allowing the company or any subsidiary of the company to repurchase securities issued by the company. This is subject to the approval of the shareholders in terms of the company's MOI and the JSE Listings Requirements.

The directors of the company are of the opinion that it would be in the interests of the company to approve such general authority for the repurchase of shares for use in terms of The Crookes Brothers Share Option Scheme ("Share Option Scheme") and thereby allow the company or any subsidiary of the company, to be in a position to repurchase the securities issued by the company through the order book of the JSE, should the market conditions and price justify such action.

Repurchases will only be made after careful consideration where, in the opinion of the directors, repurchases are in the best interests of the company and the group.

Reason for and effect of special resolution number 1

The reason and effect of this special resolution is to enable the company to repurchase shares for allocation to participants in terms of the Share Option Scheme.

Notice of annual general meeting continued

Disclosures required in terms of paragraph 11.26 of the JSE Listings Requirements:

The following additional information, some of which may appear elsewhere in this integrated report, is provided in terms of the JSE Listing Requirements for purposes of the special resolution:

Directors of the company – pages 14 and 15 of this integrated report

Major shareholders – page 84 of this integrated report

Directors' interest in the company's shares – page 70 of this integrated report

Company's share capital – page 84 of this integrated report

Directors' responsibility statement

The directors, whose names are given on pages 14 and 15 of this integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolution number 1, and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the aforementioned special resolution contains all the information required by the JSE.

Material change

Other than the facts and developments reported on in this integrated report, there have been no material changes in the financial or trading position of the company or its subsidiaries since the company's financial year-end and the signature date of this integrated report.

Litigation statement

Other than as disclosed or accounted for in this integrated report, the directors are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened of which the company is aware which may have or have had in the recent past, being at least the previous 12 months from the date of this integrated report, a material effect on the financial position of the company and its subsidiaries.

7. Special resolution number 2: remuneration of non-executive directors

"Resolved in accordance with section 66(9) of the Companies Act, that unless otherwise determined by the company in general meeting, the revised annual fees payable by the company to non-executive directors be approved with effect from 1 April 2017, as follows:"

	Current 2017 Rands per annum	Proposed 2018 Rands per annum
Board		
Chairman	430 000	460 000
Other non-executive board members	187 000	200 000
Audit committee		
Chairman	130 000	140 000
Other members	62 000	67 000
Remuneration committee		
Chairman	37 000	40 000
Other members	25 000	27 000
Nominations committee		
Chairman	18 500	20 000
Other members	12 500	13 500
Risk committee		
Chairman	52 000	56 000
Other non-executive board members	35 000	38 000
Social and ethics committee		
Chairman	37 000	40 000
Other non-executive board members	25 000	27 000
Retirement funds		
Chairman	76 000	80 000

All fees are paid quarterly in arrears.

Reason for and effect of special resolution number 2

The reason for this special resolution is to obtain prior approval from shareholders in accordance with the Companies Act for the payment of the non-executive directors' fees and the effect will be that the non-executive directors will be paid in accordance with this resolution.

8. Special resolution number 3: financial assistance in terms of section 44 of the Companies Act

"Resolved that, to the extent required by the Companies Act, the board of directors of the company may as a general approval, subject to compliance with the requirements of the company's MOI and the Companies Act, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance, by way of loans, guarantees, the provision of security or otherwise, to any person for the purpose of, or in connection with, the subscription of any option, or any securities (as such term is defined in the Companies Act), issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company on the basis that the board of directors of the company is satisfied that following the provision of the financial assistance, the solvency and liquidity tests referred to in section 4 of the Companies Act will, as required in terms of section 44 (3)(b)(i) of the Companies Act, be met and that the terms under which the financial assistance is proposed to be given, as contemplated in section 44 (3)(b)(ii) of the Companies Act, are fair and reasonable to the company and accordingly pass a resolution to this effect.

Such authority is valid for a period of two (2) years commencing on the date of approval of this special resolution."

Reason for and effect of special resolution number 3

The reason for and effect of this special resolution is to grant the directors the authority to provide financial assistance to any company or corporation which is related or inter-related to the company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the company or any related or inter-related company or corporation.

This means that the company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the company or its subsidiaries.

A typical example of where the company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares.

9. Special resolution number 4: financial assistance to related and inter-related companies in terms of section 45 of the Companies Act

"Resolved that, to the extent required by the Companies Act, the board of directors of the company may as a general approval, subject to compliance with the requirements of the company's MOI and the Companies Act, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance to a related or inter-related company on the basis that the board of directors of the company is satisfied that following the provision of the financial assistance, the solvency and liquidity tests referred to in section 4 of the Companies Act will, as required in terms of section 45 (3)(b)(i) of the Companies Act, be met and that the terms under which the financial assistance is proposed to be given, as contemplated in section 45 (3)(b)(ii) of the Companies Act are fair and reasonable to the company and accordingly pass a resolution to this effect.

Such authority is valid for a period of two (2) years commencing on the date of this special resolution."

Reason for and effect of special resolution number 4

The reason for and effect of this special resolution is to obtain the necessary approvals from shareholders to allow the company to provide financial assistance to the company's related or inter-related companies in accordance with the provisions of Section 45 of the Companies Act, as and when required. This means that the company is *inter alia* authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

This special resolution does not authorise the provision of financial assistance to a director and/or prescribed officer of the company.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the company, that immediately after providing any financial assistance as contemplated in special resolution numbers 3 and 4:

- the assets of the company (fairly valued) will equal or exceed the liabilities of the company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the company);
- the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the company; and

Notice of annual general meeting continued

- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the company as contained in the company's MOI have been met.

A member who is entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend, speak and, on a poll, vote in his/her stead. The proxy need not be a member of the company.

Proxy forms may be presented any time prior to or at the annual general meeting and also at the company's registered office, or the company's transfer secretaries at the addresses as stated on the inside back cover of the 2017 integrated report, 48 hours before the commencement of the annual general meeting being Wednesday, 26 July 2017.

By order of the board,



Highway Corporate Services (Pty) Limited

Company Secretary

Mount Edgecombe

25 May 2017

Voting and proxies

All shareholders are entitled to attend and vote at the annual general meeting. Shareholders who hold their shares in certificated form or who are own-name registered dematerialised shareholders who are unable to attend the annual general meeting but who wish to be represented thereat, are requested to complete and return the attached form of proxy so as to be received by the company at any time prior to commencement of the annual general meeting and also at the time of the annual general meeting, or with the company's transfer secretaries 48 hours prior to the annual general meeting being Wednesday, 26 July 2017. Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than by own-name registration, who wish to attend the annual general meeting, should instruct their CSDP or broker to issue them with the necessary authority, being a letter of representation, to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. Shareholders who have dematerialised their shares through a CSDP or broker, other than by own-name registration who wish to vote by way of proxy, should provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. These instructions must be provided to their CSDP or broker by the cut-off time or date advised by their CSDP or broker for instructions of this nature.

Forms of proxy and/or letters of representation may be presented at any time prior to commencement of the annual general meeting and also at the annual general meeting, but to enable the company to ensure prior to the annual general meeting that a quorum will be present at the annual general meeting, it would be helpful if proxy forms and/or letters of representation could be delivered to the company or the company's transfer secretaries 48 hours prior to the annual general meeting, being Wednesday, 26 July 2017.

Salient dates

Record date to receive the notice of the annual general meeting	Thursday, 15 June 2017
Last date to trade to be eligible to vote	Tuesday 18 July 2017
Record date to be eligible to vote	Friday, 21 July 2017
Last date for lodging forms of proxy	Wednesday, 26 July 2017

Identification of annual general meeting participants

Please note that in terms of Section 63 (1) of the Companies Act, meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. Forms of identification include valid identity documents, driver's licences and passports.

Form of proxy

Crookes Brothers Limited

Incorporated in the Republic of South Africa
 Company registration number 1913/000290/06
 Share code: CKS
 ISIN: ZAE000001434
 ("Crookes Brothers" or "the company")

Annual general meeting

For use only by certificated shareholders, own-name registered dematerialised shareholders, Central Securities Depository Participants' ("CSDP") nominee companies and brokers' nominee companies at the annual general meeting of shareholders to be held at the Durban Country Club, at 11:00 on Friday, 28 July 2017.

Dematerialised shareholders other than by own-name registration, must not complete this form of proxy and must provide their CSDP or broker with their voting instructions, or alternatively, should they wish to attend the annual general meeting themselves, they may request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

I/We _____ (block capitals)

of _____ (address)

being a member(s) of the above-named company and entitled to vote,

do hereby appoint _____ of

or failing him/her _____ of

or failing him/her the chairman of the annual general meeting as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the company to be held on Friday, 28 July 2017, or at any adjournment thereof.

I/We hereby direct that my/our proxy shall exercise his/her discretion as to the manner in which he/she votes, except as indicated below.

Agenda Item	Mark with X where applicable		
	For	Against	Abstain
1. Re-appointment of external auditors			
2.1.1 Re-election of non-executive director – JR Barton			
2.1.2 Re-election of non-executive director – RGF Chance			
2.1.3 Re-election of non-executive director – G Vaughan-Smith			
2.2.1 Re-election of non-executive director – MT Rutherford			
2.3.1 Election of non-executive director – T Abdool-Samad			
3.1 Re-election of audit committee member – RE Stewart			
3.2 Re-election of audit committee member – MT Rutherford			
3.3 Re-election of audit committee member – T Abdool-Samad			
4. Remuneration policy – Non-binding advisory vote			
5. Reserve an additional 300 000 ordinary shares for the Share Option Scheme			
6. Special resolution number 1: Authority to repurchase own shares			
7. Special resolution number 2: Remuneration of non-executive directors			
8. Special resolution number 3: Authority to grant financial assistance in terms of section 44 of the Companies Act			
9. Special resolution number 4: Authority to grant financial assistance to related and inter-related parties in terms of section 45 of the Companies Act			

Signed at _____ on this _____ day of _____ 2017

Signature _____ Number of shares _____

Notes to the form of proxy

A Crookes Brothers shareholder may insert the name of a proxy or the names of two alternative proxies of the Crookes Brothers shareholder's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the Crookes Brothers shareholder concerned.

The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in Crookes Brothers, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A Crookes Brothers shareholder or his/her proxy is not obliged to use all the votes exercisable by the Crookes Brothers shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.

The date must be filled in on this proxy form when it is signed.

The completion and lodging of this form of proxy will not preclude the relevant Crookes Brothers shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.

Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or the company secretary of Crookes Brothers or waived by the chairman of the annual general meeting of Crookes Brothers shareholders.

Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.

A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries or the company secretary of Crookes Brothers.

Shareholders are requested to submit forms of proxy to the company, Crookes Brothers Limited at KwaShukela, Mount Edgecombe KwaZulu-Natal (PO Box 611, Mount Edgecombe, 4300) at any time prior to commencement of the annual general meeting and also at the annual general meeting, or to the company's transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) 48 hours prior to the annual general meeting being Wednesday, 26 July 2017.

The chairman of the annual general meeting may accept or reject any form of proxy, in his absolute discretion, which is completed other than in accordance with these notes.

If required, additional forms of proxy are available from the company secretary of Crookes Brothers.

Dematerialised shareholders, other than by own-name registration, must not complete this form of proxy but must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

AGM luncheon invitation

Shareholders are advised that a luncheon will be served at the Durban Country Club after the conclusion of the annual general meeting. In order to assist with catering requirements shareholders are requested to complete this catering notification card and post it to Crookes Brothers Limited, PO Box 611, Mount Edgecombe, 4300 or scan and mail it to blanga@cbl.co.za.

I/We, being a member/members of the above-named company, wish to attend the annual general meeting of the company to be held on Friday, 28 July 2017 and would like to/cannot attend the shareholders' luncheon.

RSVP: No later than Friday, 21 July 2017

Signature: _____

Number of people: _____

Corporate information

Company name: Crookes Brothers Limited
Registered office: Mount Edgecombe, KwaZulu-Natal
Postal address: PO Box 611, Mount Edgecombe, 4300
Telephone: 031 508 7340
E-mail: info@cbl.co.za
Website: www.cbl.co.za
Share code: CKS
Company registration number: 1913/000290/06
Company secretary: Highway Corporate Services (Proprietary) Limited
Business address: 14 Hillcrest Office Park, 2 Old Main Road, Hillcrest
Postal address: PO Box 1319, Hillcrest, 3650
Telephone: 031 765 4989
Telefax: 086 679 3461
Transfer secretaries: Computershare Investor Services (Proprietary) Limited
Business address: Rosebank Towers, 15 Biermann Ave, Rosebank, 2196
Postal address: PO Box 61051, Marshalltown, 2107
Telephone: 011 370 5000
Telefax: 011 688 5200
Auditors: Deloitte & Touche
Attorneys: Livingston Leandy Inc.
Bankers: FirstRand Bank Limited
Investec Bank Limited
Sponsor: Sasfin Capital (A division of Sasfin Bank Limited)



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