CROOKES BROTHERS

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER

2020

COMMENTARY ON INTERIM RESULTS

Shareholders are reminded that the board cautions against using interim earnings to project full year earnings without proper analysis particularly of the biological asset valuations. The consistent application of IFRS principles as they relate to biological asset valuations, combined with the impact of seasonality, particularly in the deciduous and macadamia nut divisions, distorts the presentation of actual operating performance.

The Board is pleased to report a set of interim results which reflect an overall improvement in the business notwithstanding very difficult operating and trading conditions and the effects of the COVID-19 pandemic in the period under review.

Operating profit increased by 95% to R66.1 million (2019: R33.9 million) driven by robust performance in our sugar cane division. Sugar prices in South Africa continue to trend upwards largely due to a strong increase in local demand and an increase in the notional sugar price in South Africa. Sugar profits increased by 41% compared to the corresponding prior period. Export sugar realisations improved on the back of an increase in world market premiums and favourable Rand/US Dollar movements.

Our deciduous division also recorded a pleasing recovery to net contribution compared to the corresponding prior period. This performance was a result of improved quality and better Rand prices being realised on our 2020 harvest compared to those of prior periods.

Both revenue and operating profit from our banana segment was down on the corresponding prior period as a consequence of a severe hailstorm and accompanying heavy winds which all but destroyed the crop at one of our prominent Mpumalanga farms. Banana revenues decreased by 22% to R34.3 million (2019: R43.8 million) resulting in an operating loss in this segment of R3.1 million (2019: operating profit R10.4 million). This excludes Quinta Da Bela Vista which is disclosed separately under share of profit from associate companies.

The group did not escape the effects of the COVID-19 pandemic and associated lockdown. The economic effects of the pandemic were mostly felt in our property division as the temporary closure of operations all but halted sales and caused property revenue to contract by R27.1 million compared to the corresponding prior period.

Macadamia results in the first half of the year reflect the carry-over of crop revenues from the 2020 harvest which, for the climatic reasons noted at the financial year-end, was a poor crop. Revenue in the period under review is down 6% on the corresponding prior period ending on R28.8 million (2019 R30.7 million) and the macadamia operating loss of R1.5 million (2019: R4.7 million) is distorted by the biological asset valuation at the interim reporting date.

Our share of profit of joint venture and associate companies includes the results of operations at Quinta Da Bela Vista, situated near Maputo, which produced its maiden banana crop and is exceeding expectations in terms of both quality and price, with a half year contribution to group profit of R4.6 million (2019: Rnil).

Finance charges decreased by 25% ending on R17.8 million (2019: R23.8 million) (including IFRS 16 adjustments), compared to the corresponding prior period. This reflected both the improved operating cash flows and a lower interest rate environment.

Profit for the period is up by 317% to R46.3 million (2019 restated: R11.1 million), and headline earnings for the half year increased by R28.1 million ending on R23.1 million (2019 restated: Headline loss R5.0 million).

The group continues to generate sound cash flows with cash generated from operations improving by 10% ending on R58.5 million (2019: R53.0 million).

LIQUIDITY AND GEARING

In line with the Group's strategy of disposing of assets which fail to meet our rigorous investment criteria, a number of properties have been sold in the calendar year to date. Strathmore Farm was sold for R16.5 million, of which R2.5 million of the proceeds have been received in the period under review. As a post-balance sheet event, we confirm the disposal of our High Noon deciduous farm in the Western Cape for R95 million and the sale of portions of our Riversbend sugar cane farm in KwaZulu-Natal for R38 million.

These disposals will strengthen our balance sheet, reducing gearing to under 20% (2019: 32%) and also significantly improve short-term liquidity.

Our capital raising initiatives have progressed well with the raising of an US$ 8 million, ten-year AgDevCo term loan, for the expansion of our area under macadamia crop in Mozambique from 463 ha to 755 ha. We anticipate the final conditions precedent to be met by the end of November 2020 allowing the expansion to commence this financial year.

In addition, we are finalising a ten-year term loan of US$3 million for the expansion of our Quinta Da Bela Vista joint venture which is likely to be in place by the first quarter of 2021. This will provide further support for the working capital needs and refinancing requirements of this operation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Crookes Brothers was an early adopter and is now considered a leader in implementing Environmental Social and Governance ("ESG") standards. The Board has formally committed to SilverStreet's Responsible Investment Code ("RIC") and has undergone independent ESG 'audits' annually since 2013. These audits assess compliance against the RIC as well as against the IFC Performance Standards and the UN's Global Compact. The group has achieved high scores of over 90% compliance for three years running. Systems have been implemented to ensure continuous improvement in the management of ESG matters on all estates.

PROSPECTS

Being an essential service, the agricultural sector is well placed to weather the economic effects of the global COVID-19 pandemic. Commencing in February, management adopted an early and proactive stance with regard to safety and risk mitigation strategies to manage the impact of the pandemic on our employees and we have had only four positive cases, with no fatalities, reported across our total employee base of 2 813 employees. We are fortunate that there has been negligible disruption to our operations to date and we are hopeful that there will continue to be minimal disruption to our future operations.

There has been a significant increase in sugar demand within SACU as a consequence of a number of positive factors, including the finalisation of the Sugar Master Plan, and this bodes well for our sugar operations.

With the disposal of the underperforming High Noon deciduous farm, the maturing of our younger deciduous orchards in the remaining estates and a recovery from the drought in the Western Cape, we are optimistic that our deciduous division is set to deliver much improved results this financial year and going forward.

Our 2021 macadamia crop has excellent fruit set and is on track to meet its production expectations.

Prospects and the outlook for the property division remain uncertain at this stage despite a lower prevailing interest rate environment in South Africa.

The strategy of reducing short-term debt by a combination of asset disposals and the introduction of appropriate term funding to match the periodicity of our operating cash flows is nearing completion. This will significantly lower finance charges going forward and will give the group the opportunity to pursue growth opportunities in line with its stated strategy.

INTERIM CASH DIVIDEND DECLARATION

The board continues to maintain a conservative dividend policy for these interim results and has taken the decision not to declare an interim dividend for the six-month period ended 30 September 2020.

Any reference to the group's future financial performance included in this announcement has not been reviewed nor reported on by the company's auditors.

For and on behalf of the board

MT Rutherford
Chairman

KA Sinclair
Chief Executive Officer

Durban
24 November 2020

Registered office and postal address
170 Flanders Drive, Mount Edgecombe, KwaZulu-Natal
PO Box 611, Mount Edgecombe, KwaZulu-Natal, 4300

Website
www.cbl.co.za

Transfer secretaries
Computershare Investor Services Proprietary Limited
PO Box 61051, Marshalltown, 2107

Sponsor
Sasfin Capital A division of Sasfin Bank Limited

Directors
MT Rutherford* (Chairman), KA Sinclair (CEO), GL Veale (CFO),
RGF Chance*, TJ Crookes*, TK Denton*#, P Mnganga*, LW Riddle*, G Vaughan-Smith*#, ST Xaba*

** Non-executive director #British*

Company secretary
ZC Ngwenya

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the period ended 30 September 2020

	Notes	Unaudited Six months to 30 September 2020 R'000	Unaudited Restated Six months to 30 September 2019* R'000	Audited 12 months to 31 March 2020 R'000
Revenue	2	**412 067**	437 882	703 677
Operating profit before biological assets		**113 184**	120 570	69 359
Change in fair value of biological assets	7	**(47 087)**	(86 645)	(12 856)
Operating profit after biological assets		**66 097**	33 925	56 503
Gain on disposal of property, plant and equipment	3	**8 366**	–	19 526
Share of profit of joint venture and associate companies	4	**7 323**	3 027	3 958
Investment income		**336**	1 507	3 363
Finance costs	5	**(17 838)**	(23 835)	(44 287)
Profit before tax		**64 284**	14 624	39 063
Tax expense		**(17 999)**	(3 479)	(15 375)
Profit for the period		**46 285**	11 145	23 688
Attributable to:				
Owners of the Company		**32 060**	(4 704)	8 733
Non-controlling interests		**14 225**	15 849	14 955
		46 285	11 145	23 688
Earnings/(loss) per share				
Basic	(cents)	**210,0**	(30,8)	57,2
Diluted	(cents)	**210,0**	(30,8)	57,2

** Prior period re-presented to account for Renishaw Hills as continuing operations, and restated to account for the group's equity share of earnings in its associate Lebombo Growers Proprietary Limited. Refer to notes 8.2 and 10.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 September 2020

	Unaudited Six months to 30 September 2020 R'000	Unaudited Restated Six months to 30 September 2019* R'000	Audited 12 months to 31 March 2020 R'000
Profit for the period	**46 285**	11 145	23 688
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of post-employment medical aid obligation	**–**	–	(119)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	**(7 951)**	(1 453)	(8 309)
Other comprehensive loss, net of income tax	**(7 951)**	(1 453)	(8 428)
Total comprehensive income for the period	**38 334**	9 692	15 260
Attributable to:			
Owners of the company	**24 109**	(6 157)	305
Non-controlling interests	**14 225**	15 849	14 955
	38 334	9 692	15 260

** Prior period re-presented to account for Renishaw Hills as continuing operations, and restated to account for the group's equity share of earnings in its associate Lebombo Growers Proprietary Limited. Refer to notes 8.2 and 10.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2020

	Notes	Unaudited 30 September 2020 R'000	Unaudited Restated 30 September 2019* R'000	Audited 31 March 2020 R'000
ASSETS				
Non-current assets		**1 090 873**	1 207 588	1 093 078
Property, plant and equipment		**756 108**	934 242	787 744
Right-of-use assets		**155 315**	157 208	160 145
Investment property		**53 446**	30 435	41 782
Deferred tax assets		**23 578**	11 162	23 646
Financial assets		**17 979**	5 132	4 935
Investments in joint venture and associates		**78 992**	64 241	69 481
Unsecured loans		**5 455**	5 168	5 345
Current assets		**722 264**	622 185	697 535
Biological assets	7	**193 526**	173 705	245 511
Inventories		**136 860**	143 093	139 403
Trade and other receivables		**178 754**	183 453	130 862
Current tax assets		**9 194**	13 116	6 941
Financial assets		**1 580**	–	117
Retirement benefit surplus		**1 693**	1 693	1 693
Cash and bank balances		**40 548**	83 693	22 767
		562 155	598 753	547 294
Assets classified as held for sale	8	**160 109**	23 432	150 241
Total assets		**1 813 137**	1 829 773	1 790 613
EQUITY AND LIABILITIES				
Capital and reserves		**1 104 154**	1 069 284	1 065 938
Share capital and premium		**226 271**	226 271	226 271
Investment revaluation reserve		**951**	951	951
Foreign currency translation reserve		**(47 757)**	(32 951)	(39 807)
Share-based payment reserve		**5 780**	4 612	5 898
Retained earnings		**866 457**	826 612	839 930
Equity attributable to owners of the company		**1 051 702**	1 025 495	1 033 243
Non-controlling interests		**52 452**	43 789	32 695
Non-current liabilities		**425 659**	418 105	414 559
Deferred tax liabilities		**127 150**	129 514	127 503
Borrowings – interest-bearing	9.1	**74 016**	69 230	64 556
Other financial liabilities		**34 426**	19 481	27 313
Obligations to restore leased farmland		**30 078**	41 034	32 512
Lease liabilities		**157 588**	155 270	160 274
Post-employment medical aid obligation		**2 401**	3 576	2 401
Current liabilities		**283 324**	342 384	310 116
Trade and other payables and provisions		**47 125**	65 422	68 507
Current tax liabilities		**19 446**	–	2 335
Borrowings – interest-bearing	9.1	**206 886**	254 158	206 976
Obligations to restore leased farmland		**–**	–	6 896
Lease liabilities		**5 165**	4 413	4 958
Bank overdraft	9.2	**4 702**	18 391	20 444
Total equity and liabilities		**1 813 137**	1 829 773	1 790 613

** Prior period re-presented to account for Renishaw Hills as continuing operations, and restated to account for the group's equity share of earnings in its associate Lebombo Growers Proprietary Limited. Refer to notes 8.2 and 10.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 September 2020

	Notes	Unaudited Six months to 30 September 2020 R'000	Unaudited Restated Six months to 30 September 2019* R'000	Audited 12 months to 31 March 2020 R'000
Operating activities				
Operating profit for the period		**66 097**	33 925	56 503
Adjustment for non-cash items:				
Depreciation		**33 303**	34 508	69 948
Change in fair value of biological assets	7	**47 087**	86 645	12 856
Other non-cash items		**(7 154)**	(7 131)	(11 121)
Operating cash flows before changes in working capital		**139 333**	147 947	128 186
Net outflow from changes in working capital:		**(80 855)**	(94 954)	(41 998)
Cash generated from operations		**58 478**	52 993	86 188
Interest received		**207**	1 302	2 929
Interest paid		**(16 566)**	(14 368)	(39 770)
Income taxes paid		**(3 384)**	(8 234)	(25 459)
Net cash generated by operating activities		**38 735**	31 693	23 888
Investing activities				
Proceeds from/(investment in) financial assets		**58**	(955)	(825)
Proceeds on repayment of unsecured loans		**–**	2 792	2 792
Proceeds on disposal of biological assets		**1 595**	–	–
Proceeds on disposal of property, plant and equipment		**4 501**	23 772	63 553
Investment in property, plant and equipment		**(22 686)**	(30 444)	(67 330)
Investment in investment property		**(117)**	(99)	(2 940)
Loans to joint venture and associate companies		**(2 078)**	(450)	(4 759)
Other net investing activities		**(118)**	–	14
Net cash used in investing activities		**(18 845)**	(5 384)	(9 495)
Free cash flow		**19 890**	26 309	14 393
Financing activities				
Proceeds from loans and borrowings		**12 588**	1 450	1 450
Repayment of loans and borrowings		**(7 902)**	(4 431)	(15 582)
Proceeds from general banking facilities		**60 000**	135 500	231 500
Repayment of general banking facilities		**(56 000)**	(133 700)	(271 815)
Increase in other financial liabilities		**7 426**	–	8 092
Repayment of lease liability		**(2 479)**	(2 120)	(4 575)
Interest paid on lease liability		**–**	(6 766)	–
Dividends paid – community partners		**–**	(28)	(10 228)
Net cash generated by/(used in) financing activities		**13 633**	(10 095)	(61 158)
Net increase/(decrease) in cash and cash equivalents		**33 523**	16 214	(46 765)
Cash and cash equivalents at beginning of the period		**2 323**	49 088	49 088
Cash and cash equivalents at end of the period		**35 846**	65 302	2 323

** Prior period re-presented to account for Renishaw Hills as continuing operations. Refer to note 8.2.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 September 2020

	Unaudited Six months to 30 September 2020 R'000	Unaudited Restated Six months to 30 September 2019* R'000	Audited 12 months to 31 March 2020 R'000
Balance at beginning of period	**1 065 938**	1 059 620	1 059 620
Movements in share-based payment reserve	**(118)**	–	1 286
Other comprehensive income for the period	**38 334**	9 692	15 260
Dividends declared and paid	**–**	(28)	(10 228)
Balance at end of period	**1 104 154**	1 069 284	1 065 938

** Prior period restated to account for the group's equity share of earnings in its associate Lebombo Growers Proprietary Limited. Refer to note 10.*

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

for the period ended 30 September 2020

	Unaudited Six months to 30 September 2020 R'000	Unaudited Restated Six months to 30 September 2019* R'000	Audited 12 months to 31 March 2020 R'000
Revenue			
Sugar cane	**292 301**	276 738	368 891
Deciduous fruit	**41 934**	37 308	106 732
Bananas	**34 298**	43 780	104 260
Macadamias	**28 793**	30 737	31 004
Property*	**6 612**	33 666	68 228
Other operations*	**8 129**	15 653	24 562
	412 067	437 882	703 677
Operating profit before biological assets			
Sugar cane	**147 249**	130 840	88 538
Deciduous fruit	**(9 579)**	(15 840)	(6 080)
Bananas	**(876)**	8 595	31 671
Macadamias	**5 482**	12 867	(3 839)
Property*	**(946)**	5 876	10 345
Other operations*	**(1 046)**	5 831	6 572
Disposal of property, plant and equipment	**–**	508	–
Corporate expenses*	**(27 100)**	(28 107)	(57 848)
	113 184	120 570	69 359
Change in fair value of biological assets			
Sugar cane	**(22 212)**	(42 121)	6 484
Deciduous fruit	**(15 678)**	(28 796)	(13 118)
Bananas	**(2 222)**	1 792	4 707
Macadamias	**(6 975)**	(17 520)	(10 929)
	(47 087)	(86 645)	(12 856)
Operating profit after biological assets			
Sugar cane	**125 037**	88 719	95 022
Deciduous fruit	**(25 257)**	(44 636)	(19 198)
Bananas	**(3 098)**	10 387	36 378
Macadamias	**(1 493)**	(4 653)	(14 768)
Property*	**(946)**	5 876	10 345
Other operations*	**(1 046)**	5 831	6 572
Disposal of property, plant and equipment	**–**	508	–
Corporate expenses*	**(27 100)**	(28 107)	(57 848)
	66 097	33 925	56 503
Segmental assets			
Sugar cane	**595 521**	622 957	582 180
Deciduous fruit	**389 700**	374 237	402 405
Bananas	**173 874**	165 939	163 564
Macadamias	**325 549**	311 019	328 871
Property*	**225 952**	205 351	218 469
Other operations*	**56 348**	54 293	62 073
Unallocated corporate assets	**46 193**	95 977	33 051
	1 813 137	1 829 773	1 790 613
Segmental liabilities			
Sugar cane	**269 963**	309 983	274 290
Deciduous fruit	**55 339**	106 557	53 400
Bananas	**82 132**	42 174	75 910
Macadamias	**3 483**	6 169	9 447
Property*	**105 346**	84 925	94 944
Other operations*	**793**	2 033	2 033
Unallocated corporate liabilities	**191 927**	208 648	214 651
	708 983	760 489	724 675

** Prior period re-presented to account for Renishaw Hills as continuing operations, and restated to account for the group's equity share of earnings in its associate Lebombo Growers Proprietary Limited. Refer to notes 8.2 and 10.*

ABBREVIATED NOTES TO THE UNAUDITED INTERIM RESULTS

for the period ended 30 September 2020

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated unaudited results for the half-year ended 30 September 2020 have been 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 Reporting Pronouncements as issued by the Financial Reporting Standards Council, the information as required by International Accounting Standard 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa, as amended.

The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 31 March 2020 and were prepared under the supervision of the Chief Financial Officer, Mr GL Veale CA(SA).

Crookes Brothers Limited has adopted all the new or revised accounting pronouncements as issued by the IASB which were effective for Crookes Brothers Limited from 1 January 2020. The adoption of these standards had no recognition and measurement impact on the financial results of the group for the current reporting period.

24 November 2020

Sponsor

Sasfin Capital (a member of the Sasfin Group)

2. REVENUE

The following is an analysis of revenue for the period:

		Unaudited Six months to 30 September 2020 R'000	Unaudited Restated Six months to 30 September 2019* R'000	Audited 12 months to 31 March 2020 R'000
By reportable segment				
Sugar cane		**292 301**	276 738	368 891
Deciduous fruit		**41 934**	37 308	106 732
Bananas		**34 298**	43 780	104 260
Macadamias		**28 793**	30 737	31 004
Property		**6 612**	33 666	68 228
Other operations				
Lease rental		**5 144**	7 544	10 818
Grain		**–**	3 263	3 438
Utility services related to property development		**2 308**	1 679	3 651
Tourism		**677**	3 167	6 655
		412 067	437 882	703 677
By geographic segment				
South Africa		**268 565**	296 320	524 593
Foreign countries				
Eswatini		**95 662**	91 452	118 717
Zambia		**19 047**	16 110	25 925
Mozambique		**28 793**	34 000	34 442
		412 067	437 882	703 677
By customer				
Sugar cane – RCL Foods and Illovo Sugar	(%)	**71**	63	52
Deciduous fruit – Two-A-Day and Elgin Fruit Juices	(%)	**10**	8	15
Bananas – Lebombo Growers	(%)	**8**	10	15
Macadamias				
– Mayo Macs, Green Farms, Swiss Gourmet and China Sunrise Nuts	(%)	**7**	7	5
Property – Various	(%)	**2**	8	10
Other operations – Various	(%)	**2**	4	3
	(%)	**100**	100	100

** Prior period re-presented to account for Renishaw Hills as continuing operations. Refer to note 8.2.*

ABBREVIATED NOTES TO THE UNAUDITED INTERIM RESULTS CONTINUED

	Unaudited Six months to 30 September 2020 R'000	Unaudited Restated Six months to 30 September 2019* R'000	Audited 12 months to 31 March 2020 R'000
3. GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT			
Non-trading items cover those amounts that are not considered to be of an operating/trading nature. The following items are considered non-trading:			
Gain on disposal of property, plant and equipment	**8 366**	–	19 526

Included in the current reporting period is a gain on disposal of R7 million for the group's Strathmore sugar cane farm in Mpumalanga as well as R1.1 million for various grain machinery and equipment at the Murrimo estate in Mozambique.

The Strathmore farm which included the land, buildings, immovable irrigation, bearer assets and biological assets, was sold for a total consideration of R16.5 million, against a net book and fair value of assets of R9.5 million, resulting in a profit of R7 million.

	Unaudited Six months to 30 September 2020 R'000	Unaudited Restated Six months to 30 September 2019* R'000	Audited 12 months to 31 March 2020 R'000
4. SHARE OF PROFIT OF JOINT VENTURE AND ASSOCIATE COMPANIES			
Silverlands Mozambique Holdings Limited**	**4 566**	–	(3 206)
Lebombo Growers Proprietary Limited	**2 757**	3 027	7 164
	7 323	3 027	3 958
5. FINANCE COSTS			
Interest paid – bank overdraft and borrowings	**10 954**	16 692	30 505
Interest paid – reversionary sale and transfer obligations	**587**	377	804
Interest paid – IFRS 16 lease liability	**6 297**	6 766	12 978
	17 838	23 835	44 287
6. HEADLINE EARNINGS/(LOSS) PER SHARE			
6.1 NUMBER OF SHARES			
In issue	**15 264 317**	15 264 317	15 264 317
Weighted average (basic)	**15 264 317**	15 264 317	15 264 317
Weighted average (diluted)	**15 264 317**	15 264 317	15 264 317
6.2 HEADLINE EARNINGS/(LOSS)			
Profit/(loss) for the period attributable to owners of the company	**32 060**	(4 704)	8 733
Adjusted for:			
Gain on disposal of property, plant and equipment	**(8 366)**	(508)	(19 526)
Gain arising on changes in fair value of investment property	**(4 120)**	–	(2 883)
Tax effect of the adjustments	**3 496**	142	6 274
Headline earnings/(loss)	**23 070**	(5 070)	(7 402)
Headline earnings/(loss) per share (basic) (cents)	**151,1**	(33,2)	(48,5)
Headline earnings/(loss) per share (diluted) (cents)	**151,1**	(33,2)	(48,5)

* *Prior period re-presented to account for Renishaw Hills as continuing operations, and restated to account for the group's equity share of earnings in its associate Lebombo Growers Proprietary Limited. Refer to notes 8.2 and 10.*

** *Silverlands Mozambique Holdings Limited is the holding company of Quinta Da Bela Vista Lda.*

7. BIOLOGICAL ASSETS

	Unaudited Six months to 30 September 2020 R'000	Unaudited Six months to 30 September 2019 R'000	Audited 12 months to 31 March 2020 R'000	Audited 12 months to 31 March 2019* R'000
Fair value				
Sugar cane	**167 154**	146 506	193 128	189 083
Deciduous fruit	**–**	–	15 678	28 796
Bananas	**17 322**	16 628	19 544	14 837
Macadamias	**13 619**	10 571	17 161	28 090
	198 095	173 705	245 511	260 806
Included in the financial statements as:				
Non-current	**193 526**	173 705	245 511	260 806
Current – held for sale (see note 8)	**4 569**	–	–	–
	198 095	173 705	245 511	260 806
Analysis of fair values of growing crops:				
Fair value at beginning of year	**245 511**	260 806	260 806	213 443
Disposals:				
Sugar cane[1]	**(1 595)**	–	–	–
Gains/(losses) arising from changes attributable to volume and price:	**(47 087)**	(86 645)	(12 856)	48 086
Sugar cane				
– Loss/(gain) arising from physical growth/yield	**(45 534)**	(46 161)	(5 192)	6 164
– (Loss)/gain arising from area under crop to be harvested	**–**	–	(7 490)	2 305
– Gain arising from price changes	**23 322**	4 040	19 166	11 451
Deciduous fruit				
– (Loss)/gain arising from physical growth/yield	**(15 678)**	(28 796)	3 404	(397)
– (Loss)/gain arising from area under crop to be harvested	**–**	–	(10 852)	3 973
– (Loss)/gain arising from price changes	**–**	–	(5 670)	6 403
Bananas				
– (Loss)/gain arising from physical growth/yield	**(3 665)**	(52)	(585)	1 756
– Gain arising from area under crop to be harvested	**–**	–	1 146	1 341
– Gain/(loss) arising from price changes	**1 443**	1 844	4 146	(6 073)
Macadamias				
– (Loss)/gain arising from physical growth/yield	**(19 700)**	(8 765)	(10 054)	16 101
– Gain arising from area under crop to be harvested	**–**	–	–	3 477
– Gain/(loss) arising from price changes	**12 725**	(8 755)	(875)	1 585
Effect of foreign currency exchange differences	**1 266**	(456)	(2 439)	(723)
Fair value at end of year	**198 095**	173 705	245 511	260 806

In terms of IAS 41: Agriculture, growing crops, comprising sugar cane, deciduous fruit, bananas and macadamias are accounted for as biological assets and are measured and recognised at fair value. Changes in the fair value are included in profit or loss.

The fair value of growing crops is determined based on current market prices less estimated selling costs.

[1] *Sale of Strathmore. Refer to note 3.*

* *31 March 2019 disclosed for comparative purposes only.*

8. ASSETS CLASSIFIED AS HELD FOR SALE

8.1 RIVERSBEND AND HIGH NOON FARMS

During the prior reporting period, the directors resolved to dispose of the following farms:

- Strathmore sugar cane farm in Malelane, Mpumalanga.
- Riversbend sugar cane farm in northern KwaZulu-Natal.
- High Noon deciduous fruit farm in Villiersdorp, Western Cape.

The Strathmore farm was sold on 1 April 2020. Refer to note 3.

The major classes of the Riversbend and High Noon assets that will be disposed of are as follows:

	Unaudited Six months to 30 September 2020 R'000	Unaudited Six months to 30 September 2019* R'000	Audited 12 months to 31 March 2020 R'000
Statement of financial position			
Property, plant and equipment	**109 968**	23 432	117 100
Bearer assets	**38 762**	–	33 141
Biological assets	**4 569**	–	–
Inventory	**3 955**	–	–
Deposits – deciduous trees	**2 855**	–	–
	160 109	23 432	150 241

** Prior period re-presented to account for Renishaw Hills as continuing operations. Refer to note 8.2.*

8.2 RENISHAW HILLS

In the 31 March 2019 reporting period, the Renishaw Hills residential segment of the group's property division was classified as held for sale with the results from its operations presented as discontinued operations.

During the 31 March 2020 reporting period, negotiations to conclude the sale with the buyer involved the fulfillment of a number of conditions precedent ("CPs").

Just prior to the end of the 31 March 2020 reporting period, the group was unable to fulfil the remaining CPs necessary to conclude the sale, which resulted in cancellation of the sale agreement.

The assets previously classified as held for sale, as well the trading operations of Renishaw Hills have therefore been re-incorporated into the group's results for the current reporting period, with the comparative prior period's results re-presented to account for Renishaw Hills as continuing operations.

	Security	Unaudited Six months to 30 September 2020 R'000	Unaudited Six months to 30 September 2019 R'000	Audited 12 months to 31 March 2020 R'000

9. BORROWINGS – INTEREST-BEARING

9.1 LOANS AND DEMAND FACILITIES: AMORTISED COST

	Security	Unaudited Six months to 30 September 2020 R'000	Unaudited Six months to 30 September 2019 R'000	Audited 12 months to 31 March 2020 R'000
Call loan – Two-A-Day	Unsecured	**10 000**	10 000	10 000
Demand facility – Investec Bank Limited	Secured	**40 000**	51 500	45 000
Seasonal facility – Rand Merchant Bank	Secured	**141 000**	140 000	142 000
Revolving credit loan – Akwandze Agricultural Finance	Unsecured	**10 459**	–	–
Revolving credit loan – Akwandze Agricultural Finance	Secured	**–**	36 667	–
Term-loans – Akwandze Agricultural Finance	Secured	**5 325**	21 998	12 135
Term-loan – Grindrod Bank Limited	Secured	**72 588**	60 000	60 000
Instalment sale agreements	Secured	**1 530**	3 223	2 397
		280 902	323 388	271 532
Included in the financial statements as:				
Non-current		**74 016**	69 230	64 556
Current		**206 886**	254 158	206 976
		280 902	323 388	271 532

9.2 BANK OVERDRAFT AT AMORTISED COST

Bank overdraft – FNB Eswatini		**4 702**	18 391	20 444

9.3 TOTAL INTEREST-BEARING BORROWINGS AT AMORTISED COST

Loans, bank overdrafts and facilities		**285 604**	341 779	291 976

9.4 NET UNDRAWN AND AVAILABLE BANKING FACILITIES

Demand facility – Investec Bank Limited		**–**	–	15 000
Seasonal facility – Rand Merchant Bank		**19 000**	–	18 000
Bank overdraft – FNB Eswatini		**20 298**	6 609	4 556
		39 298	6 609	37 556

10. COMPARATIVE FIGURES

During the current reporting period, the following restatement to the comparative prior period was effected, to account for the group's equity share of earnings in its associate Lebombo Growers Proprietary Limited. This information was not previously available to management as at the 30 September 2019 reporting period.

The impact on the financial statements is as follows:

Unaudited six months to 30 September 2019	Statement of profit or loss R'000	Statement of financial position R'000
	Profit for the period	**Investments in joint venture and associates**
As previously reported	8 118	61 214
Share of profit of joint venture and associate companies (refer to note 4)	3 027	3 027
Restated	11 145	64 241

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