ANNUAL FINANCIAL STATEMENTS

The audited financial statements contained in this section were prepared under the supervision of Louis Jacques Botha, CA(SA), in his capacity as Chief Financial Officer of the Group.


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AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee has pleasure in submitting this report as required by section 94(7)(f) of the Companies Act. The Committee has adopted detailed terms of reference which comply with the Companies Act, No 71, of 2008 ("Act"), and King III and have been approved by the Board of Directors of the Company ("Board").

Membership

TA Wixley – Chairman
Dr SF Booysen
NP Mageza
Adv JNS du Plessis

The Committee was duly appointed by the shareholders at the Annual General Meeting on 30 November 2012 and consists solely of Independent Non-executive Directors.

Shareholders will again be asked to approve the appointment of the members of the Committee for the 2013/14 financial year at the Annual General Meeting scheduled for 26 November 2013.

Function of the Audit and Risk Committee

The functions of the Committee are as follows:

- To perform all of the duties required of it by the Act, in respect of the Company and all of its subsidiary companies.
- To assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control and reporting processes, the maintenance of accurate and complete accounting records and the preparation of financial statements in compliance with the applicable legal requirements, King III code of governance principles and applicable accounting standards.
- To review the Group's annual integrated report, including the annual financial statements, as well as its interim report and any other public reports or announcements containing financial information.
- To provide management, external auditors and the internal auditors with access to the Chairman or any other member of the Committee to discuss any matter within the Committee's scope.
- To meet separately with the external and internal auditors at least once a year.
- To provide a forum for discussing business risk and control issues and developing recommendations for consideration by the Board.
- To monitor enterprise-wide, operational, market, regulatory, safety and other risks, and to monitor controls designed to minimise risk.
- To consider and recommend to the Board whether external assurance should be provided on the sustainability report and to ensure that the report is consistent with the annual financial statements.
- To perform the functions required in terms of the JSE Listings Requirements.
- To perform the matters required by the Act, in respect of the Company and all its subsidiary companies incorporated in South Africa.
- To oversee the activities of, and ensure co-ordination, between the activities of internal and external audit.
- To review the committee's work plan and terms of reference annually and make recommendations to the Board to ensure its effectiveness.

Duties carried out

The Committee confirms that it has performed its duties and responsibilities during the financial year in accordance with the Act and its terms of reference.

External audit

During the year under review, the Committee undertook the following:

- Nominated Ernst & Young Inc. as the external auditor, with Frantz Scheepers as the designated auditor to the shareholders for appointment as auditor for the financial year ended 30 June 2013, and ensured that the appointment complied with all legal and regulatory requirements for the appointment of an auditor.
- Confirmed that the auditor and the designated auditor are accredited by the JSE.
- Approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor.
- Reviewed the audit and evaluated the effectiveness of the auditor.
- Obtained a statement from the auditor confirming that its independence was not impaired.
- Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved all non-audit services undertaken.
- Obtained assurances from the external auditor that adequate accounting records were being maintained.
- Confirmed that no reportable irregularities had been identified or reported by the auditors under the Auditing Profession Act.
- Nominated the external auditor and the designated independent auditor for each of the South African subsidiary companies for the financial year ended 30 June 2013.

Financial statements

During the year under review, the Committee:

- Confirmed, based on managements' review that the interim and annual financial statements were drawn up on the going-concern basis.
- Examined the published interim and annual financial statements and other financial information, prior to the Board's approval.
- Considered the accounting treatment of significant or unusual transactions and accounting judgements by management.
- Considered the appropriateness of accounting policies and any changes made.
- Reviewed the audit report on the annual financial statements.
- Reviewed the representation letter relating to the annual financial statements signed by management.
- Considered any problems identified as well as any legal and tax matters that could materially affect the financial statements.
- Met separately with management, the external auditor and internal auditor.
- Concluded that the annual financial statements fairly present the financial position of the Group and Company at the end of the financial year and the results of operations and cash flows for the financial year.

Risk management and information technology

During the year under review, the Committee:

- Reviewed and approved the Group's Enterprise Wide Risk Management Framework defining Clover's risk management methodology.
- Reviewed quarterly risk reports containing pertinent risks and opportunities aligned to the Group's vision and mission, emerging events and reportable incidents.
- Reviewed the Group's policies on risk assessment and risk management, including fraud risks and information technology risks and found them to be sound.
- Received a limited assurance report on management's assessment of the effectiveness of the Group's system of internal controls over financial reporting from the external auditors, Ernst & Young Inc.

Internal control and internal audit

During the year under review, the Committee:

- Reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the internal audit providers.
- Considered the reports of the internal and external auditors on the Group's systems of internal control, including financial controls, business risk management and maintenance of effective internal control systems.
- Received assurances that proper accounting records were maintained and that the systems safeguarded the Group's assets against unauthorised use or disposal.
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response.
- Assessed the adequacy of the performance of the internal audit function and found it satisfactory.

Taking into account all information received from management as well as the internal and external auditors, nothing has come to the attention of the Committee that indicates a material breakdown in the internal controls of the Group.

Sustainability

During the year under review, the Committee:

- Reviewed the sustainability report included in the Group's integrated annual report and satisfied itself that it is consistent with the annual financial statements.
- Considered the desirability of obtaining external assurance regarding the sustainability review and recommended to the Board that it would serve no useful purpose in view of the developing nature of the Group's sustainability information systems.

Legal and regulatory requirements

During the year under review, the Committee:

- Reviewed with management all legal matters that could have a material impact on the Group.
- Reviewed with the Group's internal legal counsel the adequacy and effectiveness of the Group's procedures to ensure compliance with legal and regulatory responsibilities.
- Monitored complaints received via the Group's ethics line or otherwise, including complaints or concerns regarding accounting matters, internal audit, internal accounting controls, contents of the financial statements, potential violations of the law and questionable accounting or auditing matters.
- Considered reports provided by management, internal audit and the external auditor regarding compliance with legal and regulatory requirements.

Combined assurance

The Committee reviewed the combined assurance plans and reports of the respective assurance providers, including external and internal auditors, and concluded that the material financial and governance controls within the business were satisfactory.

Chief Financial Officer and finance function

As required by the JSE Listings Requirements 3.84(h), the Committee has:

- Considered the experience and expertise of the Chief Financial Officer and concluded that these were satisfactory.
- Considered the expertise, resources and experience of the finance function and concluded that these were satisfactory.

Independence of external auditor

The Committee is satisfied that Ernst & Young Inc., is independent of the Group after taking the following factors into account:

- Representations made by Ernst & Young Inc. to the Committee.
- The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the Group.
- The auditor's independence was not impaired by any consultancy, advisory or other work undertaken.
- The auditor's independence was not prejudiced as a result of any previous appointment as auditor.
- The criteria specified for independence by the Independent Regulatory Board of Auditors and international regulatory bodies.

Annual financial statements

Following the review by the Committee of the consolidated and separate annual financial statements of Clover Industries Limited for the year ended 30 June 2013 and the result of the external auditor. The Committee is of the view that they fairly present, in all material aspects, the financial position at that date and the results of operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The Committee has satisfied itself of the integrity of the remainder of the Integrated Annual Report.

Having achieved its objectives for the financial year, the Committee has recommended the annual financial statements and Integrated Annual Report for the year ended 30 June 2013 for approval to the Clover Industries Limited Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

For and on behalf of the committee

TA Wixley
Chairman of the Audit and Risk Committee

11 September 2013

APPROVAL OF THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2008 to maintain adequate accounting records and to prepare financial statements for each year which fairly present the state of affairs of the Company and the Group at the end of the financial year and of the profit and cash flows for the period. In preparing the accompanying financial statements, International Financial Reporting Standards have been applied, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Any changes to accounting policies are approved by the Board and the effects thereof are fully explained in the annual financial statements. The financial statements incorporate full and responsible disclosure. The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment.

To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management and the internal auditors that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group and Company's budget and cash flow forecast up to 30 June 2014. On the basis of this review and in the light of the current financial position and existing borrowing facilities, the Directors are satisfied that Clover Industries Limited is a going concern and have therefore continued to adopt the going-concern basis in preparing the financial statements.

The Group's external auditors, Ernst & Young Inc., have audited the financial statements and their unqualified report appears on page 93.

The consolidated and separate annual financial statements, set out on pages 94 to 175, which have been prepared on the going concern basis, were approved by the Board of directors on 11 September 2013 and were signed on their behalf by:

Werner Büchner
Chairman

Johann Vorster
Chief Executive

CERTIFICATE BY COMPANY SECRETARY –(IN TERMS OF SECTION 88(2)e OF THE COMPANIES ACT)

The Secretary of Clover Industries Limited, Jacques van Heerden, certifies that Clover Industries Limited has complied with all the requirements of the Companies Act and more specifically that all such returns as required by a public company in terms of the Companies Act 2008, as amended, have been lodged with the Registrar of Companies and that such returns are true, correct and up to date.

Jacques van Heerden
Secretary

11 September 2013

INDEPENDENT AUDITORS REPORT

To the shareholders of Clover Industries Limited

We have audited the consolidated and separate annual financial statements of Clover Industries Limited set out on pages 96 to 173, which comprise the consolidated and separate statements of financial position as at 30 June 2013, and the consolidated and separate statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the financial position of Clover Industries Limited as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate annual financial statements for the year ended 30 June 2013, we have read the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Ernst & Young Inc.

Ernst & Young Incorporated
Director – Frantz Frederik Scheepers
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg

11 September 2013

DIRECTORS' REPORT

The Directors present their report on the activities and the financial statements for Clover Industries Ltd ("CIL") and the Group in respect of the year ended 30 June 2013.

Nature of business

The procurement, production, marketing, sales and distribution of branded consumer goods to customers on the African continent.

Group results

The Group's results for the year are as follows:

	2013 R'm	2012 R'm
Revenue	**7 996,5**	7 223,9
Total comprehensive income attributable to shareholders of the parent Company	**238,4**	204,4

More detailed financial information can be found in the Financial Report which forms part of the Integrated Annual Report.

Subsidiary companies and interests in joint ventures

Details of subsidiary companies are reflected in note 31 to the financial statements and business combinations and interests in joint ventures in note 3 and 4 to the financial statements.

With effect from 1 October 2012 Clover SA acquired 100% of the shareholding in The Real Juice Co Holdings Proprietary Limited for a cash consideration of R73,7 million. This Company is now a wholly owned subsidiary of Clover SA. This Company, through its subsidiaries, manufactures and sells the Quali and Real Juice range of fruit juices.

On 1 November 2012, Clover acquired the remaining 49,9% interest in Clover Manhattan Proprietary Limited and the Unincorporated Joint Venture for a cash consideration of R24,7 million.

On 6 March 2013 Clover SA entered into an agreement with Nestle (South Africa) Proprietary Limited to form a new entity, Clover Waters Proprietary Limited, that acquired Nestle's Gauteng based Doornkloof property, bottled water manufacturing facility and water rights. This newly formed entity will have the right by way of licence, to manufacture, distribute, market and sell bottled mineral water under Nestlés Pure Life®, Valvita® and Schoonspruit® brands as well as ice tea under the Nestea brand. These brands will complement Clover SA's Aquartz bottled water and Manhattan ice tea brands which was also manufactured, distributed, marketed and sold by Clover Waters. Clover SA effectively holds 70% of the shares in Clover Waters and Nestle (South Africa) 30%.

The transaction was approved by the competition authorities on 24 May 2013. The newly-formed entity commenced business on 1 August 2013.

Share capital

Details of the authorised and issued share capital are disclosed in note 19 to the financial statements.

A general authority to repurchase ordinary shares of the Company was granted to the Directors by way of a special resolution adopted on 30 November 2012. Such authority is subject to the Companies Act and the Listings Requirements of the JSE. The Listings Requirements of the JSE limit repurchases during any one year to a maximum of 20% of the issued ordinary shares at the time.

On 3 June 2013 the company issued 2 106 282 ordinary Clover Industries shares to members of senior management to settle part of its obligation under the Clover Share Appreciation Rights Plan.

The Company's 89 442 022 redeemable preference shares that matured on the 2nd of June 2013 were settled and cancelled on 3 June 2013.

Except for the above no shares were issued or repurchased during the year ending 30 June 2013.

Dividends

Dividends declared and paid by CIL during the year:

	2013 R'000	2012 R'000
Ordinary dividends		
Declared	**41 912**	53 734
Paid	**41 912**	53 734
Preference dividends Recognised as interest:		
Declared	**20 346**	22 007
Paid	**26 106**	16 117

The Board declared and paid an interim cash dividend of 10c per ordinary share during April 2013. It further declared a final dividend of R40,1 million or 22 cents per ordinary share, bringing the total dividend for the year to 32 cents (2012: 28,4 cents) per ordinary share.

Declaration of dividend number 7

Notice is hereby given that the directors have declared a final gross cash dividend of 22,0 cents (18,7 cents net of dividend withholding tax) per ordinary share for the year ended 30 June 2013.

The dividend has been declared from income reserves and no secondary tax on companies credits has been used.

A dividend withholding tax of 15% will be applicable to all shareholders who are not exempt.

The Company income tax number is 9657/002/71/4.

The issued share capital at the declaration date is 182 478 589 ordinary shares. The salient dates will be as follows:

Last day to trade to receive a dividend	Friday, 4 October 2013
Shares commence trading "ex" dividend	Monday, 7 October 2013
Record date	Friday, 11 October 2013
Payment date	Monday, 14 October 2013

Share certificates may not be dematerialised or rematerialised between Monday, 7 October 2013 and Friday, 11 October 2013, both days inclusive.

Directors and Secretary

Particulars of the present Directors and Secretary are listed on pages 17 to 19 and page 92.

Share-based compensation

During the current year a further 2 737 742 SAR were issued to executives at an issue price of R13,73. These SAR will vest three years after the issue date and are subject to vesting conditions. SAR not exercised will be cancelled seven years after the issue date.

On 1 October 2012, Marcelo Palmeiro was appointed to the Executive Committee and 925 500 SAR was issued to him on the same day at an issue price of R15,15. One third of these SAR will vest three years after the issue date and thereafter another third after four years and the last third after five years. There are no vesting conditions attached to these SAR. SAR not exercised will be cancelled seven years after the issue date.

On exercise Executives will be entitled to a payment equal to the increase in the CIL ordinary share price over the issue price of the SAR. Such payment can at the election of the Company be either in cash or by way of the issue to the member of a number of ordinary shares equal in value to such cash amount. Details of SAR issued and vested in terms of the plan are given in the Remuneration Policy and Remuneration Report contained in the Integrated Annual Report.

Insurance and risk management

The Group follows a policy of reviewing the risks relating to assets and commitments that might flow from the use thereof with its insurers on an annual basis. Wherever possible, assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the Group's insurance brokers. For further information on the Group's risk management process please refer to the Report on Corporate Governance, Risk and Compliance on page 44.

Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Group or in the policy regarding their use. Capital expenditure on tangible assets was R434,3 million (2012: R254,3 million) and R103,0 million (2012: R19,4 million) on intangible assets.

Events after the reporting period

On 1 August 2013 Clover Waters, in which Clover SA holds 70%, commenced with business.

Other than the above no significant events occurred subsequent to the year-end.

Special resolutions

The following special resolutions were adopted at the Annual General Meeting held on 30 November 2012:

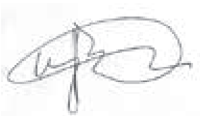
- A general authority was given to the board to repurchase shares in the Company subject to the Companies Act and the JSE Listings Requirements.
- The remuneration of the Non-executive Directors with effect from 1 July 2012 was approved.
- An adoption of a new Memorandum of Incorporation in order to align the Company's constitutional documents with the Company's Act.

On 11 September 2013 the Company renewed the authority to the Board of Clover SA as required by sections 44 and 45 of the Companies Act to provide financial assistance to related and inter-related companies or to Directors and prescribed officers of the Company and Directors and prescribed officers of related and inter-related companies. This general authority is valid for two years from the date of the resolution.

Acknowledgements

We express our thanks and appreciation to:

- Our shareholders for their support during the year.
- Our staff for their dedication to the Clover brand.
- All our suppliers for their support in reducing the costs in the supply chain.
- The retail and wholesale trade for their support.
- The consumers who support the Clover brand.



Werner Büchner
Chairman

Johann Vorster
Chief Executive Officer

11 September 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2013

GROUP				COMPANY	
2013 R'000	2012 R'000		Notes	2013 R'000	2012 R'000
6 771 888	6 109 268	Sales of products			
798 773	763 723	Rendering of services			
420 508	346 287	Sale of raw milk			
5 292	4 585	Rental income			
7 996 461	7 223 863	**Revenue**			
(5 840 249)	(5 233 222)	Cost of sales	6.1		
2 156 212	1 990 641	**Gross profit**			
61 939	14 716	Other operating income	6.2	**45 411**	40 444
–	–	Dividends received		**–**	190 000
(1 574 424)	(1 422 643)	Selling and distribution costs			
(204 018)	(191 382)	Administrative expenses		**(11 399)**	(9 715)
(35 750)	(9 573)	Restructuring expenses	6.7	**(49)**	–
(12 571)	(10 527)	Other operating expenses	6.3	**–**	–
391 388	371 232	**Operating profit**	6.4	**33 963**	220 729
9 706	28 598	Finance income	6.5	**5 408**	8 741
(56 437)	(52 460)	Finance cost	6.6	**(20 346)**	(22 023)
344 657	347 370	**Profit before tax**		**19 025**	207 447
(104 798)	(137 654)	Taxes	7	**(11 038)**	(18 279)
239 859	209 716	**Profit for the year**		**7 987**	189 168
		Other comprehensive income			
(272)	(822)	Exchange differences on translations of foreign operations			
239 587	208 894	**Total comprehensive income for the year, net of tax**		**7 987**	189 168
		Profit attributable to:			
238 626	205 290	Equity holders of the parent		**7 987**	189 168
1 233	4 426	Non-controlling interests			
239 859	209 716			**7 987**	189 168
		Total comprehensive income attributed to:			
238 354	204 388	Equity holders of the parent		**7 987**	189 168
1 233	4 506	Non-controlling interests			
239 587	208 894			**7 987**	189 168
		Earnings per share (cents)			
133,1	114,6	Basic profit for the year attributable to ordinary equity holders of the parent	8		
123,8	107,4	Diluted profit for the year attributable to ordinary equity holders of the parent	8		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2013

Group 2013 R'000	Group 2012 R'000		Notes	Company 2013 R'000	Company 2012 R'000
		Assets			
		Non-current assets			
1 517 233	1 168 047	Property, plant and equipment	11	**665**	666
2 003	492	Investment properties	12		
445 283	357 767	Intangible assets	13		
		Investment in subsidiaries	31	**359 616**	350 050
7 449	492	Deferred tax assets	15	**28**	86
1 971 968	1 526 798			**360 309**	350 802
		Current assets			
733 423	602 053	Inventories	16		
995 049	996 995	Trade and other receivables	17	**415 827**	640 859
15 274	25 631	Prepayments			
132	173	Other current financial assets	14.1		
718 062	711 470	Cash and short-term deposits	18	**21 998**	42 955
2 461 940	2 336 322			**437 825**	683 814
359	423	Assets classified as held-for-sale	10	**–**	–
2 462 299	2 336 745			**437 825**	683 814
4 434 267	3 863 543	**Total assets**		**798 134**	1 034 616
		Equity and liabilities			
		Equity			
9 061	8 955	Issued share capital	19	**9 061**	8 955
713 263	675 113	Share premium	19	**713 263**	675 113
264 058	254 286	Other reserves	20	**35 529**	25 485
1 126 734	955 890	Retained earnings	21	**20 693**	52 923
2 113 116	1 894 244	Equity attributable to equity holders of the parent		**778 546**	762 476
2 309	1 796	Non-controlling interests			
2 115 425	1 896 040	**Total equity**		**778 546**	762 476
		Liabilities			
		Non-current liabilities			
666 640	21 686	Interest-bearing loans and borrowings	22	**–**	–
61 222	61 637	Provisions	23		
137 312	116 950	Deferred tax liability	15		
9 267	6 904	Trade and other payables	24		
874 441	207 177			**–**	–
		Current liabilities			
1 234 095	1 316 794	Trade and other payables	24	**20 395**	12 425
172 646	421 376	Interest-bearing loans and borrowings	22		259 382
250	4 308	Other current financial liabilities	14.2		
17 397	5 672	Income tax payable	26.1	**(807)**	333
20 013	12 176	Provisions	23		
1 444 401	1 760 326			**19 588**	272 140
2 318 842	1 967 503	**Total liabilities**		**19 588**	272 140
4 434 267	3 863 543	**Total equity and liabilities**		**798 134**	1 034 616

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

		GROUP								
	Notes	Ordinary and preference share capital R'000	Ordinary and preference share premium R'000	Preference share capital and premium transferred to debt R'000	Other capital reserves R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total R'000	Non-controlling interests R'000	Total equity R'000
Balance at 30 June 2011		17 899	925 551	(259 382)	259 757	(6 973)	805 499	1 742 351	9 444	1 751 795
Profit for the year							205 290	205 290	4 426	209 716
Other comprehensive income						(902)		(902)	80	(822)
Total comprehensive income						(902)	205 290	204 388	4 506	208 894
Acquisition of non-controlling interest					(8 987)			(8 987)	(11 805)	(20 792)
Share appreciation rights exercised					(1 724)		(2 716)	(4 440)		(4 440)
Share-based payment reserve					13 115			13 115		13 115
Dividends of subsidiaries								–	(349)	(349)
Dividends forfeited							1 551	1 551		1 551
Dividends	25						(53 734)	(53 734)		(53 734)
Balance at 30 June 2012		17 899	925 551	(259 382)	262 161	(7 875)	955 890	1 894 244	1 796	1 896 040
Profit for the year							**238 626**	**238 626**	**1 233**	**239 859**
Other comprehensive income						**(272)**		**(272)**		**(272)**
Total comprehensive income						**(272)**	**238 626**	**238 354**	**1 233**	**239 587**
Preference shares redeemed	19	**(8 943)**	**(250 439)**	**259 382**				**–**	**–**	**–**
Share appreciation rights exercised					**(8 841)**		**(40 328)**	**(49 169)**		**(49 169)**
Tax on portion of SAR exercised							**12 035**	**12 035**		**12 035**
Share-based payment reserve					**18 407**			**18 407**		**18 407**
Ordinary shares issued	19	**105**	**38 629**					**38 734**		**38 734**
Share premium remaining on preference shares redeemed transferred to other capital reserves			**(478)**		**478**			**–**		**–**
Dividends of subsidiaries									**(720)**	**(720)**
Dividends forfeited							**2 423**	**2 423**		**2 423**
Dividends	25						**(41 912)**	**(41 912)**		**(41 912)**
Balance at 30 June 2013		**9 061**	**713 263**	**–**	**272 205**	**(8 147)**	**1 126 734**	**2 113 116**	**2 309**	**2 115 425**

	Notes	Ordinary and preference – share capital R'000	Ordinary and preference – share premium R'000	Preference share capital and premium and preferred to transferred to debt R'000	Other capital reserves R'000	Retained earnings R'000	Total equity R'000
				COMPANY			
Balance at 30 June 2011		17 899	925 551	(259 382)	14 094	(83 510)	614 652
Profit for the year						189 168	189 168
Other comprehensive income					–	–	–
Total comprehensive income					–	189 168	189 168
Dividends forfeited						999	999
Share-based payment reserve					11 391		11 391
Dividends	25					(53 734)	(53 734)
Balance at 30 June 2012		17 899	925 551	(259 382)	25 485	52 923	762 476
Profit for the year						**7 987**	**7 987**
Other comprehensive income						**–**	**–**
Total comprehensive income						**7 987**	**7 987**
Dividends forfeited						**1 695**	**1 695**
Share-based payment reserve					**18 407**		**18 407**
Share appreciation rights exercised					**(8 841)**		**(8 841)**
Preference shares redeemed	19	**(8 943)**	**(250 439)**	**259 382**			**–**
Share premium remaining on preference shares redeemed transferred to other capital reserves			**(478)**		**478**		**–**
Ordinary shares issued	19	**105**	**38 629**				**38 734**
Dividends	25					**(41 912)**	**(41 912)**
Balance at 30 June 2013		**9 061**	**713 263**	**–**	**35 529**	**20 693**	**778 546**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2013

GROUP 2013 R'000	GROUP 2012 R'000		Notes	COMPANY 2013 R'000	COMPANY 2012 R'000
		Operating activities			
344 657	347 370	Profit before tax		**19 025**	207 447
344 657	347 370	**Profit before tax**		**19 025**	207 447
		Adjustments to reconcile profit before tax to net cash flow			
		Adjustment for non-cash items:			
94 013	93 496	Depreciation and impairment of property, plant and equipment		**1**	1
11 730	8 774	Amortisation and impairment of intangible assets			
114	46	Depreciation of investment properties			
(4 017)	4 885	(Profit)/Loss on financial instruments			
(6 531)	(6 447)	Foreign exchange profit			
(16 747)	–	Gain on fair valuing of existing investment in joint venture due to gaining control			
7 422	1 235	Movement in provisions			
18 407	13 115	Share-based payment reserve provision			
(11 680)	(878)	Profit on disposal and scrapping of assets			
4 377	4 796	Impairment of plant included in restructuring cost			
(5 373)	(1 174)	Foreign exchange differences on fixed assets			
		Other adjustments:			
56 437	52 460	Finance cost	6.6	**20 346**	22 023
(9 706)	(28 598)	Finance income	6.5	**(5 408)**	(8 741)
–	–	Dividends received		**–**	(190 000)
(65 981)	(44 519)	Taxes	26	**(12 119)**	(17 707)
		Working capital adjustments			
(123 759)	(141 806)	Increase in inventories			
41 938	(127 901)	Increase/(Decrease) in trade and other receivables		**263 765**	(101 866)
(99 338)	243 056	(Decrease)/Increase in trade and other payables		**9 665**	6 582
235 963	417 910	**Net cash flow from/(used in) operating activities**		**295 275**	(82 261)

GROUP 2013 R'000	GROUP 2012 R'000		Notes	COMPANY 2013 R'000	COMPANY 2012 R'000
		Investing activities			
17 599	4 181	Proceeds from sale of property, plant and equipment			
6 531	6 447	Foreign exchange profit			
9 706	28 598	Interest received	6.5	**5 408**	8 741
(70 556)	–	Acquisition of Real Juice Co Holdings	3.1	**–**	
–	–	Dividends received		**–**	190 000
–	(20 792)	Acquisition of non-controlling interest			
(24 700)	–	Acquisition of additional interest in Clover Manhattan	3.2		
(434 340)	(254 309)	Capital expenditure: tangible assets			
(20 060)	(19 373)	Capital expenditure: intangible assets			
(272)	(902)	Foreign currency translation reserve			
(516 092)	(256 150)	**Net cash flows (used in)/from investing activities**		**5 408**	198 741
		Financing activities			
(56 437)	(52 460)	Interest paid	6.6	**(20 346)**	(22 023)
(41 912)	(53 734)	Dividends paid		**(41 912)**	(53 734)
(720)	(269)	Dividends paid to non-controlling interest holders			–
(10 435)	(4 440)	Share appreciation rights paid out			–
(259 382)	–	Repayment of preference share liability		**(259 382)**	–
(158 396)	(169 974)	Repayment of borrowings			–
814 003	6 375	Proceeds from borrowings			–
286 721	(274 502)	**Net cash flows from/(used in) financing activities**		**(321 640)**	(75 757)
6 592	(112 742)	**Net increase/(decrease) in cash and cash equivalents**		**(20 957)**	40 723
711 470	824 212	**Cash and cash equivalents at the beginning of the year**		**42 955**	2 232
718 062	711 470	**Cash and cash equivalents at the end of the year**	18	**21 998**	42 955

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2013

1. Corporate information

Clover Industries Limited (the "Company") is a company incorporated and domiciled in South Africa. The consolidated financial statements of the Group for the year ended 30 June 2013 comprise the Company and its subsidiary companies (together referred to as the "Group") and the Group's interest in jointly controlled entities. The companies within the Group have co-terminous year-ends.

The consolidated financial statements of Clover Industries Limited for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the Directors on 11 September 2013.

The Group's operations and principal activities are set out in the Directors' report.

2. Basis of accounting

2.1 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and their interpretations adopted by the International Accounting Standards Board.

(b) Preparation

The consolidated financial statements are presented in rands, rounded off to the nearest thousand. They are prepared on the historical-cost basis unless otherwise stated. The carrying values of the recognised assets and liabilities that are designated hedged items in fair value hedges, and are otherwise carried at amortised cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.3. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) Basis of consolidation

Subsidiaries and business combinations

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date that control ceases. Investments in subsidiaries are accounted for at cost by the investing company.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree, either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with IAS 39, either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

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

If the Group loses control over a subsidiary, it:

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

Non-controlling interest

Non-controlling interest represents the portion of profit or loss and the net assets not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Joint ventures

Joint ventures are those entities over which activities the Company has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the entities' assets, liabilities, income and expenses with items of a similar nature on a line-by-line basis, from the date on which joint control commences until the date that joint control ceases. Financial statements of the joint ventures are prepared for the same reporting period as the Parent Company. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

Upon loss of joint control and provided the former joint-control-entity does not become a subsidiary or associate, the Group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former joint controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal are recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

From the date when a jointly controlled entity becomes an associate of the Group, the Group accounts for its interest in accordance with IAS 28.

Transactions eliminated on consolidation

Intra-group balances and unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Impairment losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets.

(d) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year. The Group has adopted the following new and amended IFRS and IFRIC interpretations during the year:

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income (amendment) (effective 1 July 2012)

IAS 12 Deferred Tax – Recovery of Underlying Assets (amendment) (effective 1 January 2012)

The Directors are of the opinion that the impact of the application of the standards will be as follows:

- **IAS 1** Financial Statement Presentation – Presentation of Items of Other Comprehensive Income (amendment)

  The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has therefore no impact on the Group's financial position or performance. The amendment became effective for annual periods beginning on or after 1 July 2012.

- **IAS 12** Deferred Tax: Recovery of Underlying Assets (amendment)

  The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment became effective for annual periods beginning on or after 1 January 2012. The amendment will have no impact on the Group.

2.2 Standards, interpretations and amendments issued that are not yet effective

At the date of authorisation of the Group annual financial statements for the year ended 30 June 2013, the following standards and interpretations were in issue but not yet effective:

IAS 19 Employee Benefits (amendment) (effective 1 January 2013)

IAS 27 Separate Financial Statements (as revised in 2011) (effective 1 January 2013)

IAS 28 Investment in Associates and Joint Ventures (as revised in 2011) (effective 1 January 2013)

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

IFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities (amendments to IFRS 7) (effective 1 January 2013)

IFRS 9 Financial Instruments Classification and Measurement (effective 1 January 2013)

IFRS 10 Consolidated Financial Statements (effective 1 January 2013)

IFRS 11 Joint Arrangements
(effective 1 January 2013)

IFRS 12 Disclosure of Involvement with Other Entities
(effective 1 January 2013)

IFRS 13 Fair Value Measurement
(effective date 1 January 2013)

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

Improvements to IFRS (issued in May 2012)

The standards must be implemented for annual periods beginning on or after the effective date.

The Directors are of the opinion that the impact of the application of the standards will be as follows:

- **IAS 19** Employee Benefits (amendment)
  The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Group is currently assessing the full impact of the amendments. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- **IAS 27** Separate Financial Statements (as revised in 2011)
  As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- **IAS 28** Investment in Associates and Joint Ventures (as revised in 2011)
  As a consequence of the new IFRS 11 and IFRS 12. IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- **IAS 32** Financial Instruments: Presentation (amendment) – Offsetting financial assets and financial liabilities
  These amendments clarify the meaning of "currently has a legally enforceable right to set off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 January 2014.

- **IFRS 1** Government Loans (Amendment)
  These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendment is effective for annual periods on or after 1 January 2013

- **IFRS 7** Financial Instruments: Disclosures – Enhanced Disclosure on Financial Assets and Financial Liabilities (Amendment)
  These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2013.

- **IFRS 9** Financial Instruments Classification and Measurement
  IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

- **IFRS 10** Consolidated Financial Statements
  IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and, therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

  The Group is in the process of evaluating the impact on the financial statements.

- **IFRS 11** Joint Arrangements
  IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will impact the financial position of the Group. This is due to the cessation of proportionate consolidating the joint venture to equity accounting for this investment. This standard becomes effective for annual periods beginning on or after 1 January 2013.

  The Group is in the process of evaluating the impact on the financial statements.

- **IFRS 12** Disclosure of Interest in Other Entities
  IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

  The Group is in the process of evaluating the impact on the financial statements.

- **IFRS 13** Fair Value Measurement
  IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

- **IFRIC 20** Stripping Costs in the Production Phase of a Surface Mine
  This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity.

Improvements to IFRS (May 2012)

- **IAS 1** Presentation of Financial Statements
  - Clarification of the requirements for comparative information (effective 1 January 2013)

- **IAS 16** Property, Plant and Equipment
  - Classification of servicing equipment (effective 1 January 2013)

- **IAS 32** Financial Instruments: Presentation
  - Tax effect of distribution to holders of equity instruments (effective 1 January 2013)

- **IAS 34** Interim Financial Reporting
  - Interim financial reporting and segment information for total assets and liabilities (effective 1 January 2013)

2.3 Significant accounting judgements and estimates and assumptions

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

Judgements

In the process of applying the Group's consolidated accounting policies, management has made judgements, which may have significant effects on the amounts recognised in the financial statements. Such judgements are disclosed in the relevant notes to the consolidated financial statements.

Estimates and assumptions

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

Property, plant and equipment

The carrying values of property, plant and equipment are based on management's estimates of the useful lives and residual values. These estimates are based on product life cycles and assessments by engineering and other specialist staff.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Share-based payments
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model and making assumptions about them.

Cash-settled transactions
The cost of cash-settled transactions is measured initially at fair value at the grant date using a modified version of the Hull-White Trinominal Lattice model, taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss.

Deferred tax assets
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Income tax expense
Taxes are a matter of interpretation and subject to changes. The Group makes use of tax experts to advise on all tax matters. Estimations of normal company tax and CGT are based on the advice and management's interpretation thereof.

Long service bonus provision and defined-benefit pension plan
The cost of the long service bonus provision and defined-benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

2.4 Summary of significant accounting policies

(a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets include, in particular, cash and cash equivalents, trade receivables and other originated loans and receivables as well as derivative and non-derivative financial assets held for trading. Financial liabilities generally substantiate claims for repayment in cash or another financial asset. In particular, this includes interest-bearing loans and borrowings, trade payables, liabilities to banks, finance lease payables and derivative financial liabilities.

Measurement
Financial instruments are generally recognised as soon as the Group becomes a party under the contractual regulations of the financial instruments. In general, financial assets and financial liabilities are offset and the net amount presented in the statement of financial position, when and only when, the entity currently has a legally enforceable right to set-off the recognised amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition
A financial asset (or, where applicable a part of financial asset or part of a group of similar financial assets) is derecognised when:

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

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement with the asset. Continuing involvement that takes a form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

Impairment of financial assets
The Group assesses at each reporting date whether a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost
If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at

the financial asset's original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectable.

Available-for-sale financial investments

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

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognised in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(a) (i) Financial assets

Investments and other financial assets

When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. All regular-way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the risks and rewards of ownership are passed to the Group. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention within the marketplace.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held-for-trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains and losses on investments held-for-trading are recognised in profit or loss.

Loans and accounts receivables

Loans and accounts receivables are non-derivative financial assets with fixed determinable payments that are not quoted in an active market. After initial measurement loans and receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees and transaction costs that are an integral part of the effective interest rate. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial investments

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in other comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognised in profit or loss.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which is substantially the same, discounted cash flow analysis or other valuation models.

Amortised cost

Loans and receivables are measured at amortised cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in banks, short-term deposits and highly liquid investments.

(a) (ii) Financial liabilities

Trade and other payables

Trade payables are non-interest-bearing and carried at the original invoice amount.

Interest-bearing loans and borrowings

All loans, borrowings and financial liabilities are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process. Borrowing cost are expensed through profit or loss as incurred.

(b) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to rand at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to rand at rates approximating the foreign exchange rates ruling at the date of the transaction.

(c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to rand at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(d) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. The fair value of forward exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price for contracts with similar maturity profiles. The change in the fair value of the hedging derivative is recognised in profit or loss. The change in the fair value of the hedged instrument attributable to the risk hedged is recorded as part of the carrying value of the hedged instrument and is also recognised in profit or loss.

(e) Property, plant and equipment

Owned assets

Plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met. When each major service and/or inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All buildings are measured at cost less accumulated depreciation and accumulated impairment.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the asset is derecognised. The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, at each financial year-end.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Buildings: 10 to 50 years
- Plant: 3 to 30 years
- Furniture and equipment: 3 to 15 years
- Vehicles: 5 to 20 years

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset.

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases where the Group retains substantially all the risks and benefits incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(f) Investment properties

Investment properties are properties which are held either to earn rental income or capital appreciation or both. Investment properties are initially measured at cost, including transaction costs. Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment. They are tested for impairment if there is an indication of impairment. The estimated useful lives of investment properties are 10 to 50 years and are depreciated using the straight-line basis. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal. Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets are not capitalised and expenditure is charged in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. Intangible assets with indefinite useful lives are tested for impairment annually, either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Trademarks, patents, customer lists and software licences

Trademarks, patents and software licences are measured on initial recognition at cost. Following initial recognition they are amortised on a straight-line basis over a period of five to fifteen years. Impairment testing is done annually or more frequently when an indication of impairment exists. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Research and development cost

Research and development costs are recognised in profit or loss as incurred.

Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses cannot be reversed in future periods.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: purchase cost on a first-in, first-out basis.
- Finished goods and work in progress: cost of direct materials and labour and a portion of manufacturing overheads, based on normal operating capacity but excluding finance cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(i) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable value. An asset's recoverable value is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Redeemable cumulative preference shares

The component of the cumulative preference shares that exhibits characteristics of a liability is recognised as a liability in the statement of financial position. The corresponding dividends on those shares are charged as interest expense in profit or loss. On issue of the preference shares, the fair value of the liability component is determined using cost of capital and this amount is carried as a long-term liability on the amortised cost basis until cleared on conversion or redemption.

The remainder of the amount after deduction of the debt component is recognised and included in shareholders' equity net of transaction costs. The carrying amount of the equity component is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(k) Treasury shares

Shares in the Company held by the Group are classified as treasury shares. On consolidation, these shares are treated as a deduction from the issued number of shares and the cost price of the shares is deducted from share capital and share premium in the statement of financial position. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Dividends received on treasury shares are eliminated on consolidation.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(m) Retirement benefits

It is the policy of the Group to provide for pension liabilities by payments to separate funds, independent of the Group, and contributions are recognised in profit or loss. Surpluses are not accounted for, as they accrue to members of the fund.

Defined benefit fund

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value and the fair value of any plan assets is deducted. Actuarial valuations are done on the projected unit credit actuarial valuation method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less unrecognised past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on market price information and, in the case of quoted securities, it is the published bid price. The value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Defined contribution funds

Obligations for contributions to defined contribution pension and provident plans are recognised as an expense in profit or loss as incurred.

Medical aid

The obligation in respect of post-retirement health care is the sole responsibility of the retired employee. Therefore there is no Group obligation or liability in this regard.

(n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, taking into account confidential discounts; distribution, sales and marketing services rendered; contract manufacturing; and rental income. The following specific recognition criteria must also be met before revenue is recognised:

Sales of products

Invoiced product sales are recognised as turnover, excluding value-added taxation.

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue comprises invoiced gross sales of products, less discounts and provisions for product claims.

Services rendered

Revenue from the rendering of services is recognised at the stage of completion of the service.

Finance income

Revenue is recognised as interest accrues (using the effective interest rate – that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset). The Group deposits surplus funds at financial institutions and does not act as a supplier of finance to third parties. Interest received is recognised as finance income.

Dividends received

Dividends are recognised when the right to receive payment is established.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the rental income. The rental of properties does not form part of the core business of the Group. Income in this regard is recognised as other operating income.

(o) Cost of sales

Cost of sales consists of the following:

- Cost of raw milk, ingredients and packaging.
- Milk collection cost.
- Manufacturing direct and indirect costs.
- Primary distribution costs.
- Charges against sales.

(p) Finance costs

Finance costs are recognised as an expense when incurred.

(q) Taxes

Current taxation

Current taxation assets and liabilities for the current and previous periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The taxation rates and taxation laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Deferred tax is based on current rates of taxation. IFRS requires the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on taxation rates and taxation laws that have been enacted or substantively enacted at the reporting date, to be applied.

Value-added taxation (VAT)

Revenues, expenses, assets and liabilities are recognised net of the amount of VAT, except:

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

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

Secondary taxation on companies (STC)

STC is recognised if one of the following events occurs:

- Dividends are declared whether ordinary or preference; or
- Events have occurred which result in a deemed dividend.

STC is calculated at the prescribed legislated rate and the expense is reflected as part of the taxation expense in profit or loss.

(r) Segment reporting

The operating segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(s) Share-based compensation

The Group operates an equity-settled, as well as a cash-settled share-based compensation plan.

Equity-settled share-based compensation plan

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled share-based compensation plan

The cost of a cash-settled transaction is measured initially at fair value at the grant date using a modified version of the Hull-White Trinominal Lattice model taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss.

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Group capitalised borrowing costs for all eligible assets where construction was commenced on or after 1 July 2009.

	2013 R'000	2012 R'000

3. Business combination and acquisition of non-controlling interest

3.1 Acquisition of interest in The Real Juice Co Holdings Proprietary Limited

On 1 October 2012, Clover acquired 100% of the issued shares of The Real Juice Co Holdings Proprietary Limited. A cash consideration of R73,7 million was paid to AVI Limited and funded from own resources.

The primary motivation for the acquisition was to extend Clover's footprint in the Western Cape and grow Clover's presence as one of the market-leading beverage businesses in South Africa.

The fair value of the identifiable assets and liabilities of The Real Juice Co Holdings Proprietary Limited as at the date of acquisition was:

	2013 R'000	2012 R'000
Assets		
Property, plant and equipment	**14 511**	
Intangible assets	**30 511**	
Deferred tax asset	**9 713**	
Inventories	**7 611**	
Trade and other receivables	**29 635**	
Cash and cash equivalents	**3 130**	
	95 111	
Liabilities		
Trade payables and other payables	**(21 425)**	
	(21 425)	
Total identifiable net assets at fair value	**73 686**	
Goodwill arising at acquisition	**–**	
Consideration, settled in cash	**73 686**	
Cash flow on acquisition		
Net cash acquired with subsidiary	**3 130**	
Cash paid	**(73 686)**	
Net cash outflow	**(70 556)**	

No goodwill was recognised on the acquisition, however, expected synergies include supply chain efficiencies, administration and shared service efficiencies, optimisation of sourcing arrangements and distribution channels.

	2013 R'000	2012 R'000
3.2 Acquisition of additional interest in Clover Manhattan Proprietary Limited		
On 1 November 2012, Clover acquired the remaining 49,9% interest in Clover Manhattan Proprietary Limited and the Unincorporated Joint Venture, for a cash consideration of R24,7 million, funded from own resources.		
As communicated during the listing of Clover, part of the listing proceeds were earmarked to buy out non-controlling interests in Clover's businesses where possible.		
The fair value of the identifiable assets and liabilities of Clover Manhattan Proprietary Limited as at the date of acquisition was:		
Assets		
Intangible assets	28 494	
	28 494	
Liabilities		
Deferred tax liability	(7 979)	
	(7 979)	
Total identifiable net assets at fair value	20 515	
Goodwill arising on acquisition	23 966	
Original investment at cost	(3 034)	
Gain on fair valuing of existing investment due to gaining control	(16 747)	
Consideration for additional 49,9% interest, settled in cash	24 700	
Cash flow on acquisition		
Net cash acquired with subsidiary	–	
Cash paid	(24 700)	
Net cash outflow	(24 700)	

Goodwill arising on acquisition represents the value paid for Clover Manhattan in excess of the fair value of its net assets at acquisition date. Synergies are expected from the combining of operations of Clover and Clover Manhattan, which include productions efficiencies and optimisation of sourcing arrangements.

4. Interest in joint ventures

Up to 31 October 2012, Clover Industries indirectly held a 50,1% interest in Clover Manhattan (Pty) Ltd and up to 31 December in the Unincorporated Joint Venture. Effective 1 November 2012, Clover Manhattan (Pty) Ltd became a full subsidiary of Clover SA. Clover Manhattan, is involved in the manufacture, marketing and distribution of ice tea.

Clover Industries indirectly holds a 51% interest in Clover Fonterra through Clover SA. Clover Fonterra is involved in the marketing and distribution of dairy-related products.

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entities at 30 June 2013, which are proportionally consolidated in the consolidated financial statements, is as follows:

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Clover Manhattan		
		Share of the joint venture's statement of financial position		
–	8 171	Current assets		
–	7 211	Current liabilities		
		Share of joint venture's revenue and profit		
17 282	37 546	Revenue		
(11 450)	(25 056)	Cost of sales		
(5 514)	(10 896)	Sales, marketing, distribution and administrative expenses		
–	282	Other operating costs		
1	4	Finance income/(costs)		
319	1 880	Profit before tax		
(336)	(760)	Income tax expense		
(17)	1 120	**(Loss)/Profit for the period/year**		

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Clover Fonterra		
		Share of joint venture's statement of financial position		
89 776	60 120	Current assets		
727	370	Non-current assets		
57 540	38 452	Current liabilities		
		Share of joint venture's revenue and profit		
146 267	168 816	Revenue		
(116 075)	(142 031)	Cost of sales		
(10 507)	(9 511)	Sales, marketing, distribution and administrative expenses		
79	(27)	Other operating income/(expenses)		
(13)	(168)	Finance income		
19 751	17 079	Profit before taxation		
(5 531)	(4 782)	Income tax expense		
14 220	12 297	**Profit for the year**		

5. Segment reporting

Segment information is presented in respect of the Group's operating segments. The operating segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The following tables present information on the Group's operating segments for the years ended 30 June 2013 and 30 June 2012, respectively.

The Group's manufacturing, distribution and other assets are totally integrated between the different operating segments as well as the Group liabilities. It is not practical, nor cost effective to attempt to allocate assets and liabilities between different operating segments. Similarly, and for the same reasons, production, distribution and administrative costs are also not practically distinguishable between the different operating segments. Management monitors operating segment performance at the margin on materials level which includes revenue, raw material and packaging costs and the segmental disclosure therefore is at this level.

Assets, liabilities and overhead costs are managed on a Group basis and are therefore not allocated to operating segments. Group operations outside of South Africa are not material and therefore not disclosed separately.

Operating segments

The Group comprises the following main operating segments:

- The dairy fluids segment is focused on providing the market with quality dairy fluid products.
- The dairy concentrated products consist of cheese, butter, condensed milk and retail milk powders.
- The ingredients products consist of bulk milk powders, bulk butter, bulk condensed milk, bulk creamers, calf feed substitutes, whey powder and buttermilk powder.
- The non-alcoholic beverages segment focus on the development and marketing of non-alcoholic, value-added branded beverages products.
- Other consists of Clover Industries Ltd holding company and Lactolab (Pty) Ltd that render laboratory services.

30 June 2013 Segmental report	Dairy fluids R'000	Dairy concentrated products R'000	Ingredients R'000	Non-alcoholic beverages R'000	Other R'000	CIL Group R'000
External revenue						
Sale of products	3 404 737	1 054 741	413 594	1 888 244	10 572	6 771 888
Sale of raw milk	420 508	–	–	–	–	420 508
Charges against sales	(41 979)	(14 785)	(8 721)	(23 473)	–	(88 958)
Cost of material and packaging	(2 254 890)	(658 293)	(285 884)	(861 224)	(2 415)	(4 062 706)
Milk collection cost	(216 417)	(54 223)	(29 104)	(16 608)	–	(316 352)
Margin on material	1 311 959	327 440	89 885	986 939	8 157	2 724 380
Reconciliation of margin on material to operating profit						
Margin on material						2 724 380
Revenue from rendering of services						798 773
Rental income						5 292
Direct and indirect manufacturing cost						(875 817)
Primary distribution cost						(496 416)
Gross profit						2 156 212
Net other costs						(1 729 074)
Restructuring cost						(35 750)
Operating profit						391 388
Net financing cost						(46 731)
Tax expense						(104 798)
Depreciation						(105 857)
Assets and liabilities						
Assets						4 434 267
Liabilities						2 318 842

30 June 2012 Segmental report	Dairy fluids R'000	Dairy concentrated products R'000	Ingredients R'000	Non-alcoholic beverages R'000	Other R'000	CIL Group R'000
External revenue						
Sale of products	3 092 413	1 020 961	428 494	1 557 476	9 924	6 109 268
Sale of raw milk	346 287	–	–	–	–	346 287
Charges against sales	(35 790)	(25 131)	(6 752)	(30 017)	–	(97 690)
Cost of material and packaging	(1 957 550)	(638 259)	(318 192)	(713 366)	(2 506)	(3 629 873)
Milk collection cost	(220 109)	(56 774)	(19 647)	(8 542)	–	(305 072)
Margin on material	1 225 251	300 797	83 903	805 551	7 418	2 422 920
Reconciliation of margin on material to operating profit						
Margin on material						2 422 920
Revenue from rendering of services						763 723
Rental income						4 585
Direct and indirect manufacturing cost						(775 552)
Primary distribution cost						(425 035)
Gross profit						1 990 641
Net other costs						(1 609 836)
Restructuring cost						(9 573)
Operating profit						371 232
Net financing cost						(23 862)
Tax expense						(137 654)
Depreciation						(102 316)
Assets and liabilities						
Assets						3 863 543
Liabilities						1 967 503

6. Income and expenses

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		6.1 Cost of sales		
(88 958)	(97 690)	Charges against sales		
(3 255 138)	(2 916 268)	Cost of raw materials		
(807 568)	(713 605)	Packaging costs		
(316 352)	(305 072)	Milk collection cost		
(875 817)	(775 552)	Manufacturing direct and indirect cost		
(496 416)	(425 035)	Primary distribution cost		
(5 840 249)	(5 233 222)	Total cost of sales		
		Included in cost of sales are operating expenses as indicated below:		
		Depreciation, amortisation and impairment		
64 082	64 074	• Depreciation and impairment of property, plant and equipment		
4 369	3 591	• Amortisation and impairment of trademarks, patents and licences		
68 451	67 665	Total depreciation, impairment and amortisation included in cost of sales		
18 922	11 886	Total inventories, raw material and finished product written off or provided for included in cost of sales		
		6.2 Other operating income		
11 680	–	Profit on sale of property, plant and equipment		
20 299	6 447	Foreign exchange profits		
–	1 956	Insurance premiums refunded		
3 755	2 590	Scrap and sales to staff		
3 406	–	Profit on share appreciation rights forward purchases		
16 747	–	Gain on fair valuing of existing investment in joint venture due to gaining control		
2 558	–	Consulting income for IT services rendered		
–	–	Fees for the cession of milk rights	**45 411**	41 096
3 494	3 723	Sundry*	**–**	(652)
61 939	14 716	Total other operating income	**45 411**	40 444

** Sundry income and expenses consist of a number of immaterial items.*

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		6.3 Other operating expenses		
(875)	–	Share of loss in joint venture partnership		
(5 915)	(1 771)	Provision for consumable stock obsolescence		
–	(1 825)	Loss on sale of property, plant and equipment		
–	(3 669)	Loss on share appreciation rights forward purchases		
(2 615)	(1 481)	Additional provision on impairment of trade receivables		
(3 166)	(1 781)	Sundry*		
(12 571)	(10 527)	Total other operating expenses		–
		6.4 Operating profit		
		Operating profit before finance income/(cost) has been determined after taking into account the following expenses:		
		Other expenses		
(20 685)	(16 150)	Development expenses		
		Rentals		
(32 582)	(30 581)	– land and buildings		
(26 454)	(23 828)	– equipment		
(292 803)	(310 139)	– vehicles		
(5 103)	(8 436)	– machines		
(924)	(1 463)	– other		
		Direct operating expenses of investment properties		
(98)	(56)	– maintenance		
(378 649)	(390 653)	Total other expenses		
		Personnel expenses		
(1 269 503)	(1 117 573)	Wages, salaries, bonuses and car allowances		
(18 839)	(15 849)	Company contributions		
(76 661)	(67 318)	Pension contributions		
(26 975)	(23 843)	Medical aid fund contributions		
(39 842)	(37 085)	Other personnel expenses		
(17 184)	(3 629)	Retrenchment cost		
(1 449 004)	(1 265 297)	Total personnel expenses		

** Sundry income and expenses consist of a number of immaterial items.*

GROUP 2013 R'000	GROUP 2012 R'000			COMPANY 2013 R'000	COMPANY 2012 R'000
			Auditors' remuneration		
(10 092)	(9 148)		Audit fees current year	**(1 750)**	(1 750)
(250)	(380)		Prior year under provision		
(270)	(361)		Other fees		
(10 612)	(9 889)		**Total auditors' remuneration**	**(1 750)**	(1 750)
			Depreciation, amortisation and impairment		
(31 979)	(29 395)		Depreciation and impairment of property, plant and equipment	**(1)**	(1)
(114)	(46)		Depreciation of investment properties		
(5 178)	(4 705)		Amortisation and impairment of trademarks, patents and licences		
(4 377)	(4 796)		Scrapping and impairment of property, plant and equipment		
(41 648)	(38 942)		**Total depreciation and amortisation included in selling, distribution and administrative expense**	**(1)**	(1)
		6.5	**Finance income**		
393	2 071		Bank interest	**1 695**	3 699
5 311	21 299		Interest received on call deposits		
4 002	5 228		Other	**3 713**	5 042
9 706	28 598		**Total finance income**	**5 408**	8 741
		6.6	**Finance cost**		
(6 875)	(2 678)		Bank loans and overdrafts		
(28 811)	(27 550)		Debtors' securitisation		
(20 346)	(22 007)		Preference dividends transferred to finance cost	**(20 346)**	(22 007)
(405)	(225)		Other		(16)
(56 437)	(52 460)		**Total finance cost**	**(20 346)**	(22 023)
		6.7	**Restructuring cost**		
			Restructuring cost has been determined after taking into account the following expenses:		
(17 184)	(3 629)		Retrenchment cost	**–**	–
(14 043)	–		Relocation of existing assets as part of Cielo Blu	**–**	–
(49)	–		Listing fees for new shares issue	**(49)**	–
(4 377)	(4 796)		Scrapping and impairment of property, plant and equipment	**–**	–
(97)	(1 148)		Other	**–**	–
(35 750)	(9 573)			**(49)**	–

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		7. Taxes		
		7.1 The major components of the tax expense are:		
		Local income tax		
		Current income tax		
(82 002)	(39 172)	– current year	**(10 979)**	(11 132)
(1 834)	(931)	– previous year		(194)
		Deferred tax		
(10 398)	(70 646)	– current year	**(59)**	(6)
–	(17 323)	– previous year		–
		Secondary taxation on companies		
–	(7 264)	– current year	**–**	(6 947)
		Foreign taxation		
		Current income tax		
(5 500)	(2 581)	– current year		
(385)	–	– previous year		
		Deferred taxation		
(2 055)	263	– current year		
(2 604)	–	– previous year		
(20)	–	Other		
(104 798)	(137 654)	**Total tax expense**	**(11 038)**	(18 279)
%	%	**7.2 Reconciliation of tax rate**	**%**	%
28,0	28,0	Standard income tax rate:	**28,0**	28,0
		Adjusted for:		
1,0	–	Prior year adjustments		
0,7	3,3	Non-deductible expenses	**30,0**	(25,7)
0,8	0,8	Loss from foreign subsidiaries	**–**	–
–	2,1	Secondary taxation on companies – paid	**–**	1,7
(0,1)	0,3	Other	**–**	(0,7)
–	0,3	2009 tax deductions not allowed	**–**	–
–	1,0	Reversal of deferred tax asset raised in prior year on the basis of a judgement by the Supreme Court of Appeal (not related to Clover)	**–**	–
–	3,8	Reversal of deferred tax asset on property, plant and equipment	**–**	–
30,4	39,6	**Effective tax rate**	**58,0**	3,3

GROUP 2013	GROUP 2012		COMPANY 2013	COMPANY 2012
		8. Earnings and headline earnings per share		
		8.1 Diluted weighted average number of ordinary shares		
179 267 674	179 111 867	Weighted average number of issued ordinary shares		
13 482 512	12 015 285	Increase in number of shares as a result of unexercised share appreciation rights		
192 750 186	191 127 152	Diluted weighted average number of ordinary shares		
R'000	R'000	**8.2 Profit for the year**	R'000	R'000
238 626	205 290	Profit for the year attributable to equity holders of the parent company		
Cents per share	Cents per share	**8.3 Earnings per share**	Cents per share	Cents per share
		Basic		
133,1	114,6	Attributable to equity holders of the parent		
		Diluted		
123,8	107,4	Attributable to equity holders of the parent		

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		8.4 Headline earnings per share		
		Headline earnings attributable to equity holders of the parent company		
238 626	205 290	Profit for the year attributable to equity holders of the Parent Company		
		Gross remeasurements excluded from headline earnings		
(11 680)	(878)	Profit on sale of property, plant and equipment		
(16 747)	–	Gain on fair valuing of existing investment in joint venture due to gaining control		
4 377	4 796	Impairment of plant and equipment		
		Taxation effects of remeasurements		
1 544	(65)	Profit/(Loss) on sale of property, plant and equipment		
(1 226)	(1 343)	Impairment of plant and equipment		
214 894	207 800	**Headline earnings attributable to equity holders of the parent company**		
Cents per share	Cents per share	**Headline earnings per share**	Cents per share	Cents per share
		Basic		
119,9	116,0	Attributable to equity holders of the parent		
		Diluted		
111,5	108,7	Attributable to equity holders of the parent		

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		9. Normalised earnings per share		
		Reported results adjusted for exceptional items		
391 388	371 232	Operating profit		
		Adjusted for exceptional items:		
(11 680)	(878)	Profit on sale and scrapping of property, plant and equipment		
(16 747)		Gain on fair valuing of existing investment in joint venture due to gaining control		
17 184	3 629	Retrenchment costs		
49	–	Cost associated with issuing of new shares		
18 517	5 944	Other restructuring cost		
398 711	379 927	**Operating profit adjusted for exceptional items**		
(46 731)	(23 862)	Net interest paid		
		Taxation		
(104 798)	(137 654)	Tax expense as per statement of comprehensive income		
(8 453)	(2 745)	Taxation adjustment on exceptional items		
–	18 254	Other non-recurring tax adjustments		
(1 233)	(4 426)	Non-controlling interest		
237 496	229 494	**Normalised earnings attributable to equity holders of the Parent Company**		
Cents per share	Cents per share	**Normalised earnings per share**	Cents per share	Cents per share
		Basic		
132,5	128,1	Attributable to equity holders of the parent		
		Diluted		
123,2	120,1	Attributable to equity holders of the parent		

10. Assets of disposal group classified as held-for-sale

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
423	940	Net book value at the beginning of the year		
1 749	423	Transfer to assets classified as held-for-sale		
(1 813)	(940)	Disposals		
359	423	Carrying value		

Certain properties are classified as assets held-for-sale following the decision of the Group's Management to sell certain properties no longer required for Group operations.

Sales are expected to be realised within the next six months. The value of the properties is estimated at R1 150 000 (2012: R700 000). The fair value of the disposal group exceeds the carrying value.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		11. Property, plant and equipment		
		11.1 Freehold land and buildings		
		Cost		
504 886	472 618	Balance at the beginning of the year	**679**	679
82 292	33 521	Additions capitalised		
11 027	–	Acquisition of subsidiary		
(3 274)	–	Transfer to assets classified as held-for-sale		
(2)	(1 253)	Disposals		
(5 009)	–	Transfer to investment property		
589 920	504 886	**Balance at the end of the year**	**679**	679
		Accumulated depreciation and impairment		
(168 584)	(153 773)	Balance at the beginning of the year	**(13)**	(12)
(15 531)	(15 443)	Depreciation for the year	**(1)**	(1)
–	632	Disposals		
2 940	–	Transfer to investment property		
(1 695)	–	Acquisition of subsidiary		
1 969	–	Transfer to assets classified as held-for-sale		
(180 901)	(168 584)	**Balance at the end of the year**	**(14)**	(13)
		Carrying amounts		
336 302	318 845	Balance at the beginning of the year	**666**	667
409 019	336 302	Balance at the end of the year	**665**	666
		11.2 Leasehold properties		
		Cost		
21 532	20 727	Balance at the beginning of the year		
3 613	–	Additions capitalised		
1 811	805	Foreign exchange differences		
26 956	21 532	**Balance at the end of the year**		
		Accumulated depreciation and impairment		
(2 219)	(1 688)	Balance at the beginning of the year		
(633)	(465)	Depreciation for the year		
(186)	(66)	Foreign exchange differences		
(3 038)	(2 219)	**Balance at the end of the year**		
		Carrying amounts		
19 313	19 039	Balance at the beginning of the year		
23 918	19 313	Balance at the end of the year		

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		11.3 Plant, equipment and vehicles		
		Cost		
1 222 729	1 110 550	Balance at the beginning of the year	**65**	65
306 960	136 726	Additions capitalised		
25 164	–	Acquisition of subsidiary		
(42 675)	(25 897)	Disposals	**(65)**	
3 166	1 350	Foreign exchange differences		
1 515 344	1 222 729	**Balance at the end of the year**	**–**	65
		Accumulated depreciation and impairment		
(562 052)	(503 174)	Balance at the beginning of the year	**(65)**	(65)
(77 849)	(77 588)	Depreciation for the year		–
(3 803)	(4 783)	Impairment	**–**	–
(19 988)	–	Acquisition of subsidiary		
38 828	23 746	Disposals	**65**	–
(386)	(253)	Foreign exchange differences		
(625 250)	(562 052)	**Balance at the end of the year**	**–**	(65)
		Carrying amounts		
660 677	607 376	Balance at the beginning of the year	**–**	–
890 094	660 677	Balance at the end of the year	**–**	–

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		11.4 Total property, plant and equipment		
		Cost		
1 749 147	1 603 895	Balance at the beginning of the year	**744**	744
392 865	170 247	Additions capitalised		
(3 274)	–	Transfer to assets classified as held-for-sale		
36 191	–	Acquisition of subsidiary		
(42 677)	(27 150)	Disposals	**(65)**	–
4 977	2 155	Foreign exchange differences		
(5 009)	–	Transfer to investment property		
2 132 220	1 749 147	**Balance at the end of the year**	**679**	744
		Accumulated depreciation and impairment		
(732 855)	(658 635)	Balance at the beginning of the year	**(78)**	(77)
(94 013)	(93 496)	Depreciation for the year	**(1)**	(1)
(3 803)	(4 783)	Impairment	**–**	–
1 969	–	Transfer to assets classified as held-for-sale		
(21 683)	–	Acquisition of subsidiary		
2 940	–	Transfer to investment property		
38 828	24 378	Disposals	**65**	–
(572)	(319)	Foreign exchange differences		
(809 189)	(732 855)	**Balance at the end of the year**	**(14)**	(78)
		Capital work-in-progress		
151 755	68 029	Balance at the beginning of the year		
961	(638)	Foreign exchange differences		
434 351	254 309	Additions: current year		
(392 865)	(169 945)	Amounts capitalised		
194 202	151 755	**Balance at the end of the year**		
		Total property, plant and equipment including work-in-progress		
		Carrying amounts		
1 168 047	1 013 289	Total property, plant and equipment at the beginning of the year	**666**	667
1 517 233	1 168 047	Total property, plant and equipment at the end of the year	**665**	666

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		The estimated fair value of property, plant and equipment at 30 June 2013 is R2 308,6 million (2012: R1 971,9 million).		
		During the year under review the Group has written off or impaired plant and equipment to the value of R4,4 million (2012: R4,8 million).		
		The fair value of property, plant and equipment has been determined based on valuations performed by 'The Property Partnership', an accredited independent valuer, as at 30 June 2013 and 30 June 2012 respectively. 'The Property Partnership' is an industry specialist in valuing property, plant and equipment. The fair value has been determined as follows:		
		Land and buildings: This category has either been assessed on a capitalised rental income basis or, where specialised facilities are involved, by way of a depreciated replacement cost basis.		
		Plant and machinery: This category has been assessed on a net current replacement cost/depreciated replacement cost basis.		
		Registers containing details of land are available for inspection at the registered office. The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2013 was R8, 8 million (2012: R9,2 million). Additions during the year were R1,1 million (2012: R6,5 million) of plant and equipment held under finance lease and hire purchase agreements. Leased assets and assets bought under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.		

12. Investment properties

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Cost		
2 379	2 379	Balance at the beginning of the year		
–	–	Additions capitalised		
5 009	–	Transfer to investment property		
(1 292)	–	Transfer to assets held-for-sale		
6 096	2 379	**Balance at the end of the year**		
		Accumulated depreciation		
(1 887)	(1 418)	Balance at the beginning of the year		
(114)	(46)	Depreciation for the year		
(2 940)	–	Transfer to investment property		
848	(423)	Transfer to assets held-for-sale		
(4 093)	(1 887)	**Balance at the end of the year**		
		Carrying amounts		
492	961	Balance at the beginning of the year		
2 003	492	**Balance at the end of the year**		
779	877	Rental income derived from investment properties		
–	–	Direct operating expenses generating rental income		
779	877	**Net profit arising from investment properties carried at net book value**		

The fair value of these properties is R3,4 million (2012: R4,7 million).

The fair value of investment properties has been determined based on valuations performed by 'The Property Partnership', an accredited independent valuer, for the current and previous years. 'The Property Partnership' is an industry specialist in valuing investment properties. The fair value has been determined as follows:

Land and buildings: This category has either been assessed on a capitalised rental income basis or, where specialised facilities are involved, by way of a depreciated replacement cost basis.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		13. Intangible assets		
		13.1 Goodwill		
		Cost		
304 785	304 785	Balance at the beginning of the year		
23 965	–	Acquisitions		
328 750	304 785	**Balance at the end of the year**		
		Impairment losses		
(1 311)	(1 311)	Balance at the beginning of the year		
(1 311)	(1 311)	**Balance at the end of the year**		
		Carrying amounts		
303 474	303 474	Balance at the beginning of the year		
327 439	303 474	Balance at the end of the year		
		13.2 Trademarks, patents and customer lists		
		Cost		
13 500	13 500	Balance at the beginning of the year		
59 004	–	Acquisitions		
(3 500)	–	Disposals		
69 004	13 500	**Balance at the end of the year**		
		Accumulated amortisation and impairment		
(1 284)	(660)	Balance at the beginning of the year		
(3 819)	(680)	Amortisation for the year		
466	56	Disposals		
(4 637)	(1 284)	**Balance at the end of the year**		
		Carrying amounts		
12 216	12 839	Balance at the beginning of the year		
64 367	12 216	Balance at the end of the year		

GROUP 2013 R'000	GROUP 2012 R'000			COMPANY 2013 R'000	COMPANY 2012 R'000
		13.3	Software licences		
			Cost		
71 891	64 769		Balance at the beginning of the year		
17 766	7 978		Additions		
(4 548)	(856)		Disposals		
85 109	71 891		Balance at the end of the year		
			Accumulated amortisation and impairment		
(46 937)	(39 683)		Balance at the beginning of the year		
(7 911)	(8 094)		Amortisation for the year		
(574)	(13)		Impairment		
4 397	853		Disposals		
(51 025)	(46 937)		Balance at the end of the year		
			Carrying amounts		
24 954	25 086		Balance at the beginning of the year		
34 084	24 954		Balance at the end of the year		

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		13.4 Total intangible assets		
		Cost		
390 176	383 054	Balance at the beginning of the year		
100 735	7 978	Additions		
(8 048)	(856)	Disposals		
482 863	390 176	**Balance at the end of the year**		
		Accumulated amortisation and impairment		
(49 532)	(41 654)	Balance at the beginning of the year		
(11 730)	(8 774)	Amortisation for the year		
(574)	(13)	Impairment		
4 863	909	Disposals		
(56 973)	(49 532)	**Balance at the end of the year**		
		Capital work-in-progress		
17 123	5 702	Balance at the beginning of the year		
–	26	Foreign exchange differences		
103 005	19 373	Additions		
(100 735)	(7 978)	Amounts capitalised		
19 393	17 123	**Balance at the end of the year**		
		Carrying amounts		
357 767	347 102	Total intangible assets at the beginning of the year		
445 283	357 767	Total intangible assets at the end of the year		

An impairment test is done annually at the Group's financial year end on goodwill acquired through business combinations. The present value of future cash flows generated by the businesses is estimated for a five-year period and is based on:

Current net profit before tax, projected forward for average growth of 6% (2012: 6%) and adjusted for non-cash items; an effective tax rate of 28%; required capital expenditure; movements in working capital; and a before tax discount rate of 19,24% (2012: 19,24%).

Goodwill has been allocated to Clover Industries as the smallest separately identifiable cash-generating unit due to income, cost, assets and liabilities not being able to be split into smaller cash-generating units. Refer to note 5.

Goodwill has been allocated to the following cash-generating units for purposes of the impairment review:

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
327 439	303 474	Clover Industries		

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000

14. Other financial assets and financial liabilities

14.1 Other financial assets

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Financial instruments at fair value through profit or loss		
		Derivatives not designated as hedges		
132	173	Foreign exchange contracts		
132	173	**Total financial instruments at fair value**		
132	173	**Total other financial assets**		
132	173	Total current		
–	–	Total non-current		

Financial assets at fair value through profit or loss are those foreign exchange forward contracts the are not designated in hedge relationships as they are intended to reduce the level of foreign currency risk for expected sales and purchases.

The Group uses foreign exchange forward contracts to manage some of its transaction exposures.

14.2 Other financial liabilities

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Financial liabilities at fair value through profit or loss		
		Derivatives not designated as hedges		
–	639	Diesel Zero Cost Collar hedges		
250	3 669	Clover Industries shares forward purchases		
250	4 308	**Total financial instruments at fair value**		
250	4 308	**Total other financial liabilities**		
250	4 308	Total current		
–	–	Total non-current		

Due to the Group being exposed to changes in the price of diesel, it has entered into a diesel hedge relationship for Zero Cost Collars. The forward contract does not result in physical delivery of diesel.

The Group hedged 6 million litres of diesel, this equals its diesel usage for six months. The hedge commenced 3 February 2012 and expired on 26 July 2012.

The Group entered into a forward contract to purchase 2 132 695 Clover Industries shares at R17,90 per share on 30 June 2014. This transaction was entered into to hedge a portion of the share appreciation rights issued to management.

14.3 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique;

Level 1: quoted prices in active market for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2013, the Group held the following financial instruments carried at fair value in the statement of financial position:

	30 June 2013 R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Assets measured at fair value				
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	**132**		**132**	
Liabilities measured at fair value				
Derivatives not designated as hedging instruments:				
Diesel Zero Cost Collar hedges	**–**		**–**	
Clover Industries shares forward purchases	**250**		**250**	
During the reporting period ended 30 June 2013, there were no transfers between Level 1 and Level 2 fair value measurements.				

	30 June 2012 R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Assets measured at fair value				
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	173		173	
Liabilities measured at fair value				
Derivatives not designated as hedging instruments:				
Diesel Zero Cost Collar hedges	639		639	
Clover Industries shares forward purchases	3 669		3 669	
During the reporting period ended 30 June 2012, there were no transfers between Level 1 and Level 2 fair value measurements				

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		15. Deferred taxation		
(116 458)	(28 755)	Balance at the beginning of the year	**86**	88
(13 405)	(87 703)	Movements during the year	**(58)**	(2)
(129 863)	(116 458)	**Balance at the end of the year**	**28**	86
		The balance is constituted as follows:		
		Deferred tax assets		
870	368	Bad debts provision	**89**	89
2 266	2 215	Provision: Credit notes		
–	106	Consumable stores		
8 135	8 691	Long-service bonus		
–	1 154	Provision: Special bonus		
14 170	11 654	Leave pay provision		
–	1 027	Share-based payments		
608	786	In-plant building		
4 559	–	Incentive bonus		
9 080	–	Individual performance bonus		
7 526	–	Guaranteed bonuses		
4 480	–	Income received in advance		
1 814	1 785	Leases		
6 155	5 680	Provisions		
6 635	58	Assessed loss carried forward		
2 022	465	Other		
68 320	33 989	**Total deferred tax assets**	**89**	89

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Deferred tax liabilities		
(194 591)	(148 250)	Property, plant and equipment	**(2)**	–
(3 102)	(379)	Prepayments	**(59)**	(3)
(490)	(1 818)	Other		
(198 183)	(150 447)	**Total deferred tax liabilities**	**(61)**	(3)
(129 863)	(116 458)	**Net deferred tax liability**	**28**	86
		Reflected in the statement of financial position as follows:		
7 449	492	Deferred tax assets	**28**	86
(137 312)	(116 950)	Deferred tax liabilities		
(129 863)	(116 458)	**Net deferred tax (liability)/asset**	**28**	86

In assessing the availability of sufficient future taxable profit for utilisation against unused tax losses, cognisance was taken of the Group's vision, goals and strategies. The Board is of the opinion that future taxable profits would be adequate to utilise the unused tax losses.

The statement of financial position disclosure for deferred tax assets is the total amount for all Group companies with net deferred tax assets. Likewise the deferred tax liability represents the total of all companies with net deferred tax liabilities. Note 15 however groups all deferred tax assets and liabilities in the Group, irrespective of the net position of individual Group companies.

No deferred tax asset has been provided on the tax loss of entities which are loss making since inception of business to date.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		16. Inventories		
5 800	5 800	Delivery agreements		
85 374	91 120	Raw materials		
82 715	50 017	Work-in-progress		
78 962	60 595	Consumable stores		
480 572	394 521	Finished goods		
733 423	602 053	Total inventories		

The amount of the write-down of inventories recognised as an expense is R18,9 million (2012: R11.9 million). This expense is included in the cost of sales line item as a cost of inventories.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		17. Trade and other receivables		
907 140	874 476	Trade receivables		
64 465	74 633	Other receivables and advance payments	**501**	771
34 848	57 874	Loans to Executive Directors and other Executives	**34 848**	57 874
		Inter-company loan: Clover SA	**380 789**	581 051
		Loan: CIL Share Purchase Plan Trust	**6**	1 480
(3 309)	(1 539)	Allowance for impairment	**(317)**	(317)
(8 095)	(8 449)	Credit note accrual	**–**	–
995 049	996 995	Total trade and other receivables	**415 827**	640 859

The loans to Directors and other Executives were made to finance ordinary shares in CIL issued to them on 31 May 2010. The terms of the loans are as follows: they will bear interest at 90% of the prime rate of Absa Bank, interest will be capitalised on a monthly basis, repayable by management on the sale of the ordinary shares or within two months of leaving the employment of Clover or within six months in the case of death. All proceeds of the ordinary shares are ceded to CIL as security for the loans, in addition to all proceeds on the Clover Industries preference shares that were held by them. The loan agreements have been amended to make provision for a final repayment date of the respective loans linked to the normal retirement date for each of the Executives. See note 29.4 for further details.

Clover SA securitised its trade debtors, excluding debtors generated from export sales, through a special-purpose entity, Clover Capital. Clover Capital is consolidated into the results of the Group.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		See note 30.5 for age analysis on trade receivables and on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.		
		Trade receivables are non-interest-bearing and the payment terms are 30 days after the end of the month in which the goods were delivered.		
		As at 30 June 2013, trade receivables of an initial value of R3,3 million (2012: R1,5 million) were impaired and fully provided for. See below for the movement in the provision for impairment of receivables.		
1 539	1 325	Balance at the beginning of the year	**317**	317
2 555	214	Charge for the year	**–**	–
(785)	–	Impairment loss written off/Unused amounts reversed	**–**	–
3 309	1 539	Balance at the end of the year	**317**	317

18. Cash and short-term deposits

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for periods varying between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. At 30 June 2013, the Group had available R100 million (2012: R100 million) of unutilised committed borrowing facilities in respect of which all conditions precedent had been met.

For the purpose of the consolidated cash flow statements, cash and short-term deposits comprise the following:

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Cash at bank and on hand		
279	272	On hand		
276 934	119 591	Outstanding deposits		
28 275	216 815	Call loans and money market investments	**5 499**	33 534
412 574	374 792	Cash in banks	**16 499**	9 421
718 062	711 470	Total cash and short-term deposits	**21 998**	42 955

19. Share capital and share premium

19.1 Ordinary shares

GROUP 2013 Number of shares	GROUP 2012 Number of shares		COMPANY 2013 Number of shares	COMPANY 2012 Number of shares
		Authorised		
		2 billion (2012:2 billion) ordinary shares with a par value of 5 cents (2012: 5 cents) each		
		Shares issued		
179 111 867	179 111 867	Ordinary shares in issue at the beginning of the year	**179 111 867**	179 111 867
2 106 282	–	Issued on 3 June 2013	**2 106 282**	–
181 218 149	179 111 867	**Ordinary shares in issue at the end of the year**	**181 218 149**	179 111 867

2013 R'000	2012 R'000		2013 R'000	2012 R'000
		Ordinary share capital		
9 061	8 955	181,2 million (2012: 179,1 million) ordinary shares of 5 cents (2012: 5 cents) each	**9 061**	8 955
		Ordinary share premium		
713 263	674 635	Ordinary share premium on 181,2 million (2012: 179,1 million) ordinary shares	**713 263**	674 635
–	–	Share issue cost	**–**	–
722 324	683 590	**Total ordinary share capital and ordinary share premium**	**722 324**	683 590

GROUP 2013 Number of shares	GROUP 2012 Number of shares		COMPANY 2013 Number of shares	COMPANY 2012 Number of shares
		19.2 Preference shares		
		Authorised		
		100 million redeemable cumulative preference shares with a par value of 10 cents each		
		Shares issued		
89 442 022	89 442 022	Preference shares in issue at the beginning of the year	**89 442 022**	89 442 022
(89 442 022)	–	Redeemed on 3 June 2013	**(89 442 022)**	–
–	89 442 022	Preference shares in issue at the end of the year	**–**	89 442 022

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Preference share capital		
–	8 944	Nil (2012: 89,4 million) preference shares at 10 cents each	**–**	8 944
		Preference share premium		
708	251 146	Premium on NIL preference shares (2012: 89,4 million)	**708**	251 146
(478)	–	Transfer to other capital reserves	**(478)**	–
(230)	(230)	Share issue cost	**(230)**	(230)
–	259 860	Total preference share capital and premium	**–**	259 860

Holders of preference shares were entitled to a preference dividend payable on a quarterly basis, calculated over the dividend period at 99% of Absa's prime rate multiplied by the subscription price of the preference share.

The preference shares were redeemed on 3 June 2013. The preference shares had no voting rights.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		19.3 Total issued ordinary and preference share capital		
9 061	17 899	Total issued ordinary and preference share capital	**9 061**	17 899
–	(8 944)	Debt portion of preference share capital	**–**	(8 944)
9 061	8 955	Total ordinary share capital	**9 061**	8 955
713 263	925 551	Total ordinary and preference share premium	**713 263**	925 551
–	(250 438)	Total debt portion of preference share premium	**–**	(250 438)
713 263	675 113	Total share premium net of debt portion	**713 263**	675 113
		The total redeemable preference share capital and share premium are reflected as debt.		
		Shares were issued as follows during the year		
		Ordinary shares:		
105	–	Ordinary shares of 0,5 cents (2012: Nil cents) each	**105**	–
38 629	–	Ordinary share premium of R18,34 (2012: R Nil) per share	**38 629**	–
38 734	–	Total ordinary share capital raised during the year	**38 734**	–
		19.4 Debt portion of preference share capital		
–	(259 382)	Debt portion of preference shares	**–**	(259 382)
		20. Other reserves		
62 247	52 681	Share-based payments reserve	**35 051**	25 485
209 958	209 480	Other capital reserves	**478**	–
272 205	262 161		**35 529**	25 485
(8 147)	(7 875)	Foreign currency translation reserve		
264 058	254 286	Total at the end of the year	**35 529**	25 485
		21. Retained earnings		
1 126 734	955 890	Retained profit at the end of the year	**20 693**	52 923

Group 2013 R'000	Group 2012 R'000		Company 2013 R'000	Company 2012 R'000
		22. Interest-bearing loans and borrowings		
		22.1 Secured liabilities		
650 000	150 000	(a) Secured by securitisation of trade debtors (refer to note 18). The first tranche of R250 million is repayable on 30 June 2016, and is charged a floating interest rate of 185 bps above 3 month Jibar (2012: Nil). The second tranche of R400 million is repayable 30 June 2018, and is charged a fixed interest rate of 9,28% (2012: Nil).		
24 236	30 609	(b) Secured by plant and equipment with a book value of R26,4 million (2012: R44,5 million). Repayable in monthly instalments. Payments due within the next year are R10,57 million (2012: R8,9 million). Variable interest rate portion: 7,55% – 10,0% (2012: 8,05% – 10,5%). Maturity: between May 2014 and March 2022. Fixed interest rate portion 9,0% and 10,5% (2012: 9,0% and 10,5%).		
674 236	180 609	Total secured liabilities		
		22.2 Unsecured liabilities		
–	259 382	(a) Debt portion of preference share capital: On 8 June 2012 the Memorandum of Incorporation of the Company was amended (by way of special resolutions) to gross up the preference dividend rate, from 90% of the average prime rate, to 99% of the average prime rate. The preference shares were redeemed on 3 June 2013.	**–**	259 382
5 824	–	(b) Unsecured loan from Merchant West, interest is charged at 6,96%, and is repayable in quarterly instalments with a final payment on 1 October 2015.	**–**	–
17 262	625	(c) Bank overdraft. Repayable on demand. The full outstanding amount is repayable within one year. Variable interest rate: 8,5% (2012: 9%).	**–**	–
141 964	2 446	(d) Call loans. Variable interest rate: 5,75% – 6,85% (2012: 6,25% – 7,35%).	**–**	–
165 050	262 453	Total unsecured liabilities	**–**	259 382
839 286	443 062	Total secured and unsecured liabilities	**–**	259 382
		Current portion transferred to current liabilities:		
9 848	158 923	Secured liabilities		
162 798	262 453	Unsecured liabilities	**–**	259 382
172 646	421 376	Total current portion transferred to current liabilities	**–**	259 382
666 640	21 686	Total non-current interest-bearing borrowings	**–**	–
839 286	443 062	Total current and non-current interest-bearing loans and borrowings	**–**	259 382

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		23. Provisions		
		23.1 Long-service bonus		
		The projected-credit method is used for the calculation of the long-service bonus provision. Payments are recognised as utilisations.		
		The determination of the long-service bonus is based on the following assumptions:		
6 474	6 534	Active members		
8,3%	7,7%	Salary escalation ratio		
8,5%	8,9%	Discounting rate		
65	65	Normal retirement age		
31 033	32 096	Balance at the beginning of the year		
7 682	6 426	Amounts provided		
(9 664)	(7 489)	Amounts utilised		
29 051	31 033	**Total long-service bonus provision**		
		Refer to note 34 for further detail on the long-service bonus provision.		
		23.2 Leave pay		
		A provision for leave pay is recognised for the number of days leave due to employees at 30 June valued at a rate per day based on the basic salary of each employee at 30 June. Leave payments are recognised as utilisations.		
42 780	40 478	Balance at the beginning of the year		
15 190	7 269	Amounts provided		
517	–	Acquisition of subsidiary		
(6 303)	(4 967)	Amounts utilised		
52 184	42 780	**Total leave pay provision**		
		23.3 Total provisions		
61 222	61 637	Long-term portion		
20 013	12 176	Short-term portion transferred to current liabilities		
81 235	73 813	**Total long-term and short-term provisions**		

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		24. Trade and other payables		
1 098 669	1 147 039	Trade payables	**17 339**	1 616
138 823	144 791	Other payables	**1 394**	1 793
1 662	8 802	Interest payable	**1 662**	8 802
4 208	23 066	Payable to joint ventures	**–**	–
–	–	Inter company loan Clover SA	**–**	214
1 243 362	1 323 698	Total trade and other payables	**20 395**	12 425
9 267	6 904	Non-current portion transferred to non-current liabilities		
1 234 095	1 316 794	Current portion	**20 395**	12 425
1 243 362	1 323 698	Total trade and other payables	**20 395**	12 425

The terms for trade payables range from 7 days after date of invoice to 45 days after month-end. Interest is payable on a monthly basis. Payables to joint ventures range from 30 days to 45 days after the end of the month in which the transaction took place.

25. Dividends declared and paid

Dividends paid to preference shareholders are recognised as finance cost (refer to note 6.6).

During the year equity dividends were declared as follows:

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
41 912	53 734	To ordinary shareholders	**41 912**	53 734

Cents per share	Cents per share		Cents per share	Cents per share
23,4	30,0	To ordinary shareholders	**23,4**	30,0

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000

26. Notes to the statement of cash flows

26.1 Tax paid

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
(5 672)	(243)	Amount unpaid at the beginning of the year	**(333)**	237
(89 741)	(49 948)	Taxation charged in statement of comprehensive income, excluding deferred taxation	**(10 979)**	(18 277)
12 035	–	Taxation charged through statement of changes in equity, excluding deferred taxation		
17 397	5 672	Amount due at the end of the year	**(807)**	333
(65 981)	(44 519)	Total tax paid	**(12 119)**	(17 707)

27. Pensions and other post-employment benefit plans

27.1 Defined-benefit fund

The fund is a defined-benefit fund and was actuarially valued on 30 June 2013. The actuarial method used in determining the cost of the retirement benefits is the same as those used in previous calculations. The assumptions regarding deaths, interest rates, salary increases, retirements, resignations and administration costs were all based on generally accepted standards for the industry. The fair value of the assets of the fund of R13,52 million (2012: R13,62 million), exceeded the actuarial present value of promised retirement benefits of R7,1 million (2012: R6,86 million).

The surplus has not been accounted for, as it accrues to the members of the fund. The Group policy is to fund any deficit in accordance with the Pension Funds Act of 1956 and published regulations issued by the Registrar of Financial Services from time to time. The fund is subject to the same Act which requires an actuarial valuation every three years. Number of members on 1 July 2013: 5 (1 July 2012: 7). The fund closed for new entrants on 1 July 1994.

27.2 Defined-contribution funds

27.2.1 Clover SA pension fund

This is a defined-contribution fund. The value of this fund determines the benefits which accrue to members. The Group has no obligation other than its normal contributions. Number of members on 30 June 2013: 966 (30 June 2012: 983).

27.2.2 Clover SA provident fund

This is a defined-contribution fund. The value of the fund determines the benefits which accrue to members. The Group has no obligation other than its normal contributions. Number of members on 30 June 2013: 5 546 (2012: 5 643)

27.3 Amounts recognised in profit or loss

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Contributions for the Group for the current year:		
96	104	Defined-benefit fund		
31 012	26 616	Pension fund		
45 553	40 598	Provident fund		
76 661	67 318	Total contributions recognised in profit or loss		

28. Commitments and contingencies

28.1 Commitments

28.1.1 Operating lease commitments – Group as lessee

The Group entered into an outsourcing agreement whereby the Group is provided with distribution and milk collection vehicles. The Group also entered into commercial leases on motor vehicles and machinery. These leases have an average life of between three and ten years, with renewal options included on some of the contracts. There are no restrictions placed upon the lessee by entering into these lease contracts.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Future minimum lease payments are as follows:		
262 844	229 985	Within one year		
926 760	804 429	After one year but not more than five years		
1 591 345	1 430 344	More than five years		
2 780 949	2 464 758	**Total lease payments payable**		

28.1.2 Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's surplus offices and manufacturing buildings. These non-cancellable leases have remaining terms of between one and six years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2013 are as follows:		
3 253	4 999	Within one year		
9 731	7 810	After one year, but not more than five years		
–	–	More than five years		
12 984	12 809	**Total minimum lease payments**		

	GROUP 2013 Minimum payments R'000	GROUP 2013 Present value of payments R'000	GROUP 2012 Minimum payments R'000	GROUP 2012 Present value of payments R'000
28.1.3 Finance leases and hire purchase agreements				
The Group has finance leases and hire purchase contracts for various items of plant, machinery and vehicles. These leases have no terms of renewal, purchase options or escalation clauses.				
Future minimum lease payments with the present value of the net minimum lease payments are as follows:				
Within one year	**14 852**	**13 420**	10 598	8 922
After one year but not more than five years	**19 003**	**16 640**	24 992	21 686
Total minimum lease payments	**33 855**	**30 060**	35 590	30 608
Less: Amounts representing finance charges	**(3 795)**	**–**	(4 982)	–
Present value of minimum lease payments	**30 060**	**30 060**	30 608	30 608

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		28.1.4 Capital commitments		
127 854	223 603	Capital expenditure authorised and contracted for		
84 126	41 558	Capital expenditure authorised but not contracted for		
211 980	265 161	Total capital commitments		
		Commitments will be spent within the next three to four years. The capital expenditure will be funded from Group funds.		

29. Related party disclosure

Transactions with related parties are made at market related prices. Outstanding balances at the year-end are unsecured. No interest is paid on current accounts. Interest is payable on borrowings by the holding company from subsidiary companies at prime. Where the holding company lends money to subsidiary companies interest is charged at prime plus 1%. There have been no guarantees provided or received for any related party receivables or payables. During the year under review, the loans from Clover SA to Clover West Africa of R35,6 million and to Clover Namibia of R4 million were impaired. (2012: R Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

29.1 With regard to operating activities with subsidiaries and joint ventures, the following transactions took place during the year:

Group 2013 R'000	Group 2012 R'000		Company 2013 R'000	Company 2012 R'000
		(a) Fees earned by CIL for services rendered to Group Companies		
45 411	41 096	Clover SA	**45 411**	41 096
45 411	41 096	Total fees earned by CIL for services rendered to Group Companies	**45 411**	41 096
		(b) Fees earned by Clover SA for services rendered to Group Companies		
3 957	3 749	Clover Botswana		
5 723	5 611	Clover Fonterra		
14 973	27 916	Clover Manhattan		
24 653	37 276	Total fees earned by Clover SA for services rendered to Group Companies		
		(c) Finance income received by Clover SA from Group Companies		
3 855	–	Clover West Africa		
178	170	Clover Namibia		
47	–	CFI		
4 080	170	Total finance income received by Clover SA from Group Companies		
		(d) Amounts owing by Clover SA to Group Companies		
380 789	575 140	Clover Industries	**380 789**	575 140
34 777	37 255	Clover Fonterra	**–**	–
102	96	Lactolab	**–**	–
17 299	–	RBC	**–**	–
–	10 408	Clover Manhattan	**–**	–
–	544	Clover Swaziland	**–**	–
432 967	623 443	Total amounts owing by Clover SA to Group Companies	**380 789**	575 140

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		(e) Amounts due to Clover SA from Group Companies		
286 264	1 064 553	Clover Capital		
52 306	32 481	Clover West Africa		
178 363	–	RBC		
52	70	Lactolab		
1 695	–	Clover Swaziland		
30 221	8 103	Clover Fonterra		
43 691	27 220	Clover Botswana		
28 241	16 199	Clover Namibia		
–	9 067	Clover Manhattan		
620 833	1 157 693	**Total amounts due to Clover SA from Group Companies**		
		(f) Amounts due to CIL from Group Companies		
380 789	575 140	Clover SA	**380 789**	575 140
6	1 480	CIL Share Purchase Trust	**6**	1 480
380 795	576 620	**Total amounts due to CIL from Group Companies**	**380 795**	576 620
		(g) Clover SA received the following dividends during the year from Group Companies		
3 296	6 476	Clover Fonterra Ingredients		
780	378	Lactolab		
18 274	2 443	Clover Manhattan		
22 350	9 297	**Total dividends received by Clover SA from Group Companies**		
		(h) CIL received the following dividends during the year from Group Companies		
–	190 000	Clover SA	**–**	190 000
–	190 000	**Total dividends received by CIL from Group Companies**	**–**	190 000

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		29.2 The following transactions regarding the securitisation of debtors took place during the year between Clover SA and Clover Capital:		
27 756	27 550	Net finance cost paid by Clover SA to Clover Capital		
10 351 193	9 236 322	Debtors sold to Clover Capital		
(10 335 343)	(9 123 177)	Receipts from Clover Capital		
		29.3 With regard to business done with Non-executive Directors or legal entities that are related to them, the following transactions took place:		
		Milk purchased from the following Non-executive Directors by Clover SA:		
2 624	4 467	JAH Bredin (resigned 30 November 2012)		
3 427	6 047	HPF Du Preez (resigned 30 November 2012)		
4 223	3 737	MG Elliott		
26 290	23 648	JC Hendriks (Dr)		
71 273	59 633	WI Büchner		
27 797	25 995	NA Smith		
135 634	123 527	Total milk purchased from Non-executive Directors		

Refer to note 33 for more information regarding compensation of Directors and key management personnel.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		29.4 Loans outstanding to Directors and senior management		
		Executive Director		
25 538	25 822	JH Vorster	**25 538**	25 822
–	11 621	HB Roode (retired 30 June 2013)	**–**	11 621
6 774	11 718	CP Lerm (Dr)	**6 774**	11 718
–	5 330	LJ Botha	**–**	5 330
		Other Executives		
–	930	H Lubbe	**–**	930
2 536	2 453	JHF Botes (Dr)	**2 536**	2 453
34 848	57 874	Total	**34 848**	57 874

Refer to note 17 for more details around the terms of the loans.

30. Financial instruments

The Group treasury function does not operate as a profit centre, but rather provides financial services to the divisions and Group companies, coordinates access to credit and loan facilities and manages the financial risks relating to the Group's operations. The Group's objective in using financial instruments is to reduce the uncertainty over future cash flows arising from movement in currency and interest rates. Currency and interest rate exposure is managed within Board-approved policies and guidelines which restrict the use of derivatives to the hedging of specific underlying currency and interest rate exposures.

30.1 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

– credit risk
– liquidity risk
– market risk: foreign currency and interest rate risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated and separate financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee, is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee is assisted in its oversight role by Clover Risk Management, assisted by KPMG Services (Pty) Limited. Risk Management undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

(i) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

Credit risk primarily relates to potential exposure on bank and cash balances, investments and trade receivables. The Group limits its exposure arising from money market and derivative instruments by only dealing with well-established financial institutions of high credit standing. The Group is exposed to credit risk in the form of trade receivables. The maximum exposure is the carrying amount as disclosed in note 30.5. Historically, Group bad debts have been negligible and the management of debtors payment terms have been very successful. Trade receivables comprise a large number of debtors, but with significant concentration in value on the country's major retail and wholesale chains, credit is extended in terms of the Group's credit policies. In the opinion of the Board there was no significant credit risk at year-end which had not been adequately provided for.

The Group limits its exposure to credit risk by only investing in reputable institutions with high credit ratings.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 72,5% (2012: 71,4%) of the Group's credit sales is attributable to sales transactions with the major national chain stores of good credit standing. However, geographically there is no concentration of credit risk.

The responsibility for effective credit management rests with the Chief Financial Officer. The granting of credit is governed by a policy for the approval and authorisation levels for new credit applications and revision of credit limits.

The credit policy requires that each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Any variations in authorisation levels must be approved in terms of the credit policy. The review includes obtaining and evaluating trade references, bank codes, financial statements and trade history. Depending on the customer profile and credit limit required, further information on Directors and a credit bureau report will be obtained. With the exception of the major national chain stores, where credit risks are assessed as low, credit limits are established for each customer, which represents the maximum open amounts.

Most of the Group's customers have been transacting with the Group for many years and the Group has had a steady customer base. In monitoring customer credit risk, customers are grouped accordingly to their credit characteristics, including whether they are chain stores, general trade or wholesalers.

Additional credit is withheld from customers, excluding the major national chain stores, that have defaulted on their payments, until the situation has been resolved.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures.

As a general rule, sureties must be obtained for all new accounts, unless the Group waives its rights in this regard, backed by a low credit risk assessment.

Foreign customers are managed by ensuring that all exports are paid for in cash up front or suitable guarantees are provided for payment prior to shipping. The current year guarantees decreased primarily due to guarantees issued in the prior year to foreign supplier on the import of capital equipment.

Guarantees	2013 Rm	2012 Rm
Muncipalities	**16,13**	6,91
Other	**0,48**	64,40
	16,61	71,31

(ii) Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Group manages liquidity risk by monitoring actual and budgeted cash flows and ensuring that adequate borrowing facilities are maintained.

The Group ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the Group maintains the lines of credit as can be viewed in note 22.2

The Group monitors the liquidity risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases, funding through securitisation of debtors book and hire purchase contracts. The Group's policy is that not more than 25% (2012: 25%) of long-term borrowings should mature in the next 12-month period. 2% (2012: 95,1%) of the Group's long-term debt will mature in less than one year at year-end based on the carrying value of borrowings reflected in the financial statements.

Trade creditors form an important part of the short-term financing of the Group's working capital. Careful management and control of trade creditors is applied to ensure maximum use of what is viewed as interest-free debt.

(iii) Market risk management

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return of risk.

The Group buys and sells derivatives in the ordinary course of business in order to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Policy.

(iv) Foreign currency risk management

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. Currencies primarily exposed to from time to time are the Euro, US Dollar, Botswana Pula, British Pound and the Nigerian Niara. Certain exchange rate exposures are hedged through the use of forward exchange contracts. The Group has entered into certain forward exchange contracts on foreign commitments not yet due.

The Group hedges amounts greater than R2 million (2012: R200 000) denominated in a foreign currency. Forward exchange contracts are used to hedge currency risk, most with a maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled over at maturity.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates of the Euro, US Dollar and the Pula. The Group's exposure to foreign currency changes for all other currencies is not material.

GROUP 2013 Change in rate	Effect on profit before tax R'000	Effect on equity R'000		GROUP 2012 Change in rate	Effect on profit before tax R'000	Effect on equity R'000
			Forward exchange contracts open on reporting date			
+30%			**Rand – strengthening**	+30%		
	306		Profit on Euro		–	
	–		Profit on US Dollar		588	
-30%			**Rand – weakening**	–30%		
	(306)		Loss on Euro		–	
	–		Loss on US Dollar		(588)	
			Foreign subsidiaries – equity			
+10%			**Rand – strengthening**	+10%		
		(8 452)	Loss on Pulas			(5 496)
-10%			**Rand – weakening**	–10%		
		8 452	Profit on Pula's			5 496

(v) Interest rate risk management

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing loans and borrowings with fixed and variable rates. The risk is managed by maintaining an appropriate mix of fixed and floating rates.

GROUP 2013 R'000		GROUP 2012 R'000
	At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:	
413 396	Fixed-rate instruments	158 196
425 890	Variable-rate instruments	284 866
839 286		443 062
	Interest rate sensitivity	
	An increase/decrease of 100 basis points (2012: 100 basis points) in interest rates at the reporting date would have affected profit before taxation, by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the prior year.	
	Increase of 100 basis points	
(4 259)	Decrease in profit before tax	(2 849)
	Decrease of 100 basis points	
4 259	Increase in profit before tax	2 849

GROUP 2013 R'000		GROUP 2012 R'000
	(vi) Share price risk management	
	The Group is affected by the movement in its share price due to the share appreciation rights issues to management. The Group entered into forward share purchases to hedge 2 132 695 of the share appreciation right issued to management. Refer to note 14 for more detail.	
	Forward share purchases sensitivity	
	An increase/decrease of 10 percent (2012: 10 percent) in the share price at the reporting date would have affected profit before taxation by the amounts shown below. This analysis assumes that all other variables remain constant.	
	Increase of 10 percent in share price	
3 551	Increase in profit before tax	2 922
	Decrease of 10 percent in share price	
(3 551)	Decrease in profit before tax	(2 922)
	(vii) Diesel price risk management	
	The Group is affected by the volatility of the diesel price. Its operating activities require the ongoing purchase of diesel for logistic purposes.	
	Based on a six month forecast of the required diesel supply, the Group hedged the purchase price of diesel using a Zero Cost Collar linked to the Rand Ice Gas Oil Price. The Group entered into a Zero Cost Collar for 1,67 million litres per month over a period of six months, beginning 3 February 2012 and ending 26 July 2012. At year-end the Group had no exposure to the Diesel Zero Cost Collar.	
	Diesel zero cost collar sensitivity	
	An increase/decrease of 10 percent (2012: 10 percent) in the diesel price at the reporting date would have affected profit before taxation, by the amounts shown below. This analysis assumes that all other variables remain constant.	
	Increase of 10 percent in diesel price	
–	Increase in profit before tax	550
	Decrease of 10 percent in diesel price	
–	Decrease in profit before tax	(940)
	30.2 Capital management	
	Capital consists of ordinary share capital, as well as ordinary share premium.	
	A combination of retained earnings, senior debt, preference shares, term asset finance, commodity finance and general banking facilities are used to fund the business. The bulk of the Group's debtors forms part of a securitisation programme. This programme came into effect during 2001. Senior debt raised by the programme currently amounts to R650 million (2012: R150 million). The securitisation provides access to senior debt equal to 74,5% (2012: 74,5%) of the debtors' book.	
	The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings. The Group's target is to achieve a return on shareholders' equity of at least 20% in the medium to long term. A return of 11,9% (2012: 11,3%) was achieved. In comparison the weighted average interest expense on interest-bearing borrowings was 8,8% (2012: 9,9%).	

30.3 Fair value

The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

GROUP 2013 Carrying amount R'000	GROUP 2013 Fair value R'000		COMPANY 2013 Carrying amount R'000	COMPANY 2013 Fair value R'000
		Financial assets		
1 010 322	**1 010 322**	Loans and receivables	**415 827**	**415 827**
132	**132**	Derivatives not designated as hedges	**–**	**–**
718 062	**718 062**	Cash and short-term deposits	**21 998**	**21 998**
1 728 516	**1 728 516**	**Total financial assets**	**437 825**	**437 825**
		Financial liabilities		
2 082 648	**2 082 648**	Loans, trade and other payables	**20 395**	**20 395**
250	**250**	Derivatives not designated as hedges	**–**	**–**
2 082 898	**2 082 898**	**Total financial liabilities**	**20 395**	**20 395**
GROUP 2012			COMPANY 2012	
		Financial assets		
1 022 626	1 022 626	Loans and receivables	640 859	640 859
173	173	Derivatives not designated as hedges	–	–
711 470	711 470	Cash and short-term deposit	42 955	42 955
1 734 269	1 734 269	**Total financial assets**	683 814	683 814
		Financial liabilities		
1 766 761	1 766 760	Loans, trade and other payables	271 806	271 806
4 308	–	Derivatives not designated as hedges	–	–
1 771 069	1 766 760	**Total financial liabilities**	271 806	271 806

The carrying amount of these financial assets and liabilities is a reasonable approximation of fair value.

Long-term fixed-rate variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and repayment periods as at year-end, the carrying amounts of the borrowings are not materially different from the calculated fair value.

30.4 Liquidity risk

Maturity profile of financial instruments

The maturity profile of the financial instruments is summarised as follows for the Group:

	0-6 months R'000	6-12 months R'000	1-2 years R'000	2-5 years R'000	5 years R'000	Total R'000
GROUP 2013						
Financial liabilities						
Secured loans	**5 953**	**4 990**	**8 684**	**2 494**	**2 116**	**24 237**
Secured by securitisation of trade debtors	**27 385**	**27 133**	**54 620**	**780 651**	**–**	**889 789**
Unsecured loans	**143 180**	**1 260**	**3 347**	**–**	**–**	**147 787**
Bank overdrafts	**17 262**	**–**	**–**	**–**	**–**	**17 262**
Trade and other payables	**1 221 910**	**12 185**	**8 238**	**1 029**	**–**	**1 243 362**
Total financial liabilities	**1 415 690**	**45 568**	**74 889**	**784 174**	**2 116**	**2 322 437**
GROUP 2012						
Financial liabilities						
Secured loans	4 459	4 464	11 293	7 557	2 836	30 609
Secured by securitisation of trade debtors	9 849	154 817	–	–	–	164 666
Unsecured loans	10 957	268 771	–	–	–	279 728
Bank overdrafts	3 072	–	–	–	–	3 072
Trade and other payables	1 290 331	26 463	4 603	2 301	–	1 323 698
Total financial liabilities	1 318 668	454 515	15 896	9 858	2 836	1 801 773

30.4 Liquidity risk

The maturity profile of the financial instruments is summarised as follows for the Company:

	0-6 months R'000	6-12 months R'000	1-2 years R'000	2-5 years R'000	5 years R'000	Total R'000
COMPANY 2013						
Financial liabilities						
Trade and other payables	**20 395**	**–**	**–**	**–**	**–**	**20 395**
Total financial liabilities	**20 395**	**–**	**–**	**–**	**–**	**20 395**
COMPANY 2012						
Financial liabilities						
Unsecured loans	–	259 382	–	–	–	259 382
Trade and other payables	12 424	–	–	–	–	12 424
Total financial liabilities	12 424	259 382	–	–	–	271 806

GROUP Carrying value 2013 R'000	GROUP Carrying value 2012 R'000		COMPANY Carrying value 2013 R'000	COMPANY Carrying value 2012 R'000
		30.5 Credit risk		
		Exposure to credit risk		
		The carrying amount of financial assets represents the maximum exposure to credit risk.		
		Financial assets per class		
907 140	874 476	Trade receivables	**–**	–
99 313	128 580	Other receivables	**415 827**	640 859
718 062	711 470	Cash and short-term deposits	**21 998**	42 955
1 724 515	1 714 526	Total financial assets	**437 825**	683 814
		Trade receivables		
		The maximum exposure to credit risk for trade receivables at the reporting date by customer type was as follows:		
657 254	624 604	Retail chain stores/Wholesale		
101 956	88 123	Chain stores		
147 930	161 749	Industrial/Catering/General trade		
907 140	874 476	Total		
		The ageing of trade receivables at the reporting date is as follows:		
852 421	837 845	Neither past due not impaired		
43 654	34 713	Past due, but not impaired 0 – 30 days		
7 893	1 453	Past due but not impaired 31 – 120 days		
3 172	465	Past due but not impaired 120 days		
907 140	874 476	Total		
		The movement in the allowance for impairment in respect of trade receivables during the year was as follows:		
1 539	1 325	Balance at the beginning of the year		
2 555	214	Increases in impairments		
(785)	–	Impairment loss written off/companised amounts reversed		
3 309	1 539	Balance at the end of the year		

The allowance accounts in respect of trade receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

The impairment loss written off relates to customers defaulting on payments and being handed over to lawyers for recovery.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000
		31. Investment in subsidiary		
		Investment in subsidiary company		
		Clover SA	**326 735**	326 735
		Share-based payment investment in Clover SA	**32 881**	23 315
		Total investment in subsidiary	**359 616**	350 050

Subsidiary and joint venture			Effective interest in capital		Investment in subsidiaries and joint ventures		Profit/(loss) after taxation	
Name of company	Country of incorporation	Nature of business	2013 %	2012 %	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Clover SA	South Africa	Dairy manufacturing, distribution, sales	**100**	100	**359 616**	350 050	**99 763**	169 298
Real Juice Co	South Africa	Manufacturing and sales of fruit juices	**100**	–	**174 627**	–	**22 188**	–
Clover Botswana	Botswana	Dairy manufacturing, distribution, sales	**100**	100	**23 111**	23 111	**24 940**	21 202
Clover Manhattan@	South Africa	Distribution and sales of ice tea	**100**	50,1	**–**	3 034	**863**	1 120
Clover Swaziland	Swaziland	Distribution and sales of dairy products in Swaziland	**100**	100	**1**	1	**(869)**	(77)
Lactolab	South Africa	Testing of dairy products	**52**	52	**–**	–	**2 568**	2 087
Clover Capital	South Africa	Finance	**100**	100	**434 744**	91 000	**–**	–
Clover Fonterra#	South Africa	Marketing, selling and distribution of dairy and related ingredient products	**51**	51	**3 060**	3 060	**14 221**	12 297
Clover West Africa	Nigeria	Marketing of non-alcoholic beverage products	**100**	100	**468**	468	**(9 841)**	(10 539)
Clover Namibia	Namibia	Distribution and sales of dairy products in Namibia	**100**	100	**–**	–	**(13)**	(2 752)

Joint venture.
@ *In the process of deregistration.*

GROUP			COMPANY	
2013 R'000	2012 R'000		2013 R'000	2012 R'000

32. Share-based payments

32.1 Equity-settled share appreciation rights scheme

– Clover Share Appreciation Rights Plan (2010) (ordinary shares in CIL)

On 31 May 2010 the ordinary and preference shareholders approved the Clover Share Appreciation Rights Plan (2010) as well as the placement of 8 million unissued ordinary shares under the control of the Directors to fulfil the Company's potential future obligations in terms of the plan. The main rules of the scheme are as follows:

The Company's obligations in terms of this plan can at the election of the Company be settled in cash or by the issue of ordinary shares.

New SAR may be encashed at the election of the participants, at any time after they have vested, provided that the participant concerned is still in the employment of Clover. On encashment employees will be paid an amount equal to the difference between the fair market value of ordinary shares on the date of issue of the new SAR in question and the fair market value of the ordinary shares on the date of encashment.

Further details on the scheme are available in the detailed circular issued to shareholders on 7 May 2010 and the remuneration report on pages 56 to 65.

The SAR granted are expensed over their vesting period in terms of IFRS 2. The estimated fair value of these SAR was calculated using the Hull-White Trinomial Lattice valuation model. The following inputs were used for the calculation of the fair value:

Initial allocation – Expected volatility of 30,3%, risk free rate of 8,90% and a dividend yield of 2,34%.

Second allocation – Expected volatility of 14,9%, risk free rate of 8,90% and a dividend yield of 2,34%.

Third allocation – Expected volatility of 19,9%, risk free rate of 8,55% and a dividend yield of 3,33%.

Allocation to new Executive Committee member – Expected volatility of 17,4%, risk free rate of 7,94% and a dividend yield of 2,00%.

Fourth allocation – Expected volatility of 17,4%, risk free rate of 7,94% and a dividend yield of 2,00%

Allocation to new Executive Committee member – Expected volatility of 23,3%, risk free rate of 7,94% and a dividend yield of 2,18%.

Share appreciation rights						
Description	Grant date	Weighted average remaining contractual life (years)	Exercise price	SAR granted not yet exercised	Estimated weighted average fair value per right at grant date (Adjusted for 2 for 1 share split	Vesting period
Clover's Share Appreciation Rights Plan (2010) – Initial allocation	31 May 2010	* Till employment terminates	R4,67	12 676 780 (2012: 15 500 000)	R2,11	One-third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015
Clover's Share Appreciation Rights Plan (2010) – Second allocation	18 August 2010	* Till employment terminates	R0,00	933 335 (2012: 1 466 667)	R4,31	One-third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013
Clover's Share Appreciation Rights Plan (2010) – Third allocation	1 July 2011	Six years	R11,00	1 614 939 (2012: 2 093 918)	R3,11	Full allocation vest on 1 July 2014
Clover's Share Appreciation Rights – Allocation to Executive Committee member ER Bosch	1 June 2012	Seven years	R13,50	953 620 (2012: 953 620)	R4,03	One-third on 1 June 2015, one-third on 1 June 2016 and a final third on 1 June 2017
Clover's Share Appreciation Rights Plan (2010) – Fourth allocation	1 July 2012	Seven years	R13,73	2 737 742 (2012: Nil)	R3,70	Full allocation vest on 1 July 2015
Clover's Share Appreciation Rights Plan (2010) – Allocation to Executive Committee member MM Palmeiro	1 October 2012	Seven years	R15,15	925 500 (2012: Nil)	R3,95	One-third on 1 October 2015, a third on 1 October 2016 and a final third on 1 October 2017

GROUP			COMPANY	
2013 R'000	2012 R'000		2013 R'000	2012 R'000
		Provision against income		
18 407	13 115	Share-based payment reserve		

33. Directors' remuneration and interests

33.1 Directors' remuneration

	2013								
	Basic salary R'000	Fees for services as Director R'000	Car allowance R'000	Individual performance bonus R'000	Profit share bonus	Retirement and medical contri-butions R'000	Other benefits* R'000	Total R'000	Share apprecia-tion rights exercised R'000
Executive Directors									
JH Vorster	3 778		1 048	1 454	1 615	761	57	8 713	8 498
HB Roode (retired 30 June 2013)	2 863		816	931	1 034	541	43	6 228	11 967
LJ Botha	2 587		733	832	925	487	51	5 615	–
CP Lerm(Dr)	2 240		664	975	696	438	41	5 054	11 852
Total remuneration of Executive Directors	11 468	–	3 261	4 192	4 270	2 227	192	25 610	32 317
Non-Executive Directors									
JAH Bredin (resigned 30 November 2012)		490					9	499	
HPF du Preez (resigned 30 November 2012)		136					–	136	
WI Büchner		747					–	747	
MG Elliot		272					46	318	
JC Hendriks (Dr)		342					26	368	
TA Wixley		739					–	739	
SF Booysen (Dr)		513					17	530	
NP Mageza		383					–	383	
JNS Du Plessis (Adv)		435					34	469	
NA Smith		272					16	288	
Total remuneration of Non-Executive Directors	–	4 329	–	–	–	–	148	4 477	–
Total Directors' remuneration	11 468	4 329	3 261	4 192	4 270	2 227	340	30 087	32 317
Other Executives (prescribed officers)									
H Lubbe	2 256		655	975	696	440	55	5 077	9 897
JHF Botes (Dr)	2 266		657	975	696	441	46	5 081	6 895
ER Bosch	2 283		629	1 219	580	456	70	5 237	–
MM Palmeiro (appointed 1 October 2012)	930		264	398	190	172	336	2 290	–
Total remuneration of other Executives	7 735	–	2 205	3 567	2 162	1 509	507	17 685	16 792

** Travel and accommodation expenses, fees paid for directorships held in subsidiaries.*

	2012								
	Basic salary R'000	Fees for services as Director R'000	Car allowance R'000	Individual performance bonus R'000	Profit share bonus	Retirement and medical contri-butions R'000	Other benefits* R'000	Total R'000	Share apprecia-tion rights exercised R'000
Executive Directors									
JH Vorster	3 498		979	2 243	2 020	673	60	9 473	–
HB Roode	2 651		754	1 482	1 334	462	75	6 758	1 468
LJ Botha	2 395		672	1 339	1 206	391	48	6 051	1 504
CP Lerm (Dr)	1 989		581	1 111	1 002	355	198	5 236	489
Total remuneration of Executive Directors	10 533	–	2 986	6 175	5 562	1 881	381	27 518	3 461
Non-Executive Directors									
JAH Bredin		907					20	927	
HPF du Preez		252					3	255	
WI Büchner		417					–	417	
MG Elliot		252					31	283	
JC Hendriks (Dr)		329					27	356	
TA Wixley		684					–	684	
SF Booysen (Dr)		437					6	443	
NP Mageza		354					–	354	
JNS Du Plessis (Adv)		431					43	474	
NA Smith		252					14	266	
Total remuneration of Non-Executive Directors	–	4 315	–	–	–	–	144	4 459	–
Total Directors' remuneration	10 533	4 315	2 986	6 175	5 562	1 881	525	31 977	3 461
Other Executives (prescribed officers)									
H Lubbe	1 882		537	1 052	947	299	52	4 769	489
JHF Botes (Dr)	1 879		536	1 051	946	300	39	4 751	489
ER Bosch (appointed 1 June 2012)	190		52			17	6	265	
Total remuneration of other Executives	3 951	–	1 125	2 103	1 893	616	97	9 785	978

* *Travel and accommodation expenses, fees paid for directorships held in subsidiaries.*

33.2 Interest of Directors and other Executives in share appreciation rights

The interest of executive and non-executive directors in the shares of the company provided for in the form of share appreciation rights are set out in the table below:

	Number of rights as at 30 June 2012	Share appreciation rights granted during the year	Number of right exercised/ cancelled during the year	Number of rights as at 30 June 2013	Share price on date exercised	Grant price	Date from which exercisable
JH Vorster	4 587 200			**4 587 200**		R4,67	One-third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015.
	800 000		533 333	**266 667**	15,93	R0,00	One-third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013.
	821 256			**821 256**		R11,00	All on 1 July 2014.
		1 036 716		**1 036 716**		R13,73	All on 1 July 2015.
HB Roode	2 616 762		872 254	**1 744 508**	18,39	R4,67	One-third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015.
	266 667			**266 667**	11,01	R0,00	One-third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013.
	478 979		478 979	**–**		R11,00	All on 1 July 2014.
CP Lerm (Dr)	2 454 758		818 253	**1 636 505**	18,39	R4,67	One-third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015.
	88 890		44 445	**44 445**	14,08	R0,00	One-third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013.
	1 119			**1 119**		R11,00	All on 1 July 2014.
		389 123		**389 123**		R13,73	All on 1 July 2015.
LJ Botha	2 443 140			**2 443 140**		R4,67	One-third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015.
	266 667			**266 667**	11,28	R0,00	One-third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013.
	404 063			**404 063**		R11,00	All on 1 July 2014.
		533 657		**533 657**		R13,73	All on 1 July 2015.
Total Executive Directors	15 229 501	1 959 496	2 747 264	**14 441 733**			

	Number of rights as at 30 June 2012	Share appreciation rights granted during the year	Number of right exercised/ cancelled during the year	Number of rights as at 30 June 2013	Share price on date exercised	Grant price	Date from which exercisable
Other Executives (prescribed officers)							
H Lubbe	2 027 236		675 745	**1 351 491**	18,39	R4,67	One-third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015.
	88 888		44 444	**44 444**	14,08	R0	One-third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013.
	57 778			**57 778**		R11	All on 1 July 2014.
		389 123		**389 123**		R13,73	All on 1 July 2015.
JHF Botes (Dr)	1 370 904		456 968	**913 936**	18,39	R4,67	One-third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015.
	88 888		44 444	**44 444**	14,08	R0	One-third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013.
	330 723			**330 723**		R11	All on 1 July 2014.
		389 123		**389 123**		R13,73	All on 1 July 2015.
E Bosch	953 620			**953 620**		R13,50	One-third on 1 June 2015, a third on 1 June 2016 and final third on 1 June 2017.
MM Palmeiro		925 500		**925 500**		15,15	One-third on 1 October 2015, a third on 1 October 2016 and final third on 1 October 2017.
Total other Executives	4 918 037	1 703 746	1 221 601	**5 400 182**			
Total	20 147 538	3 663 242	3 968 865	**19 841 915**			

33.3 Interest of Directors and other Executives of the Company in ordinary share capital

2013 Direct	2013 Indirect	2013 Associates		2012 Direct	2012 Indirect	2012 Associates
Number of shares at 30 June 2013				Number of shares at 30 June 2012		
			Executive Directors			
7 575 496	**–**	**398 315**	JH Vorster	7 505 496	–	398 315
5 346 547	**–**	**–**	HB Roode	5 388 276	–	–
3 919 804	**–**	**–**	CP Lerm (Dr)	3 309 341	–	–
1 887 768	**–**	**–**	LJ Botha	2 542 049	–	–
18 729 615	**–**	**398 315**		18 745 162	–	398 315
			Non-executive Directors			
–	**–**	**–**	JAH Bredin (resigned 30 November 2012)	411 265		
–	**480 400**	**–**	WI Büchner*	–	480 400	–
–	**–**	**–**	HPF du Preez* (resigned 30 November 2012)	64 634	–	–
241 689	**–**	**–**	MG Elliot*	241 689	–	–
1 112 892	**–**	**–**	JC Hendriks (Dr)*	1 112 892	–	–
–	**1 337 586**	**–**	NA Smith	–	1 306 586	–
47 619	**–**	**–**	TA Wixley	47 619	–	–
1 402 200	**1 817 986**	**–**		1 878 099	1 786 986	–
20 131 815	**1 817 986**	**398 315**	**Total Directors' interests in ordinary share capital**	20 623 261	1 786 986	398 315
			Other Executives (prescribed officers)			
771 632	**–**	**–**	H Lubbe	523 810	–	–
738 543	**–**	**–**	JHF Botes (Dr)	547 619	–	–
1 510 175	**–**	**–**	**Total interest of other Executives in ordinary share capital**	1 071 429	–	–

** These Directors are trustees of the Clover Milk Producer Trust that holds 21 932 000 (2012: 21 530 353) ordinary shares in the Company.*

33.4 Interest of Directors and other Executives of the company in preference share capital

Number of shares at 30 June 2013 Direct	Indirect	Associates		Number of shares at 30 June 2012 Direct	Indirect	Associates
			Executive Directors			
–	–	–	JH Vorster	3 696 232	–	–
–	–	–	HB Roode	1 996 097	–	–
–	–	–	CP Lerm (Dr)	1 650 385	–	–
				7 342 714	–	–
			Non-executive Directors			
–	–	–	MG Elliot	88 065	–	–
–	–	–	JC Hendriks (Dr)	–	229 885	–
				88 065	229 885	–
–	–	–	**Total Directors interests in preference share capital**	7 430 779	229 885	–

There was no change in the shareholding of Directors in shares of the Company, between the end of the financial year and the approval of the financial statement by the Board on 11 September 2013.

GROUP 2013 R'000	GROUP 2012 R'000		COMPANY 2013 R'000	COMPANY 2012 R'000

34. Long-service bonus

34.1 Introduction

The Group rewards employees with long service by remunerating them with a lump sum after a specific number of service years. Assumptions and valuation methods are as follows:

34.2 Background

The long-service bonuses which employees receive differ between employees whose employment date were before 1 January 2001 and employees whose employment date was after 1 January 2001. The benefit is as follows:

Employees with an employment date before 1 January 2001

Employees receive a bonus of three times their monthly basic salary after 15 years service and one time their monthly basic salary every five years thereafter.

Employees with an employment date after 1 January 2001

Employees receive a bonus of 10% of their monthly basic salary after 10 years' service, 15% after 15 years' service, 20% after 20 years' service, 25% after 25 years' service, etc.

34.3 Valuation method

The projected unit credit method is used in the calculations. The values of the past service liabilities and the future service liabilities are given separately. The past service liability is the value of the accumulated liability as at the calculation date in respect of service already rendered. The future service liability is the value of the liability from service after the calculation date until the next date the employee is entitled to receive a bonus payment. The total liability is evenly distributed over the period since service inception until the date when the benefit is payable.

34.4 Valuation results

Past service liability

The total past service liability in respect of long-service bonuses is set out as follows:

Group 2013 R'000	Group 2012 R'000		Company 2013 R'000	Company 2012 R'000
27 884	30 175	Employees with employment date before 01/01/2001		
1 303	983	Employees with employment date after 01/01/2001		
29 187	31 158	**Total past service liability**		

The valuation results as at 30 June 2013 are based on best estimate assumptions. The valuation is very sensitive to the real return rate assumed. For every 1% variance in the assumed rate of return, the liability varies by approximately R1 million. The results as at 30 June 2012 are based on the previous best estimates. The figures do not agree with the provisions as per the Group statements as the full liability for the joint venture has been included in the valuation results.

GROUP 2013 %	GROUP 2012 %		COMPANY 2013 %	COMPANY 2012 %
		34.5 Past service liability build-up		
		The build-up of the total past service liability for the past year, using the best estimate assumptions are as follows:		
8,9	9,0	a) The following discount rate per annum was used for the calculation of interest cost		
7,7	7,5	b) The following salary escalation rate per annum and merit increases were used		
		c) For current service cost an assumption is made that there are no withdrawals during the financial year		
		d) For benefits paid it is assumed that all benefits were paid as estimated by Clover		

R'000	R'000		R'000	R'000
		The increase in the past service liability is summarised as follows:		
		Past services liability build-up		
31 158	32 213	Opening balance		
2 685	2 852	*Plus:* Interest cost		
1 724	1 821	Current service cost		
(9 670)	(7 447)	*Less:* Benefits paid		
3 290	1 719	Actuarial loss		
29 187	31 158	Closing balance		

35. Events after the reporting period

On 1 August 2013 Clover SA acquired 70% of Clover Waters. Refer to directors' report for more detailed information.

Other than the above, no significant events occurred subsequent to the year-end.

ABBREVIATIONS

The following abbreviations are used in the financial statements

Company names

Clover Beverages Limited:	Clover Beverages
Clover Botswana (Pty) Limited (incorporated in Botswana):	Clover Botswana
Clover Capital (Pty) Limited:	Clover Capital
Clover Fonterra Ingredients (Pty) Limited:	CFI/Clover Fonterra
Clover Industries Limited:	CIL
Clover Industries Limited and subsidiaries:	The Group/Clover
Clover Manhattan (Pty) Limited:	Clover Manhattan
Clover Manhattan Unincorporated Joint Venture:	Clover Manhattan J.V.
Clover S.A. (Pty) Limited:	Clover SA
Clover Swaziland (Pty) Limited (incorporated in Swaziland):	Clover Swaziland
Danone Southern Africa (Pty) Limited (formerly Danone Clover (Pty) Limited):	Danone Clover/Danone SA
Fonterra Limited:	Fonterra
The Real Juice Company (Pty) Limited:	RJC/RBC
Clover West Africa Limited:	Clover West Africa
Clover Dairy (Namibia) (Pty) Limited	Clover Namibia

The following abbreviations are used in the financial statements

Other

Branded Consumer Goods:	BCG
Broad-based Black Economic Empowerment:	B-BBEE
Capital Gains Tax:	CGT
Depreciated Replacement Cost:	DRC
International Accounting Standards:	IAS
International Financial Reporting Standards:	IFRS
Johannesburg Stock Exchange:	JSE
Margin on Material:	MOM
Net Current Replacement Cost:	NCRC
Nomination Committee:	Nomco
Property, plant and equipment:	PP&E
Rand Merchant Bank:	RMB
Remuneration Committee:	Remco
Share appreciation rights:	SAR

DEFINITIONS

Dividend per ordinary share
Dividend paid to ordinary shareholders is the actual dividend per share declared and paid.

Preference dividend recognised as interest per preference share
Preference dividend paid, is the actual preference share dividend per share declared and paid.

Earnings and diluted earnings per ordinary share
Earnings per ordinary share
Profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares net of the weighted average number of treasury shares in issue at the end of the year.

Diluted earnings per ordinary share
Profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares, adjusted for share appreciation rights issued, net of the weighted average number of treasury shares at the end of the year.

Net assets
Total assets less total liabilities.

Cash flow
Cash flow from operating activities.

Cash flow per ordinary share
Cash flow divided by the weighted average number of ordinary shares in issue at the end of the year.

Net asset turnover
Turnover divided by average net assets less average cash on hand.

Return on net assets
Operating profit as a percentage of average assets less average current liabilities excluding current interest-bearing loans and borrowings.

Return on equity holders' funds
Profit attributable to shareholders as a percentage of average shareholders' funds, before minority interest.

Gearing percentage
Interest-bearing loans and borrowings reduced by cash funds, as a percentage of total shareholders' interest, including minority interest.

Current ratio
Current assets divided by current liabilities.

Activities pertaining to cash flow
Operating activities
All transactions and other events that are not investing or financing activities.

Financing activities
Activities that result in changes in the size and composition of the capital structures of the Group. This includes both the equity and debt not falling within the definition of cash and cash equivalents.

Investing activities
Activities relating to the acquisition, holding and disposal of long-term assets.

Cash and cash equivalents
Cash on hand and in current bank accounts.

Restructuring cost
Restructuring cost consists of costs incurred in order to streamline operations of the Group.

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