CROOKES BROTHERS

INTEGRATED REPORT 2020

CONTENTS

SCOPE OF THE REPORT

The Integrated Annual Report to stakeholders covers the performance of the operations of the Crookes Brothers Limited Group, which includes subsidiaries, associate companies and joint ventures.

The financial reporting period is for the 12 months ended 31 March 2020. However, the long-term nature of the Group's business and the intention of this report require reporting on operational and strategic activities and projects that fall beyond this period.

The aim of the report is to communicate to all stakeholders an overview of our operations in a format that is both comprehensive and clear. The full report, which includes full Group Annual Financial Statements, is available on our website at www.cbl.co.za.

King IV and certain elements of The International Integrated Reporting Framework, have guided the compilation of this report.

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

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

The external auditors, Deloitte & Touche, have provided independent assurance in respect of the Annual Financial Statements.

The Board of Directors acknowledges its responsibility to ensure the integrity of this report and, in the opinion of the Board, it addresses all material issues and fairly presents the integrated performance of the organisation. The Board has authorised the release of the Integrated Annual Report for 2020.

REFLECTING ON OUR HIGHLIGHTS

STRATEGIC

GOOD PROGRESS MADE WITH THE DISPOSAL OF ASSETS THAT ARE NOT GENERATING RETURNS COMMENSURATE WITH OUR TARGET EXPECTATIONS – R63.5 MILLION RAISED IN CASH

BUYER HAS WITHDRAWN FROM THE SALE OF RENISHAW HILLS

QUINTA DA BELA VISTA BANANA PROJECT IN SOUTHERN MOZAMBIQUE CAME ON-STREAM DURING THE YEAR WITH 117 HA PLANTED – EXPORT OF FIRST HARVEST TO THE SOUTH AFRICAN MARKET STARTED IN APRIL 2020

APPOINTMENT OF NEW CEO AND COO

ESTABLISHED AN AGRICULTURAL COMMITTEE OF THE BOARD TO ENSURE ACHIEVEMENT OF OPERATIONAL PERFORMANCE OBJECTIVES

LEVEL 2 BEE RATING ACHIEVED

UNDERTOOK A CULTURAL ASSESSMENT WITH A VIEW TO ESTABLISHING A PERVASIVE HIGH PERFORMANCE CULTURE

LAUNCHED NEW CORPORATE IDENTITY

LIMITED DIRECT IMPACT OF THE COVID-19 LOCKDOWN ON OUR OPERATIONS – AGRICULTURE IS AN IMPORTANT ESSENTIAL SERVICE

FINANCIAL

▲ REVENUE
R703m
6%

▲ GROSS PROFIT %
30.4%
4%

▲ OPERATING PROFIT (BEFORE BIOLOGICAL ASSETS)
R69m
128%

▲ EBITDA (BEFORE BIOLOGICAL ASSETS)
R139m
54%

▲ EBITDA % (BEFORE BIOLOGICAL ASSETS)
19.8%
6%

▼ CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS
(R12m)
-127%

▲ FINANCE COSTS*
(R44m)
66%

▼ HEADLINE EARNINGS
(R7m)
-133%

** The finance cost element associated with the adoption of IFRS 16 (Accounting for Leases) of R13 million was included in 2020 for the first time.*

REPORT OF THE BOARD

MALCOLM RUTHERFORD
Chairman

KENNETT SINCLAIR
Chief Executive Officer

CROOKES BROTHERS LIMITED ("CROOKES BROTHERS" OR "THE GROUP") HAS ENTERED A NEW ERA. DESPITE THE CHALLENGES OF COVID-19 AND THE UNCERTAIN TRADING CONDITIONS RESULTING FROM ITS IMPACT ON THE GLOBAL ECONOMY, CROOKES BROTHERS IS WELL-PLACED TO DEAL WITH THE NEW WORLD ORDER IN WHICH WE NOW FIND OURSELVES.

INTRODUCTION

This has been a difficult time for the country and for the world, with COVID-19 posing unprecedented challenges to individuals, countries and companies alike. No-one can be sure what the world will look like in years to come, but we see the current landscape also as an opportunity for renewal and optimism.

WEATHERING THE STORM

With the advent of the COVID-19 storm, our immediate concern has been the safety and well-being of our employees and their communities. The Group has gone to great lengths to minimise the risk of exposure to the disease on its people, and we are pleased that, to date, we do not have a single confirmed case amongst our staff. Thankfully, our business is fortunate to qualify as an Essential Service and we have continued to operate effectively and efficiently through the extended lockdown. Likewise, the markets for our products have demonstrated a gratifying resilience to the economic effects of the lockdowns which have been implemented across the globe.

Besides COVID-19, and notwithstanding a well-articulated and clear strategy designed to grow the company and provide shareholders with acceptable returns on capital, this past year we were exposed to a multitude of unrelated challenges simultaneously which required the company to consolidate and to take stock of its position. In addition to the COVID-19 pandemic issue at the financial year-end, during the year Crookes Brothers faced many challenges simultaneously which have interrupted the story of our progress. Even so, it has also been a story of adaptability by Crookes Brothers' management and we are certain that the Company will emerge as a strengthened and robust business as a result.

Fears around the potential economic impact of COVID-19 resulted in the cancellation of the sale of Renishaw Hills, which left short-term debt levels on our balance sheet at uncomfortable levels. Management dealt with this admirably and their attention is still focused on bringing the Company's level of debt down to an acceptable level. In addition, it highlighted the need for us to improve the periodicity of our debt on the balance sheet to ensure the debt repayment profile matches our future cash flow expectations. We intend to achieve this through a combination of the sale of assets and restructuring of our debt as discussed below.

We expect that Crookes Brothers' operations and our supply chains to market will weather many of the consequences of this pandemic.

One positive result of the COVID-19 pandemic is that we have needed to rapidly embrace the digital age, and our management team has adapted to the new reality with calm purpose and alacrity.

STRATEGY ENDORSEMENT

Our Company's vision is to be recognised as a leader in vertically integrated food production in Southern Africa. As a listed company, we wish to be sought after for robust long-term shareholder returns and, as an operating entity, for our ethos of partnership and impact.

Although our on-farm operations and our supply chains to market have been largely unaffected, the economic uncertainty precipitated by the COVID-19 pandemic has had other implications, such as the disposal of the Renishaw Hills transaction not being able to be concluded.

Nonetheless, it was evident from the limited direct impact of the COVID-19 lockdown on our operations that agricultural companies such as Crookes Brothers play a crucial role in supporting society through crises such as this pandemic. We know that the consequences will still be with us for an extended period of time and it is highly likely that the most severe economic impacts have only been delayed.

We foresee only minor amendments to our strategic plan being necessary in the post-COVID-19 era and we wish to bring shareholders' attention to various points of emphasis within the strategy. For a number of years the stated strategic objectives of Crookes Brothers have been the following:

- Geographic and crop diversification.
- Adding leverage and value through partnerships in the value chain.
- Continuous improvement of farming operations.
- Expanding existing and developing new community partnerships.

The strategic objectives distil down to a three-tiered corporate approach of "geographic diversification, crop diversification and vertical integration". This strategy will, we believe, move the company away from being a collection of independent farms to an integrated company in which there is the capacity to leverage its various operations off one another. This will provide consistent returns to shareholders beyond what might have been generated by stand-alone primary agricultural units.

Despite the challenging environment, the business has been successful in its strategy of geographic diversification, the consolidation of farming units and continuous improvement in production. Geographic diversification has two objectives: to reduce country risk and to ensure a variety of climatic zones which provide multiple crop opportunities. Over the years we have established a good mix of Mediterranean, sub-tropical and temperate climatic conditions and are making good progress with crop diversification in these climatic zones. Our focus to date has been on developing farms in our portfolio to their full potential and, once we have dealt with the debt periodicity anomaly which currently exists on the balance sheet, we will look to expand our operations in these geographies using development finance which matches expected cash flows of the expansionary projects.

To achieve better crop diversification the business will strive to balance its commodity portfolio over the medium-term to move towards a balanced exposure of agricultural crops so that no more than 30% of capital will be allocated to any one commodity.

To balance our crop exposure in such a way will take time and further investment and we will continue these investment programmes having dealt with the current liquidity issues. The reduction of our current exposure to certain crops and the investment into new crops is a goal, but will not be rushed.

Over the years we have applied careful thought to what our role and contribution to the country's transformation process ought to be and to this end we developed an innovative and sustainable community partnership model which we have implemented successfully in three communities country-wide. Not only are these community partnerships an efficient use of capital for the company but they also serve as an example of sustainable transformational programmes in the emotive land reform environment. Regrettably, government appears slow in truly embracing programmes of this nature as a meaningful solution to land reform. This means that we are struggling to expand both existing relationships and to develop new community partnerships. Nevertheless, we firmly believe that our success in this area stands as a beacon of leadership and sustainable transformation, and we will continue to seek out further such opportunities.

Regarding the use of capital, we have recognised the need to establish a portfolio of projects where each project performs at a level which will provide shareholders with the required return on their capital. To this end, mindful of the need for crop and geographical diversification, we have initiated processes to sell some of our farms that are not generating returns commensurate with our target expectations and shareholders should expect to see the results of these sales in the year ahead. Funds from these asset sales will significantly reduce our debt levels.

One of the stated strategic objectives of the business is to achieve vertical integration by allocating capital, consistent with our crop diversification strategy, to acquisitions in the value chain with a focus on processing and marketing of crops that we already produce or that we are desirous of producing in future.

Through our direct investments in Lebombo Growers (Lebombo) and the Two-a-Day Group (Two-a-Day) and through our indirect investment in Tru-Cape Fruit Marketing (Tru-Cape), we have successfully vertically integrated up the value chain in our banana and deciduous fruit production respectively. However, we only have a significant influence in these operations and do not control Lebombo, Two-a-Day or Tru-Cape. This makes leveraging the various elements of the respective vertical chains difficult, if not impossible. In addition, in our sugar cane business we are a price taker as our operations have no interests in the production or marketing of sugar. In our fledgling macadamia operation we do not yet have any interests in macadamia processing or marketing, and we simply sell to nut-in-shell wholesalers operating in the Far East and into the kernel market through large processing and marketing companies in South Africa.

About us
Our operating environment
Governance
Our performance
Summarised consolidated financial statements
Shareholder information

All of this is, strategically speaking, sub-optimal. Besides not sharing in the margins further up in the value chain in our sugar cane and macadamia businesses, the current vertically integrated businesses do not offer any business leverage opportunity. There is, for example, no leverage between Lebombo, the marketer of our bananas, and Two-a-Day and Tru-Cape, respectively the packer and marketer of our deciduous fruit. As a result, we are viewed by investors as a collection of vertically integrated farms rather than a vertically integrated business.

Our strategic objective is to change this and, in future, to work towards leveraging the packing, processing and marketing aspects of all our current operations (excluding sugar cane and Renprop). This may necessitate future investments in other crops, which will facilitate the evolution of our operations into a truly vertically integrated agri-business.

Going forward in a post-COVID-19 world, we foresee substantial hardships for the South African economy and other Sub-Saharan economies. The South African economy is in dire straits and our government finances overwhelmed with unacceptably high debt levels. Challenged by the economic inequality that exists in our population, the government ought to be establishing clear strategic policy frameworks. Sadly, this is not the case in our industry and we have seen the impact of the failure of poor and tardy policy making in the sugar industry in recent times. Thankfully, much of our non-sugar product is sold into the global markets which are likely to fare marginally better than our domestic market in the years ahead and which provide the company with some resilience to manage a cost base which is escalating faster than CPI.

OPERATIONAL EXCELLENCE

Operationally, we have embarked on a programme to ensure that Crookes Brothers is a top third producer of any crop that we are involved in. This is an extension of our Continuous Improvement Programme that investors will be aware of and the success of which has been reported in the past. To govern and oversee this objective, we have established an Agricultural Committee of the Board, the mandate of which is to ensure that Crookes Brothers achieves its operational performance objectives and does so with crops which have a meaningful place in our new world order.

PEOPLE AND TALENT

During the year we said farewell to both the previous chairman, John Barton, and CEO, Guy Clarke, both of whom retired at the end of the last financial year. We would like to thank them for their tremendous contributions to the company over their years of service.

To achieve our objectives we require capable people in our company to inspire a high-performance culture. This starts with the CEO, and our whole team is very happy to welcome Kennett Sinclair as our new CEO. We are very proud of what we have today, and are looking forward to a bright future with Kennett at the helm.

It is incumbent on any Board to navigate the company through troubled economic times and to this end we have strengthened our collective wisdom with the addition of Thembi Xaba to our Board. Thembi has a strong background in development economics and is currently chief executive officer of the Deciduous Fruit Development Chamber. We welcome Thembi to the Board and look forward to benefiting from her wisdom and experience.

DENOUEMENT

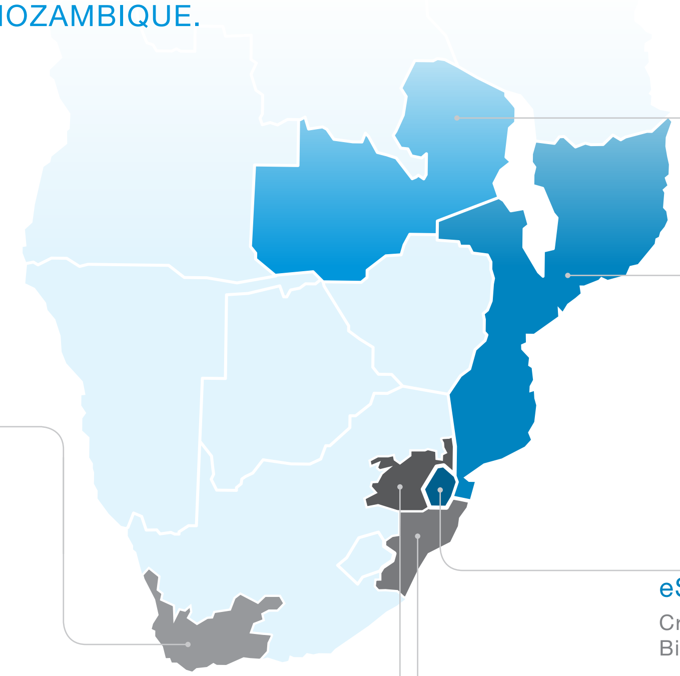
Crookes Brothers has an asset rich balance sheet with undervalued properties, which is diversified across region and crop. We are one of a few noteworthy South African farming companies with the ability to operate successfully outside of South Africa. In addition we have strong governance and ESG is of high importance to us. In South Africa the Company has an excellent BEE Scorecard rating (Level 2), affirming our commitment to transformation and employment equity.

The invigorated Board with its renewed focus on return of capital and cash generation believes the Company is well placed to successfully continue with its stated strategies. Shareholders will be uplifted by the maintenance of sound governance processes, which in the current year have been supplemented with further governance structures to oversee the expectation of operational excellence by the management team. As an Essential Services Company, we believe we are well positioned to deal with issues resulting from the COVID-19 pandemic. The Company is resilient to deal with deteriorating economic conditions, both globally and domestically. All these aspects place Crookes Brothers in a great position to successfully weather the new world order post the COVID-19 storm.

ABOUT US

THE GROUP PROFILE

CROOKES BROTHERS LIMITED IS A SOUTHERN AFRICAN COMPANY WITH AGRICULTURAL OPERATIONS IN THE KWAZULU-NATAL, MPUMALANGA AND WESTERN CAPE PROVINCES OF SOUTH AFRICA, AS WELL AS IN ESWATINI, ZAMBIA AND MOZAMBIQUE.



Zambia
CBL Agri-Zambia, Mazabuka

Mozambique
Quinta Da Bela Vista, Boane
Murrimo Macadamias, Gurue

Western Cape
Bellcro Farming, Villiersdorp
Ouwerf Estate, Grabouw
High Noon Estate, Villiersdorp

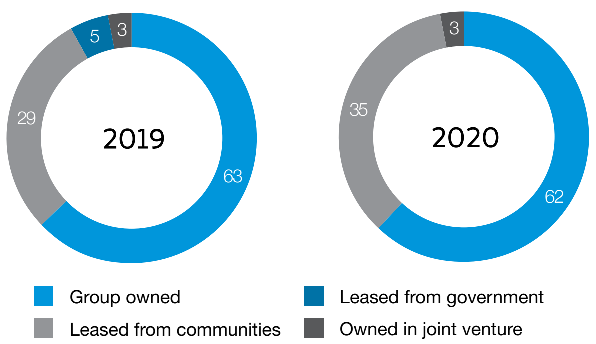
eSwatini
Crookes Plantations, Big Bend

Mpumalanga
Mthayiza Farming, Malelane
Komati Farms, Komati Area
Mawecro Farming, Komatipoort

KwaZulu-Natal
Renishaw Property Developments, Scottburgh
Renishaw Farm, Scottburgh
Riversbend Estate, Nkwalini Valley

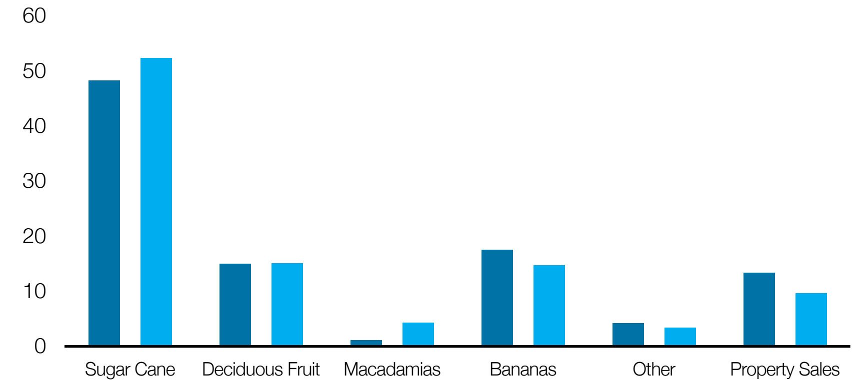
IT IS THE GROUP'S ESTABLISHED STRATEGY TO FORM PARTNERSHIPS WITH LIKE-MINDED COMPANIES ABLE TO ADD VALUE TO THE GROUP'S OPERATIONS, THROUGH THE PROVISION OF SPECIFIC EXPERTISE AND GENERATING ECONOMIES OF SCALE IN THE MARKETING OF THE GROUP'S PRODUCTS.

LAND OWNERSHIP SPLIT (%)

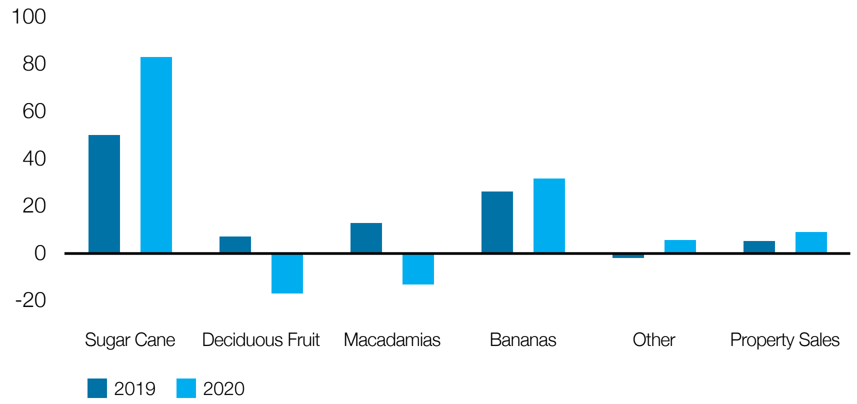


WE SPECIALISE IN THE PRODUCTION OF PRIMARY AGRICULTURAL PRODUCTS, INCLUDING SUGAR CANE, BANANAS, DECIDUOUS FRUIT AND MACADAMIAS. THE GROUP IS INVESTED IN A LONG-TERM PROPERTY DEVELOPMENT PROJECT AT RENISHAW (SCOTTBURGH, KZN), WHICH WILL UNLOCK VALUE FROM WHAT WAS OTHERWISE SUB-OPTIMAL AGRICULTURAL LAND.

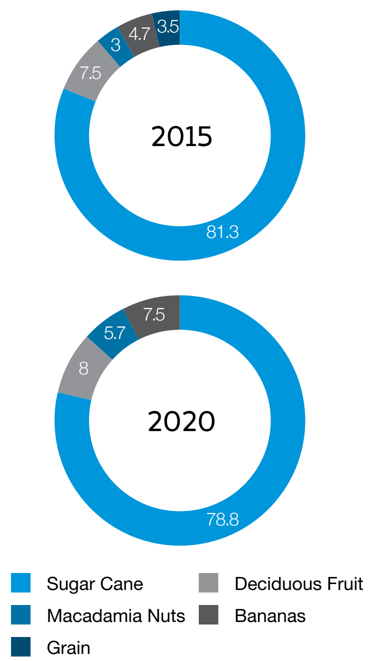
CONTRIBUTION TO REVENUE (%)



CONTRIBUTION TO OPERATING PROFIT (%)

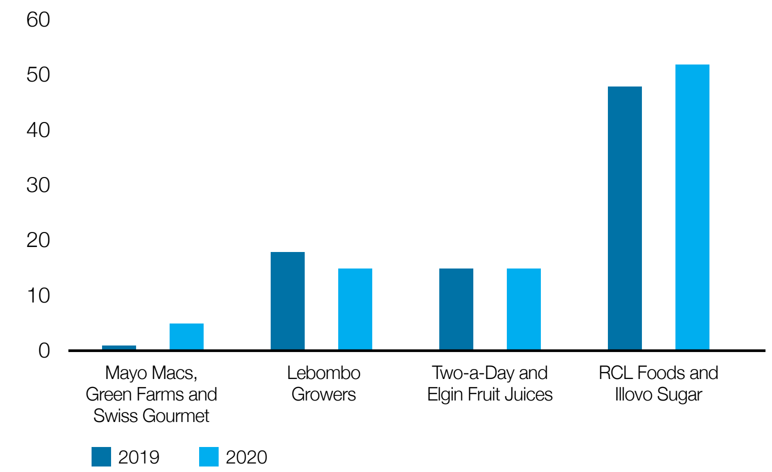


LAND SPLIT BY CROP (%)



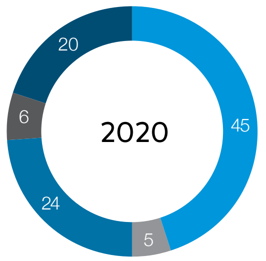
WE OWN MINORITY SHAREHOLDINGS IN AND HAVE LONG ESTABLISHED RELATIONSHIPS WITH THE TWO-A-DAY GROUP WHICH PACKS, PROCESSES AND MARKETS OUR DECIDUOUS FRUIT AND LEBOMBO GROWERS WHICH PROVIDES A SIMILAR SERVICE FOR OUR BANANA PRODUCTION.

CONTRIBUTION TO REVENUE (%)



GROUP STRUCTURE

SHAREHOLDERS (%)



- SilverStreet Capital
- Ellingham Estate
- Other Crookes Family
- Oasis Funds
- Other

CROOKES BROTHERS

Crookes Brothers South Africa (Pty) Ltd	**Riversbend Farm**	**100%**	While Crookes Brothers owns 100% of the Riversbend Farm it is leased for sugar cane farming. The farm is up for sale with a number of parties showing interest.
	Renishaw Farm	**100%**	Renishaw farm is a single plot of 654 ha with 589 ha of Sugar Cane fields. The farm is unirrigated.
	Deciduous Division	**100%**	The Deciduous Division is a collection of four farms in two broader locations: Ouwerf Estate in the Grabouw area, which includes Vyeboom and Dennebos Farms, and High Noon Estate in the Villiersdorp area which is for sale. Between the four farms there is 521 ha of Apples, 90 ha of Pears and 34 ha of developable farm land.
	Komati Farms	**100%**	Nicoskamp and Umkomaas are leased from Mawewe CPA. Together these two farms hold 366 ha of Sugar Cane and 167 ha of Bananas. At the time of writing, the leases for these two farms were being renewed and will most likely be leased by the Mawecro JV from July 2020 onwards. Shalimar and Strathmore farms have been sold and no longer form part of Komati Farms.
	Mawecro Farming (Pty) Ltd	**49%**	As part of a community partnership, Mawecro leases 1 612 ha of Sugar Cane and 323 ha of Banana fields from the Mawewe CPA who is both our landlord and partner for Mawecro.
	Mthayiza Farming (Pty) Ltd	**45%**	As part of a community partnership, Mthayiza leases 1 063 ha of Sugar Cane fields from the Libuyile Community Trust.
	Bellcro Farming (Pty) Ltd	**45%**	Bellcro manages 42 ha of deciduous orchards on a farm that is leased from the government (Belleview Farm), in a BEE partnership with ex-employees of Crookes Brothers.
	Two-a-Day (Pty) Ltd	**16.68%**	Two-a-Day, together with its subsidiaries, Tru-Cape and Elgin Fruit Juices, is one of the leading fruit packing and marketing companies on the African continent. Two-a-Day and Tru-Cape are responsible for the packing and marketing of all the Group's deciduous fruit.
	Lebombo Growers (Pty) Ltd	**29.9%**	Lebombo supplies approximately 23% of the South African banana market. It has been particularly successful in the Western Cape where it has established a state-of-the-art distribution centre near Wellington to supply selected retailers directly. A similar facility has recently been established in KwaZulu-Natal. Crookes Brothers' total banana production is distributed by Lebombo Growers.
Renishaw Property	**Renishaw Property Developments (Pty) Ltd**	**85%**	28 ha Renishaw Hills Retirement Village. 238 ha zoned for residential and commercial development. Undeveloped 238 ha is currently being farmed as sugar cane and will be sold in parcels in future on a wholesale basis.
International Investments	**Crookes Plantations Ltd**	**100%**	Located in Big Bend, eSwatini Crookes Brothers owns 100% of this estate which has 2 440 ha of Sugar Cane fields.
	CBL Agri-Zambia Ltd	**100%**	Located in Mazabuko, Zambia Crookes Brothers owns 100% of this estate which has 428 ha of Sugar Cane fields.
	Murrimo Macadamias LDA	**100%**	Located in Gurue, Mozambique this estate has 793 ha of which 463 ha is for Macadamia Nuts and 330 ha is still developable. The estate has a 99 year lease.
	Quinta Da Bela Vista LDA	**49.5%**	As part of a Joint Venture with SilverSteet Capital, this estate has 117 ha of Bananas and 163 ha of land that is still developable. It is located in Boane, Mozambique.

THE GROUP STRATEGY

STRATEGIC PILLARS

"THIS STRATEGY WILL, WE BELIEVE, MOVE THE COMPANY AWAY FROM BEING A COLLECTION OF INDEPENDENT FARMS TO AN INTEGRATED COMPANY IN WHICH THERE IS THE CAPACITY TO LEVERAGE ITS VARIOUS OPERATIONS OFF ONE ANOTHER AND WHICH WILL, AS A RESULT, PROVIDE CONSISTENT RETURNS TO SHAREHOLDERS BEYOND WHAT MIGHT HAVE BEEN GENERATED BY STAND-ALONE PRIMARY AGRICULTURAL UNITS" Kennett Sinclair, Chief Executive Officer

PILLAR 1: BE A TOP THIRD FARMER THROUGH SUSTAINABLE PRACTICES

To make a meaningful contribution to the global challenge of food security by being the benchmark for sustainable production and business best practice that our employees and partners are proud of.

- Operate and acquire the best farms in the best areas
- Match financing and production cash flows
- Develop our farms to their utmost potential

PILLAR 2: OFFER INDUSTRY LEADING RISK-ADJUSTED RETURNS TO SHAREHOLDERS

Become a leader in vertically integrated food production in Southern Africa that investors seek for robust long-term returns.

- Diversify further into high value crops
- Achieve geographic dispersion to mitigate environmental and political risks
- Add value through partnerships in the value chain and acquire processing and marketing businesses of crops that we already produce or that we are desirous of producing in future

PILLAR 3: PRODUCE AND SUPPLY SUPERIOR QUALITY PRODUCTS PROFITABLY

Produce and supply superior quality products that purchasers select for their clients and clients recommend to family and friends.

- Consolidate farming units to extract synergies
- Continuous improvement of farming operations through skilled up workforce, precision farming and automation

PILLAR 4: DO WHAT IS RIGHT, TO REMAIN PROFITABLE OVER THE LONG-TERM

To make a significant impact on the growth, development and transformation of our economy and society by developing our people, embracing new technology, conserving our environment and helping improve lives in the communities in which we operate.

- Expand existing and develop new community partnerships
- Take ESG seriously
- Grow our people

KEY PERFORMANCE INDICATORS

THE SHORT-TERM

In order to put Crookes Brothers in a favourable position to raise the capital we need to pursue our long-term strategy, our short-term intentions are to improve the following:

THE LEVEL AND PERIODICITY OF OUR DEBT	**OUR FREE CASH FLOW**
OUR EARNINGS PER SHARE	**OUR DIVIDEND PAYMENT**

THE LONG-TERM

Our ability to successfully carry out the long-term strategy in a way that translates into value for all stakeholders will be reflected in four primary indicators. By achieving these targets, we will know that we have successfully created value for all:

RETURNS TO ACHIEVE 13% ROIC TO ACHIEVE 15% ROE	**GROWTH** TO ACHIEVE HEPS GROWTH IN EXCESS OF INFLATION OVER A FULL ECONOMIC CYCLE
CASH GENERATION TO ACHIEVE OPERATING CASH FLOW PER SHARE GROWTH OF 15%	**GEARING RISK** TO ACHIEVE (DEBT-CASH)/ CASH FROM OPERATIONS OF LESS THAN 3 TO 5 TIMES

More information can be found on pages 50 and 58.

AN INVESTMENT FOR THE LONG TERM

A COLLECTION OF VERTICALLY INTEGRATED FARMS TRANSFORMING INTO A VERTICALLY INTEGRATED AGRI-BUSINESS THAT ADDS VALUE TO PRIMARY PRODUCTS

Our strategic objective is to work towards leveraging the packing, processing and marketing aspects of all our current operations (excluding sugar cane and Renprop). This may necessitate future investments in other crops, which will facilitate the evolution of our operations into a truly vertically integrated agri-business. Investing in targeted areas of the value chain should improve the medium-term cash flow, decrease the volatility of the Group's earnings and provide the Group with a larger share of the margin available in the value chain.

A HYBRID MODEL THAT EXTRACTS SYNERGIES THROUGH CENTRALISATION WHILST ENCOURAGING AN OWNER-DRIVEN CULTURE WITHIN EACH BUSINESS

Crookes Brothers is already seen by investors as a platform company, with the proven ability to consolidate farming operations across regions in Southern Africa. As an agri-business, a platform strategy does not lend itself to a pure decentralised model as this would lead to management overlap, unproductive bureaucracy and confusion. For synergies to be extracted and thus for a platform strategy to work, a level of centralisation is required. We have adopted a hybrid model to organise the business by functional areas (or by crops) with centralised management functions for each one. As a result, Crookes Brothers has a multi-skilled support base together with an owner-driven culture at estate level and management reward systems that are well-aligned to performance goals.

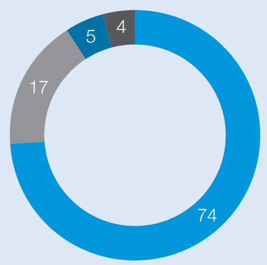
A PORTFOLIO THAT IS DIVERSIFIED ACROSS REGIONS AND CROPS

Geographic diversification is a method of risk reduction with three objectives:

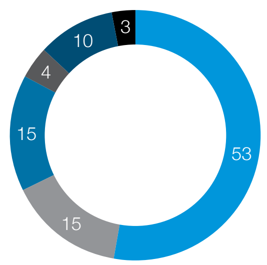
- reduce exposure to a single country's political risk;
- ensure a variety of climatic zones with opportunities for multiple crops; and
- reduce risk exposure to extreme climatic events.

Over the years Crookes Brothers has established operations in four Southern African countries within a good mix of Mediterranean, sub-tropical and temperate climatic conditions. With the four different crops we produce, we are making good progress with crop diversification in these climates.

REVENUE BY COUNTRY (%)

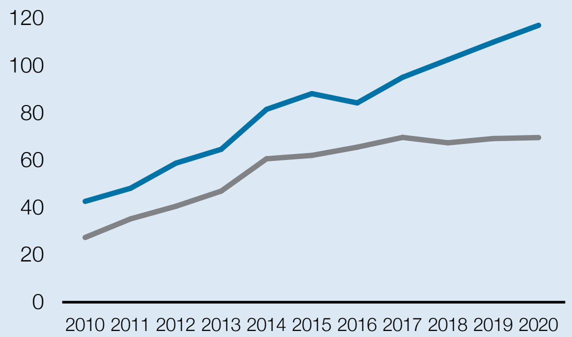


REVENUE BY PRODUCT (%)



AN ASSET-RICH BALANCE SHEET WITH ECONOMIES OF SCALE AND OPPORTUNITIES FOR ORGANIC GROWTH

ASSET BASE (RAND)

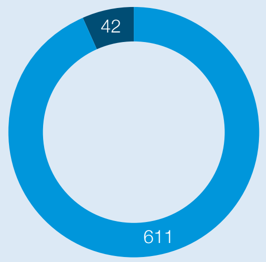


Despite our accounting policy to carry our substantial property portfolio at cost, our total assets per share and net asset value (NAV) per share have increased by 11% and 10% per annum respectively over the past 10 years.

A substantial portion of our property portfolio, such as our Renishaw Estate, our sugar cane estates in eSwatini and Zambia and some of our deciduous farms, were acquired in the distant past and the carrying value of these properties, which are reflected in the Total Assets per share and the NAV per share, are not an approximation of what we believe the market value of those properties are.

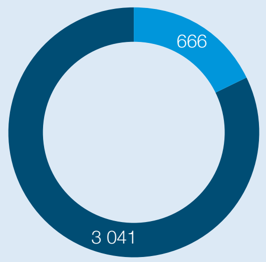
On our large properties with large unused arable areas, such as Murrimo and Quinta Da Bela Vista we are pursuing the expansion of respectively our macadamia and banana plantations at low marginal cost and limited investment. These expansions will allow the Group to further extract the economies of scale on offer at these locations. In eSwatini, we are converting sugar cane plantings into higher yielding banana plantings and we are also searching for an alternative use for some of the hectares that are uncultivatable for sugar cane. Here we are considering macadamias and citrus as alternatives. At our Renishaw Estate, the Renishaw Hills Retirement Village is being developed on 28 ha of land, but we own more land in the area that has a further 238 ha of residential and commercial development rights attached to it. We plan to sell these land parcels on wholesale basis in a phased approach.

SA FARM OWNERSHIP (HECTARE)



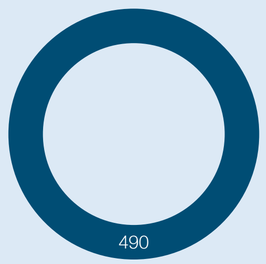
DECIDUOUS FRUIT

CBL owned	94%
Community owned	6%



SUGAR CANE

CBL owned	18%
Community owned	82%



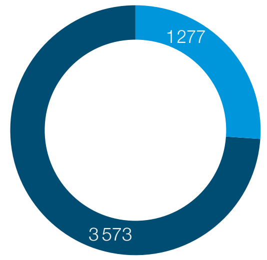
BANANAS

Community owned	100%

SUSTAINABLE TRANSFORMATIONAL PROGRAMMES BUILT INTO COMMUNITY PARTNERSHIP MODELS

In South Africa, the Group is strongly aligned to the national transformation agenda. As depicted in the graph below, more than 76% of the land we farm in South Africa is owned by local communities.

We currently participate in three community joint ventures which together comprise 2 675 ha under irrigated sugar cane, 323 ha of bananas and 42 ha of deciduous fruit. In addition the Group leases a further 366 ha of sugar cane and 167 ha of bananas from our community partners outside of our partnerships. In 2020 a substantial sum was distributed to the 1 600 households of our community partners through lease fees and dividends, making a substantial impact on the quality of living for our partners. The success of these partnerships is testimony to our commitment and we plan to expand our reach in this arena. In addition to providing 1 640 job opportunities, the Group assisted with skills development and general welfare in these communities. We see the joint venture model playing a vital role in ensuring the longevity of our business.

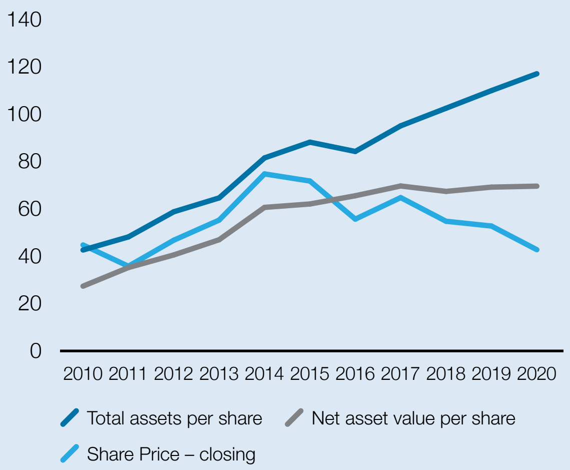


TOTAL

CBL owned	26%
Community owned	74%

CONSISTENT SHAREHOLDER VALUE CREATION OVER TIME

ASSET BASE (RAND)



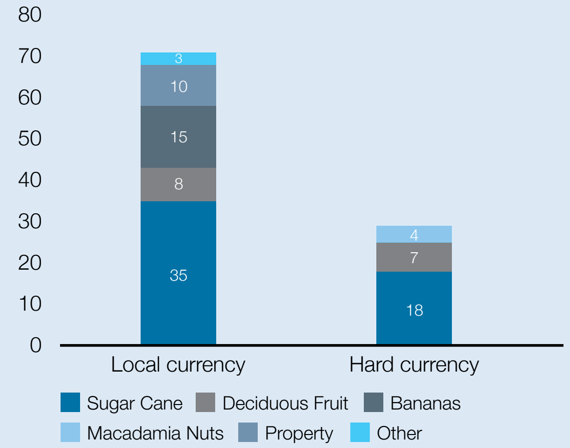
Although the Group is subject to climate and market cycles which are intrinsic to the agricultural sector, we remain committed to providing sustainable returns to shareholders over the long term.

As is evident from the graph, from 2010 up until 2017 Crookes Brothers had been consistently increasing its NAV per share every year at a compound annual rate of 14%. In the recent past, a large portion of our capital has been invested into tree orchards that are still maturing and that will only start yielding good returns on invested capital over the next few years. As a result of being in investment mode, our total assets per share kept on growing at a steady pace while our orchards matured, however, the growth in assets has not yet translated into profits and a resultant increase in NAV or the payment of dividends. Once these orchards reach maturity, production and return on investment will become more stable and predictable.

Although, for the second time this year the Group did not pay a dividend and since 2010 the share price has achieved no growth compared to that of the JSE Small Cap Index of 2.4%, over the same 10-year period our total assets and NAV appreciated by 11% and 10% per annum respectively. Together with the maturing of our tree orchards we aim through the careful execution of our strategy to improve the level and periodicity of our debt, our free cash flow and our earnings per share which will allow us to return to paying dividends soon.

STRATEGICALLY PLACED TO MANAGE EXCHANGE RATE RISK WITH SOFT CURRENCY PRODUCTION COSTS AND HARD CURRENCY INCOME STREAMS

APPROXIMATE REVENUE EXPOSURE BASED ON HISTORIC EXPORT DATA (%)



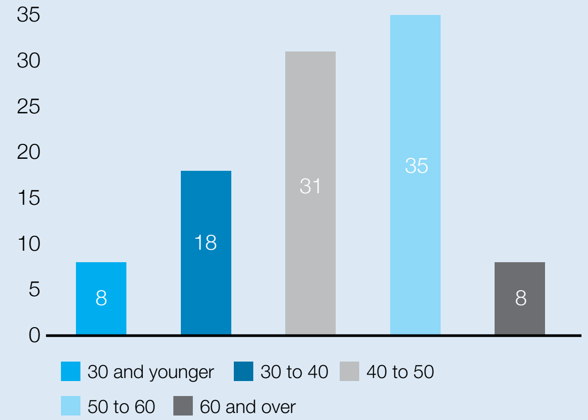
Barring a few exceptions, our production costs are largely based in the local currency of our operations – South African Rand, eSwatini Lilangeni, Zambian Kwacha and Mozambican Metical. Even though our production costs are indirectly impacted by the weakening of the local currencies through the impact it has on fertiliser, chemical and fuel prices, a substantial portion of our expenses relate to labour, rent, electricity, water and interest costs which are all priced in local currencies.

Three of the four agricultural crops that we produce are exported and priced in hard currencies. One hundred percent of our Macadamias are exported and priced in USD. Over the long-term approximately 35% of the South African sugar production will be exported and thus our sugar cane revenue is positively influenced by the weakening of the Rand and the Lilangeni.

Approximately 49% of our deciduous harvest is priced in hard currency and exported and thus our deciduous revenue is also positively influenced by the weakening of the Rand. Based on long-term trends, approximately 30% of our total revenue is generated, directly or indirectly, from hard currency markets and therefore provides a good currency hedge to the weakening of the four local currencies of the countries in which we operate.

A 160-YEAR HERITAGE BALANCED WITH A MULTI-GENERATIONAL OUTLOOK

SENIOR MANAGEMENT COMPOSITION (%)



As opposed to private equity funds and other medium term investors, Crookes Brothers, as an enduring business with a 160-year heritage and multi-generational outlook, can make investments with extreme long-term investment horizons, such as investments in tree crops and agricultural land. Crookes Brothers can hold on to long-term investments through climatic and market cycles until maturity where others would be forced to sell before the maturity of their investments due to the limited tenure of their structures. In addition, the Crookes Brothers team is made up of a unique mix of experience and youth. Like a family farm, this multi-generational outlook facilitates the transfer of knowledge, experience, institutional memory and battle scars from the older more-experienced generation to the younger more-energetic, but less-experienced members of the leadership team who in turn will pass the rudder of the Crookes ship to the next generation.

Moreover, we have a good mix of experience and energy, combined with a diversity of ethnicity and skills on our Board. We can capitalise on this advantageous position and the characteristics of our Board and management team, to become the listed platform company of choice in Southern African agribusiness.

PROVEN TRACK RECORD OF SUCCESSFULLY OPERATING IN OTHER AFRICAN COUNTRIES WITH OPPORTUNITIES TO EXPAND FURTHER

We are in an advanced stage of securing development finance to plant a further 330 ha of macadamia nuts over the next two years at Murrimo in Mozambique where we already have 463 ha of maturing macadamia nut plantations. As the region recovers from the drought and the water availability at Quinta Da Bela Vista improves we plan to expand the banana operations there from the current 117 ha planted during the last two years to 280 ha. We also plan to expand our eSwatini Estate into a fully integrated multi-dimensional asset by planting, in addition to the 25 ha of bananas planted there during May 2020, a further 205 ha of bananas over a period of three years. We will also be conducting a feasibility study on citrus and macadamia nuts at the eSwatini Estate.

LEVEL 2 B-BBEE SCORE

Agriculture is the bedrock of the South African economy and a very important contributor to its development and to job creation. As a proudly South African business, we support initiatives that aim to transform the agricultural sector and create employment for previously disadvantaged people. The scorecard of the AgriBEE Sector Codes show how successful companies are in their strive towards job creation and the creation of equal opportunities for black suppliers, black commercial farmers and black industrialists. In addition, the codes support land reform projects, localisation of goods and services which are not produced in South Africa currently, greenfield ventures and beneficiation of primary products. Our good score means that our Group has made great progress towards our goal of remaining a sustainable, socially relevant business with longevity that has done what is right and not just what is profitable.

OUR BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

KENNETT SINCLAIR (43)

BAcc, BAcc (Hons), CA(SA), CFA
Group Chief Executive Officer
Member of the Agricultural, Risk, Social and Ethics Committees
Appointed to the Board: August 2019

Kennett is a CFA charter holder and a chartered accountant and holds a Honors degree in Accountancy. He has over 18 years of experience in asset management, auditing, finance and operational management and corporate finance and private equity.

GREG VEALE (55)

BCompt, BCom (Hons), CA(SA), ACA
Group Chief Financial Officer
Member of the Risk and Social and Ethics Committees
Appointed to the Board: April 2016

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

NON-EXECUTIVE DIRECTORS

MALCOLM RUTHERFORD (59)

BCom, BAcc, CA(SA)
Independent Non-executive Chairman
Nominations Committee Chairman
Member of the Audit and Remuneration Committees
Appointed to the Board: May 2008

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

PHUMLA MNGANGA (52)

BEd, BA, MBL, Phd
Independent Non-executive Director
Chairman of Remuneration and Social and Ethics Committees
Member of the Nominations Committee
Appointed to the Board: May 2011

Phumla is the founder and Managing Director of Lehumo Women's Investment Holdings, a women-owned investment holding company. Prior to this she spent most of her career working for the Tongaat Hulett Group and Deloitte. Phumla is chairperson of the boards of the Tolcon Group and Gold Circle, and is a Director of Spar.

RICHARD CHANCE (64)

BA LLB, CSEP (Columbia)
Independent Non-executive Director
Risk Committee Chairman
Member of the Audit, Agricultural, Remuneration, Social and Ethics and Nominations Committees
Appointed to the Board: July 2015

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

TIM CROOKES (43)

M Agric Mgt
Non-executive Director
Member of the Agricultural and Risk Committees
Appointed to the Board: July 2015

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

TIM DENTON (58)

Non-executive Director
Agricultural Committee Chairman
Member of the Risk Committee
Appointed to the Board: November 2012

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

THEMBI XABA (46)

MPhil, PhD
Independent Non-executive Director
Member of the Agricultural Committee
Appointed to the Board: April 2020

Thembi has more than 20 years' experience in the agricultural sector, focusing on development finance, agribusiness development, agricultural financing and deal structuring. She is currently the CEO of the Deciduous Fruit Development Chamber (DFDC-SA). Prior to the DFDC-SA she held senior positions at the National Treasury, the Jobs Fund, Mpumalanga Department of Agriculture, and Perishable Products Export Control Board (PPECB) to list a few.

LARRY RIDDLE (60)

BCom, BAcc (Hons), CA(SA)
Independent Non-executive Director
Audit Committee Chairman
Member of Agricultural and Risk Committees
Appointed to the Board: April 2019

Larry previously held the positions of Commercial Director and Group Corporate & External Affairs Director of Illovo Sugar Africa. Larry also played a key role in looking after the Illovo Joint Ventures and Associate companies in the Group, including Gledhow Sugar Company and Glendale Distilling Company. He is a past chairman of the South African Sugar Millers' Association and the Ethanol Producers' Association of South Africa.

GARY VAUGHAN-SMITH (56)

BSc, MPhil, FIA
Non-executive Director
Member of the Nominations Committee
Appointed to the Board: November 2012

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

Full CV's can be found on our website at: www.cbl.co.za

OUR OPERATING ENVIRONMENT

OUR OPERATING ENVIRONMENT

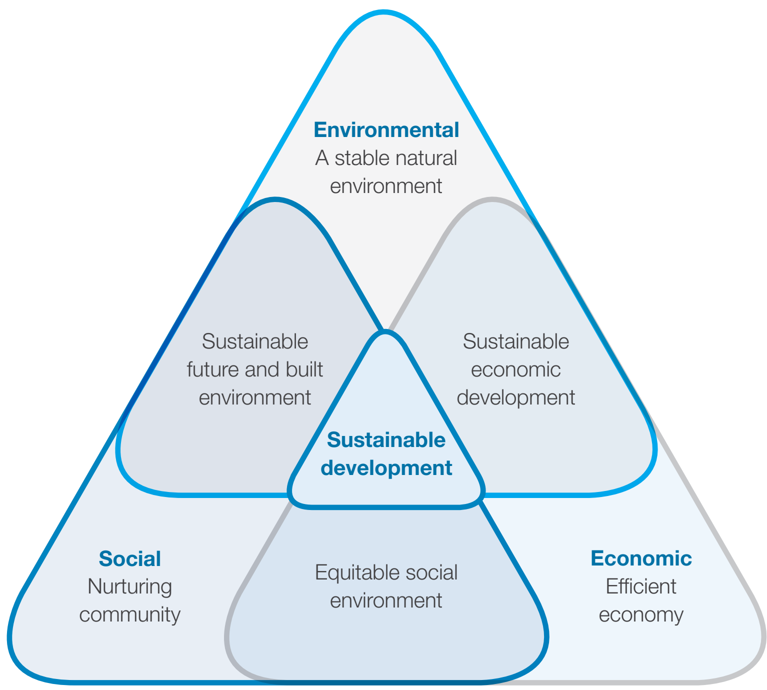
THE GROUP STILL CONTINUES TO DIVERSIFY ACROSS REGIONS AND CROPS, BUT IT IS ALSO PARTICULARLY IMPORTANT FOR US TO INTEGRATE VERTICALLY INTO THE VALUE CHAIN TO A GREATER EXTENT IN FUTURE. AS WE PROGRESS UP THE VALUE CHAIN AND NEARER TO THE CUSTOMER, IN ADDITION TO MAKING PROFIT, IT BECOMES CRITICALLY IMPORTANT TO PLACE MORE EMPHASIS ON THE ENVIRONMENT AND OUR SOCIAL RESPONSIBILITIES.

For as long as the Group remains a primary producer the environment in which it operates will remain subject to climatic risks, pests and diseases, land issues and community pressures. These factors cause high levels of volatility, which are further exacerbated by regulatory uncertainty and price variability. The Group is also mostly a price taker that is wholly dependent on associated companies and third parties for processing our crop and for our route market. It is management's intention to continue understanding these risks better and ensuring that we manage what is within our control to mitigate their impacts.

Investments in orchards, crops, infrastructure and community joint ventures are by definition long-term commitments and carry long-term risks. In this operational environment the Group is well positioned, through its diversification strategy, to mitigate the risks that will inevitably have some impact during the life-cycles of the various crops.

Late in our financial year we experienced the arrival of the COVID-19 pandemic. By being a producer of agricultural products, for once, the Group was not negatively impacted by this debilitating natural disaster. The authorities deemed our Group to be an essential service provider and allowed us to continue operating, albeit under strict sanitary and regulatory conditions. It is gratifying to see that our diversified strategy gave us the time and space to get organised and continue to operate in an efficient and effective manner.

The Group still continues to diversify across regions and crops, but it is also particularly important for us to integrate vertically into the value chain to a greater extent in future. As we progress up the value chain and nearer to the customer, in addition to making profit, it becomes critically important to place more emphasis on the environment and our social responsibilities. The Group aims to operate in the perfect "sweet spot" of sustainability where the three elements of the Venn diagram depicted below overlap.



ENVIRONMENT

CLIMATE

The specific effects on our operation of permanent climate change, as opposed to climate cyclicality, remains difficult to quantify. This past season saw the weather patterns in all our regions trend closer towards their long-term means. Climate change and the resultant extreme weather however, remain an ongoing threat. We had a severe hailstorm in Komatipoort in April 2020 that severely damaged our bananas on one of our leased properties. The damage was much localised but emphasised the need to be aware where regionally the risks lie and how we should mitigate them.

WATER

Crookes's management team has placed significant focus on water resource management and infrastructural improvements to ensure that the Group has adequate water resources and efficient systems to optimise water utilisation. Despite this, water availability in the Lowveld still remains a threat and the river levels in Zambia remain under pressure. Scarcity of water remains a Southern Africa phenomenon and there is continued pressure to ensure that every litre irrigated is used effectively and accounted for.

We are very dependent on scheduled water from government dams, and with the exception of the Kwena Dam in Mpumalanga and Pequinos Libombos Dam in Southern Mozambique, we have sufficient water in storage to apply best irrigation practices. We interrogated our existing legal water rights, licences and storage authorisations and believe that we have sufficient water resources to manage our hectares optimally. Reticulation and the efficient use of our water resources remains a dynamic process and we continually strive for better understanding and more economic use of these assets going forward.

MEASUREMENT

The Group's proclivity towards high levels of ESG awareness and measurement put climate, water, soil health and all these related facets of the environment front and centre of how we operate and manage. These elements play a significant role in what we are measuring and our accreditation processes. Our compliance goes beyond the statutory regulations and we are continually looking for ways of making ESG compliance a core element of our culture and part of what we deem best practice going forward within our operating environment.

SOCIAL

LAND REFORM

We continue to see redistribution and ownership of land as a trend. We will therefore carry on with our strategy of joint ventures within Crookes Brothers South Africa where we are already the operating partner in several partnerships with land owning communities. We see our joint ventures as strong symbiotic relationships which will lead the way in building a commercially sustainable industry. These partnerships have their challenges but remains an important focus for our Group. We will continue to advance these endeavours as the cornerstone to the shared approach strategy that is so important in the South African commercial agricultural context.

The Group has extensive experience in managing commercial sugar cane and bananas and we are empowering our partners to manage these crops, as well as the third party relationships with the milling groups and the distributors. It is within this framework that we continue to engage with relevant government authorities and other industry stakeholders that we hope will result in greater recognition of our efforts and generate further joint venture opportunities.

STAKEHOLDER ENGAGEMENT

We have had several visits from senior government officials in Mozambique who were very complimentary of our operations and voiced their commitment to maintaining good relations and possible help in creating new growth possibilities. The Group continues to enjoy constructive engagement with government, local communities and industry stakeholders at all levels.

REGULATORY RISK

The last quarter was all about COVID-19 and the impacts of this pandemic. As discussed we have applied all the necessary precautions, both from a compliance and a best practice point of view. The regulations change continually but we have dedicated resources managing this process and we are very pleased with the team's response and efficacy in implementing the relevant sanitary and OH&S requirements.

COVID-19

Our operations outside of South Africa continue to operate normally but have been severely impacted by the cross border travel restrictions. While goods can flow the movement of people is not allowed. This travel ban has had a demoralising effect on our expatriate staff in remote regions. We are continually managing this aspect of our operations as changes to these regulations are made regularly. Alternate plans are in place to ensure the wellbeing of those staff members affected.

The movement of goods and services has been impeded by the COVID-19 lockdown measures that have prevailed across the globe. This has slowed supply chains but they have continued to perform. South Africa's neighbouring authorities are assisting where they can but due to capacity constraints this help is somewhat limited. We will do what we can to mitigate the impact of the slow logistics as we navigate our way through this virus's destructive environment.

ECONOMIC

ELECTRICITY SUPPLY

Prior to the arrival of the COVID-19 pandemic, the political and environmental environs were overshadowed by the Zondo Commission and the state of South African State Owned Enterprises, with particular emphasis on Eskom.

Eskom has had a significant impact on our operations, as we have substantial irrigation systems in place that require power from the national grid. These systems were set up at a time when power was both cheap and continuous, so careful management of or scheduling has to be done to ensure that we deliver the right quantities of water in high water demand peaks. Eskom and its woes are with us for the short- to medium-term and we will continue to find innovative ways to schedule and mitigate our reliance on this input from a cost and supply point of view.

MARKETS

SUGAR

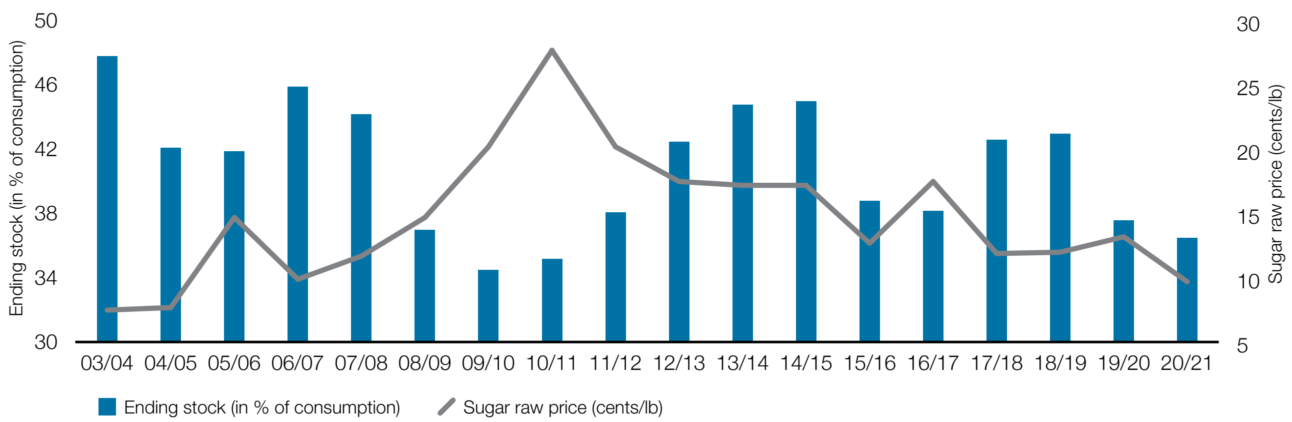
The 2019/20 season has been a season of two parts. The first part, consisting of the first three quarters, saw some recovery in the RV prices in South Africa and eSwatini and some reasonably bullish prices in Zambia. There are many elements that make up the sugar prices, but the US cents/lb. for refined white sugar rose steadily through these quarters. This resulted in stable prices for most part of the year. There was a lot of discussion at a high industry level on how to protect the South African sugar industry and make it more sustainable in the long-term with all the pressures currently being experienced. These discussions are still on-going but the impacts will only effect the coming seasons.

The 2020 New Year brought the onset of two major issues: COVID-19 and a resultant slump to record lows in the oil price. The impact of these issues reduced the price of sugar down 30% to below 10 US cents/lb. negating all the gains made over the previous 12 months. Rand and other currency weakness offset this decline in price to some extent.

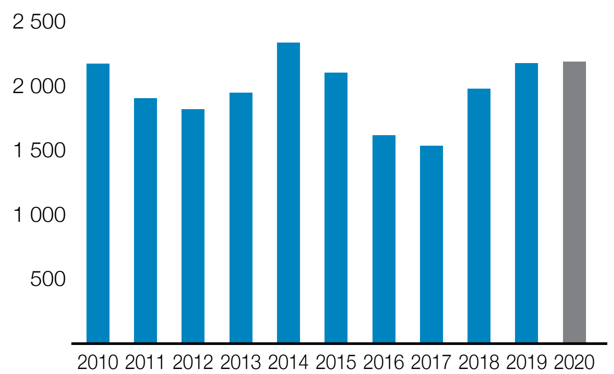
Below is a graph of international stock levels and the average refined sugar price. Providing some positive pressure is that the world's current stock piles of sugar as a percentage of annual consumption are at a 10-year low which ordinarily signals a bullish sentiment in the sugar price. At the moment the graph has not reflected this bullish sentiment and there is no consensus regarding a definitive trend at the moment.

Southern Africa prices have remained steady over the last trading year and production is summarised in the table below. The poor performance in the global sugar markets has been offset by weak local currency exchange rates. eSwatini continues to be a challenge as it is largely dependent on the South African market. Zambia on the other hand is seeing the benefits of some strong marketing and logistical work being done in Zambia and its neighbours on their western and northern borders. This past season we have seen the benefits of these initiatives with good quantities of sugar being sold into the eastern DRC and Tanzania that has resulted in fairly buoyant prices the past season. Continuous pressure is being applied by the growers to get a more dollar-based ERC price from the Mazabuka Mill which could see even better prices in Kwacha and Rand currency should they be successful in this endeavour.

ENDING STOCKS AND SUGAR PRICES



TOTAL SUGAR PRODUCED IN SA (TONS)



The 2020 harvest is projected to be a reasonably good one and markets are going to have to deal with a slightly larger crop than last year, together with some possible downward demand pressure due to the impact of COVID-19 and a sluggish world market. All in all the markets are not very strong and the low excess year-end stocks of sugar looks to be the most promising positive element of the prices going forward.

The table below gives some idea of where market prices are trending. The actual prices achieved during the 2020 financial year were in line with our forecasts. During the 2021 year the possible negative impacts of the COVID-19 pandemic will come into effect, but these impacts should be tempered by weaker local currency exchange rates.

While remaining steady, these prices do not provide wide operating margins and management must focus on costs and maximising yields and sucrose levels. Sugar production remains a low margin environment, which means margin protection and scale remain the drivers of profitability.

Budget in Rands	2018	2019	2020	2021
RSA RV/ton	4 187	3 574	**4 221**	4 479
eSwatini sucrose/ton	3 763	3 093	**3 724**	3 716
Zambia ERC/ton	4 363	3 963	**4 082**	3 923

DECIDUOUS FRUIT

For the first three quarters of the sales season the world markets in pome fruit were relatively stable, with some supply pressure keeping hard currency prices flat. The Rand lost some ground but customer pressure and the resulting squeeze from stricter and stricter quality measures meant less premium fruit. Better Rand prices ended being off-set by poorer packouts, even in the premium sizes/counts. The fruit from our older farms was small in profile and down from the premium counts and this resulted in poorer than estimated average ton/bin prices for the season.

The local markets, although taking more volume, were flat and the juice prices were reasonably buoyant. The demand for better colour and the perfect size increased pressure to produce top quality fruit, delivered in a responsible manner regarding protection and shipping. This trend remains in place together with other fruit commodities continuously trying to take market share away from pome fruit. Our trading partners at Tru-Cape are well aware of these pressures and are continuously looking for new markets and environments to ensure that every kilogram of fruit is sold and that we are not reliant on one market to consume all our fruit.

South Africa is not seen as a premium growing region like for example New Zealand and we are constantly looking to improve quality without losing tonnage with a product that trades at a discount to the premium markets. This requires a strong and agreed strategy with our marketing partner to ensure that we find the correct markets that balance with our product offering.

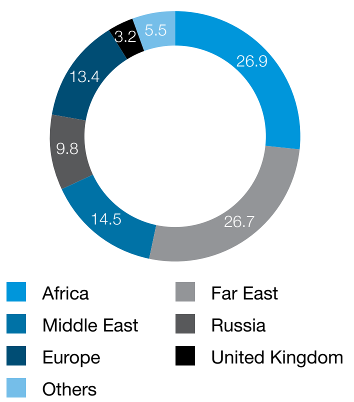
With the advent of COVID-19 and the resultant lockdown, the market dynamics changed completely. This affected our pears and early fruit in this campaign but most of the impact will fall into the 2020/2021 season. The hard currency markets, particularly the dollar markets, have seen a small increase in hard currency prices. The UK pound market has also enjoyed a small increase and the EU remains fairly flat. The Rand, however, has weakened significantly against all major currencies, thus moving up prices in Rands.

The quality of the new season fruit looks reasonable at this point but there are two areas of pressure that we are experiencing at the moment. The first being that very little trading has taken place in the Far East over Q4 2020 and Q1 2021 as the region was basically closed for imports. This market is starting to open up again and we believe by the end of the year we should be close to normal export volumes.

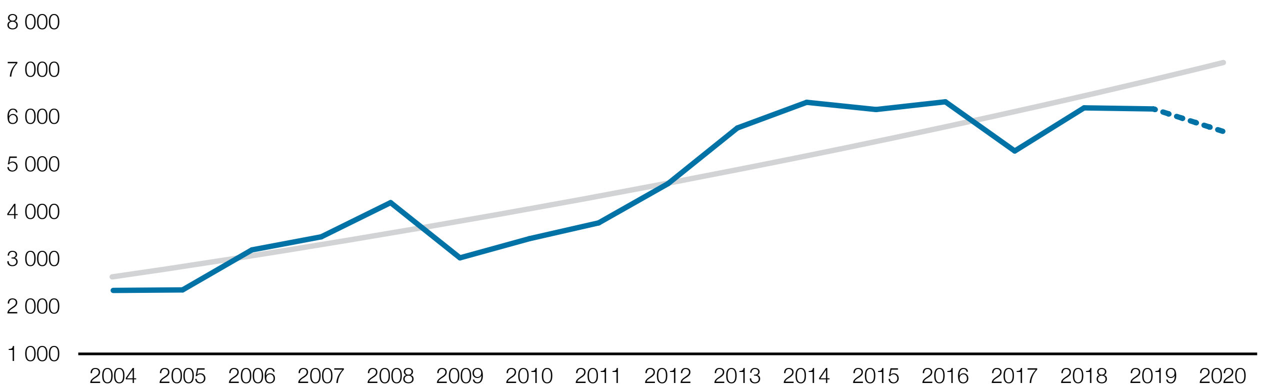
The other is the very poor African markets directly affecting our sales in Q4. The rest of Africa, an obvious target for our fruit, is primarily a Golden Delicious market that has been under pressure due to changes in the colour specs to a greener fruit. This market still remains a very important target market in which we can remain very competitive. However, the oil price slump resulted in the closing down of these markets that were already under heavy pressure to due to COVID-19 issues. We saw this coming and picked counts that have no home other than these markets for decent quality juice contracts that had better farm gate revenues at much less risk.

The New Year 2021 prices look better in Rands terms and although the logistics are slow and awkward all fruit should be sold if the average per ton rates remain at present levels. The focus is to get the sales team to reduce the traditional South African discount on premium fruit while the operation focuses on tonnage, quality and costs. The South African deciduous industry's production, sales, logistics and supply infrastructure remain world class and very efficient. We need to leverage these advantages with reasonable hard currency prices to ensure sustainable returns for the producer.

CBSA EXPORT DECIDUOUS MARKET SHARE PER COUNTRY 2019 (%)



DECIDUOUS FRUIT CAT 1 R/TON



BANANAS

The Banana industry has continued to enjoy a run of good form. Despite the increased plantings in Southern Mozambique, the tonnages of fruit sold on the local markets did not increase substantially. Particularly in the last two quarters this resulted in prices ranging above forecasts. Even though yields and quality were off last year's good numbers, our revenue per hectare remained buoyant and the industry remained bullish.

Since the advent of the COVID-19 pandemic we have seen the traditional municipal markets shrink considerably. The bulk of our sales have been direct to distribution centres in programs with the retailers. This has not affected the volumes or quality and the prices have remained bullish.

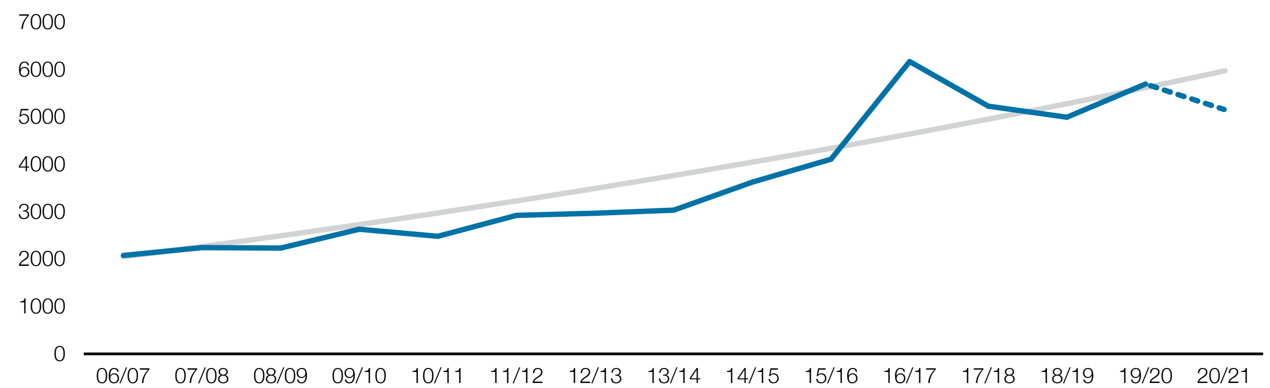
The water restrictions have put pressure on new extensive plantings in the Boane region of Southern Mozambique and we have not seen large new developments in the Komatipoort area.

However, we still expect that there will be more fruit available this coming season and we should see some pressure on prices, particularly through the winter months. In line with annual trends, prices are expected to increase again in the latter part of 2020.

The first harvest and packing of commercial bananas from our QBV JV in Southern Mozambique started in May 2020. We have certain logistical protocols in place to comply with the regulations and the cross border documentation for import from Mozambique into South Africa is rigorous and complex, but after thorough adherence the movement does take place. The learnings have been steep but we are now enjoying the sales rewards of the QBV Southern Mozambique project.

Bananas continue to be in Crookes Brothers' and our JVs growth strategy. We are planting bananas on our farm in eSwatini and we have plans to increase production in our JVs in Komatipoort and Southern Mozambique.

BANANAS (R/TON)



MACADAMIA NUTS

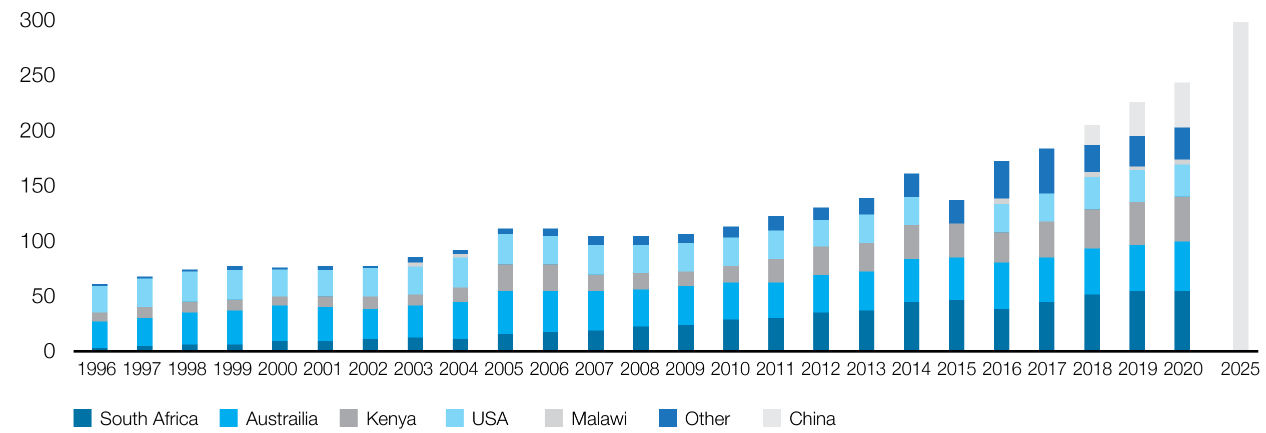
The global demand for macadamia nuts have continued to be reasonably strong. New plantings continue in the commercial growing regions of South Africa, Australia and in China. Despite these plantings, sentiment remains positive and prices reflect a strong demand for new developments.

The whole nut in shell (WNIS) market remains very competitive with good terms and very little credit risk. The WNIS market is primarily a Chinese market and it continues to provide us with good low risk returns. We expect that this will not always be the case and therefore we continue to provide some product for cracking into the kernel market. Macadamias are not a large component of the total tree-nut market with a global market share of just over 1.2%. Nuts continue to enjoy the reputation of being a stable healthy snack option.

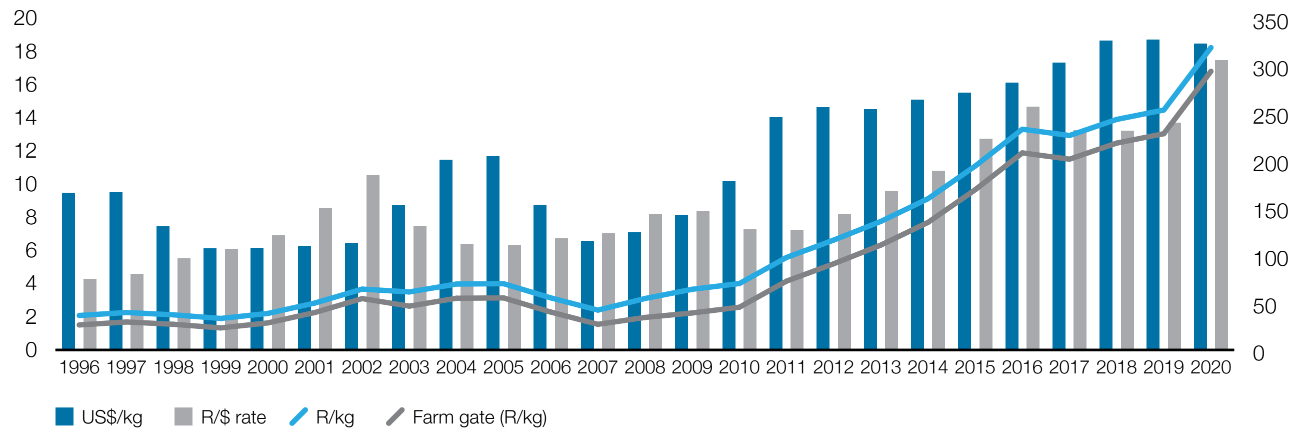
China is the critical target market for our WNIS product and despite the strict lockdown there in the early part of the COVID-19 pandemic, we continued with our WNIS programs for the current campaign. Logistics were difficult with far-reduced vessel and container availability, coupled with some freighters not being prepared to take perishable products. Nonetheless, we still managed to find a way to get our nuts to China. We are seeing good dollar prices with really weak local currency exchange rates, thus returning very good sales prices at farm gate.

The Chinese plantings remain the one factor that could negatively impact global prices. Accurate information on the growth of this supply is difficult to come by but should Chinese production reach the projected numbers this would put pressure on the WNIS markets, thus requiring an enhanced focus on the "kernel" market. We see the macadamias as fully priced at the moment and our models assume slight downward pressure on the hard currency price going forward.

GLOBAL MACADAMIA PRODUCTION (TONS'000/KERNAL EQ)



HISTORICAL AVERAGE MACADAMIA KERNEL PRICES (1996 to 2020)



PROPERTY

The SA property market continues to weaken, with both the flagging economy and the COVID-19 lockdown taking their toll. It is too early to tell whether the retirement-related residential property sector will buck the trend. Indications are that underlying demand remains relatively firm, despite purchasing decisions being delayed due to uncertain economic recovery prospects.

In spite of deteriorating market conditions, the up-market Renishaw Hills mature lifestyle development has, since inception, sold 139 units and the village is now home to over 200 residents. The success of this flagship residential development continues to fulfil its mandate to add value to surrounding land.

In addition to the Renishaw Hills development the company owns another 232 ha of land with development rights in the Scottburgh area. The Renprop team is still actively pursuing land sales and is in the process of developing an overarching land sales strategy for the whole precinct. The land around the Scottburgh interchange is in the final stages of the municipal rezoning process. This will immediately release a number of commercial, residential and light industrial development opportunities, which will be actively marketed over the next year.

The excellent relations with the local communities within the Scottburgh/Umdoni area remain beneficial to the development. Negotiations are at an advanced stage to further cement relationships with the transfer of a 143 ha portion of farmland to the KwaCele Community.

OUR REBRAND

OUR BUSINESS HAS GROWN AND EVOLVED OVER THE YEARS, AND WE FELT IT WAS TIME FOR OUR LOGO TO REFLECT THAT CHANGE. THE NEW CONTEMPORARY LOGO IS SYMBOLIC OF WHO WE ARE TODAY. AFTER CAREFUL CONSIDERATION, WE CHOSE A NEW LOGO THAT REFLECTS A MORE MODERN LOOK AND CAPTURES OUR VISION TO BE A TRAILBLAZER IN THE AGRICULTURAL SECTOR. THE LOGO REPRESENTS SUSTAINABILITY AND GROWTH AND THE COLOUR PALLET REFLECTS THE INDUSTRY'S NATURAL CYCLE.

The sun symbolises hope for a bright future, vital energy and limitless power and potential.

Our agriculture fields are represented in green. The use of green symbolises the wholesomeness of our harvest as we continue to promote sustainable production of clean and nourishing food.

Blue represents water. Water is the lifeblood of our industry without which there can be no food or life. Blue also represents our planet and our responsibility as custodians to improve our world for future generations.

Leaves are symbolic of productiveness and growth. The leaves also represent our people. The leaves are depicted in two different sizes and colours, not just as a symbol of growth, but as a metaphor for our transformation as well.

CROOKES
BROTHERS

We chose a font that exudes a clean, modern and bold feel. Even though the word "Brothers" is written in a thinner font than "Crookes", it still pays homage to our heritage and the element of family that will always remain integral to our business.

GOVERNANCE

CORPORATE GOVERNANCE REPORT

GOVERNANCE, ETHICS AND COMPLIANCE STRUCTURES

APPLICATION OF KING IV

The Board of Directors is committed to the principles of good corporate governance as set out in the principles and practices under the King IV Code on Good Corporate Governance.
The Board recognises that Crookes Brothers operates in the triple context of the economy, society and the environment, which are impacted by a world of diminishing resources.

The Board's response is set out, under its strategy, but is also guided by the King IV framework which can be found on the Crookes Brothers website.

The Board of Directors has satisfied itself that the Group during the period under review has complied in all material respects with JSE Listings requirements and within the framework of King IV.

BOARD OF DIRECTORS

The Group has a unitary Board structure, which comprises a majority of Non-executive Directors, most of whom are independent. Brief biographical details of each of the Directors are set out on pages 20 and 21 of this Integrated Annual Report.

The responsibility for the functioning of the Board and the executive responsibility for managing the business are separated and the chairman is an Independent Non-executive Director.

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

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

Appointments to the Board are made after consideration of the recommendations of the Nominations Committee and are subject to confirmation by shareholders at the first Annual General Meeting after appointment.

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

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

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

BOARD COMMITTEES

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

The Board formally delegates responsibilities to the Audit Committee, the Risk Committee, the Remuneration Committee, the Nominations Committee, the Social and Ethics Committee and the Agricultural Committee.

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

Independent Non-executive Directors Chair the Board committees and membership of the committees is made up predominantly of Non-executive Directors. The Chairmen of the Board committees attend the Annual General Meeting in order to respond to shareholder queries.

The Chairmen and members of the Board committees are appointed annually at the first Board meeting after the Annual General Meeting. Audit Committee members are elected each year at the Annual General Meeting of shareholders.

AUDIT COMMITTEE

The Audit Committee is a statutory committee in terms of the Companies Act. The Audit Committee report, which includes details of its responsibilities and activities, is included in the Summarised Consolidated Financial Statements on pages 75 and 76 of this report.

MEMBERSHIP:

Director	Qualifications	Designation	Appointed
Larry Riddle*	BCom, BAcc (Hons), CA(SA)	Independent non-executive	Apr 2019
Malcolm Rutherford	BCom, BAcc, CA(SA)	Independent non-executive	Jan 2009
Tasneem Abdool-Samad[1]	BCom, Dip Acc, CA(SA)	Independent non-executive	July 2017
Richard Chance	BA LLB, CSEP (Columbia)	Independent non-executive	Feb 2019

* *Chairman as at 25 April 2019.*
[1] *Tasneem Abdool-Samad resigned from the Board on 25 April 2019.*

COMPOSITION AND PROCEEDINGS:

An Independent Non-executive Director Chairs the committee, which consists exclusively of Independent Non-executive Directors. The Group Chief Executive Officer, Group Financial Director, Group Financial Manager, Group Internal Audit Manager attend meetings by invitation but do not have a vote. In addition, representatives of the external auditors attend committee meetings to answer queries. The committee is required to meet at least twice a year.

ROLE:

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

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

REMUNERATION COMMITTEE

MEMBERSHIP:

Director	Qualifications	Designation	Appointed
Phumla Mnganga*	BA, BEd, MBL, PhD	Independent non-executive	Aug 2014
Malcolm Rutherford	Bcom, Bacc, CA(SA)	Independent non-executive	Feb 2019
Richard Chance	BA LLB, CSEP (Columbia)	Independent non-executive	Feb 2016

* *Chairman*

COMPOSITION AND PROCEEDINGS:

An Independent Non-executive Director chairs the committee, which consists exclusively of Non-executive Directors, whom are all independent. The Group Chief Executive Officer attends the meetings by invitation, but does not participate in discussions regarding his own remuneration. The committee is required to meet at least twice a year.

ROLE:

The overall objective of the committee, which operates under formal terms of reference approved by the Board, is to ensure that the Company remunerates Directors, executives, senior management and all employees fairly and responsibly.

The remuneration philosophy and practices are described in the Group's remuneration policy, which is reproduced in full on pages 42 to 44 of this Corporate Governance Report.

NOMINATIONS COMMITTEE

MEMBERSHIP:

Director	Qualifications	Designation	Appointed
Malcolm Rutherford*	Bcom, BAcc, CA(SA)	Independent non-executive	Feb 2019
Phumla Mnganga	BA, BEd, MBL, PhD	Independent non-executive	Feb 2014
Gary Vaughan-Smith	BSc, MPhil, FIA	Non-executive	Aug 2013
Richard Chance	BALLB, CSEP (Columbia)	Independent non-executive	Feb 2016

* *Chairman*

COMPOSITION AND PROCEEDINGS:

An Independent Non-executive Director Chairs this committee, which consists exclusively of Non-executive Directors, the majority of whom are independent. The Group Chief Executive Officer attends the meetings by invitation. The committee is required to meet twice a year.

ROLE:

The objective of the Nominations Committee is to ensure that the Board has the appropriate composition to execute its duties effectively. It is mandated to review and make representations to the Board on the structure, size and composition of the Board and its committees, as well as subsidiary Boards. New appointments to the Board are subject to the recommendations of this committee.

RISK COMMITTEE

MEMBERSHIP:

Director	Qualifications	Designation	Appointed
Richard Chance*	BA LLB, CSEP (Columbia)	Independent non-executive	Feb 2019
Tim Crookes	M Agric Mgt	Non-executive	Feb 2016
Tim Denton		Non-executive	Feb 2016
Larry Riddle*	BCom, BAcc (Hons), CA(SA)	Independent non-executive	Apr 2019
Kennett Sinclair	BAcc, BAcc (Hons) CA(SA), CFA	Executive	Aug 2019
Greg Veale	BCompt, BCom (Hons), CA(SA)	Executive	Feb 2016
Guy Clarke[1]	MSc (Eng), MBA, Adv Tax Cert	Executive	May 2010

* *Chairman*
[1] *Guy Clarke retired on 31 July 2019.*

COMPOSITION AND PROCEEDINGS:

The committee consists of four Non-executive Directors, one of whom chairs the meetings, the Group Chief Executive Officer and the Group Financial Director. The Managing Director of Crookes Brothers South Africa, the Group Financial Manager, Group Chief Operating Officer and Group Human Resources Executive attend meetings by invitation. The committee is required to meet at least twice a year.

ROLE:

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

There is an ongoing process for identifying, evaluating and managing the strategic risks faced by the Group. These are subject to review and discussion at both Risk Committee and Board meetings.

SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee is a statutory committee in terms of the Companies Act.

MEMBERSHIP:

Director	Qualifications	Designation	Appointed
Phumla Mnganga*	BA, BEd, MBL. PhD	Independent non-executive	Aug 2011
Richard Chance	BALLB, CSEP (Columbia)	Independent non-executive	Feb 2016
Kennett Sinclair	BAcc, BAcc (Hons), CA(SA), CFA	Executive	Aug 2019
Guy Clarke[1]	MSc (Eng), MBA, Adv Tax Cert	Executive	Aug 2011
Greg Veale	Bcompt, Bcom (Hons), CA(SA)	Executive	Feb 2016

* *Chairman*
[1] *Guy Clarke retired on 31 July 2019.*

TERMS OF REFERENCE:

The Social and Ethics Committee has adopted formal terms of reference in the form of a charter, approved by the Board of Directors.

COMPOSITION AND PROCEEDINGS:

The committee consists of two Non-executive Directors, one of whom chairs the meetings, the Group Chief Executive Officer and the Group Financial Director. The Managing Director of Crookes Brothers South Africa, the Group Human Resources Executive and Group ESG Manager attend meetings by invitation. The committee is required to meet at least twice a year.

PRIMARY OBJECTIVE AND ROLE:

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

The committee's role is to monitor the Group's activities with regard to these issues, to draw matters within its mandate to the attention of the Board and to report to shareholders at the Annual General Meeting.

COMMITTEE ACTIVITIES:

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

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

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

CODES OF BEST PRACTICE:

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

ASSURANCE:

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

P. Mnganga

Phumla Mnganga
Social and Ethics Committee Chairman

AGRICULTURAL COMMITTEE

MEMBERSHIP:

Director	Qualifications	Designation	Appointed
Tim Denton*		Non-executive	Aug 2019
Richard Chance	BA LLB, CSEP (Columbia)	Independent non-executive	Aug 2019
Tim Crookes	M Agric Mgt	Non-executive	Aug 2019
Larry Riddle	BCom, BAcc, CA(SA)	Independent non-executive	Aug 2019
Kennett Sinclair	BAcc, BAcc (Hons), CA(SA), CFA	Executive	Aug 2019
Rory Niven	BCom	Executive	Aug 2019

* *Chairman*

TERMS OF REFERENCE:

The Agricultural Committee has adopted formal terms of reference in the form of a charter, approved by the Board of Directors.

COMPOSITION AND PROCEEDINGS:

The committee came into existence on 22 August 2019 and consists of four Non-executive Directors, one of whom chairs the meetings, the Group Chief Executive Officer and the Chief Operating Officer. The committee is required to meet four times a year.

ROLE:

The committee is a voluntarily constituted subcommittee of the Board. The primary objective of the committee is to assist the Board in discharging their responsibilities in relation to the agronomic performance of the Company in achieving the Company's strategy and recommending changes to agricultural production related aspects of the strategy.

The Agricultural Committee provides advice and oversight relating to the Company's operational excellence in production of certain agricultural goods and services, its sales and marketing of its products to ensure optimal returns, its product mix to ensure optimal crop and geographic diversification, its pipeline of projects to ensure the optimal mix of short-term, medium-term and longer-term returns, its availability of human, energy and water resources, its application of innovative farming practices and optimal use of available technology.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS 2020/21

		Board	Audit	Risk	Rem	Nom	S&E	Agri
Independent Non-executive Directors								
MT Rutherford	Chairman and Nomination Committee Chair	5/5	2/2		3/3	3/3		
T Abdool-Samad[1]		1/5	0/2					
P Mnganga	Remuneration and Social and Ethics Committee Chair	5/5			3/3	3/3	2/2	
RGF Chance	Risk Committee Chair	5/5	2/2	2/2	3/3	3/3	2/2	3/3
LW Riddle[2]	Audit Committee Chair	5/5	2/2	2/2				3/3
Non-executive Directors								
TJ Crookes		5/5		2/2				3/3
TK Denton	Agricultural Committee Chair	5/5		2/2				3/3
G Vaughan-Smith		5/5				3/3		
Executive Directors								
GS Clarke[3]	Group Managing Director	2/5		2/2			1/2	
KA Sinclair[4]	Group Chief Executive Officer	3/5		2/2			1/2	3/3
GL Veale	Group Financial Director	5/5		2/2			2/2	

[1] *Resigned 25 April 2019.*
[2] *Appointed 25 April 2019.*
[3] *Retired 31 July 2019.*
[4] *Appointed 1 August 2019.*

EXECUTIVE COMMITTEE

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

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

COMPANY SECRETARY

The Board is guided by a suitably qualified Company Secretary, Ziyanda Ngwenya, whose competence and expertise is regularly assessed in accordance with the JSE Listings Requirements.

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

JSE SPONSOR

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

INFORMATION TECHNOLOGY (IT)

The Board has assigned the responsibility of monitoring IT governance to the Risk Committee and has adopted the practices under Principle 12 of King IV recommendations.

INTERNAL AUDIT

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

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

The head of internal audit reports administratively to the Group Financial Director and functionally to the Chairman of the Audit Committee to whom he has unrestricted access.

INTERNAL CONTROLS

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

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

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

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

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

FINANCIAL STATEMENTS

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

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

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

In the opinion of the Directors, the Group has adequate resources to continue in operational existence for the foreseeable future. Financial gearing, cash flows and access to equity and loan capital are considered to be sufficient to fund existing activities. For this reason, the Directors continue to adopt the going-concern basis in preparing the Annual Financial Statements.

CONFLICTS OF INTEREST

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

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

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

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

ACCESS TO INFORMATION

The Group complies with the requirements of the Promotion of Access to Information Act, 2000. The relevant information is available on application from the Group head office. No request for access to records was received during the year under review.

REMUNERATION REPORT

BACKGROUND STATEMENT AND REMUNERATION POLICY

The objective of the Group's remuneration management strategy is to facilitate the expression of the Group's value of outperforming by working smart. The essence of the Group's remuneration management strategy is to employ the necessary skills for the Group to achieve its strategic objectives and to base remuneration on personal and Group performance in accordance with competitive market practices.

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

The Board has delegated responsibility for oversight of the Group's remuneration management policy and practices to the Remuneration Committee as indicated in the Board committees section of the Corporate Governance report on page 37.

The Remuneration Committee has adopted a long-term incentive plan to replace the current share option plan, which is more fully disclosed later in this report.

REMUNERATION POLICY

PREAMBLE

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

OBJECTIVES

The policy has the following key objectives:

- To support the Group's vision of becoming a leader in vertically integrated food production in southern Africa, which is sought after for its robust long-term shareholder returns, and its ethos of partnership and impact;
- To support the Group's objective of becoming employer of choice in regions in which it operates;
- To attract and retain people with the right skills, expertise, experience and commitment to achieve the required growth and financial performance to realise the Group's strategic objectives of geographic and crop diversification and vertical integration;
- To reflect the Group's culture of equity and fairness, in correlating levels of remuneration with individuals' contribution, roles and responsibilities;
- To take account of scarce skills and regional variances in order to attract appropriate skills;
- To instill a high performance culture and to encourage working smart behaviour by rewarding individual and team outperformance; and
- To enable employees to share in the financial success of the Company.

REMUNERATION STRUCTURE

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

- Fixed remuneration, including base pay and benefits (all permanent staff);
- Short-term incentive, based on achievement of short-term financial and strategic objectives (Paterson bands B2 to F1); and
- Long-term incentive, comprising share options, based on achievement of long-term financial and strategic objectives, to reward senior executives for increasing returns to shareholders (Paterson D, E and F bands). A Deferred Bonus Scheme will be introduced from 2020 to replace the option plan.

FIXED (GUARANTEED) REMUNERATION

The following basic structure applies in terms of fixed remuneration:

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

SHORT-TERM INCENTIVE

Performance-based incentive pay is offered to employees ranked Paterson grade B2 and above.

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

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

The performance ratings of employees ranked D4 and below are reviewed by the Executive Committee and those for executives by the Remuneration Committee of the Board to ensure that the ratings are equitable and consistent.

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

LONG-TERM INCENTIVE

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

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

OUTLOOK FOR 2020

Following ongoing dialogue on the long-term incentive plan the Remuneration Committee considered key changes to the long- term incentive plans in the context of market practice. Subsequent to this review, the Board will (on recommendation by the Remuneration Committee), propose at a general meeting of shareholders that the Crookes Brothers Share Option Scheme be replaced by a simplified, transparent market-related incentive plan in the form of the Crookes Brothers Limited Deferred Bonus Scheme 2020 (the Scheme). The Scheme provides for a portion of an employee's bonus to be settled in deferred bonus shares.

Performance measures under the Scheme are generally assessed on grant when the annual bonus is awarded, but in some cases, performance conditions will assessed over the prospective vesting period. Awards of deferred bonus shares generally vest after 3 (three) years subject to continued employment and any applicable further performance conditions, which incentivises decision making that promotes long-term sustainability. *Ad hoc* deferred bonus shares may be awarded from time to time to address specific remuneration requirements, but the primary intention is to use the bonus deferral method, with annual performance delivered in the year to determine the quantum of the award.

These deferred bonus awards are fully subject to performance when the annual bonus is determined for the year, and the applicable targets for the short-term incentive are disclosed in detail in the implementation report.

Deferred bonuses may be settled by:

- issuing shares;
- using treasury shares; or
- purchasing shares in the market.

No more than 763 200 shares, being approximately 5% (five percent) of the Company's authorised shares can be used in settlement of deferred bonuses in aggregate under the Scheme. A maximum of 152 640 shares, being approximately 1% (one percent) of the Company's authorised shares applies to each individual participant.

Participants will enjoy all shareholder rights, including dividends and voting rights from the settlement date. However, the deferred bonus shares will be held by an escrow agent until the vesting date. The deferred bonus shares will be restricted, and are forfeitable in the case of termination of employment and in the case that any applicable performance conditions are not met.

In the case of termination of employment due to resignation, retirement before normal retirement age or dismissal for disciplinary reasons, all unvested awards will be forfeited.

In the case of death, retirement at normal retirement age, injury, ill-health, disability or dismissal for operational reasons, unvested awards will vest early, but will be *pro-rated* to take account of:

(i) the time served over the vesting period; and

(ii) any applicable performance conditions. Similarly, in the case of change of control, a time-prorated portion of unvested awards will vest, also subject to any applicable performance conditions.

In the case of variance in share capital, adjustments may be made to place participants in no worse a position than they were prior to the occurrence of the relevant event.

Awards are subject to *malus* and clawback conditions, in line with emerging best practice. No further awards will be made under the existing Share Option Scheme.

GOVERNANCE

The Board Remuneration Committee meets bi-annually to consider strategic and policy issues, review remuneration of Non-executive Directors, approve salary increases for executives and senior management, approve the performance bonus and approve the granting of long-term incentives.

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

The Remuneration Committee comprises three Non-executive Directors and is chaired by an Independent Non-executive Director. The Chief Executive Officer attends the meetings by invitation and assists the committee in its deliberations except when issues relating to his own remuneration or performance are discussed. No Executive Directors are involved in determining their own remuneration.

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

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

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

Over and above their remuneration as members of the Board and its various committees, Non-executive Directors are compensated at market-related rates for undertaking consulting work for the Company.

PERFORMANCE BONUS POLICY

All employees occupying positions Paterson grade B1 and above, qualify for a performance-based incentive bonus. The quantum of the bonus typically ranges from 20% to 60% of total cost-to-company (TCTC), based on grade. The performance of each eligible employee is evaluated in terms of a "balanced scorecard".

- For senior executive's, Paterson grade D4 and above, production/profit targets constitute 30% of the scorecard, subjective competency and strategic targets constitute the remaining 70%.
- For employees Paterson grade C3 to D3, production/profit targets constitute 40% of the scorecard, subjective competency targets constitute 40% and strategic targets constitute the remaining 20%.
- For employees Paterson grade B1 to C2, competency based targets constitute 80% of the scorecard and tactical objectives constitute the remaining 20%.

The total bonus payable to each eligible employee is adjusted in accordance with a Group profitability target, based on return on capital employed, set annually by the Remuneration Committee, the adjustment being in the ratio of achieved return to target return. No bonuses are paid if the achieved return is less than 70% of the target return.

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

IMPLEMENTATION REPORT

The headline earnings target for the 2019 financial year was set at R85 million and the Group achieved a headline loss of R7.4 million.

GROUP PERFORMANCE AGAINST KPIs

		2019/20		2020/21
Parameter	Measure	Target	Actual	Target
Profitability				
Headline earnings/(loss)	R million	**85**	**(7.4)**	50
Production				
Cane	'000 tons	**714**	**680**	647
	RV/suc/ERC %	**13.48**	**13.34**	13.44
Deciduous (2020 crop)	tons	**35 821**	**31 374**	34 826
	packout %	**71.4**	**60.0**	56.0
Bananas	tons	**22 209**	**19 714**	21 288
	cl 1%	**71.0**	**64.0**	66.6
Macadamias (2020 crop)	tons DNIS	**807**	**326**	920
	usk %	**2.0**	**1.5**	1.5
Renishaw Hills	unit sales	**45**	**35**	24

STRATEGIC

Parameter/target 2020	Achievement 2020
Disposal of under-performing and non-strategic assets	Partially achieved through disposal of aeroplane and Shalimar and Strathmore farms for in aggregate R63.5 million.
Expand community JVs	No new JVs formed, but significant improvement in relationship and governance achieved at Mawecro and Mthayiza.
Make further Renishaw land sales	Sales agreements signed for the Hospital site and for the Craigieburn section of the development for R28 million in aggregate.
Expand Macadamia orchards by 70 ha	Expansion placed on hold.
Harvest first 80 ha of bananas at Quinta Da Bela Vista	First Bananas from QBV were delivered to Lebombo just after year-end.
Renew long-term wage agreements	Multiyear agreement concluded at Mthayiza.

Parameter	Target 2021
Production	Ensure that the systems and practices are in place to make Crookes Brothers a "top third" producer in all crops.
Production	Expand eSwatini into a fully integrated multi-dimensional asset by planting 100 ha of bananas and completing a feasibility study on other alternative crops.
Finance	Raise long term project funding from a Development Finance Institution for the expansion of MML and QBV.
Finance	Restructure balance sheet to ensures periodicity funding matches cash flow from assets.
Human Resources	For the purposes of creating a high-performance culture and operating environment, implement the recommendations of the 2019 Cultural Assessment.
Human Resources	To further the objective of becoming a learning organisation, implement an online academy and ensure buy-in from and utilisation by all staff.
Renishaw Hills	Driving sales and marketing to achieve sales targets.
Renprop	Extract maximum value from Renprop by creating a business plan for Renprop as whole and developing an overarching sales strategy for the whole precinct.
Corporate	Add at least one JV opportunity in SA.

The headline earnings target for the forthcoming year has been set at R50 million.

DIRECTORS' FEES AND REMUNERATION

EXECUTIVE DIRECTORS

Executive Directors are remunerated in accordance with the remuneration policy. Below is a table which sets out Executive Director's fees for the past two years.

	Salary R'000	Take-on and exit bonus, and relocation costs R'000	Bonus R'000	Retirement and medical aid contributions R'000	Share options exercised R'000	Other benefits R'000	Total R'000
For the year ended 31 March 2020							
GS Clarke	**3 771**	**1 026**	**–**	**187**	**–**	**180**	**5 164**
KA Sinclair	**1 963**	**641**	**–**	**381**	**–**	**58**	**3 043**
GL Veale	**2 522**	**–**	**197**	**494**	**–**	**96**	**3 309**
RF Niven*	**1 716**	**60**	**145**	**317**	**–**	**100**	**2 338**
Total	**9 972**	**1 727**	**342**	**1 379**	**–**	**434**	**13 854**
For the year ended 31 March 2019							
GS Clarke	3 229	–	356	505	119	180	4 389
GL Veale	2 019	–	269	449	–	96	2 833
AG Duncan*	1 705	–	–	306	–	80	2 091
Total	6 953	–	625	1 260	119	356	9 313

* *Prescribed officer*

NON-EXECUTIVE DIRECTORS

Non-executive Directors do not have employment contracts with the Company and are paid for their services as both Directors and Board-appointed committee members and in accordance with the Group's remuneration policy.

Fees for Non-executive Directors are recommended by the Remuneration Committee, endorsed by the Board and approved by shareholders at the next Annual General Meeting.

Full details of the proposed Non-executive Director's fee for the year ending 31 March 2021 are detailed in the Directors' Report in the Annual Financial Statements. The Board endorsed the Remuneration Committee's recommendation of a 5.5% increase in Director's fees for the year ending 31 March 2021.

Non-executive Director's fees for the year ended 31 March 2020 amounted to R2.655 million (2019: R2.754 million) and are detailed as follows:

	Directors' fees 2020	Directors' fees 2019	Committee fees 2020	Committee fees 2019
JR Barton[1]	**–**	460	**–**	47
MT Rutherford	**500**	200	**125**	178
LW Riddle	**225**	–	**180**	–
P Mnganga	**225**	200	**120**	94
T Abdool-Samad[2]	**–**	200	**–**	67
RE Stewart[3]	**–**	200	**–**	150
G Vaughan-Smith	**225**	200	**30**	14
TJ Crookes	**225**	200	**60**	38
RGF Chance	**225**	200	**215**	68
TK Denton	**225**	200	**75**	38
Total	**1 850**	2 060	**805**	694

[1] *Retired from the Board 1 March 2019.*
[2] *Retired from the Board 25 April 2019.*
[3] *Retired from the Board 18 March 2019.*

THE CROOKES BROTHERS SHARE OPTION SCHEME

As approved at an Annual General Meeting of shareholders, a total of 1 200 000 ordinary shares is reserved and placed under the control of the Directors for the purpose of the Crookes Brothers Share Option Scheme for senior employees.

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

OPTIONS GRANTED AND UNEXPIRED AS AT 31 MARCH 2020

	Options as at 31 March 2019	Options granted during the year	Weighted average option price (cents)	Options forfeited/ expired during the year	Options exercised during the year	Exercise price (cents)	Options as at 31 March 2020
Executive Directors and Prescribed Officers							
GS Clarke	113 000	**–**	**5 443**	**(15 000)**	**–**	**–**	**98 000**
KA Sinclair	–	**35 000**	**4 471**	**–**	**–**	**–**	**35 000**
GL Veale	67 000	**15 000**	**5 151**	**–**	**–**	**–**	**82 000**
Management	207 000	**–**	**5 567**	**–**	**–**	**–**	**207 000**
Total	387 000	**50 000**	**5 366**	**(15 000)**	**–**	**–**	**422 000**

OPTIONS AVAILABLE AT 31 MARCH 2020, FOR FURTHER GRANTS

	Number of shares
Shares reserved for the share option scheme	**1 200 000**
Shares issued to the end of the financial year	**(430 000)**
Options granted and unexpired as shown above	**(422 000)**
Balance available	**348 000**

ENDORSEMENT OF THE REMUNERATION POLICY AND IMPLEMENTATION REPORT BY WAY OF A NON-BINDING ADVISORY VOTE

The King IV Report on Corporate Governance for South Africa 2016 (King IV) recommends, and the JSE Limited Listings Requirements (Listings Requirements) require, that the remuneration policy and implementation report of a company be tabled for a non-binding advisory vote by shareholders at each Annual General Meeting. This enables shareholders to express their views on the remuneration policies adopted as well as the implantation of these policies expressed in the implementation report. This vote is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences on the existing remuneration arrangements.

The Board undertakes to engage with dissenting shareholders in good faith in the event that a vote of 25% or more is recorded against the remuneration policy and implementation report, to ascertain with best reasonable effort the reasons for the dissenting votes, and to address legitimate and reasonable objections which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes. Dissenting shareholders will be invited to engage with the Company and to communicate their concerns to the Company Secretary by no later than 20 business days after the Annual General Meeting.

The Board will take the outcome of the vote, and any subsequent engagement with dissenting shareholders, into consideration when considering amendments to the Company's Remuneration Policy.

OUR PERFORMANCE

STRATEGIC PERFORMANCE

OUR VISION IS TO BE RECOGNISED AS A LEADER IN VERTICALLY INTEGRATED FOOD PRODUCTION IN SOUTHERN AFRICA, WHICH IS SOUGHT AFTER FOR ITS ROBUST LONG-TERM SHAREHOLDER RETURNS AND ITS ETHOS OF PARTNERSHIP AND IMPACT, THROUGH EMBRACING THE VALUES OF A LEARNING ORGANISATION. OUR VISION IS REFLECTED IN THE FOUR STRATEGIC PILLARS:

PILLAR 1 – BE A TOP THIRD FARMER THROUGH SUSTAINABLE PRACTICES

"To make a meaningful contribution to the global challenge of food security by being the benchmark for sustainable production and business best practice that our employees and partners are proud of."

OPERATE AND ACQUIRE THE BEST FARMS IN THE BEST AREAS

The business owns a portfolio of excellent farms within excellent crop-specific growing areas. There are some exceptions and good progress has been made with the disposal of these assets that are not in optimal growing regions and thus not generating returns commensurate with our target expectations. In line with our strategy to reduce our exposure to South African sugar cane, the Strathmore and Shalimar sugar cane farms in Mpumalanga have been sold and we are also in the process of selling our Riversbend Estate near Nkwalini.

MATCH FINANCING AND PRODUCTION CASH FLOWS

R63.5 million has been raised from the sale of the Shalimar sugar cane farm and our aeroplane. In addition, sales agreements have been signed for the Hospital site and for the Craigieburn section of the Renprop development for R28 million in aggregate. However, the failure of the R100 million Renishaw Hills transaction still left our cash reserves lacking, but management has negotiated extended overdraft facilities through excellent, and continually fostered, relationships with our primary bankers. Management's attention is still focused on bringing the company's debt down to an acceptable level and to improve the periodicity so that the debt repayment profile matches the Group's future cash flows. The estimated proceeds from the various sales of assets will be used to settle the overdrafts at a Group level.

We have secured development finance facilities for expansion at Murrimo Macadamias Limitada (MML) and Quinta Da Bela Vista (QBV) of $8 million and $3 million respectively. We are on track to receive these loans during September 2020.

We have also convinced Two-a-Day management to investigate the use of fruit in storage as a means to provide trade finance. They have started the investigation in earnest. In Renprop we successfully negotiated the extension by a further three years of the repayment of the R60 million development loan that becomes payable at the end of June 2021. In addition, the bank agreed to increase the facility to R80 million which will allow Renprop to be self-funding without a requirement for further funding from the Group. We are also investigating other funding options such as mezzanine debt in place of the bank overdrafts at a Group level.

DEVELOP OUR FARMS TO THEIR UTMOST POTENTIAL

With the development financing in place we will be in a position to plant a further 330 ha of macadamia nuts at MML in Gurue over the next two years. Once the water availability at QBV improves we plan to expand the banana operations there from the current 117 ha planted during the last two years to 280 ha. We also plan to expand our eSwatini Estate into a fully integrated multi-dimensional asset by planting, in addition to the 25 ha of bananas planted there during May 2020, a further 205 ha of bananas over a period of three years. We will also be conducting a feasibility study on citrus and macadamia nuts at the eSwatini Estate.

PILLAR 2 – OFFER INDUSTRY LEADING RISK-ADJUSTED RETURNS TO SHAREHOLDERS

"Become a leader in vertically integrated food production in Southern Africa that investors seek for robust long-term returns."

DIVERSIFY FURTHER INTO HIGH VALUE CROPS

The pie charts below show that as the Group sells some of its sugar cane farms, expands its Macadamia and banana operations and the deciduous plantings come into maturity, the Group's profit will diversify away from sugar cane somewhat over the next few years.

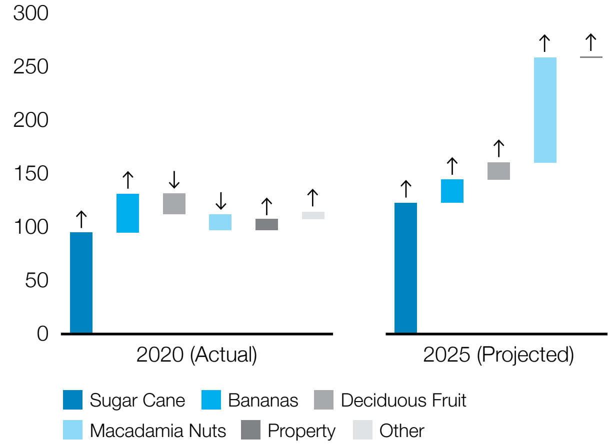
Nonetheless, the Group will then still be too reliant on two commodities – sugar cane and macadamia nuts – which necessitates the further diversification into more high value crops. The reduction of our current exposure to certain crops and the investment into new crops is a goal, but will not be rushed. The Group will only invest into new crops if it can successfully obtain a meaningful market representation in that chosen crop that allows us to vertically integrate our operations to a point where investors value the Group's earnings contribution over the net asset value.

ACHIEVE GEOGRAPHIC DISPERSION TO MITIGATE ENVIRONMENTAL AND POLITICAL RISKS

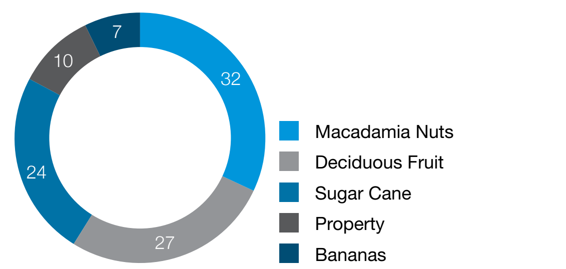
The business owns a portfolio of excellent farms within a good mix of Mediterranean, sub-tropical and temperate climatic conditions. As is evident from the adjacent graph, the Group's capital allocation to Western Cape pome fruit is proportionately too high compared to its contribution to profits. Therefore the Board has decided to reduce the Group's exposure in the Western Cape pome area. Although it is one of the best farms in the region from a climatic and water resource point of view, our High Noon Estate near Villiersdorp has a large proportion of old, and therefore low producing and unprofitable, orchards and, compared to our other deciduous farms, requires extensive investment into replanting. For these reasons we have put High Noon up for sale and a number of parties have expressed an interest in acquiring this asset.

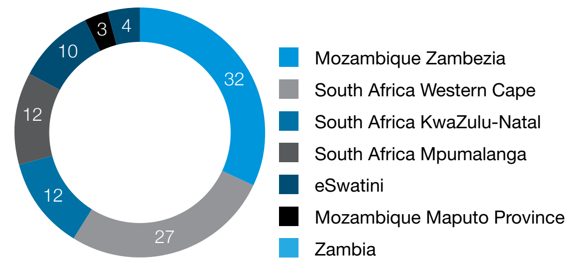
Even though the Group is geographically well diversified already, reducing our exposure to pome fruit in the Western Cape, will decrease our Capital Allocation to South Africa to below 50%. The Group will continue looking for other food and agricultural opportunities in Sub-Sahara Africa, including South Africa.

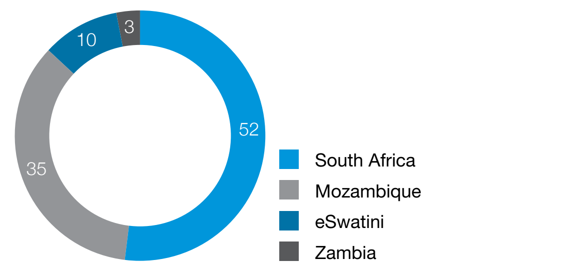
OPERATING PROFIT BEFORE UNALLOCATED OVERHEADS (R'm)



CAPITAL ALLOCATION NET OF DEBT







PILLAR 2 – OFFER INDUSTRY LEADING RISK-ADJUSTED RETURNS TO SHAREHOLDERS CONTINUED

ADD VALUE THROUGH PARTNERSHIPS IN THE VALUE CHAIN AND ACQUIRE PROCESSING AND MARKETING BUSINESSES OF CROPS THAT WE ALREADY PRODUCE OR THAT WE ARE DESIROUS OF PRODUCING IN FUTURE

Through our direct shareholding of 29.9% in Lebombo Growers (Lebombo) and 16.68% in the Two-a-Day Group (Two-a-Day) and through our indirect shareholding of 8.3% in Tru-Cape Fruit Marketing (Tru-Cape), we have successfully vertically integrated up the value chain in our banana production and our deciduous fruit production respectively.

However, since we do not have control over Lebombo, Two-a-Day or Tru-Cape, it is difficult to extract synergies at this level of vertical integration. In addition, in our sugar cane business we are a price taker as our operations have no interests in the production or marketing of sugar. In our macadamia operations we sell nut-in-shell to wholesalers operating in the Far East and into the kernel market through the large processing and marketing companies in South Africa. Our business does not have any interests in a macadamia processing or marketing company.

Besides not sharing in the margins further up in the value chain in our sugar cane and macadamia businesses, there is also no leverage between Lebombo, the marketer of our bananas, and Two-a-Day and Tru-Cape, respectively the packer and marketer of our deciduous fruit. As a result our operations are seen by potential investors, not as a vertically integrated agri-business, but rather as a collection of farms and are likely to always trade at a discount to the net asset value of the Company.

Our objective is to, in future, work towards leveraging the packing, processing and marketing aspects of all our current operations (excluding sugar cane and Renprop), as well as any future investments in other crops, to incorporate our operations into a truly vertically integrated agri-business.

PILLAR 3 – PRODUCE AND SUPPLY SUPERIOR QUALITY PRODUCTS PROFITABLY

“Produce superior and supply quality products that purchasers select for their clients and clients recommend to family and friends.”

CONSOLIDATE FARMING UNITS TO EXTRACT SYNERGIES

The Group has been successfully consolidating and expanding at farming level. As a result, the Group is already seen by investors as a platform company, with the proven ability to consolidate farming operations across regions in Southern Africa. In addition, the Group already has the scale to attract skilled employees, to automate some of its operations and to practice precision farming.

The Group scale give it the ability to afford a head office function which provides various levels of support to the farms. In the age of acceleration winners will be businesses that take action, and that can pull together diverse *ad hoc* teams quickly in order to solve new problems and act on new solutions. This approach has been exactly the Crookes team’s modus operandi during the COVID-19 meltdown. The approach necessitates the involvement of a flexible and multi-disciplinary corporate head office which employs a hybrid top-down, bottom-up approach to centralisation/decentralisation and which rapidly responds to the needs of each production silo.

CONTINUOUS IMPROVEMENT OF FARMING OPERATIONS THROUGH SKILLED UP WORKFORCE, PRECISION FARMING AND AUTOMATION

During the year the business embarked on a journey of aggregation of marginal gains. Our aim is to achieve a 1% margin for improvement in everything we do.

As part of this process our production team is implementing a Red-to-Green project based on the Plan-do-check-act methodology of continued improvement. The aim of this project is to improve the average performance of our orchards and fields by taking blocks that are underperforming their own potential (red blocks) and improving them to eventually outperform their own potential (green blocks).

PILLAR 4 – DO WHAT IS RIGHT, TO REMAIN PROFITABLE OVER THE LONG-TERM

“To make a significant impact on the growth, development and transformation of our economy and society by developing our people, embracing new technology, conserving our environment and helping improve lives in the communities in which we operate.”

EXPAND EXISTING AND DEVELOPING NEW COMMUNITY PARTNERSHIPS

We currently participate in three community joint ventures which together comprise 2 675 ha under irrigated cane, 323 ha of bananas and 42 ha of deciduous fruit. In 2020 a substantial sum was distributed to the 1 600 households of our community partners through lease fees and dividends, making a substantial impact on the quality of living of our partners.

Significant improvement in the relationships and governance have been achieved at our Mawecro and Libcro (formerly Mthayiza) JVs. A major milestone was achieved when we recently agreed with the Mawewe Communal Property Association to include the farms Nicoskamp and Umkomaas (together 366 ha of sugar cane and 167 ha of bananas), on which the Group’s lease expired at the end of June 2020, into our Mawecro JV for an initial period of ten years.

TAKE ESG SERIOUSLY

The Group’s Environmental, Social and Governance (ESG) performance is assessed annually by external consultants for inclusion into the Silverlands Funds Annual Impact and ESG Report produced by the Group’s largest shareholder, SilverStreet Capital. In compiling this report, the consultants consider the UN Sustainable Development Goals (SDGs), the International Finance Corporation (IFC) Performance Standards, the UN Global Compact and the UN Principles of Responsible Investment (UNPRI). We are proud of our excellent ESG performance and the consistent good feedback we get from the consultants and SilverStreet Capital.

GROW OUR PEOPLE

During the year management commissioned an independent consultant to perform a Cultural Assessment of the Group. A common theme in the report was that in order for the Group to grow significantly over the medium-term it should invest some money now into the development of its people and the HR practices and procedures. For the purposes of creating a high-performance culture and operating environment, we are implementing the recommendations of the Cultural Assessment. Some of the initiatives are the altering of the increase and bonus procedure.

We also wish to move the Group towards becoming a learning organisation (a learning organisation is a Company that facilitates the learning of its members and continuously transforms itself) by focusing on training and development of staff, working smart and embracing a high performance culture. To further the objective of becoming a learning organisation, we will implement an online academy and ensure buy-in from and utilisation by all staff in the coming year. We have also adopted the mantra: “We grow people, our people grow food.”

OPERATIONAL PERFORMANCE

SUGAR CANE

Sugar cane yields for the group were on budget in four of the six regions in which we operate. The two regions that went below budget were eSwatini and Malelane. The budget was set at the yields similar to the prior season which was a record and thus a high bar. The eSwatini growth calendar was around 8% shorter than the previous year due to the mill's shorter crushing season and unusually prolific flowering in certain strains. This flower forced premature harvests at reduced tonnages. We expect a return to the normal growth cycle for the 2020 crop year. Malelane continues to be plagued with water availability problems in early summer and was also afflicted by the prolific flowering that affected some varieties more than others. This resulted in some early harvesting and poorer quality and quantity.

All the other estates had good results and achieved their budgets. Our Zambian estate had a low and late rainfall pattern which was coupled with electricity supply interruptions that will effect yields this coming year. This was more evident in the flood cane than the drip but this has been included into the budgets for 2021. All estates managed to cut their required hectares with limited tonnage carried over. RV% quality was fractionally below budget as a result of the early flowering on selected varieties that effected all estates but Malelane and eSwatini more heavily.

The milling operations were normal without any large hiccoughs except for the eSwatini operation where our cane was two weeks younger than the year before. This was as a result of the mill not being operational for a similar period to last season. The percentage carry over cane remained under budget and very close to zero. Electricity supply interruptions has had a serious impact on Zambia as this affects not only the mill but the massive pumps used to lift water from the Kafue floodplains to the canals that feed the cane operations, including our own.

COVID-19 affected operations in Q4 but the mills opened on time and we have started harvesting as per plan. The knock on effect is more in the sanitary regulations and OH & S procedures and protocols that have been introduced. Adhering to the regulations require constant attention and has some extra cost due to compromises in efficiency. Nevertheless, no single hectare of cane has been harvested late or compromised due to these measures.

The table following reflects this increase in yield through the various regions including the forecast for March 2021.

AVERAGE YIELD (TONS/HA) FINANCIAL YEAR

Estate	2019 t/ha	2020 t/ha	2021 t/ha
eSwatini	116	**96**	106
Komati	121	**112**	120
Mawecro	122	**116**	120
Mpumalanga	104	**95**	94
Renishaw	52	**55**	56
Zambia	119	**137**	128
Mthayiza	101	**92**	102
Average	109	**101**	107

Ratoon plans and the crop disposition remain the cornerstone to the replanting capital allocation strategy. The conversion to drip remains important but this will be tempered by the cash constraints that are manifested by the weaker sugar price. All our farms bar Renishaw are 100% irrigated and will be managed accordingly.

Irrigation and the resulting electricity costs are a large component of our cost profile and it remains a major focus to find ways to contain this cost without compromising the water requirements of the crop. We are considering alternative lower water use crops that are in line with the Board's diversification strategic plans.

Estate	Area under crop ha	Area to be replanted 2020 ha	Area under drip ha
eSwatini	**2 440**	**272**	**1 140**
Komati	**366**	**–**	**61**
Mthayiza	**1 062**	**–**	**595**
Chamotte	**76**	**–**	**38**
Mawecro	**1 613**	**141**	**740**
Zambia	**428**	**51**	**153**
Renishaw	**589**	**65**	**–**
Total	**6 574**	**529**	**2 727**

The prospects for the coming year look promising. The early harvests are very close to budget in both yield and RV%. Decent late summer rains bode well for this crop and the Group has budgeted reasonably high yields that we expect to achieve in this current year.

DECIDUOUS FRUIT

Due to timing of our financial year end we end up with the sum of the parts of two campaigns to account for in our financials. Our 2020 revenue numbers include two thirds of the 2019 harvest and one third of the 2020 harvest.

Our two older farms, Ouwerf and High Noon, still experienced adverse effects from the 2018 drought which manifested in small fruit in the 2019 harvest. While yields showed an improvement in 2019 they were still below budget. The packout percentages at a sample level looked reasonable, but it became evident that a large portion of our fruit was in the "counts"/size curve that peaked on smaller fruit. These sizes are not the premium sizes required for top prices. The result was a reduction in our average price per ton late in the 2019 operating year, further exacerbating a disappointing crop. High Noon was very badly affected and Ouwerf to a lesser extent. The resulting price variance per ton for this fruit due to the size severely affected our revenue figure. Mechanisms are being looked at to use new sampling methods to closer align our size profile and price expectation with that of Two-a-Day and thus see this variance earlier and up or down adjustments can be effected earlier.

The setting of the 2020 crop went well and we see that yields are returning back to more normal tonnages. Canopy management and structure was a focus area and our young orchards, particularly on Vyeboom, have responded well. Evidence of this is the fact that Vyeboom farm made the podium at the Two-a-Day annual grower awards 2020 event for the most improved farm.

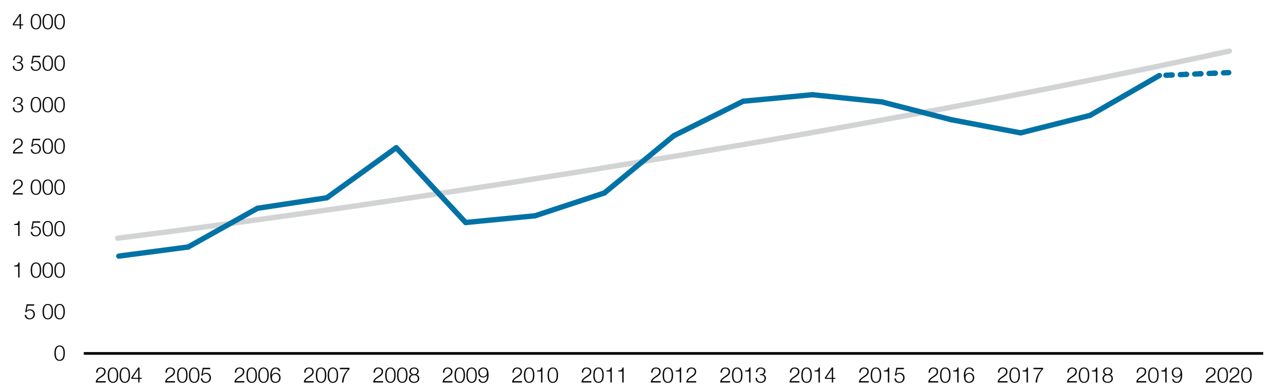
Throughout the division, size and quality is much better this year. Pears unfortunately are having an off year. This is a regional/seasonal anomaly but reduces the long term average of this crop. Pears are only considered on soils that are not suitable for apples and remain less that 20% of our planted hectares profile. We experienced one summer hailstorm that impacted Ourwerf and a narrow band on Vyeboom. The impacted fruit was hand thinned off where possible but this event will result in lower tonnages than budget on these effected orchards. The damage was not extensive but still pronounced on Ouwerf.

Rainfall, water storage and commercial orchard infrastructure requirements are adequate and in place and we do not see any risk of shortages or compromises with these resources. High Noon remains the farm with the highest percentage of older orchards and new plantings as replacement orchards will be the focus of any capital allocation this coming season.

We are pleased to say that COVID-19 and the resulting lockdown did not affect the harvest and the management team managed to pick every crate on time. The harvest was delivered to the stores and packing facility as per plan. In fact the season was early and despite a decent crop, ended nearly two weeks earlier than normal. Winter cold and rains also came early and the new season is progressing according to plan.

Of particulate importance is the maturing of the young farms at Dennebos and Vyeboom and the resultant tonnages that we are expecting over the coming seasons. Significant yields from these new plantings will start to show in the next two seasons and we are modelling a steady increase in our revenue numbers. This is emphasised by the fact that these plantings are the new preferred colour strains with an expected increase in category 1 export tonnages.

DECIDUOUS FRUIT (R/TON)



BANANAS

The 2019/2020 season was always going to be tough coming off the good performance of the prior year. The current campaign saw the tonnages coming back off those peaks but still settled at our second best performance thus far in term of raw tons/ha. Quality was also down off the 2018/2019 highs but the percentages of 1st and 2nd grade fruit off our two Mpumalanga operations continue to be the best in class within the Lebombo Growers group. Damage to quality and to a lesser extent tonnages as a result of storm winds and the regional prevailing winds was noted. This was more evident at our Nicoskamp operation, which traditionally results in poorer yields than the Amanxala estate. Measures are being put in place to mitigate this pressure.

During the early part of 2020 the Group experienced significant disruptions at our Mawecro JV as a result of community unrest. The unrest peaked with certain individuals and community factions coming to the operations to distract and divert attention away from the root cause of their problems. The unrest was caused largely by power struggles within the Mawewe Communal Property Association (MCPA) and allegations of misappropriation of funds by MCPA representatives. We were forced into taking security precautions that mostly interrupted our banana packing operations.

The MCPA issues are currently being dealt with by the law courts and are fortunately no longer affecting operations. Q4 and Q1 2021 have been quiet in this regard and we are looking forward to the swift and final settlement of these disputes. This will allow us to focus on further cementing our solid relationships with our community and to continue building a sustainable partnership.

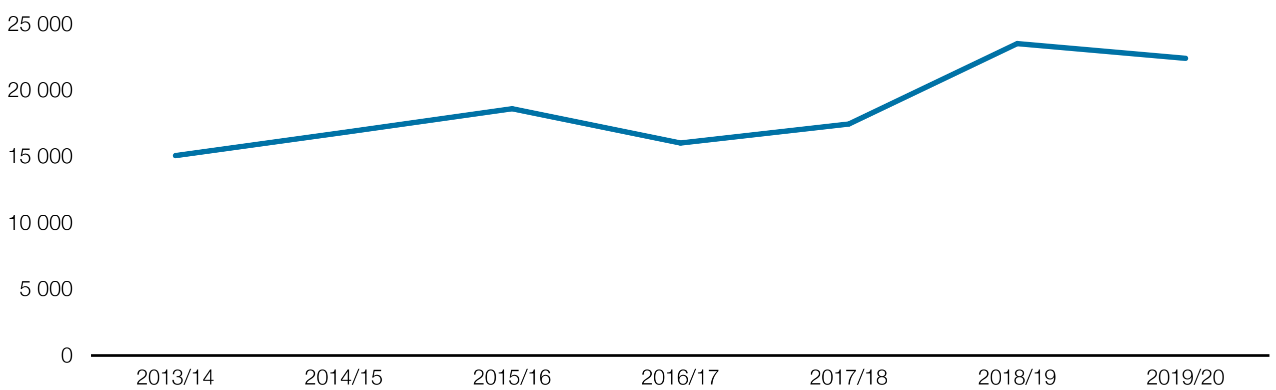
The operational surplus per hectare remained above budget but this was helped by favourable prices for the bananas on the markets during most of the year. These positive price variances have continued into the new season. Prices have been very good and results for the past season reflect this situation.

Our Southern Mozambique plantings at the QBV Estate have progressed very well. Despite the construction and commissioning of the QBV pack shed taking place during the lockdown period and the immense challenges of operating across an international border at this time, the first banana bunches were picked and exported to South Africa in May 2020. To date and despite of the administrative and logistical hurdles of getting a sales/distribution programme completed over this period and across international boundaries, the tonnages and quality look very good and we are looking forward to good returns as this estate matures.

Across all our banana operations COVID-19 measures were put in place but this did not prevent the farms from operating at normal capacity even though some efficiencies were sacrificed due to social distancing. This was more pronounced in the pack sheds and with staff transport where applicable.

During April 2020 a severe late summer hailstorm caused devastating damage to 90 ha of our 178 ha banana plantation at Nicoskamp. Some sugar cane fields were struck too, but they were not as severely affected as the banana plantings. The severity ranged from light damage to total destruction on some banana hectares. Measures are in place to salvage what we can but in some cases a total field replant will be required. A lot of damage is inside the trunks of the plants and cannot be seen. We have cleaned up where possible but we will only see how the canopies have manifested later in the season and then reassess to situation. We will attempt to claw back whatever tons the damaged plants can carry to maturity. Unfortunately we still expect an adverse effect on our ability to achieve our budgeted sales targets for the current year off this estate.

BANANAS PRODUCTION (TONS)



MACADAMIA NUTS

Production in the 2019 season, at 450 tons dry-nut-in-shell (DNIS), exceeded our initial expectations by around 40%, justifying our decision to establish this green field project in a remote location in Mozambique. However, the 2020 crop was very disappointing at 326 tons DNIS. Extensive research was done in analysing what caused this and whether this was a seasonal or structural issue. In conclusion, we believe that it was as a result of a peculiar seasonal set of circumstances. Of particular importance was a warm windy and very low humidity period that effected those varieties that were in full flower over this period. Those worst affected orchards were the late season varieties, being the Beaumont (695's) and A16's. Unfortunately the Beaumont's are the lion's share of our more mature orchards at the moment and this resulted in the estate being exponentially affected by this phenomenon. Extensive management practices have been put in place to ensure that we get these late flowing varieties through harvest and into their short dormancy as quickly as possible. The earlier flowering varieties were not adversely effected by these conditions.

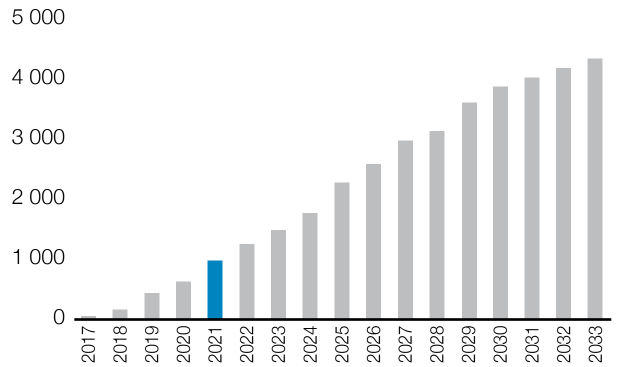
The farm looks good and the younger orchards are coming along very well. Pest and disease pressure remains high, with continued challenges in controlling certain pest's pressures that are not a challenge in South African growing regions. Scouting and monitoring are a central feature in the management of pests and disease and despite this pressure the quality of our nuts and resulting kernel remains high.

The crop was harvested on time despite the COVID-19 lockdown and resultant sanitary procedures being put in place. Our improved facilities were ready and with the changes in drying down and sizing for bagging we saw good increases in the efficiencies and very little bottle necks. Sales and distribution was similar to the previous season with the bulk of the sales being sold DNIS and ex-works the farm in Gurue.

The 2021 crop should see a return to the yields envisioned in the feasibility studies and CBL's eight year plans. It's early to call but the 2020 crop was harvested earlier than previously. The early bud initiation on the early varieties looks normal and the pruning of the canopies was less aggressive following last year's heavier pruning regime that was required in order to get more light into the mature orchards.

This, coupled with the fact that our variety basket mix is now also being influenced by other varieties other than just the Beaumonts, should see the yields and volumes being less volatile on an annual basis. Yield predictions in a newly planted hectares has a wider deviation off the mean. This deviation is expected to reduce as our farm matures.

MML MACADAMIA YIELD MODEL (TONS DNIS)



PROPERTY

Unfortunately, the proposed sale of the remaining development rights within Renishaw Hills has failed to materialise. The prospective buyer allowed some of the conditions precedent of the sales agreement to lapse on 31 March 2020 as a result of concerns surrounding the potential impact of COVID-19 on future residential property sales.

The collapse of the sale has not affected the Renprop operations in a negative way. We have completed units in stock, we have sufficient funding to continue building, and there is interest from the market. At the Renishaw Hills development the Renprop team is now focusing solely on completing 30 units that are close to being completed and then selling those. The cash flow generated by these sales, together with the increased facility received from Grindrod, will allow Renprop to be self-funding while it completes the rest of the development.

The sale of the private hospital site has also been concluded and there is continued, albeit currently muted, interest in the neighbouring commercial sites. Ultimately the most important determinant of success will be the state of the SA economy.

FINANCIAL PERFORMANCE

REVENUE INCREASED BY 6%, TO R703.7 MILLION (2019: R665.7 MILLION) DUE MAINLY TO AN IMPROVED SUGAR CANE PERFORMANCE. THIS WAS HOWEVER UNDONE BY BELOW PAR RESULTS FROM THE GROUP'S MACADAMIA AND DECIDUOUS DIVISIONS, DUE TO POOR PRODUCTION NUMBERS IN BOTH MACADAMIAS AND DECIDUOUS SEGMENTS, AS WELL AS DISAPPOINTING SELLING PRICES ACHIEVED IN OUR DECIDUOUS SEGMENT. GROUP OPERATING PROFIT, CONSEQUENTLY FELL BY 28% TO R56.5 MILLION (2019: R78.5 MILLION).

Normal finance costs increased by 17% to R31.3 million (2019: R26.7 million), primarily due to a higher net debt position during the year. The finance cost element associated with the adoption of IFRS 16 (Accounting for Leases) has been shown separately on the face of the income statement and reflects a charge of R13.0 million (2019: nil).

Profit for the year is R23.7 million (2019: R40.7 million). This figure incorporates an effective tax rate of 39%, which is predominantly attributable to a prior year tax adjustment brought into the current year.

Shareholders will be aware that the company has embarked on a programme to sell assets which do not meet our rigid investment criteria. During the year, good progress was made with the disposal of under-performing assets, and the group raised R63.5 million in cash in the financial year by the sell-off of these assets. Unfortunately, mainly due to the economic uncertainty created by COVID-19, the disposal of Renishaw Hills has not been concluded and the buyer has withdrawn from the protracted negotiations. As a consequence, our group results have been adjusted to reflect Renishaw Hills as a continuing operation (2019: discontinued operation), with prior year numbers being re-presented for comparative purposes.

Notwithstanding a significant investment in working capital of R42 million (2019: (R21.9 million inflow) the company continues to generate sound cash returns relative to reported profitability. Cash generated from operations decreased by 27% to R86.2 million (2019: R117.9 million). The investment in working capital was largely due to a working capital requirement in our property division arising from increased stock holdings at Renishaw Hills due to construction outpacing property sales.

Although occurring mostly after the financial year end, the company has weathered the impact of the COVID-19 pandemic remarkably well with minimal negative impacts to our markets and supply chain channels. Agriculture is an important Essential Service for the country and our on-farm operations have been only slightly disrupted as we seek to ensure the personal safety of our work force.

DIVISIONAL PERFORMANCE

SUGAR CANE

Revenue from sugar cane operations increased by 15% to R368.9 million (2019: R321.9 million) driven by an improvement in the sugar price of between 18% to 20% in South Africa and eSwatini respectively, compared to the previous year.

Operating profit after biological asset fair value adjustment was R95.0 million (2019: R70.3 million).

DECIDUOUS FRUIT

Our deciduous division reported an operating loss after a biological asset fair value adjustment of R19.2 million (2019: R10.1 million profit). The average prices achieved on our 2019 crop were 16% down on estimate, primarily due to smaller fruit size and overall quality. We believe this was the result of the knock-on impact of the 2018 drought experienced in the Western Cape.

The 2020 crop harvest was lower than expected and only marginally higher than the 2019 crop partially due to hail-storm damage suffered in the fourth quarter. Deciduous prices are flat compared to the prior year, and revenue was therefore unable to offset the inflationary increase in operating costs resulting in an operating loss.

In line with our programme to dispose of assets which do not meet our capital return criteria, the Board has resolved to sell High Noon and a number of parties have expressed an interest in acquiring this asset.

MACADAMIAS

Revenue from our 2019 crop was in line with expectations at R31.0 million (2018 crop R8.1 million). Our 2020 crop, harvested post year end, was 60% down against our target of 807 tons due in part to overly-ambitious forecasts together with unfavorable climatic conditions. The unseasonally warm spring temperatures adversely affected crop yields from our Beaumont varieties from which a large part of the crop was expected to materialise. With significantly less hanging fruit at 31 March 2020 (326 tons dry nut in shell) compared to March 2019 (450 tons dry nut in shell), the results are significantly impacted by a material downward revision of the biological assets valuation of macadamias at year end.

Management have implemented innovative programmes to mitigate agricultural risk in future and are targeting 920 tons dry nut in shell for the next harvest in March 2021.

BANANAS

The banana division continues to deliver pleasing results, despite revenues being down 11%, at R104.3 million (2019: R117.1 million). Due to significant savings achieved on agricultural costs and notwithstanding the decrease in revenue, operating profit after biological fair value adjustment ended a marginal 1% down on the prior year at R36.4 million (2019 R36.8 million).

Our Quinta Da Bela Vista project, a 280 ha banana joint venture in Southern Mozambique co-owned with our major shareholder, SilverStreet Private Equity Strategies M Soparfi, came on-stream during the year with 117 ha planted resulting in delivery of our first harvest to the South African market in April 2020. The project is achieving both its yield and quality targets and we plan to continue further expansion once water restrictions are lifted.

PROPERTY

Revenue in Renishaw Property Developments is down 24% to R68.2 million (2019: R89.6 million), with 35 Renishaw Hills retirement houses being sold against a budget of 45 units. The slowdown in sales rate, combined with construction continuing according to the original plan, resulted in an increase in our property stock holding effectively increasing the group's working capital by R17 million.

Management's focus for the coming year is improving the rate of sales and ensuring that the building program keeps pace with sales. We plan to reduce stock holdings before commencing the next phase of building.

CAPITAL EXPENDITURE AND FINANCING ACTIVITIES

In line with our long-term plans, capital expenditure ended on R67.3 million in line with budget (2019: R78.9 million).

The planned capital and replanting spend for 2021 is R26.9 million which is significantly lower than our long-term plans as the Board wishes to adopt a cautious approach in the post-COVID-19 economy.

Nevertheless, during the 2021 financial year the group will commence an expansion of our macadamia operation by a further 330 ha over the next two to three years. This expansion will be funded by a 10-year $8 million project based term loan provided by a development finance institution.

PROSPECTS

Despite the uncertainty surrounding the severity of the ultimate effects which COVID-19 might have on economic activity and disposable income, we look forward to an improved performance from our sugar cane, deciduous fruit and macadamia divisions in the year ahead.

Furthermore, the sale of assets designated for disposal will have the positive impact of reducing interest and gearing as well as improving liquidity. An improved liquidity position will enable the business to once again focus on strategies to grow and continue the strategy of geographic diversification, crop diversification and vertical integration.

FIVE-YEAR REVIEW

	2020 R'000	2019* R'000	2018* R'000	2017 R'000	2016 R'000
Consolidated statement of comprehensive income					
Revenue	**703 677**	665 693	526 721	663 951	542 712
Operating profit	**56 503**	78 502	3 060	125 154	72 212
Share of profit of joint venture and associate companies	**3 958**	1 209	3 641	2 105	3 549
Investment income	**55**	39	75	97	109
Interest received	**3 308**	1 762	1 591	8 958	3 847
Finance costs – borrowings	**(31 309)**	(26 747)	(16 700)	(5 453)	(8 026)
Finance costs – lease liabilities	**(12 978)**	–	–	–	–
Non-trading items	**19 526**	–	–	–	–
Profit/(loss) before tax	**39 063**	54 765	(8 333)	130 861	71 691
Tax expense	**(15 375)**	(14 080)	5 096	(34 655)	(21 638)
Profit/(loss) for the year	**23 688**	40 685	(3 237)	96 206	50 053
Other comprehensive (loss)/profit					
Remeasurement of post-employment benefits	**(119)**	261	(514)	251	1 658
Investment revaluation	**–**	–	–	(46)	128
Exchange differences on translating foreign operations	**(8 309)**	(2 496)	(5 238)	1 551	(28 040)
Other comprehensive (loss)/profit for the year	**(8 428)**	(2 235)	(5 752)	1 756	(26 254)
Total comprehensive income/(loss) for the year	**15 260**	38 450	(8 989)	97 962	23 799
Headline (loss)/earnings	**(7 402)**	22 133	(7 723)	64 734	48 774
Consolidated statement of financial position					
Assets					
Property, plant and equipment	**937 985**	984 290	967 756	874 815	769 941
Right-of-use assets	**160 145**	–	–	–	–
Investment in associates and financial assets	**79 761**	70 435	67 583	56 429	24 322
Investment property	**41 782**	30 336	11 432	–	–
Deferred tax assets	**23 646**	14 406	6 044	–	–
Other non-current assets	**–**	–	–	–	–
Current assets	**547 294**	582 465	515 615	523 495	495 433
Total assets	**1 790 613**	1 681 932	1 568 430	1 454 739	1 289 696
Equity and liabilities					
Capital and reserves	**1 065 938**	1 059 620	1 032 156	1 066 978	1 004 117
Deferred tax liabilities	**127 503**	129 596	126 986	135 244	125 613
Long-term borrowings – interest bearing	**64 556**	70 765	24 104	33 169	42 967
Obligations to restore leased farmland	**32 512**	44 045	44 674	37 423	33 959
Lease liabilities	**160 274**	–	–	–	–
Other financial liabilities	**27 313**	19 692	8 797	–	–
Post-employment medical aid obligation	**2 401**	3 576	2 641	–	–
Current liabilities – interest bearing	**227 420**	259 095	265 842	90 239	24 629
Trade and other payables and provisions	**82 696**	95 543	63 230	91 686	58 411
Total equity and liabilities	**1 790 613**	1 681 932	1 568 430	1 454 739	1 289 696
Consolidated statement of cash flows					
Cash generated from operations	**86 188**	117 948	22 724	101 818	96 569
Net finance and other costs	**(36 841)**	(21 650)	(15 003)	3 505	(4 545)
Taxes paid	**(25 459)**	(16 552)	(17 171)	(15 962)	(8 358)
Cash inflow/(outflow) from operating activities	**23 888**	79 746	(9 450)	89 361	83 666
Net cash outflow from investing activities	**(73 048)**	(83 624)	(172 391)	(189 266)	(104 216)
Proceeds from disposal of non-performing assets	**63 553**	–	–	–	–
Dividends paid	**(10 228)**	(12 125)	(33 791)	(36 081)	(16 945)
Decrease/(increase) in funding requirements	**4 165**	(16 003)	(215 632)	(135 986)	(37 495)

** Prior year re-presented.*

FIVE-YEAR REVIEW CONTINUED

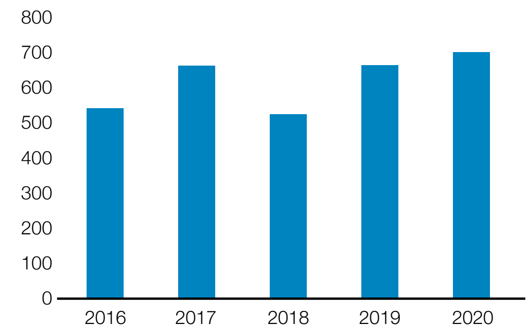
		Notes	2020 R'000	2019* R'000	2018* R'000	2017 R'000	2016 R'000
Share performance							
Headline (loss)/earnings per share	cents		**(48.5)**	145.0	(50.6)	424.1	366.0
Basic earnings/(loss) per share	cents		**57.2**	167.6	(49.7)	424.7	366.9
Dividends declared per share – ordinary	cents		**–**	–	35.0	165.0	150.0
Dividend cover (headline earnings)	times	1	**–**	–	(1.4)	2.6	2.4
Earnings yield (headline earnings)	%		**–**	2.7	(0.9)	6.5	6.5
Dividend yield	%	2	**–**	–	0.6	2.5	2.7
Net asset value per share	cents	3	**6 983**	6 942	6 762	6 990	6 578
Market price per share – closing	cents		**4 299**	5 299	5 500	6 500	5 590
– highest	cents		**5 499**	5 500	6 600	7 000	7 145
– lowest	cents		**3 376**	3 575	4 800	5 199	5 050
Price to book ratio	%		**61.6**	76.3	81.3	93.0	82.9
Price/headline earnings ratio at year end	times	4	**(88.6)**	36.5	(108.7)	15.3	12.2
Shares in issue	'000		**15 264**	15 264	15 264	15 264	15 264
Shares in issue (weighted)	'000		**15 264**	15 264	15 264	15 264	13 326
Volume of shares traded	'000		**588**	555	656	412	784
Number of share transactions			**100**	122	126	509	288
Value of shares traded	R million		**26.0**	25.0	39.0	24.5	46.6
Volume of shares traded/issued shares	%		**3.9**	3.6	4.3	2.7	5.1
Returns and profitability							
Return on shareholders' funds	%	5	**2.2**	3.9	(0.3)	9.3	6.6
Taxed return on net assets	%	6	**1.6**	3.0	(0.3)	8.5	6.6
Pre-tax return on total assets	%	7	**3.5**	4.9	0.4	9.3	8.0
Operating margin	%	8	**8.0**	11.8	0.6	18.8	13.3
Solvency and liquidity							
Debt to equity	%	9	**68.0**	58.7	52.0	36.3	28.4
Financial gearing ratio	%	10	**27.4**	31.1	28.1	11.6	6.7
Current ratio	times	11	**1.8**	1.6	1.6	2.9	6.0
Cash flow per share	cents	12	**156.5**	522.4	(61.9)	585.4	627.8
Interest cover	times	13	**1.8**	3.0	0.4	23.4	9.5

** Prior year re-presented.*

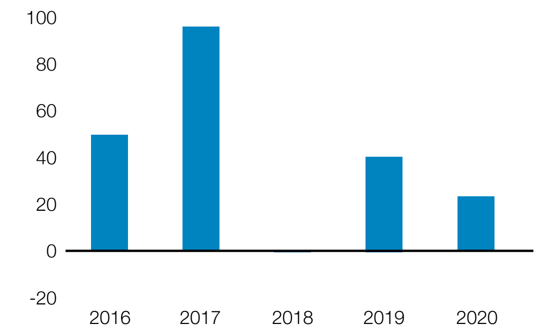
NOTES TO THE FIVE-YEAR REVIEW

1. **Dividend/cash distribution cover**
   Headline earnings per share divided by cash distributions and ordinary dividends per share (interim: paid; final: declared).
2. **Dividend/cash distribution yield**
   Dividends per share (interim: paid; final: declared) and cash distributions per share as a percentage of year-end market price.
3. **Net asset value per share**
   Shareholders' funds divided by the number of shares in issue at year-end.
4. **Price: headline earnings ratio**
   Market price at year-end divided by headline earnings per share.
5. **Return on shareholders' funds**
   Profit after taxation, expressed as a percentage of the average of the financial period's opening and closing shareholders' funds.
6. **Taxed return on net assets**
   Profit after taxation, expressed as a percentage of average net assets (excluding interest-bearing and other financial liabilities).
7. **Pre-tax return on total assets**
   Operating profit before interest and taxation (but including income from investments), expressed as a percentage of the average of the financial period's opening and closing total assets.
8. **Operating margin**
   Operating profit before interest, expressed as a percentage of revenue.
9. **Total liabilities ratio**
   Interest-bearing debt and other liabilities, expressed as a percentage of shareholders' funds.
10. **Financial gearing ratio**
    Interest-bearing debt, expressed as a percentage of shareholders' funds.
11. **Current ratio**
    Current assets divided by current liabilities.
12. **Cash flow per share**
    Cash available from operating activities divided by the weighted average number of shares in issue during the year.
13. **Interest cover**
    Operating profit before interest paid and taxation (but including income from investments), divided by interest paid.

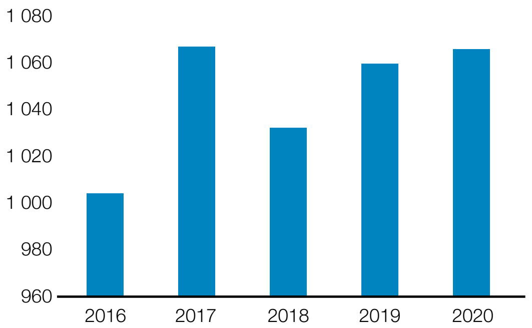
REVENUE (R'M)



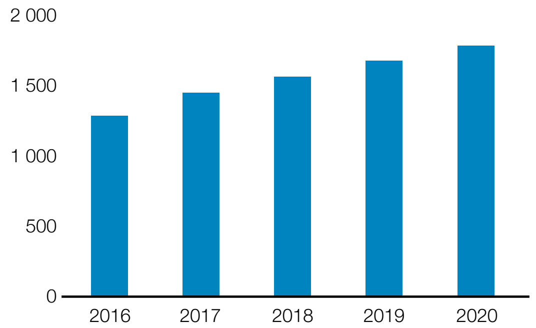
PROFIT (R'M)



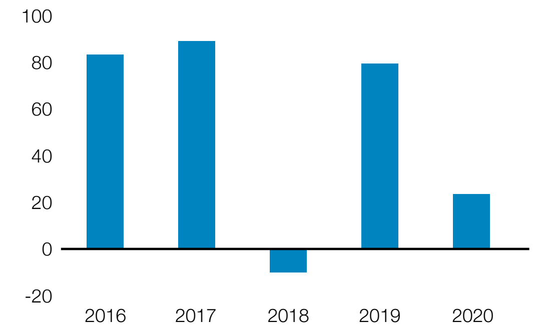
CAPITAL AND RESERVES (R'M)



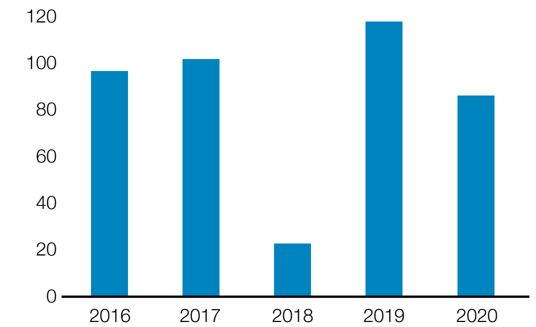
ASSETS (R'M)



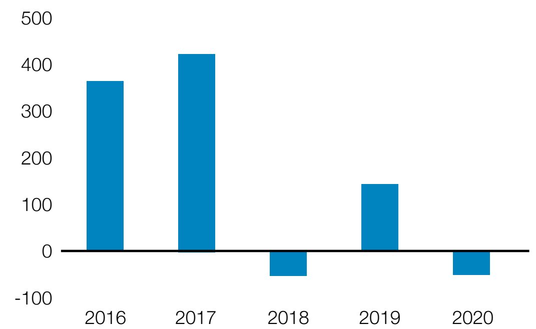
OPERATING CASH FLOW (R'M)



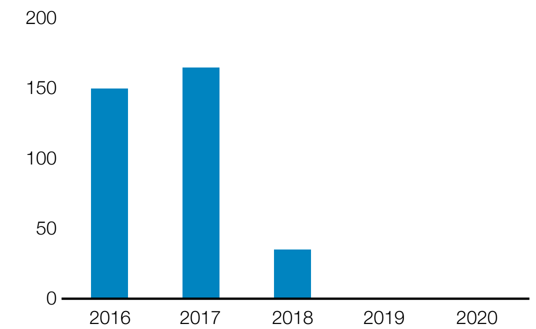
CASH GENERATED FROM OPERATIONS (R'M)



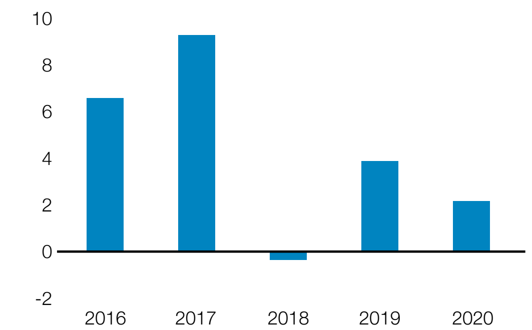
HEPS (CENTS)



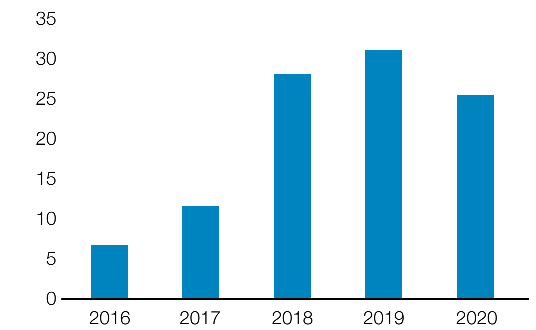
DISTRIBUTIONS PER SHARE (CENTS)



RETURN ON SHAREHOLDER FUNDS (%)



FINANCIAL GEARING RATIO (%)



PERFORMING SUSTAINABLY

SUSTAINABLE DEVELOPMENT ENSURES THAT WE MEET OUR PRESENT NEEDS WITHOUT COMPROMISING OUR ABILITY TO MEET FUTURE NEEDS.

CONSIDERATIONS OF SUSTAINABILITY BECOME INCREASINGLY IMPORTANT AS GLOBAL CLIMATE CHANGE POSES NEW CHALLENGES FOR THE FUTURE OF HUMANITY AND SOCIAL ISSUES BECOME MORE RELEVANT TO THE GROWING WORLD POPULATION.

AS A SIGNIFICANT REGIONAL PLAYER IN THE AGRICULTURAL SECTOR, CROOKES BROTHERS FOCUSES ON OPTIMISING THE SOCIAL AND ENVIRONMENTAL IMPACT OF ITS OPERATIONS, WITHOUT COMPROMISING ECONOMIC VIABILITY.

IT IS THE GROUP'S GOAL TO POSITION ITSELF AS EMPLOYER AND PARTNER OF CHOICE FOR EMPLOYEES, COMMUNITIES, BUSINESSES AND GOVERNMENTS.

ECONOMIC IMPACT

TRANSFORMATION, ENTREPRENEURIAL DEVELOPMENT

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

This has largely been achieved through co-operation with government in transferring properties to communities under land restitution legislation and the establishment and implementation of operational partnerships with the community recipients of claimed land.

Over the past ten years the Group has transferred land to the value of R288 million to the government or communities on a willing buyer-willing seller basis. In the majority of these cases we have engendered sufficient trust to partner the new owners for sustainable long-term success of these operations.

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

Some of these ventures are described below:

- Since 2008 we have been involved in Mthayiza Farming, a joint venture with the Libuyile community (600 households) near Malelane, for the management and operation of a 1 100 ha sugar cane farm. As testament to the effectiveness of our skills transfer programme, a member of the local community is now the Managing Director of the joint venture company.
- A major part of the group's 2 500 ha Komati Estate, which was sold to government in 2010 and leased back on a 10 year lease, was transferred to the neighbouring Mawewe community. After engagement with the community it was agreed to convert the Group's rights in terms of the balance of the lease into a 20 year joint venture (Mawecro Farming) with the community from 1 April 2016. While this arrangement resulted in a short-term reduction of profits for the Group, it offers significant long-term economic benefits and will position the Group as a major player in the agricultural transformation arena. Approximately 1 000 households have benefited directly through dividends, rental payments and preferential employment opportunities in the Mawecro operation. Discussions with the Mawewe community are at an advanced stage for the joint venture to lease an additional 1 220 ha of farmland from the community.
- A similar structure has been implemented at the 42 ha Belleview deciduous fruit farm previously owned by the Group, where we have established a joint venture with ex-employees.
- We have concluded a memorandum of understanding with the neighbouring Cele community to involve them as partners and shareholders in the Renishaw property development project.
- We are participants in a farming venture established by the Two-A-Day Group, which packs and markets the Group's deciduous production, in which our deciduous division employees, together with employees from other member growers, will own a major shareholding.

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

In support of the transfer of viable agricultural land to black people, in the last financial year, we sold two more farms in the Mpumalanga province to a black-owned company, in two separate transactions which both had elements of vendor financing by the Group.

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

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

BLACK ECONOMIC EMPOWERMENT

With slightly more than half of our operating footprint based in South Africa, our business's transformation objectives are aligned with the people and government of South Africa's strive to create an equitable society. As such, we view the advancement of B-BBEE as a key driver of economic and social inclusivity. Crookes Brothers South Africa (Pty) Ltd embarked on a verification exercise, incorporating its subsidiaries Mawecro Farming (Pty) Ltd and Mthayiza Farming (Pty) Ltd. The verification was completed in October 2019, with the Company achieving a highly commendable score of 96.62 and which gives the company Level 2 B-BBEE contributor status.

The importance of achieving the best possible accreditation cannot be over emphasised in a sector facing increasing land pressures and competing demands for vital water resources. The Level 2 accreditation is quite pleasing considering that the evaluation was conducted under the revised and substantially more demanding codes of good practice.

An overview of the Group's progress towards compliance is outlined in the following table:

	2019		2017
	Weighting under revised codes	CBSA Score amended AgriBEE Codes	CBL Score old AgriBEE Codes
Ownership	25	25.00	25.00
Management control	19	8.04	5.76
Employment equity			6.52
Skills development	20	15.31	5.91
Procurement			11.13
Enterprise and supplier development	40	33.27	10.00
Socio-economic development	15	15.00	11.00
Total score		96.62	75.32
Level		2	3
Discounted		Level 2	Level 3

While the Group's B-BBEE scorecard improved significantly across all elements, it is important to note that our score for Management Control remains very low. The business faces a number of challenges with improving Management Control. There is a limited external talent pool within the agricultural sector and the Group has a low staff turnover with a fairly flat structure at the higher levels. This makes progress at these levels challenging, however where positions become vacant we focus on employing competent people from the relevant designated groups. More effort will have to be placed towards improving this element. The business will also focus on up-skilling employees from designated Group's in the skilled and semi-skilled levels as well as on up-skilling females and the disabled.

The ownership full score continues to be driven by the land sales between the period of 2008 and 2012 of a significant portion of the Group's South African assets to the government or communities for purposes of transformation and land reform.

The Group has partnerships with various communities which continue to yield direct benefits to community families. The incorporation of Mawecro Farming and Mthayiza Farming as subsidiaries has boosted the Enterprise & Supplier Development score due to the large payments of rentals for farmland flowing from these companies to black suppliers (Mawewe CPA and Libuyile Community Trust). The formation of these successful partnerships is believed to present a benchmark for successful empowerment in the sector.

Our goal is to become a leader in transformation in the agricultural sector through developing successful and sustainable partnerships with previously disadvantaged communities. Therefore, we will strive to continue implementing measures that will aid in achieving improved outcomes under the revised codes.

RURAL ECONOMIES

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

EMPLOYMENT

The Group provides permanent employment for 1 048 people and contracts a further 1 512 seasonal staff. Rural communities in close proximity to our farming operations are the main beneficiaries of the wages and benefits received.

Operating country	Full-time (Permanent)	Seasonal workers	Total
South Africa	765	849	1614
Mozambique	55	389	444
eSwatini	187	176	363
Zambia	41	98	139
Total	**1 048**	**1 512**	**2 560**

PREFERENTIAL PROCUREMENT

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

VALUE ADDED

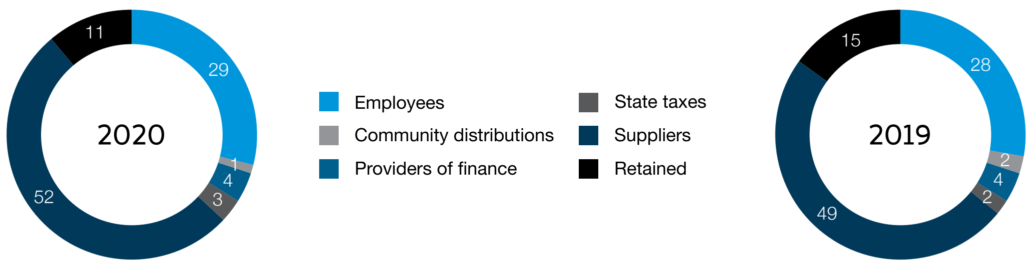
The value added statement shows the wealth created and distributed by the Group. During the 2020 financial year R747 million of value was generated, with R663 million of that being distributed to suppliers, employees, providers of capital and government.

VALUE ADDED STATEMENT

for the year ended 31 March 2020

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

	2020 R'000	%	2019 R'000	%
Wealth created				
Revenue	703 677		665 693	
Other operating income	16 274		12 502	
Capital items	19 526		–	
Share of profits of associate company	3 958		1 209	
Investment income	3 363		1 801	
Total revenue generated	**746 798**		681 205	
Wealth distributed				
To pay employees' salaries, wages and other benefits	215 184	29	190 384	28
To pay providers of capital	37 020	5	34 851	6
Distributions to community shareholders	10 228	1	12 125	2
Interest paid	26 792	4	22 726	4
To pay direct taxation to the state	25 459	3	16 552	2
Paid to suppliers and service providers	385 213	52	336 746	49
Total spend	**662 876**	**89**	578 533	85
Wealth retained for future growth	**83 922**	**11**	102 672	15
Depreciation	69 948	9	59 989	9
Retained earnings	13 974	2	42 683	6
	746 798	**100**	681 205	100



TRAINING AND DEVELOPMENT

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

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

SKILLS DEVELOPMENT

The maintenance and development of an adequate skills base is identified as a critical component in ensuring the sustainability of the agricultural industry. The Group's core strategic goal of continued expansion outside South Africa and across a range of crops requires an ongoing commitment to skills development. Our processes integrate selection and recruitment, training, coaching and mentoring, promotion and succession planning to meet our goals. Just over 2 000 staff were trained in the 2019/20 financial year. Our farm manager development programme continues to create a talent pipeline from supervisory to farm management level. The programme is supported by internal on-the-job training, coaching and mentoring, as well as specific training courses offered by the Sugar Association of South Africa and other service providers. A similar programme is run for financial trainees.

GENERAL TRAINING

Programme categories	Employees trained	Percentage of employees
Safety Fire fighting/ fire fighting refresher, general health and safety, safe handling of chemicals, first aid	265	9.42
Operators Forklift, tractor, knapsack, chainsaw	101	3.59
General agricultural skills Orchard irrigators, orchard monitors, orchard sprayers	81	2.88
Finance, IT, Management Payroll, Excel, tax, capital allowances, Institute of Internal Auditors SA Conference, Profiling, Emotional Intelligence	42	1.49
Other Shine project, Computer literacy, Industrial Relations for Supervisors, Office etiquette, Basic supervisory, Employment equity, Whistle blowing	1 720	61.17

RECOGNITION OF PRIOR LEARNING

The Group has sourced the services of a training and development provider to provide a recognition of prior learning programme for its managers to acquire an acceptable tertiary qualification level with specific reference to National Diploma in Plant Production. Since July 2019, three senior managers have been enrolled on this programme and two are expected to complete the course in the year 2021.

Employment and economic mainstreaming of persons with disabilities in the agriculture sector has been a focus area in skills development over the past year. The Group has partnered with Khulisani, a local organisation that focuses exclusively on training disabled persons in the agricultural sector. The Group funded 10 new disabled learners to complete a learnership in Plant Production NQF 1 in the 2019/20 year, following the successful completion of NQF2 by the 2018/19 group of learners.

BURSARIES AND INTERNSHIPS

The Group's skills development initiatives include a bursary programme for selected candidates pursuing qualifications in agricultural sciences through South African universities.

STUDY ASSISTANCE

The Company provides assistance to employees who study at tertiary institutions towards qualifications that strengthen their current role within the Company and increase their skill set to improve their role and responsibility within the Company.

Name	Qualification	2019/20 Rand
Kagiso Sigole	Msc Agricultural Economics	19 634
Phephile Ndzinisa	Bcom Degree (2018); Bcom Honours (2019)	35 500
Ziyanda Ngwenya	Company Secretarial Practice	2 560
Ntombenhle Gwebu	ACCA Skills	13 306
Paul van Vuuren	National Diploma Plant Production	35 000
Dirk Cloete	National Diploma Plant Production	35 000
Tiaan Viljoen	National Diploma Plant Production	35 000
Siyabonga Nkomo	Postgraduate Diploma Management	39 950
Total		**215 950**

WELLNESS

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

COVID-19

The Company has implemented comprehensive plans for business continuity during the COVID-19 pandemic. This was done to ensure the well-being, safety and security of all employees, clients and other stakeholders, while minimising the impact on business. To curb the spread of the virus, management has drawn up recommendations for protocols on all our farms and in all buildings, on work-from-home options for employees whose positions allow them to work from home and on employee travel. The Company addressed identified risk factors in the business and also engaged suppliers to confirm they have plans in place to ensure their continued support.

Most of the Company operations fall within the definition of essential services and therefore most of our staff are still working full time. Despite the difficulties, we have managed to adapt to the new normal of the COVID-19 lockdown regulations in our various locations of operation. There have been a few COVID-19 "scares" where employees have been quarantined and tested as well as those they have been in contact with, however test results have been negative. We have been inspected with targeted testing in the Western Cape and no positive results were detected within our staff. The increasing community infection levels are our next challenge and we will continue to monitor and manage within the specific protocols and regulations together with our own OHS standards.

HIV/AIDS

We have collaborated with local public healthcare facilities to improve the delivery of services to assist our employees and their communities. We also provide access to the services of the South African Social Security Agency (SASSA) on all our farms. Private service providers are contracted to support wellness programmes on our estates in Komatipoort, Malelane and the Western Cape, including peer education, condom distribution, workplace policy education, community outreach, personal finance education and HIV counselling and testing. The Group observed World Aids Day across all our operations within and outside South Africa. HIV/AIDS education, voluntary counselling and testing and TB testing were conducted to assist employees in identifying and monitoring their health risk.

CORPORATE SOCIAL INVESTMENT

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

Despite financial constraints, in the past financial year over R2.2 million was spent on corporate social investment ("CSI"). In addition to this expenditure, the Group also makes resources and expertise available to maximise its social impact. The main initiatives are shown below.

Region	Recipient	Number of beneficiaries	Project details
KwaZulu-Natal	Amandawe community	200 recipients	Resurfacing roads of community
	Gugulethu High School	700 learners	Upgrading and maintenance of sport facilities and school
Western cape	Daniel le Roux School	200 learners	Subsidise teacher's salary Removal of community and school waste
	Elandrivier School	460 learners	Maintaining sports fields
Mpumalanga	Community Food Security	400 members	Food security projects to benefit the community for the long term
	Community Schools	470 learners	Donations of books and chairs
	Adult Soccer Team	210 players	Provision of team kit
	Pre School Projects	160 members	Funding pre schools and teachers for families where parents are absent
	Mawewe Community Centre	200 members	Provision of a drop in centre for the community
Zambia	Ngoma Basic School	465 learners	Provide salaries for teachers and support staff
eSwatini	Poverty Relief	250 Members	Lubombo region poverty relief with food packages
	Soccer Clubs	48 players	Private transport service provider to ferry players to football games
	Mahlabeni and Majombe School	150 learners	Renovation of Schools
Mozambique	Primary Schools	120 learners	Renovation of schools
	CES Payments – Community	20 families	Relocate houses

EMPLOYMENT EQUITY

The Company is committed to maintaining an Employment Equity programme that is aligned to the South African national requirements with regard to achieving diversity in our workforce at all levels without sacrificing productivity, efficiency or effectiveness. It is the goal of the Company to capitalise on the diversity of its workforce and its reputation as an equal opportunity employer to the benefit of shareholders and other stakeholders.

The Company has adopted the following standards and taken the following actions to implement its Employment Equity philosophy:

- Treat all employees fairly and equally by eliminating unfair discrimination.
- Give preference to individuals from previously disadvantaged backgrounds when recruiting new staff, without compromising standards.
- Offer financial assistance and enhanced training opportunities to individuals from previously disadvantaged backgrounds in disciplines allied to the Company's operations, within the financial capability of the Company.
- Treat all employees with fairness and respect, recognising the importance of their role in the Company and offering opportunities for individuals to achieve their full potential.

The Company recognises its responsibility to enhance opportunities for those people who are classified as previously disadvantaged/designated groups, defined as black (Africans, Asian and Coloured people), women and disabled people.

The equity process will be driven in line with the Company's vision, mission and values – all of which recognise that the Company's success is dependent on the commitment and excellence of its people.

Below is a summary of the Company's South African employee profiles of Crookes Brothers South Africa and Crookes Brothers Limited combined as at January 2020.

INDUSTRIAL RELATIONS

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

Unions are recognised across the group in South Africa, Zambia, eSwatini and Mozambique.

Country	Recognised union
South Africa	Food and Allied Workers Union Bawusa Agricultural Workers Union of South Africa United Workers Front South African Clothing & Textile Workers Union
eSwatini	eSwatini Agriculture and Plantation Workers Union
Zambia	Zambia Union of Sugar Industry and Allied Workers Union
Mozambique	Sindicato Nacional Dos Trabalhadores Agro Florestais (Agriculture and Forest Workers National Union)

Occupational levels	Male				Female				Foreign nationals		
	A	C	I	W	A	C	I	W	Male	Female	Total
Top management	–	–	–	1	–	–	–	–	–	–	1
Senior management	1	–	–	6	–	–	–	1	–	–	8
Professionally qualified and experienced specialists and mid-management	–	–	1	10	2	–	–	1	–	–	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	12	6	2	19	3	–	2	5	–	–	49
Semi-skilled and discretionary decision-making	53	71	–	4	22	18	3	3	–	–	174
Unskilled and defined decision-making	207	64	–	1	87	57	2	–	–	–	418
Total permanent	273	141	3	41	114	75	7	10	–	–	664
Temporary employees	281	101	–	–	179	61	–	–	–	–	622
Grand total	554	242	3	41	293	136	7	10	–	–	1 286

ENVIRONMENTAL IMPACT

Crookes Brothers is committed to the sustainable production of primary agricultural products in a manner that is not only economically viable and socially acceptable, but also environmentally sound. The Group sees this as a critical component of the long term commercial sustainability of the operations and the appropriate resources are being committed to record, measure and mitigate, where possible, the impact of primary production on the environment. The Group consider this a mega trend and continues to look for new and improved ways to build on current best practice.

CLIMATE CHANGE

Although the threats posed by climate change are well documented on a macro scale, less information is available to determine an appropriate response at the micro level. It appears that the occurrence of extreme climatic events and climatic variability are increasing. We remain concerned about the impact of climate change on our crops, especially on cold units in the Western Cape, more frequent extreme weather events such as hailstorms or frost and extreme heat in other areas such as Mozambique. Climate change is part of our life and we have no choice but to farm smarter and take precautions where we can.

In addition, erratic rainfall and recurring drought seriously impact on one of Southern Africa's most precious resources – water. In areas where water supply is unreliable, industrial, commercial and social development is adversely affected. The following three factors are key to mitigating the risks:

WATER STORAGE

A Crookes Brothers goal is to have sufficient water stored to meet the seasonal demands rather than rely on perennial rivers. In an environment where water availability is critical, having sufficient water allows the Group to manage the crops effectively. To ensure a secure water supply each farming unit has developed an extensive network of dams and pipelines.

IRRIGATION

Crookes Brothers follow an irrigated cropping strategy for the large majority of the farming operations. Having irrigation ensures that supplementary irrigation can be supplied during the dry period which is particularly important at certain times in the crop's life.

Irrigation systems are constantly being re-evaluated and systematically upgraded to methods that are proven to be more effective and more efficient. The use of moisture probes to measure soil moisture in conjunction with detailed irrigation scheduling has a positive impact by reducing both water and electricity usage.

CLIMATICALLY OPTIMAL LOCATIONS

Accurate forecast of climate change is notoriously difficult. To mitigate the risk, Crookes Brothers have diversified by identifying a variety of crops which are grown in climatically optimal locations. In keeping with Crookes' sustainability strategy and drive to constantly improve, test areas are planted and trials are carried out on alternative crops that have potential in these regions.

ENVIRONMENTAL MANAGEMENT

It is Crookes Brothers ongoing goal to have the Group established and recognised as a benchmark for good farming practice. Accordingly, we endeavour to employ best management practices in our operations to ensure agricultural production on a sustainable basis with a positive impact on the environment. The Group's management practices are based on farming guidelines for deciduous fruit and bananas advocated by the Global GAP (Good Agricultural Practices) system and the SUSFARMS (Sustainable Sugarcane Farm Management System) system initiated by the South African Sugar Research Institute. Global GAP is an international best practice standard designed to minimise the possible detrimental environmental impacts of farming operations and promote responsible use of chemicals. Global Gap have also introduced GRASP which is Global Gap Risk Assessment that measures the responsible approach to Good Social Management Practices. The Deciduous farms also follow the Farm to Fork strategy and SIZA. Farm to Fork comprehensively addresses the challenges of sustainable food systems and recognises the inextricable links between healthy people, healthy societies and a healthy planet. SIZA stands for Sustainable Agriculture in South Africa and provides a platform for agricultural stakeholders to ensure ethical and environmentally sustainable trade.

In all our operations, we aim to conserve and upgrade natural assets, maintain and enhance critical ecosystems, and use agricultural resources sustainably. In order to achieve this, each estate draws up an environmental management plan (EMP) which is updated and audited every year. A forum of senior agricultural managers meets to evaluate global best practice standards and update and monitor the implementation of the EMP. Potential developments are preceded by Environmental Impact Assessments (EIA).

CONSERVATION OF FLORA AND FAUNA

Bush lines, riparian zones, undeveloped and non-arable areas have been excluded from production and are kept free of invader species to allow the re-growth of indigenous plant species. Plants categorised as weeds and invader species according to the South African Conservation of Agricultural Resources Act, 1983 are identified and systematically eradicated. This is coupled with the rehabilitation of indigenous plant species in the areas that have had alien vegetation removed.

These zones are managed as conservation areas and are progressively rehabilitated to encourage fauna and flora species indigenous and endemic to the area. Growing crops within these areas does not conform to the principles of conservation management. However, limited and sustainable activities that benefit the surrounding communities and the rehabilitation are permitted on a case by case basis. In the interests of promoting conservation, large scale unsustainable exploitation of natural resources from the conservation areas is restricted.

At Renishaw, Crookes Brothers partnered with the South African Department of Environmental Affairs and entered into the Working for Water Programme which targets invasive alien plants in riparian zones and wetlands. The clearing and restoration of these areas improves water purification and retention, and ultimately dry season flows.

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

SOIL IMPROVEMENT

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

- A fallow period is allowed between uprooting an old crop or orchard and replanting with the same material. Green manure (fallow) crops are planted to enhance soil health and fertility. This assists with rejuvenating degrade soils and helps control problem weeds. Green manure crops assist with increasing organic matter which improves soil structure and fertility in order to consistently achieve good yields;
- Where possible crop rotation is encouraged. This helps provide various nutrients to the soil, mitigates the build-up of pathogens and pests that often occur when one species is continuously cropped and can also improve soil structure and fertility.
- Soil analysis is performed to determine the chemical condition of the soil and the quantity and type of ameliorants to be used;
- Soil cultivation is limited to the fallow period when ameliorants such as lime and gypsum are incorporated in the soil to the potential root depth. Unnecessary soil disturbance is therefore avoided;
- Inorganic fertilisers are used responsibly to satisfy the nutritional needs of the crops. Application rates are based on recommendations provided by established research institutions. Organic fertilisers are applied in some instances as a means to increase the organic content of the soil;
- Where possible, green cane harvesting is implemented on the sugar cane estates. This creates a trash blanket, reduces smoke pollution, increases soil organic matter content, reduces water runoff and limits weed infestation;
- Drainage and water-carrying structures are laid out according to good agricultural practices and land use plans, thereby reducing soil erosion. Waterways are planted with grass to slow down the flow of water; and
- Mulch is applied to increase the organic content of the soil, reduce moisture content fluctuations and maintain constant soil temperatures, resulting in better crop health, growth and quality. Wood chips are used as mulch on the group's fruit estates. The wood chips are derived from grubbed orchards, thereby reducing air pollution caused through burning old trees.

INTEGRATED PEST MANAGEMENT

Sugar cane areas susceptible to eldana (stem borer) are planted with resistant varieties and these areas are harvested annually. The deciduous fruit farms have adopted an integrated pest management approach that complies with both Global GAP and Nature's Choice standards as required by the European and UK retailers. Emphasis is placed on using biologically friendly products that are pest- and disease-specific. Both proven manual methods and sophisticated modern technology are employed to scout orchards and fields for pests and disease. The combination of both allows for a quick and effective response.

ELECTRICITY

A reduction in electricity consumption and associated electricity costs is the target of an ongoing project. Low-energy pumps, variable speed drives, optimisation of irrigation systems, use of heat pumps instead of geysers and use of off-peak tariffs are methods used to reduce consumption and costs. We monitor, record and report electricity usage across the group.

WATER

Water quality is monitored through periodic sampling at the upper and lower limits of the property's rivers. Irrigation systems are progressively being changed from high water use systems to systems that are more efficient, as part of the Group's continuous improvement programme. The increased use of probes to measure soil moisture as well as the interpretation of the results by irrigation specialists are resulting in a more detailed irrigation scheduling which also has a positive impact by reducing both water and electricity usage.

SOLAR ENERGY

Energy management consultants were engaged to address the specific need for technology driven energy efficiency solutions and the implementation of best practices. Estates with high electricity usage have been assessed with an aim to optimising energy consumption.

Crookes Plantations in eSwatini has been identified for the installation of a Pilot Solar Energy Plant.

Energy usage data has been recorded and monitored for the past year and a financial feasibility study for the project was carried out through:

- The installation of online electricity meters at each billing point to collect data;
- The analysing of data and comparison to billing to determine the energy requirements and optimisation of energy usage during peak, standard and off peak periods;
- Tariff schedules were scrutinised to ensure the most cost effective tariff was applied and tariff changes were made where required; and
- Discussions with consultants and suppliers to derive an optimum solution to meet the needs.

The installation of a solar plant will reduce the cost of electricity, and reduce the carbon emissions and environmental impacts associated with the generation of electricity. Once operational it is Crookes Brothers intention to install Solar Energy plants at other appropriate and commercially feasible areas within the Group.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' APPROVAL
OF THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the integrity and objectivity of the Annual Financial Statements, Summarised Consolidated Financial Statements and other information contained in this Integrated Report, which have been prepared in accordance with IAS 34 Interim Financial Reporting and in the manner required by the Companies Act of South Africa.

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

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

The Directors believe that the Group has adequate resources to continue in operation for the foreseeable future. Therefore, the Summarised Consolidated Financial Statements have been prepared on a going-concern basis.

The Summarised Consolidated Financial Statements for the year ended 31 March 2020 have been prepared under the supervision of Greg Veale CA(SA), Chief Financial Officer.

The Board of Directors approved the Annual Financial Statements and the Summarised Consolidated Financial Statements on 25 June 2020. They are signed on its behalf by:

Malcolm Rutherford
Chairman

Kennett Sinclair
Chief Executive Officer

Mount Edgecombe
25 June 2020

CERTIFICATE FROM THE COMPANY SECRETARY

I hereby certify that the Company has lodged with the Companies and Intellectual Property Commission, all such returns that are required of a public company in terms of the Companies Act, 2008, as amended, in respect of the year ended 31 March 2020 and that all such returns are true, correct and up to date.

Ziyanda Ngwenya
Company Secretary

Mount Edgecombe
25 June 2020

AUDIT COMMITTEE REPORT

The Audit Committee is a committee of the Board of Directors. In addition to having specific statutory responsibilities in terms of the Companies Act of South Africa, it assists the Board through advising and making recommendations on financial reporting, oversight of internal financial controls, external and internal audit functions and statutory and regulatory compliance of the Company and the Group.

TERMS OF REFERENCE

The Audit Committee has adopted formal terms of reference that have been approved by the Board of Directors. The committee has executed its duties during the past financial year in accordance with these terms of reference.

COMPOSITION

The committee consists of three Independent Non-executive Directors. The Chief Executive Officer, Chief Financial Officer, senior financial executives of the Group and representatives from the external and internal auditors attend the committee meetings by invitation.
The auditors, both external and internal, have unrestricted access to the Audit Committee Chairman or any other member of the committee as required.

MEETINGS

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

STATUTORY DUTIES

In execution of its statutory duties during the financial year under review, the Audit Committee:

- nominated Deloitte & Touche as external auditor after considering Deloitte's independence;
- determined the Deloitte& Touche's fees;
- considered Deloitte & Touche's terms of engagement;
- ensured that the appointment of Deloitte & Touche complied with the relevant provisions of the Companies Act of South Africa and King IV;
- Pre-approved all non-audit service work with Deloitte & Touche;
- confirmed that there were no complaints relating to accounting practices and internal audit of the Company, the content or auditing of its Annual Financial Statements, the internal financial controls of the Company and any other related matters;
- considered all key audit matters, specifically the valuation assumptions of Group biological assets;
- advised the Board on any matters concerning the Group and Company accounting policies, financial control, records and reporting where applicable; and
- supported the going concern premise in the preparation of the Annual Financial Statements is appropriate.

INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

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

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

The internal audit manager reported to the committee that in his opinion significant internal financial controls operated effectively during the period under review. The internal audit manager reports directly to the Audit Committee and had unrestricted access to the Audit Committee chairman.

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

REGULATORY COMPLIANCE

The Audit Committee has complied with all applicable legal, regulatory and other responsibilities.

EXTERNAL AUDIT

Based on processes followed and assurances received, the committee is satisfied that Deloitte & Touche is independent of the Group and Company. It is the policy of the Group that any non-audit services are approved by the committee. Deloitte & Touche provided approved non-audit services during the year under review. These services have been assessed and do not impact their independence.

The Audit Committee recommended that the Board reappoint Deloitte & Touche as external auditor for 2021 financial year. The committee confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Professions Act, No 26 of 2005.

FINANCE FUNCTION

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

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

FINANCIAL STATEMENTS

Based on the processes and assurances obtained we recommend that the current Annual Financial Statements be approved by the Board.

On behalf of the Audit Committee

LW Riddle CA(SA)
Audit Committee Chairman

25 June 2020

INDEPENDENT AUDITOR'S REPORT

on the Summarised Consolidated Financial Statements

To the shareholders of Crookes Brothers Limited

OPINION

The Summarised Consolidated Financial Statements of Crookes Brothers Limited, which comprise the summarised consolidated statement of financial position as at 31 March 2020, the summarised consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the Audited Consolidated Financial Statements of Crookes Brothers Limited for the year ended 31 March 2020.

In our opinion, the accompanying Summarised Consolidated Financial Statements are consistent, in all material respects, with the Audited Consolidated Financial Statements of Crookes Brothers Limited, in accordance with IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

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

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the Audited Consolidated Financial Statements in our report dated 3 July 2020. That report also includes the communication of other key audit matters as reported in the auditor's report of the Audited Consolidated Financial Statements.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Summarised Consolidated Financial Statements in accordance with IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa and for such internal control as the Directors determine is necessary to enable the preparation of the Summarised Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the Summarised Consolidated Financial Statements are consistent, in all material respects, with the Audited Consolidated Financial Statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on summarised financial statements.

Deloitte & Touche

Deloitte & Touche
Registered Auditor

Per: Camilla Howard-Browne
Partner

25 July 2020

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

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2020

	Notes	2020 R'000	2019* R'000
Revenue		**703 677**	665 693
Cost of sales		**(490 018)**	(487 865)
Gross profit		**213 659**	177 828
Other gains and losses		**16 274**	12 502
Depreciation	1	**(69 948)**	(59 989)
Operating and administrative expenses		**(90 626)**	(99 925)
Operating profit before biological assets		**69 359**	30 416
Change in fair value of biological assets		**(12 856)**	48 086
Operating profit after biological assets		**56 503**	78 502
Gain on disposal of property, plant and equipment	2	**19 526**	–
Share of profit of joint venture and associate companies		**3 958**	1 209
Investment income		**3 363**	1 801
Finance costs – borrowings	3	**(31 309)**	(26 747)
Finance costs – lease liabilities	3	**(12 978)**	–
Profit before tax		**39 063**	54 765
Tax expense		**(15 375)**	(14 080)
Profit for the year		**23 688**	40 685
Attributable to:			
Owners of the company		**8 733**	25 584
Non-controlling interests		**14 955**	15 101
		23 688	40 685
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of post-employment medical aid obligation		**(119)**	261
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(8 309)**	(2 496)
Other comprehensive loss for the year, net of tax		**(8 428)**	(2 235)
Total comprehensive income for the year		**15 260**	38 450
Attributable to:			
Owners of the company		**305**	23 349
Non-controlling interests		**14 955**	15 101
		15 260	38 450
Earnings per share			
Basic	(cents)	**57.2**	167.6
Diluted	(cents)	**57.2**	167.6

** Prior year re-presented to account for Renishaw Hills as continuing operations. Refer to note 10.2.*

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

	Notes	2020 R'000	2019* R'000
ASSETS			
Non-current assets		**1 093 078**	1 076 056
Property, plant and equipment		**787 744**	960 879
Right-of-use assets	7	**160 145**	–
Investment property		**41 782**	30 336
Deferred tax assets		**23 646**	14 406
Financial assets		**4 935**	4 056
Investments in joint venture and associates		**69 481**	61 393
Unsecured loans		**5 345**	4 986
Current assets		**697 535**	605 876
Biological assets		**245 511**	260 806
Inventories		**139 403**	116 605
Trade and other receivables		**130 862**	136 414
Current tax assets		**6 941**	7 362
Financial assets		**117**	110
Retirement benefit surplus		**1 693**	1 693
Unsecured loans		**–**	2 792
Cash and bank balances		**22 767**	56 683
		547 294	582 465
Assets classified as held for sale	10.1	**150 241**	23 411
Total assets		**1 790 613**	1 681 932
EQUITY AND LIABILITIES			
Capital and reserves		**1 065 938**	1 059 620
Share capital and premium		**226 271**	226 271
Investment revaluation reserve		**951**	951
Foreign currency translation reserve		**(39 807)**	(31 498)
Share-based payment reserve		**5 898**	4 612
Retained earnings		**839 930**	831 316
Equity attributable to owners of the company		**1 033 243**	1 031 652
Non-controlling interests		**32 695**	27 968
Non-current liabilities		**414 559**	267 674
Deferred tax liabilities		**127 503**	129 596
Borrowings – interest-bearing		**64 556**	70 765
Other financial liabilities		**27 313**	19 692
Obligations to restore leased farmland		**32 512**	44 045
Lease liabilities	8	**160 274**	–
Post-employment medical aid obligation		**2 401**	3 576
Current liabilities		**310 116**	354 638
Trade and other payables		**57 873**	76 614
Provisions		**10 634**	16 154
Current tax liabilities		**2 335**	2 775
Borrowings – interest-bearing		**206 976**	251 500
Obligations to restore leased farmland		**6 896**	–
Lease liabilities	8	**4 958**	–
Bank overdraft		**20 444**	7 595
Total equity and liabilities		**1 790 613**	1 681 932

** Prior year re-presented to account for Renishaw Hills as continuing operations. Refer to note 10.2.*

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

	2020 R'000	*Restated* 2019* R'000
Operating activities		
Operating profit for the year	**56 503**	78 502
Adjustment for non-cash items:		
Depreciation	**69 948**	59 989
Change in fair value of biological assets	**12 856**	(48 086)
(Decrease)/increase in provisions	**(5 520)**	6 551
Expense recognised in respect of equity-settled share-based payments	**1 286**	1 139
Unrealised foreign exchange gains	**(2 693)**	(1 742)
Foreign currency translation differences	**1 394**	1 373
Changes in fair value of investment property	**(2 883)**	(4 787)
RTO prepaid lease income	**(1 275)**	(862)
Medical aid defined benefit costs recognised in profit or loss	**(1 340)**	(6 396)
Retirement fund defined benefit costs recognised in profit or loss	**–**	8 519
Capitalised initiation and legal fees	**–**	1 478
Other non-cash items	**(90)**	419
Operating cash flows before movements in working capital	**128 186**	96 097
Net working capital changes	**(41 998)**	21 851
Cash generated from operations	**86 188**	117 948
Interest received	**2 929**	1 076
Interest paid	**(39 770)**	(22 726)
Taxes paid	**(25 459)**	(16 552)
Net cash generated by operating activities	**23 888**	79 746
Investing activities		
Proceeds on disposal of property, plant and equipment	**63 553**	1 538
Investment in property, plant and equipment	**(67 330)**	(78 920)
Investment in investment property	**(2 940)**	(5 770)
Loans to joint venture and associate companies	**(4 759)**	216
Other net investing activities	**1 981**	(688)
Net cash utilised in investing activities	**(9 495)**	(83 624)
Financing activities		
Proceeds from loans and borrowings	**1 450**	55 000
Repayment of loans and borrowings	**(15 582)**	(23 087)
Proceeds from general banking facilities**	**231 500**	258 730
Repayment of general banking facilities**	**(271 815)**	(239 633)
Increase in other financial liabilities	**8 092**	11 257
Repayment of lease liability	**(4 575)**	–
Dividends paid – community partners	**(10 228)**	(12 125)
Net cash (utilised in)/generated by financing activities	**(61 158)**	50 142
Net (decrease)/increase in cash and cash equivalents	**(46 765)**	46 264
Cash and cash equivalents at beginning of the year	**49 088**	2 824
Cash and cash equivalents at end of the year	**2 323**	49 088

** Prior year re-presented to account for Renishaw Hills as continuing operations. Refer to note 10.2.*
*** Prior year restated. Refer to note 9.*

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

	Share capital and premium R'000	Investment revaluation reserve R'000	Foreign currency translation reserve R'000	Share-based payment reserve R'000	Retained earnings R'000	Attributable to owners of the company R'000	Non-controlling interests R'000	Total R'000
Balance at 31 March 2018	226 271	951	(29 002)	3 473	805 471	1 007 164	24 992	1 032 156
Net profit attributable to shareholders	–	–	–	–	25 584	25 584	15 101	40 685
Other comprehensive loss	–	–	(2 496)	–	261	(2 235)	–	(2 235)
Total comprehensive income for the year	–	–	(2 496)	–	25 845	23 349	15 101	38 450
Dividends declared and paid	–	–	–	–	–	–	(12 125)	(12 125)
Share-based payment expense	–	–	–	1 139	–	1 139	–	1 139
Balance at 31 March 2019	**226 271**	**951**	**(31 498)**	**4 612**	**831 316**	**1 031 652**	**27 968**	**1 059 620**
Net profit attributable to shareholders	**–**	**–**	**–**	**–**	**8 733**	**8 733**	**14 955**	**23 688**
Other comprehensive loss	**–**	**–**	**(8 309)**	**–**	**(119)**	**(8 428)**	**–**	**(8 428)**
Total comprehensive income for the year	**–**	**–**	**(8 309)**	**–**	**8 614**	**305**	**14 955**	**15 260**
Dividends declared and paid	**–**	**–**	**–**	**–**	**–**	**–**	**(10 228)**	**(10 228)**
Share-based payment expense	**–**	**–**	**–**	**1 286**	**–**	**1 286**	**–**	**1 286**
Balance at 31 March 2020	**226 271**	**951**	**(39 807)**	**5 898**	**839 930**	**1 033 243**	**32 695**	**1 065 938**

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

for the year ended 31 March 2020

PRODUCTS AND SERVICES FROM WHICH REPORTABLE SEGMENTS DERIVE THEIR REVENUES

Information reported to the Chief Executive Officer (chief operating decision maker) for the purposes of resource allocation and assessment of segment performance, focuses on the types of goods or services delivered or provided, and in respect of the "sugar cane", "deciduous fruit", "bananas", "macadamias" and "property" operations, the information is further analysed based on the different classes of customers. The executive directors of the company have chosen to organise the group around differences in products and services across its farming and property operations. Other revenue streams that have no direct bearing on crop or property performance have been aggregated under "other operations". "Unallocated" refers to specific income or expense transactions, as well as assets and liabilities that cannot be readily allocated to one or more of the group's reportable segments above. Unallocated therefore refers to '"head office" corporate income and expenses, as well as pure head office related assets or liabilities. Tax expense is an unallocated corporate expense.

	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Macadamias R'000	Property R'000	Other operations R'000	Unallocated R'000	Total R'000
Year to 31 March 2020								
Revenue	368 891	106 732	104 260	31 004	68 228	24 562	–	703 677
Operating profit before unallocated overheads	88 538	(6 080)	31 671	(3 839)	10 345	6 572	–	127 207
Corporate expenses	–	–	–	–	–	–	(57 848)	(57 848)
Operating profit before biological assets	88 538	(6 080)	31 671	(3 839)	10 345	6 572	(57 848)	69 359
Change in fair value of biological assets	6 484	(13 118)	4 707	(10 929)	–	–	–	(12 856)
Operating profit after biological assets	95 022	(19 198)	36 378	(14 768)	10 345	6 572	(57 848)	56 503
Gain on disposal of property, plant and equipment	19 026	318	–	(27)	–	–	209	19 526
Share of profit of joint venture and associates	–	–	3 958	–	–	–	–	3 958
Investment income	–	–	–	–	–	–	3 363	3 363
Finance costs	–	–	–	–	–	–	(44 287)	(44 287)
Profit before tax	114 048	(18 880)	40 336	(14 795)	10 345	6 572	(98 563)	39 063
Tax expense	–	–	–	–	–	–	(15 375)	(15 375)
Profit after tax	114 048	(18 880)	40 336	(14 795)	10 345	6 572	(113 938)	23 688
Segment assets and liabilities								
Segmental assets	582 180	402 405	163 564	328 871	218 469	62 073	33 051	1 790 613
Segmental liabilities	274 290	53 400	75 910	9 447	94 944	2 033	214 651	724 675
Other information								
Capital expenditure on property, plant and equipment	29 736	8 659	3 752	25 442	986	2 163	173	70 911
Depreciation	36 027	11 921	4 724	12 428	2 128	1 837	883	69 948

	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Macadamias R'000	Property R'000	Other operations R'000	Unallocated R'000	Total R'000
Year to 31 March 2019*								
Revenue	321 855	100 226	117 052	8 070	89 587	28 903	–	665 693
Operating profit before unallocated overheads	50 391	140	39 779	(2 931)	7 574	(3 118)	–	91 835
Gain on disposal of property, plant and equipment and unlisted shares	–	–	–	–	–	–	399	399
Corporate expenses	–	–	–	–	–	–	(61 818)	(61 818)
Operating profit before biological assets	50 391	140	39 779	(2 931)	7 574	(3 118)	(61 419)	30 416
Change in fair value of biological assets	19 920	9 979	(2 976)	21 163	–	–	–	48 086
Operating profit after biological assets	70 311	10 119	36 803	18 232	7 574	(3 118)	(61 419)	78 502
Share of profit of joint venture and associates	–	–	–	–	–	–	1 209	1 209
Investment income	–	–	–	–	–	–	1 801	1 801
Finance costs	–	–	–	–	–	–	(26 747)	(26 747)
Profit before tax	70 311	10 119	36 803	18 232	7 574	(3 118)	(85 156)	54 765
Tax expense	–	–	–	–	–	–	(14 080)	(14 080)
Profit after tax	70 311	10 119	36 803	18 232	7 574	(3 118)	(99 236)	40 685
Segment assets and liabilities								
Assets								
Segmental assets	478 867	329 607	30 283	304 009	176 864	47 714	26 286	1 393 630
Investments and loans	–	–	–	–	–	–	73 337	73 337
Corporate assets	–	–	–	–	–	–	214 965	214 965
Consolidated total assets	478 867	329 607	30 283	304 009	176 864	47 714	314 588	1 681 932
Liabilities								
Segmental liabilities	75 891	11 400	24 421	3 286	79 692	258	427 364	622 312
Other information								
Capital expenditure on property, plant and equipment	24 994	6 698	2 153	42 458	1 757	6 995	1 570	86 625
Depreciation	29 203	12 066	1 458	10 734	2 150	2 291	2 087	59 989

** Prior year re-presented to account for Renishaw Hills as continuing operations. Refer to note 10.2.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

	2020 R'000	2019 R'000
1. DEPRECIATION		
Leasehold land rights	1 021	–
Buildings and housing	2 695	2 738
Plant and other assets	37 617	39 219
Bearer assets	18 954	18 032
Right-of-use assets	9 661	–
	69 948	59 989
2. GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	19 526	–

Included in the above is a gain on disposal of R19 million for the Group's Shalimar farm and R0.25 million for the Group's aircraft. The Shalimar farm which included the land, buildings, immovable irrigation and bearer assets were sold for a cash consideration of R37 million, against a net book value of assets of R18 million, resulting in a profit of R19 million.

	2020 R'000	2019 R'000
3. FINANCE COSTS		
Interest on bank overdrafts and loans	28 922	24 039
Interest on loan from Two-A-Day Group	1 000	1 000
Interest on obligations under instalment sale agreements	311	458
Interest on reversionary sale and transfer obligations	804	500
Interest on lease liabilities	12 978	–
Other interest expense	272	750
	44 287	26 747
4. HEADLINE (LOSS)/EARNINGS PER SHARE		
Profit for the year attributable to owners of the Company	8 733	25 584
Adjusted for:		
Gain on disposal of property, plant and equipment	(19 526)	(369)
Gain on disposal of financial assets	–	(30)
Impairment of goodwill	–	393
Gain arising on changes in fair value of investment property	(2 883)	(4 787)
Tax effect of the adjustments	6 274	1 342
Headline (loss)/earnings	(7 402)	22 133
Headline (loss)/earnings per share (cents)	(48.5)	145.0
Headline (loss)/earnings per share (diluted) (cents)	(48.5)	145.0
5. BUDGETED CAPITAL EXPENDITURE		
*Contracted and anticipated**		
– replacement	–	95
– expansion, improvement and development	–	1 812
Authorised by the Directors but not yet contracted		
– replacement	4 760	9 791
– expansion, improvement and development	12 361	27 611
– bearer asset replants	9 808	20 831
	26 929	60 140

* *There are no carry-over projects or items (contracted and anticipated), as the Group's new capital budgeting policy follows a "use it or lose it" philosophy. Unless still committed or anticipated at year-end, all capital projects incomplete or not yet commenced by the end of the financial year are cancelled, and have to be reapplied for in the new budget year. Therefore, capital projects carried over from 2019/20 are already included in the authorised budget for 2020/21 above.*

6. CHANGE IN ACCOUNTING POLICY: IFRS 16 LEASES

The accounting policies and methods of computation applied in the preparation of these Summarised Consolidated Financial Statements are in terms of IFRS and, are consistent with those applied in the prior year, except for the adoption of IFRS 16 Leases as noted below.

6.1 IMPACT ON TRANSITION TO IFRS 16

On transition to IFRS 16, the Group recognised right-of-use assets in the form of leased farmland and corresponding lease liabilities.

	2020 R'000
The impact on transition at 1 April 2019 is summarised below.	
Right-of-use assets	169 807
Lease liabilities	(169 807)
Net effect on transition	–

There is no effect on opening retained earnings.

The following is a reconciliation of operating lease commitments accounted for under IAS 17 at the end of the prior year, to lease liabilities at the date of initial application under IFRS 16.

	2020 R'000
Operating lease commitments: 31 March 2019 under IAS 17	435 804
Discounted using the incremental borrowing rate at 1 April 2019*	222 266
– Recognition exemption: leases less than 12 months	(934)
– CPI adjustments estimated in commitments	(51 525)
Lease liabilities recognised: 1 April 2019	169 807

* *The discount rate applied to lease liabilities recognised in the statement of financial position is 8.33%.*

6.2 IMPACT OF IFRS 16 ON YEAR-END RESULTS

The prospective effect of the adoption of IFRS 16 on current year's Group results is as follows:

	2020 R'000
Statement of profit or loss	
Decrease in operating lease rental	17 553
Increase in depreciation	(9 661)
Increase in finance costs	(12 978)
Net effect on profit or loss	(5 086)
Statement of financial position	
Right-of-use assets – increase	160 145
Deferred tax assets – increase	46 265
Deferred tax liabilities – increase	(44 841)
Lease liabilities – increase	(165 232)
Net effect on equity	(3 663)

	2020 R'000
7. RIGHT-OF-USE ASSETS	
Leased farmland	
Cost	169 806
Accumulated depreciation	(9 661)
Net book value	160 145
8. LEASE LIABILITIES	
Mawecro farm lease	128 903
Mthayiza farm lease	36 329
	165 232
Included in the financial statements as:	
Non-current	160 274
Current	4 958
	165 232
Maturity analysis – undiscounted	
Year one	17 553
Year two	17 553
Year three	17 553
Year four	17 553
Year five	17 553
Onwards	204 555
	292 320

9. COMPARATIVE FIGURES

During the current reporting period, the following restatement due to error, to comparative information was effected to disaggregate cash flows in financing activities in the statement of cash flows.

Statement of cash flows	2019 R'000
Financing activities	
As previously reported	
Increase in general banking facilities	19 097
Restated	
Proceeds from general banking facilities	258 730
Repayment of general banking facilities	(239 633)
Net effect	–

10. ASSETS CLASSIFIED AS HELD FOR SALE

10.1 STRATHMORE, RIVERSBEND AND HIGH NOON FARMS

During the current reporting period, the Directors resolved to dispose of the following farms:

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

The proceeds on disposal of these farms are expected to exceed the carrying amounts of the associated assets, and accordingly no impairment loss has been recognised on the classification of these assets as held for sale.

The major classes of assets that will be disposed of are as follows:

	2020 R'000	2019 R'000
Statement of financial position		
Property, plant and equipment	117 100	23 411
Bearer assets	33 141	–
	150 241	23 411

The effect of the High Noon farm on the Group's operating results is as follows:

	2020 R'000	2019 R'000
Statement of profit or loss		
Revenue	29 298	25 652
Cost of sales	(33 431)	(29 756)
Gross loss	(4 133)	(4 104)
Net operating expenses	(4 159)	(2 428)
Operating loss before biological assets	(8 292)	(6 532)
Change in fair value of biological assets	(4 209)	3 465
Operating loss after biological assets	(12 501)	(3 067)

10.2 RENISHAW HILLS

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

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

Just prior to the end of the current reporting period, the Group was unable to fulfil the remaining CPs necessary to conclude the sale, which resulted in cancellation of the sale agreement.

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

11. BASIS OF PREPARATION

The Summarised Consolidated Financial Statements have been prepared in accordance with the minimum information required by IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa as applicable to summarised financial statements.

The Summarised Consolidated Financial Statements have been derived from the audited Consolidated Annual Financial Statements.

A copy of the auditor's report on Consolidated Annual Financial Statements is available for inspection at the Company's registered office, together with the financial statements identified in the auditor's report.

SHAREHOLDER INFORMATION

SHAREHOLDER PROFILE

as at 31 March 2020

ANALYSIS OF PUBLIC SHAREHOLDERS

	Number of shareholdings	Percentage of total shareholdings	Number of shares	Percentage of issued capital
Shareholder spread				
1 – 2 000 shares	238	51.74	119 591	0.78
2 001 – 10 000 shares	104	22.61	527 925	3.46
10 001 – 20 000 shares	45	9.78	628 996	4.12
20 001 – 50 000 shares	39	8.48	1 258 145	8.24
50 001 – 100 000 shares	13	2.83	984 716	6.45
Over 100 000 shares	21	4.57	11 744 944	76.94
Total	460	100.00	15 264 317	100.00
Distribution of shareholders				
Close corporations	7	1.52	24 750	0.16
Collective investment schemes	12	2.61	1 766 033	11.57
Individuals	333	72.39	1 878 582	12.31
Other corporations	9	1.96	7 132 265	46.73
Private companies	20	4.35	1 121 435	7.35
Retirement benefit funds	17	3.70	541 917	3.55
Stockbrokers and nominees	4	0.87	48 479	0.32
Trusts	58	12.61	2 750 856	18.02
Total	460	100.00	15 264 317	100.00
Shareholder type				
Non-public shareholders	8	1.74	7 071 950	46.33
Directors, associates and prescribed officers	7	1.52	233 506	1.53
Shareholder >10% of the shares in issue (Silverlands (SA) Plantations S.A.R.L)	1	0.22	6 838 444	44.80
Public shareholders	452	98.26	8 192 367	53.67
Total	460	100.00	15 264 317	100.00
Beneficial shareholders with a holding greater than 5% of the issued shares				
Silverlands (SA) Plantations S.A.R.L			6 838 444	44.80
Oasis			875 053	5.73
Ellingham Estate (Pty) Ltd			840 000	5.50
Total			8 553 497	56.04

SHAREHOLDER DIARY

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to shareholders as recorded in the Company's securities register on Friday, 24 July 2020 that the 107th Annual General Meeting (AGM) of shareholders of Crookes Brothers Limited ("Crookes Brothers" or "the Company"), in respect of the financial year ended 31 March 2020 will be conducted entirely through electronic participation, as permitted by the Companies Act, No 71 of 2008 (Companies Act) and by the Company's Memorandum of Incorporation (MOI), on Friday, 28 August 2020 at 10:00, at which the resolutions set out below will be considered and, if deemed fit, passed with or without modification.

IMPACT OF THE COVID-19 OUTBREAK ON THE AGM

Due to the COVID-19 (Coronavirus) outbreak and the measures put in place by the South African Government in response to Coronavirus, particularly the restrictions in regard to public gatherings, the AGM will not be held in person and will only be accessible through electronic participation.

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in and/or vote at the AGM by way of electronic participation, such shareholder must either:

(i) register online using the online registration portal at www.smartagm.co.za, prior to the commencement of the AGM; or

(ii) make a written application (the form of which is attached to this notice of the Company's AGM (notice) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited, at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the transfer secretaries by no later than 10:00 on Wednesday, 26 August 2020. This is in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how to access the AGM by means of electronic participation. Instructions on how to participate in the AGM will also be forwarded to the shareholder once they have been registered. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the AGM.

For the avoidance of doubt, dematerialised shareholders without "own name" registration would still need to submit their voting instructions via their Central Securities Depository Participants (CSDP) or broker or obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM electronically.

In terms of section 63(1) of the Companies Act, any person participating in the AGM must present reasonably satisfactory identification and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a representative or proxy for a shareholder) has been reasonably verified. Shareholders of the Company who wish to participate in the AGM electronically should provide such identification when making written application to so participate.

AGENDA

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

To present the Audited Annual Financial Statements of the Company, including the reports of the Directors, Audit Committee, Social and Ethics Committee and auditors for the year ended 31 March 2020.

The Summarised Consolidated Financial Statements are included in the Integrated Report, while the full set of Audited Annual Financial Statements is available on the Company's website at www.cbl.co.za.

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

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

1. ORDINARY RESOLUTION NUMBER 1: RE-APPOINTMENT OF EXTERNAL AUDITORS

"Resolved to authorise the Company to re-appoint, on the recommendation of the Audit Committee of the Company, the external auditors, Deloitte & Touche."

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

2. ORDINARY RESOLUTION NUMBER 2: RE-ELECTION OF DIRECTORS

The Nominations Committee of the Company assessed the performance of each of the retiring Directors and the Board of Directors considered the findings of the Nominations Committee. Based on these findings, the Board recommends to shareholders the re-election of each of the retiring Directors as set out in ordinary resolutions 2.1 to 2.3.

2.1 The following Non-executive Directors retire by rotation in terms of clause 24.7.1 of the Company's Memorandum of Incorporation (MOI) and, being eligible, offer themselves for re-election, each by way of a separate vote. Brief *curricula vitae* in respect of these Directors are shown on pages 20 and 21 of the 2020 Integrated Report to which this notice is attached.

2.1.1 "Resolved that Mr TJ Crookes, who retires by rotation in terms of the Company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a Non-executive Director of the Company."

2.1.2 "Resolved that Mr TK Denton, who retires by rotation in terms of the Company's MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a Non-executive Director of the Company."

The reason for ordinary resolution number 2.1. is that the Company's MOI and, to the extent applicable, the Companies Act (Act 71 of 2008), as amended, ("Companies Act") require that a component of the Company's Non-executive Directors retire every year at the Company's AGM.

2.2 The following Non-executive Director who has served for longer than nine years retires in terms of article 24.7.3 of the Company's MOI and, being eligible, offers himself for re-election. A brief *curriculum vitae* in respect of the retiring Director is shown on pages 20 and 21 of the 2020 Integrated Report.

It is a requirement of the Company that all Directors who have been on the Board for longer than nine years are subject to annual re-election by shareholders at the AGM.

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

The reason for ordinary resolution number 2.2. is that the Company's MOI requires that a Director who has served on the Board for longer than nine years retires every year at the Company's Annual General Meeting.

2.3 The following Non-executive Director who was appointed during the year retires in terms of article 24.7.4 of the Company's MOI and, being eligible, offers herself for election. Dr ST Xaba was appointed a Director on 23 April 2020. A brief *curriculum vitae* in respect of the Director is shown on page 21 of the 2020 Integrated Report.

2.3.1 "Resolved that Dr ST Xaba, who retires in terms of the Company's MOI and, being eligible and offering herself for election, be and is hereby elected as a Non-executive Director of the Company."

The reason for ordinary resolution number 2.3 is that the Company's MOI and to the extent applicable the Companies Act, require that Directors appointed subsequent to the previous AGM retire at the Company's AGM.

3. ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF THE MEMBERS OF THE AUDIT COMMITTEE

"Resolved that the following Independent Non-executive Directors be and are hereby individually re-elected, by way of a separate vote, as members of the Audit Committee until the conclusion of the next AGM of the Company:

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

3.2 Mr LW Riddle; and

3.3 Mr RGF Chance"

Brief *curricula vitae* in respect of these Directors are shown on pages 20 and 21 of the 2020 Integrated Report to which this notice is attached.

The reason for this ordinary resolution is that the Company, being a public listed company, must elect an Audit Committee and the Companies Act requires that the members of such Audit Committee be re-elected, at each AGM of the Company.

4. ORDINARY RESOLUTION NUMBER 4: ENDORSEMENT OF THE COMPANY'S REMUNERATION POLICY BY WAY OF A NON-BINDING ADVISORY VOTE

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

The reason for this ordinary resolution is to request shareholders to signify their approval of the Company's remuneration policy by way of a non-binding advisory resolution as is provided for in the King IV Report on Governance for South Africa, 2016 (King IV Report). The policy is outlined on pages 42 to 44 of the 2020 Integrated Report.

5. ORDINARY RESOLUTION NUMBER 5: ENDORSEMENT OF THE COMPANY'S REMUNERATION IMPLEMENTATION REPORT BY WAY OF A NON-BINDING ADVISORY VOTE

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

The reason for this ordinary resolution is to request shareholders to signify their approval of the Company's remuneration implementation report by way of a non-binding advisory resolution as is provided for in the King IV Report on Governance for South Africa, 2016 (King IV Report). The report is outlined on page 45 of the 2020 Integrated Report.

Note: Ordinary resolutions 4 and 5 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements, however, the Board will take the outcome of the votes on these resolutions into consideration when considering amendments to the Company's remuneration policy. Should either of the resolutions, or both, be opposed by 25% or more of the total number of votes exercisable by shareholders present or represented by proxy at the AGM, the Board will issue an invitation, included in the announcement to shareholders advising of the results of the AGM, to be published on SENS on 28 August 2020, to those shareholders who voted against the applicable resolution to engage with the Company at a meeting scheduled for this purpose

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

6. SPECIAL RESOLUTION NUMBER 1: REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Directors have proposed that there be an increase in the Non-executive Directors' fees for the year ending March 2021, considering there was no increase in the previous financial year.

"Resolved in accordance with section 66(9) of the Companies Act, that unless otherwise determined by the Company in general meeting, the annual fees payable by the Company to Non-executive Directors be approved with effect from 1 April 2020, as follows:"

Rand per annum	Current 2020	Proposed 2021
Board		
Chairman	**500 000**	527 500
Other non-executive Board members	**225 000**	237 375
Audit Committee		
Chairman	**120 000**	126 600
Other members	**50 000**	52 750
Remuneration Committee		
Chairman	**45 000**	47 475
Other members	**30 000**	31 650
Nominations Committee		
Chairman	**45 000**	47 475
Other members	**30 000**	31 650
Risk Committee		
Chairman	**45 000**	47 475
Other non-executive Board members	**30 000**	31 650
Social and Ethics Committee		
Chairman	**45 000**	47 475
Other non-executive Board members	**30 000**	31 650
Agricultural Committee		
Chairman	**45 000**	47 475
Other non-executive Board members	**30 000**	31 650
Retirement Funds		
Chairman	**70 000**	73 850

All fees are paid quarterly in arrears.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 1

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

7. SPECIAL RESOLUTION NUMBER 2 – FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 OF THE COMPANIES ACT

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

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

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 2

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

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

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

8. SPECIAL RESOLUTION NUMBER 3 – FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES IN TERMS OF SECTION 45 OF THE COMPANIES ACT

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

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

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 3

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

This special resolution does not authorise the provision of financial assistance to a Director and/or Prescribed Officer of the Company.

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

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 (twelve) months;
- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MOI have been met.

VOTING AND PROXIES

CERTIFICATED SHAREHOLDERS

Shareholders wishing to participate in and/or vote at the AGM, by means of electronic participation (refer to the information included under the heading "electronic participation by shareholders" of this notice), should ensure beforehand, with the transfer secretaries of the Company, being Computershare Investor Services Proprietary Limited, that their shares are in fact registered in their name. Should the shares be registered in another name or in the name of a nominee company, it is incumbent on persons attending the AGM, by means of electronic participation, to make the necessary arrangement with that party to be able to participate in and/or vote on its behalf.

A shareholder is entitled to attend, speak and vote at the AGM or to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. For the convenience of shareholders of the Company, a form of proxy is enclosed herewith, containing detailed instructions in this regard.

DEMATERIALISED/UNCERTIFICATED SHAREHOLDERS

Holders of dematerialised shares who have elected "own name" registration may attend, speak and vote at the AGM, by means of electronic participation (refer to the information included under the heading "electronic participation"), or appoint a proxy or proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the company. For the convenience of shareholders of the Company, a form of proxy is enclosed herewith, containing detailed instructions in this regard.

Beneficial owners of dematerialised shares who have not elected "own name" registration and who wish to attend, speak and vote at the AGM by means of electronic participation (refer to the information included under the heading "electronic participation by shareholders" of this notice), require their CSDP or broker to provide them with a letter of representation. Alternatively, they should provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

If they wish to attend, speak and vote at the AGM by means of electronic participation, they must ensure that their letters of representation from their CSDP or broker reach the transfer secretaries of the Company (acting on behalf of the Company), at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, at any time prior to the commencement of the AGM but by not later than 10:00 on Wednesday, 26 August 2020, or are posted to the transfer secretaries (acting on behalf of the Company), at Private Bag X9000, Saxonwold, 2132, South Africa or emailed to proxy@computershare.co.za to be received by them at any time prior to the commencement of the AGM but by not later than 10:00 on Wednesday, 26 August 2020; The electronic communication employed will enable all persons participating in that meeting to communicate concurrently with one another without an intermediary and to participate reasonably effectively in the meeting. Voting of shares will be possible via electronic communication. Once the meeting has commenced, participants will be able to vote via the voting link to be provided during the meeting.

PROXIES

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries (acting on behalf of the Company) at any time prior to the commencement of the AGM but by no later than 10:00 on Wednesday, 26 August 2020.

On a poll, shareholders will have one vote in respect of each share held.

In terms of section 58 of the Companies Act, shareholders have rights to be represented by proxy as herewith stated. An extract of section 58 of the Companies Act is included in the form of proxy.

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in and/or vote at the AGM by way of electronic participation, such shareholder must either:

(i) register online using the online registration portal at www.smartagm.co.za, prior to the commencement of the AGM; or

(ii) make a written application (the form of which is attached to this notice) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited, at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the transfer secretaries by no later than 10:00 on Wednesday, 26 August 2020, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how access to the AGM by means of electronic participation is to be made. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the AGM.

For the avoidance of doubt, shareholders without "own name" registration must obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM by way of electronic means.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM and it will not be for the expense of the Company, the transfer secretaries or the JSE. Neither the company, the transfer secretaries nor the JSE will be held accountable in the case of loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages which would prevent a shareholder from participating in and/or voting at the AGM electronically. Accordingly, a shareholder, participating in and/or voting at the AGM by means of electronic participation, acknowledges that he/she will have no claim against the Company, the transfer secretaries and the JSE, whether for consequential damages or otherwise, arising from the use of the electronic platform or any defect in it or from total or partial failure of the electronic platform and connections linking the shareholder via the electronic platform to the AGM.

By order of the Board

Ziyanda Ngwenya
Company Secretary

25 June 2020

SALIENT DATES

Record date to receive the Notice of the Annual General Meeting	Friday, 17 July 2020
Date of posting the Notice of Annual General Meeting	Wednesday, 29 July 2020
Last date to trade to be eligible to vote	Tuesday 18 August 2020
Record date to be eligible to attend, participate and vote at the Annual General Meeting	Friday, 21 August 2020
For administrative purposes, preferable date by which forms of proxy for the Annual General Meeting are requested to be lodged, by 10:00 on	Wednesday, 26 August 2020
Annual General Meeting at 10:00	Friday, 28 August 2020
Results of Annual General Meeting published on SENS on	Friday, 28 August 2020

FORM OF PROXY

CROOKES BROTHERS LIMITED

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

ANNUAL GENERAL MEETING

For use only by certificated shareholders, own name registered dematerialised shareholders, Central Securities Depository Participants' ("CSDP") nominee companies and brokers' nominee companies at the Annual General Meeting of shareholders to be held at 10:00 on Friday, 28 August 2020, to be conducted entirely through electronic participation.

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

I/We (block capitals)

of (address)

being a member(s) of the above named Company and entitled to vote, do hereby appoint:

of or failing him/her

of or failing him/her

the chairman of the Annual General Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on Friday, 28 August 2020, or at any adjournment thereof.

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

		Mark with X where applicable		
	Agenda Item	**For**	**Against**	**Abstain**
1.	Re-appointment of external auditors			
2.1.1	Re-election of Non-executive Director – TJ Crookes			
2.1.2	Re-election of Non-executive Director – TK Denton			
2.2.1	Re-election of Non-executive Director – MT Rutherford			
2.3.1	Re-election of Non-executive Director – ST Xaba			
3.1	Re-election of Audit Committee member – MT Rutherford			
3.2	Re-election of Audit Committee member – LW Riddle			
3.3	Re-election of Audit Committee member – RGF Chance			
4.	Endorsement of the Company's Remuneration policy – Non-binding advisory vote			
5.	Endorsement of the Company's Remuneration implementation report – Non-binding advisory vote			
6.	Special resolution number 1 – Remuneration of Non-executive Directors			
7.	Special resolution number 2 – Authority to grant financial assistance in terms of section 44 of the Companies Act			
8.	Special resolution number 3 – Authority to grant financial assistance to related and inter-related parties in terms of section 45 of the Companies Act			

Signed at on this day of 2020

Signature Number of shares

CROOKES BROTHERS LIMITED

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

ANNUAL GENERAL MEETING

Due to the COVID-19 (Coronavirus) outbreak and the measures put in place by the South African Government in response to the Coronavirus, particularly the restrictions in regard to public gatherings, the Annual General Meeting of the Company to be held at 10:00 on Friday, 28 August 2020 (AGM) will be conducted entirely through electronic participation.

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in and/or vote at the AGM by way of electronic participation, such shareholder must either:

(i) register online using the online registration portal at www.smartagm.co.za, prior to the commencement of the AGM; or

(ii) make a written application (the form of which is attached to this notice) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited, at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the transfer secretaries at any time prior to the commencement of the AGM but by no later than 10:00 on Wednesday, 26 August 2020. This is in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how to access the AGM by means of electronic participation. Instructions on how to participate in the AGM will also be forwarded to the shareholder once they have been registered. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act, No 71 of 2008 (Companies Act)) and are registered at the commencement of the AGM.

For the avoidance of doubt, dematerialised shareholders without "own name" registration would need to obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM by way of electronic means.

APPLICATION FORM: ELECTRONIC PARTICIPATION IN THE AGM

Full name of shareholder:

Identity/registration number:

Email address:

Cell number:

Telephone number: (code): (number):

Number of ordinary shares in the company:

Name of CSDP or broker (if shares are held in dematerialised form):

Contact number of CSDP/broker:

Contact person of CSDP/broker:

Number of share certificate (if applicable):

Signed at on 2020

Signature of shareholder

TERMS AND CONDITIONS FOR PARTICIPATION IN THE AGM VIA ELECTRONIC MEANS

1. Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM and it will not be for the expense of the company, the transfer secretaries or the JSE. Neither the Company, the transfer secretaries nor the JSE will be held accountable in the case of loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages which would prevent a shareholder from participating in and/or voting at the AGM electronically.
2. The shareholder acknowledges that the electronic platform through which the AGM will be facilitated is provided by third parties and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use of the electronic platform, whether or not the problem is caused by any act or omission on the part of the shareholder or anyone else.
3. A shareholder, participating in and/or voting at the AGM by means of electronic participation, acknowledges by signing this application form, that he/she will have no claim against the company, the transfer secretaries and the JSE, whether for consequential damages or otherwise, arising from the use of the electronic platform or any defect in it or from total or partial failure of the electronic platform and connections linking the shareholder via the electronic platform to the AGM.
4. An application to participate in the AGM electronically, utilising this application form, will only be deemed successful if this application form, along with the submission of the necessary letter of representation (if applicable), has been completed fully, signed by the shareholder and submitted to the transfer secretaries of the Company as detailed above, prior to the commencement of the AGM and such shareholder is verified (as required in terms of section 63(1) of the Companies Act).

NOTES

NOTES

CORPORATE INFORMATION

Company name:	Crookes Brothers Limited
Registered office:	Mount Edgecombe, KwaZulu-Natal
Postal address:	PO Box 611, Mount Edgecombe, 4300
Telephone:	031 508 7340
Email:	info@cbl.co.za
Website:	www.cbl.co.za
Share code:	CKS
Company registration number:	1913/000290/06
Company secretary:	Ziyanda Ngwenya
Business address:	170 Flanders Drive, Mount Edgecombe
Postal address:	PO Box 611, Mount Edgecombe, 4300
Telephone:	031 508 7372
Email:	zngwenya@cbl.co.za
Transfer secretaries:	Computershare Investor Services (Proprietary) Limited
Business address:	Rosebank Towers, 15 Biermann Ave, Rosebank, 2196
Postal address:	Private Bag X9000, Saxonwold, 2132
Telephone:	011 370 5000
Telefax:	011 688 5200
Auditors:	Deloitte & Touche
Attorneys:	Livingston Leandy Inc.
Bankers:	FirstRand Bank Limited
	Investec Bank Limited
Sponsor:	Sasfin Capital (A division of Sasfin Bank Limited)

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