ANNUAL FINANCIAL STATEMENTS

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FINANCIAL HIGHLIGHTS

	2014	2013 Restated
Revenue (Rmillion)	**15 716**	14 373
Operating profit (Rmillion)	**2 374**	2 131
Operating cash flow (Rmillion)	**2 934**	2 182
Headline earnings (Rmillion)	**1 106**	1 067
Headline earnings per share - basic (cents)	**990,5**	968,0
Annual dividends per share (cents)	**360,0**	340,0

CURRENCY CONVERSION GUIDE

	Closing rate at 31 March		
	2014	2013	2012
Rand/US dollar	**10,56**	9,21	7,67
Rand/Metical	**0,34**	0,30	0,28
Rand/Euro	**14,58**	11,82	10,24
US dollar/Euro	**1,38**	1,28	1,34

	Average rate for year		
	2014	2013	2012
Rand/US dollar	**10,13**	8,48	7,44
Rand/Metical	**0,34**	0,30	0,27
Rand/Euro	**13,59**	10,95	10,24
US dollar/Euro	**1,34**	1,29	1,38

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

These annual financial statements have been prepared in accordance with International Financial Reporting Standards under the supervision of the Chief Financial Officer, M H Munro CA (SA) and have been audited in accordance with the requirements of the Companies Act of South Africa.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TONGAAT HULETT LIMITED

We have audited the consolidated and separate financial statements of Tongaat Hulett Limited, set out on pages 71 to 80, page 82 and pages 90 to 127, which comprise the statements of financial position as at 31 March 2014, and the income statements, the statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Tongaat Hulett Limited as at 31 March 2014, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2014, we have read the Directors' Statutory Report, the Audit and Compliance Committee's Report and the Certificate by Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte & Touche

Deloitte & Touche

Audit KZN
Registered Auditors
Per W Moodley
Partner

22 May 2014

DIRECTORS' STATEMENT OF RESPONSIBILITY AND APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the preparation and integrity of the consolidated annual financial statements of the company and other information included in this report that has been prepared in accordance with International Financial Reporting Standards.

The directors, supported by the Audit and Compliance Committee, are of the opinion, based on the information and explanations given by management and the internal auditors and on comment by the independent external auditors on the results of their statutory audit, that the company's internal accounting controls are adequate, so that the financial records may be relied upon for preparing the financial statements and maintaining accountability for assets and liabilities. The directors believe that the company's assets are protected and used as intended in all material respects with appropriate authorisation. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year.

In preparing the financial judgements, the company has used appropriate accounting policies, supported by reasonable and prudent judgements and estimates, and has complied with all applicable accounting standards. The directors are of the opinion that the financial statements fairly present the financial position of the company at 31 March 2014 and the results of its operations for the year then ended. The directors are also of the opinion that the company will continue as a going concern in the year ahead.

The independent external auditors concur with the above statements by the directors.

The company's independent external auditors, Deloitte & Touche, have audited the financial statements and their unqualified report appears on page 85.

The annual financial statements were approved by the board of directors on 22 May 2014 and are signed on its behalf by:

J B Magwaza

Chairman

Peter Staude

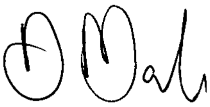
Chief Executive Officer

Amanzimnyama
Tongaat, KwaZulu-Natal

22 May 2014

CERTIFICATE BY COMPANY SECRETARY

I certify that the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act of South Africa in respect of the year ended 31 March 2014 and that all such returns are true, correct and up to date.



M A C Mahlari

Company Secretary

Amanzimnyama
Tongaat, KwaZulu-Natal

22 May 2014

SHAREHOLDERS' DIARY

Financial year end		31 March
Annual general meeting		July
Reports and profit statements:		
Interim results		November
Annual results and final dividend declaration		May
Annual financial statements		June
Dividends:		
Interim	Declared	November
	Paid	January
Final	Declared	May
	Paid	June

DIRECTORS' STATUTORY REPORT

The directors have pleasure in submitting the annual financial statements for the year ended 31 March 2014.

Nature of business

Tongaat Hulett is an agri-processing business that includes the integrated components of land management, property development and agriculture. The activities are dealt with in detail in this integrated annual report.

Financial results

The net profit attributable to shareholders for the year ended 31 March 2014 amounted to R1 155 million (2013: R1 079 million). This translates into a headline earnings per share of 990,5 cents (2013: 968,0 cents) based on the weighted average number of shares in issue during the year.

Dividends

An interim distribution (number 172) was declared by way of the issue of fully paid ordinary shares of R1,00 each as a scrip distribution with a gross cash alternative of 150 cents per share, which was paid on 6 February 2014. A final gross cash dividend number 173 of 210 cents per share has been declared and is payable on 26 June 2014 to shareholders registered at the close of business on 20 June 2014.

The salient dates of the declaration and payment of this final dividend are as follows:

Last date to trade ordinary shares "CUM" dividend	Thursday	12 June 2014
Ordinary shares trade "EX" dividend	Friday	13 June 2014
Record date	Friday	20 June 2014
Payment date	Thursday	26 June 2014

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Friday 13 June 2014 and Friday 20 June 2014, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Dividends paid by United Kingdom transfer secretaries will be paid in British currency at the rate of exchange ruling at the close of business on Thursday 12 June 2014.

The dividend has been declared from income reserves. A net dividend of 178,5 cents per share will apply to shareholders liable for the local 15% dividend withholding tax and 210 cents per share for shareholders exempt from paying the dividend tax. There are no STC credits available for utilisation. The issued ordinary share capital as at 22 May 2014 is 109 967 030 shares. The company's income tax reference number is 9306/101/20/6.

Share capital

There was no change in the authorised capital of the company.

In February 2014, 1 167 930 fully paid up ordinary shares were issued to ordinary shareholders by way of scrip distribution.

During the period, 151 400 shares were allotted (62 000 shares were allotted to executive directors) in respect of options exercised in terms of the company's employee share incentive schemes for a total consideration of R5 million. Details of the unissued ordinary shares and the company's share incentive schemes are set out in the Remuneration Report and in notes 11 and 34.

At the previous AGM, a general authority was granted by shareholders for the company to acquire its own shares in terms of the Companies Act. The directors consider that it will be advantageous for the company were this general authority to continue. Such authority will be used if the directors consider that it is in the best interests of the company and shareholders to effect any such acquisitions having regard to prevailing circumstances and the cash resources of the company at the relevant time. Shareholders will be asked to consider a special resolution to this effect at the forthcoming AGM meeting with the proviso that the number of ordinary shares acquired in any one financial year may not exceed five percent of the ordinary shares in issue at the date on which this resolution is passed.

In compliance with the Listings Requirements of the JSE Limited ("JSE"), the acquisition of shares or debentures ("securities") pursuant to a general authority may only be made by a company subject to such acquisitions:

- Being effected through the order book operated by the JSE trading system;
- Being authorised thereto by the company's MOI;
- Being authorised by the shareholders of the company in terms of a special resolution of the company in general meeting which will be valid only until the next AGM of the company; provided that such authority will not extend beyond 15 months from the date of the resolution;
- Not being made at a price greater than ten percent above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected. The JSE should be consulted for a ruling if the company's securities have not traded in such five business day period.

Further, in terms of the listings requirements of the JSE, the directors consider that in their opinion, taking into account the effect of the maximum acquisition by the company of shares issued by it as referred to above:

- The company and its subsidiaries (together "the group") will be able, in the ordinary course of business, to pay its debts for a period of 12 months from 22 May 2014;
- The assets of the company and of the group will be in excess of the liabilities of the company and the group for a period of 12 months from 22 May 2014. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the company's latest audited group annual financial statements;
- The ordinary capital and reserves of the company and the group will be sufficient for the company's and the group's present requirements for 12 months from 22 May 2014;
- The working capital of the company and the group for a period of 12 months from 22 May 2014 will be adequate for the company's and the group's requirements.

Subsidiary companies and joint operations

The principal subsidiaries and joint operations of the company are reflected in note 26.

The attributable interest of the company in the results of its consolidated subsidiaries and joint operations for the year ended 31 March 2014 is as follows:

	2014	2013
In the aggregate amount:		
Net profit (Rmillion)	1 277	1 079
Net losses (Rmillion)	92	6

Directorate

The composition of the Board, at 31 March 2014, is as follows: J B Magwaza (Chairman), P H Staude (CEO), F Jakoet, J John, R P Kupara, A A Maleiane, T N Mgoduso, N Mjoli-Mncube, M H Munro, S G Pretorius, C B Sibisi. During the period, B G Dunlop retired from the Board as an executive director on 31 August 2013.

Directors retiring by rotation at the AGM in accordance with article 61 of the memorandum of incorporation are Fatima Jakoet, Nhlanhla Mjoli-Mncube and Thandeka Mgoduso. These directors are eligible and offer themselves for re-election. Details of each of these retiring directors are set out on pages 56 to 57.

In addition to the above, shareholders are advised that J B Magwaza will retire from the Board at the close of business of the annual general meeting having reached the mandatory retirement age in terms of the memorandum of incorporation of the company. The Board appointed Bahle Sibisi as a Non-executive Chairman of the Board with effect from the conclusion of the annual general meeting on 30 July 2014. The Board appointed Jenitha John as Lead Independent Director as required by the JSE Listings Requirements and King III in situations where the Chairman of the Board is not independent, also with effect from 30 July 2014.

Directors' shareholdings

At 31 March 2014, the present directors of the company beneficially held a total of 374 200 ordinary shares equivalent to 0,34 percent in the ordinary listed share capital of the company (2013: 387 042 ordinary shares equivalent to 0,36 percent). Details of the directors' shareholdings and interests in the share incentive schemes are provided on page 72 and pages 78 to 80 of the Remuneration Report. There has been no change in these holdings between 31 March and 22 May 2014.

Audit and Compliance Committee

The Audit and Compliance Committee has considered the provisions of the Companies Act 2008 and has taken the necessary steps to ensure compliance. The committee confirms that during the period under review it carried out its functions responsibly and in accordance with its terms of reference as detailed in its report contained in the Corporate Governance section of this integrated annual report. In addition, the committee is satisfied that the designated auditors of the company are independent of the company.

Post balance sheet events

There were no material events between the balance sheet date and the date of this report.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2014

Tongaat Hulett Limited

Company 2013 Restated	Company 2014	Rmillion	Note	Consolidated 2014	Consolidated 2013 Restated
		ASSETS			
		Non-current assets			
2 578	2 644	Property, plant and equipment	1	**11 279**	10 287
1 003	1 288	Growing crops	2	**5 005**	4 583
485	501	Long-term receivable and prepayments	3	**485**	455
		Goodwill	4	**338**	300
77	69	Intangible assets	5	**70**	78
		Investments	6	**18**	14
4 541	4 004	Subsidiaries and joint operations	7		
8 684	8 506			**17 195**	15 717
1 589	1 744	**Current assets**		**6 781**	5 584
556	718	Inventories	8	**2 416**	1 858
795	812	Trade and other receivables		**2 850**	2 301
182	139	Major plant overhaul costs		**432**	508
	16	Derivative instruments	9	**16**	
56	59	Cash and cash equivalents	10	**1 067**	917
10 273	10 250	**TOTAL ASSETS**		**23 976**	21 301
		EQUITY AND LIABILITIES			
		Capital and reserves			
134	135	Share capital	11	**135**	134
1 539	1 543	Share premium		**1 543**	1 539
		BEE held consolidation shares	12	**(700)**	(747)
781	767	Retained income		**7 412**	6 541
393	449	Other reserves		**2 172**	865
2 847	2 894	**Shareholders' interest**		**10 562**	8 332
		Minority interests in subsidiaries		**1 628**	1 373
2 847	2 894	**Equity**		**12 190**	9 705
4 150	4 868	**Non-current liabilities**		**7 612**	6 855
463	508	Deferred tax	13	**2 131**	1 930
3 202	3 852	Long-term borrowings	14	**4 094**	3 481
		Non-recourse equity-settled BEE borrowings	15	**691**	722
485	508	Provisions	16	**696**	722
3 276	2 488	**Current liabilities**		**4 174**	4 741
1 353	1 481	Trade and other payables	17	**2 741**	2 572
1 907	1 006	Short-term borrowings	14	**1 293**	2 078
16	1	Derivative instruments	9	**1**	16
		Tax		**139**	75
10 273	10 250	**TOTAL EQUITY AND LIABILITIES**		**23 976**	21 301

INCOME STATEMENTS

for the year ended 31 March 2014

Tongaat Hulett Limited

Company 2013 Restated	Company 2014	Rmillion	Note	Consolidated 2014	Consolidated 2013 Restated
7 643	8 393	**REVENUE**		**15 716**	14 373
762	944	**OPERATING PROFIT**	18	**2 374**	2 131
(457)	(545)	Financing costs	20	**(646)**	(596)
6	4	Finance income	20	**37**	36
311	403	**PROFIT BEFORE TAX**		**1 765**	1 571
(46)	(56)	Tax	21	**(538)**	(392)
265	347	**NET PROFIT**		**1 227**	1 179
		Attributable to:			
265	347	Shareholders of Tongaat Hulett		**1 155**	1 079
		Minority (non-controlling) interest		**72**	100
265	347			**1 227**	1 179
		EARNINGS PER SHARE (cents)	23		
		Basic		**1 034,4**	978,9
		Diluted		**1 022,3**	961,0

STATEMENTS OF OTHER COMPREHENSIVE INCOME

Company 2013 Restated	Company 2014	Rmillion	Consolidated 2014	Consolidated 2013 Restated
265	347	**NET PROFIT FOR THE YEAR**	**1 227**	1 179
(41)	(5)	**OTHER COMPREHENSIVE INCOME**	**1 438**	1 112
		Items that will not be reclassified to profit or loss:		
		Foreign currency translation	**1 446**	1 149
(49)	(12)	Actuarial loss	**(17)**	(44)
13	3	Tax on actuarial loss	**5**	12
		Items that may be reclassified subsequently to profit or loss:		
(6)	6	Hedge reserve	**6**	(6)
1	(2)	Tax on movement in hedge reserve	**(2)**	1
224	342	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**	**2 665**	2 291
		Total comprehensive income attributable to:		
224	342	Shareholders of Tongaat Hulett	**2 397**	1 996
		Minority (non-controlling) interest	**268**	295
224	342		**2 665**	2 291

Rmillion	Share Capital Ordinary	Share Capital B Ordinary	Share Capital A Preferred Ordinary	Share Premium	BEE Held Consolidation Shares	Capital Redemption Reserve Funds	Share-based Payment Reserve	Translation Reserve	Hedging Reserve	Retained Income	Shareholders' Interest	Minority (non-controlling) Interest	Total
CONSOLIDATED													
Balance at 31 March 2012 as previously reported	**105**	**10**	**25**	**1 528**	**(799)**	**33**	**393**	**(475)**	**1**	**5 888**	**6 709**	**1 087**	**7 796**
Adoption of IAS 19 (Revised) - refer to note 35										(31)	(31)	1	(30)
Balance at 31 March 2012 restated	**105**	**10**	**25**	**1 528**	**(799)**	**33**	**393**	**(475)**	**1**	**5 857**	**6 678**	**1 088**	**7 766**
Share capital issued				5							5		5
Vesting of ESOP / MSOP shares	4	(10)		6									
Amortisation of BEE IFRS 2 charge					37						37		37
Share-based payment charge							57				57		57
Settlement of share-based payment awards							(94)				(94)		(94)
Reallocation					15					(15)			
Dividends paid										(347)	(347)		(347)
Dividends paid - minorities												(10)	(10)
Total comprehensive income for the year								955	(5)	1 046	1 996	295	2 291
Retained earnings										1 046	1 046	101	1 147
Movement in hedge reserve									(5)		(5)		(5)
Foreign currency translation								955			955	194	1 149
Balance at 31 March 2013 restated	**109**		**25**	**1 539**	**(747)**	**33**	**356**	**480**	**(4)**	**6 541**	**8 332**	**1 373**	**9 705**
Share capital issued	1			4							5		5
Amortisation of BEE IFRS 2 charge					16						16		16
Share-based payment charge							67				67		67
Settlement of share-based payment awards							(15)				(15)		(15)
Reallocation					31					(31)			
Dividends paid										(240)	(240)		(240)
Dividends paid - minorities												(13)	(13)
Total comprehensive income for the year								1 251	4	1 142	2 397	268	2 665
Retained earnings										1 142	1 142	73	1 215
Movement in hedge reserve									4		4		4
Foreign currency translation								1 251			1 251	195	1 446
Balance at 31 March 2014	**110**		**25**	**1 543**	**(700)**	**33**	**408**	**1 731**		**7 412**	**10 562**	**1 628**	**12 190**

Rmillion	Share Capital Ordinary	Share Capital B Ordinary	Share Capital A Preferred Ordinary	Share Premium	BEE Held Consolidation Shares	Capital Redemption Reserve Funds	Share-based Payment Reserve	Translation Reserve	Hedging Reserve	Retained Income	Shareholders' Interest
COMPANY											
Balance at 31 March 2012 as previously reported	**105**	**10**	**25**	**1 528**		**29**	**402**		**1**	**1 062**	**3 162**
Adoption of IAS 19 (Revised) - refer to note 35										(51)	(51)
Balance at 31 March 2012 restated	**105**	**10**	**25**	**1 528**		**29**	**402**		**1**	**1 011**	**3 111**
Share capital issued				5							5
Vesting of ESOP / MSOP shares	4	(10)		6							
Share-based payment charge							57				57
Settlement of share-based payment awards							(91)				(91)
Dividends paid and accrued										(459)	(459)
Total comprehensive income for the year									(5)	229	224
Retained earnings										229	229
Movement in hedge reserve									(5)		(5)
Balance at 31 March 2013 restated	**109**		**25**	**1 539**		**29**	**368**		**(4)**	**781**	**2 847**
Share capital issued	1			4							5
Share-based payment charge							67				67
Settlement of share-based payment awards							(15)				(15)
Dividends paid and accrued										(352)	(352)
Total comprehensive income for the year									4	338	342
Retained earnings										338	338
Movement in hedge reserve									4		4
Balance at 31 March 2014	**110**		**25**	**1 543**		**29**	**420**			**767**	**2 894**

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2014 — Tongaat Hulett Limited

Company 2013 Restated	Company 2014	Rmillion	Consolidated 2014	Consolidated 2013 Restated
		Cash generated from operations		
665	796	Operating profit before dividends	**2 374**	2 131
97	148	Dividends received		
762	944	Operating profit	**2 374**	2 131
(59)	(142)	Profit on disposal of property, plant and equipment	**(75)**	(24)
		Adjustments for:		
(165)	(69)	Growing crops and other non-cash flow items	**64**	(397)
172	206	Depreciation	**571**	472
710	939	Operating cash flow	**2 934**	2 182
		Cash required by operations		
(74)	(188)	Inventories	**(468)**	(264)
(139)	(13)	Trade and other receivables	**(388)**	(292)
243	127	Trade and other payables	**95**	500
30	(74)	Increase in working capital	**(761)**	(56)
740	865	Cash flow from operations	**2 173**	2 126
(10)	(9)	Tax payments	**(452)**	(239)
(451)	(541)	Net financing costs	**(609)**	(560)
279	315	**Cash flow from operating activities**	**1 112**	1 327
		Cash flows from investing activities		
		Expenditure on property, plant and equipment		
(119)	(45)	New	**(117)**	(447)
(212)	(232)	Replacement	**(429)**	(477)
(51)		Major plant overhaul cost changes	**18**	(93)
(15)	(7)	Expenditure on intangible assets	**(7)**	(15)
(125)	(107)	Capital expenditure on growing crops	**(118)**	(157)
72	147	Proceeds on disposal of property, plant and equipment	**96**	40
	90	Investments - subsidiary		
		Investments - other	**(2)**	(1)
(450)	(154)	Net cash used in investing activities	**(559)**	(1 150)
(171)	161	**Net cash flow before dividends and financing activities**	**553**	177
		Dividends paid		
(459)	(352)	Ordinary and preferred ordinary shares	**(240)**	(347)
		Minorities	**(13)**	(10)
(459)	(352)	Dividends paid	**(253)**	(357)
(630)	(191)	**Net cash flow before financing activities**	**300**	(180)
		Cash flows from financing activities		
720	(252)	Borrowings raised	**(258)**	503
		Non-recourse equity-settled BEE borrowings	**(31)**	(15)
5	5	Shares issued	**5**	5
(88)	(15)	Settlement of share-based payment awards	**(15)**	(94)
12	456	Inter-group loans		
649	194	Net cash from financing activities	**(299)**	399
19	3	**Net increase in cash and cash equivalents**	**1**	219
37	56	Balance at beginning of year	**917**	592
		Foreign exchange adjustment	**149**	106
56	59	**Cash and cash equivalents at end of year**	**1 067**	917

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), Interpretations issued by the IFRS Interpretations Committee, the requirements of the Companies Act of South Africa and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee.

Tongaat Hulett has adopted all the new or revised accounting pronouncements as issued by the IASB which were effective for Tongaat Hulett for the current financial year. The adoption of these standards had no recognition and measurement impact on the financial results, other than for the adoption of the revised IAS 19 which requires that post-retirement benefit accounting actuarial gains and losses be recognised immediately in other comprehensive income and no longer be amortised through profit or loss. The effect of the compulsory adoption of the revised IAS 19, which required the restatement of comparative figures, is provided in note 35.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the company and of its subsidiaries. The results of subsidiaries are included from the date effective control was acquired and up to the date effective control ceased. Investments in joint operations are accounted for on the proportionate consolidation method from the effective date of acquisition and up to the effective date of disposal. All material inter-company balances and transactions are eliminated. Special purpose entities which were established in a black economic empowerment transaction have been and will continue to be consolidated while Tongaat Hulett carries a residual risk in these entities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from Tongaat Hulett's equity therein. The interests of minority shareholders are initially measured at the date of acquisition at the minority's proportion of the net fair value of the assets and liabilities consolidated and thereafter, the minority's share of changes in equity since the date of acquisition. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of Tongaat Hulett, except to the extent that the minority has a binding obligation and the financial ability to cover such losses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, including refurbishment, less accumulated depreciation and impairment. Cost includes the estimated cost of dismantling and removing the assets. Interest and other costs incurred on major capital projects are capitalised until all the activities necessary to prepare assets for their intended use are substantially complete.

Assets held under finance lease agreements are capitalised at fair value and the corresponding liabilities to the lessor are raised. Lease finance charges are charged to profit or loss over the term of the relevant lease using the effective interest rate method. Land and capital work in progress are not depreciated. All other fixed assets, including major factory overhaul costs, are depreciated and charged to profit or loss over their expected useful lives to estimated residual values at rates appropriate to their use. Maintenance expenditure on the company's sugar mills following the cessation of crushing for the season is carried forward as a current asset and charged against the following season's income. Where significant parts of a fixed asset item have different useful lives to the item itself, these component parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually.

During the year under review, property, plant and equipment were depreciated on the straight line basis using the rates set out below:

Agricultural land improvements	50 to 99 years
Buildings	30 to 50 years
Plant and equipment	4 to 40 years
Vehicles	4 to 12 years
Furniture and equipment	3 to 10 years

On the disposal or scrapping of property, plant and equipment, the gain or loss arising thereon is recognised in profit or loss.

INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured initially at cost. After initial recognition, an intangible asset is measured at cost less accumulated amortisation. An intangible asset with a finite useful life is amortised on the straight line basis over its expected useful life, as follows: software over four years, patents and licenses over four to twenty years and cane supply agreements over three to ten years. An intangible asset with an indefinite useful life is not amortised, but is tested annually for impairment. When an intangible asset is disposed of, the gain or loss on disposal is recognised in profit or loss.

GROWING CROPS

Growing crops comprise roots and standing cane. The carrying value is determined as follows:

- Roots at current replacement cost of planting and establishment amortised over the period of their productive life;
- Standing cane at the estimated cane price and sucrose content less harvesting, transport and over-the-weighbridge costs.

GOODWILL

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

ASSOCIATE COMPANIES

Associates are those companies, which are not subsidiaries or joint operations, over which Tongaat Hulett exercises significant influence. Results of associates are equity accounted. Any losses of associates are brought to account until the investment in, and loans to, such associates are written down to a nominal amount. Thereafter losses are accounted for only insofar as Tongaat Hulett is committed to providing financial support to such associates.

The carrying value of investments in associates represents the cost of each investment including goodwill, the share of post acquisition retained income or losses and other movements in reserves.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value determined in general on the first-in-first-out and average methods. The cost of finished goods and work in progress comprises direct materials, labour and appropriate overhead costs. Progress payments are deducted from work in progress where applicable. Development properties comprise land valued at cost and development expenditure attributable to unsold properties. Livestock and game are valued at fair value less costs to sell, in accordance with IAS 41. Obsolete and slow moving inventories are identified and suitable reductions in value are made where necessary.

MAIZE PURCHASE CONSTRUCTIVE OBLIGATIONS

Certain maize purchase commitments are recognised as constructive obligations. Maize that relates to such a constructive obligation is recognised as inventory, the related liability is recognised as a current liability and to the extent that the final purchase price includes a financing element, this is recognised as interest over the period of the obligation

DEFERRED TAX

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction, which does not affect either taxable profit or accounting profit.

A deferred tax asset is raised in respect of the unused tax losses of an entity and offset against the deferred tax liability of that entity only where these losses may be utilised in the short term or will not expire in terms of applicable tax legislation.

IMPAIRMENT

At the date of each statement of financial position, Tongaat Hulett reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset, being the higher of its net selling price and its value in use, is assessed in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately and are treated as exceptional items.

RESEARCH AND DEVELOPMENT

Expenditure on research is charged to profit or loss in the year in which it is incurred. Development costs are reviewed annually and are expensed if they do not qualify for capitalisation. The amount of development cost recognised as an asset is amortised over the estimated useful life of the related development but not exceeding five years.

REVENUE

Revenue comprises sales arising from normal trading activities excluding intra-group transactions and is recognised when the significant risks and rewards of the goods are transferred to the buyer. In respect of the sale of township properties, sales are recognised when the relevant agreements are unconditional and binding on the purchaser, the purchaser has paid a meaningful deposit or has made arrangements to secure payment of the purchase price, zoning and final conditions of establishment have been obtained and servicing arrangements and costs are substantially finalised. Bulk land sales are recognised when the relevant agreements are unconditional and binding on the purchaser and the purchaser has paid a meaningful deposit or has made arrangements to secure payment of the purchase price. In the determination of revenue, cash and settlement discounts, rebates and VAT are excluded.

FOREIGN CURRENCIES

The functional currency of each entity within Tongaat Hulett is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recognised at the rates of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rates ruling at the date of the statement of financial position.

Gains and losses arising on exchange differences are recognised in profit or loss.

The financial statements of entities whose functional currencies are different from Tongaat Hulett's presentation currency which, because of its primary operating activities, is South African Rand, are translated as follows:

- Assets, including goodwill, and liabilities at exchange rates ruling at the date of the statement of financial position;
- Income and expense items at the average exchange rates for the year; and
- Equity items at the exchange rate ruling when they arose.

Resulting exchange differences are classified as a foreign currency translation reserve and recognised in other comprehensive income.

FINANCIAL INSTRUMENTS

Recognition

A financial asset or financial liability is recognised in the statement of financial position for as long as Tongaat Hulett is a party to the contractual provisions of the instrument. Purchases of derivatives are recognised on trade date and sales are recognised on settlement date. Gains or losses on derecognition of financial assets or liabilities are recognised in profit or loss.

Measurement

Financial instruments are initially measured at cost, including directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as follows:

- Trade and other receivables originated by Tongaat Hulett are held at amortised cost, using the effective interest rate method, after deducting accumulated impairment losses. Receivables with no fixed maturity are held at cost.

- Held-to-maturity investments are held at amortised cost using the effective interest rate method after deducting accumulated impairment losses.
- Fair value through profit or loss financial assets, available for sale and cash equivalent investments are held at fair value.
- Financial liabilities are measured at amortised cost, except for held-for-trading financial liabilities and derivatives, which are held at fair value.
- Unlisted investments are recorded at cost.

Gains or losses on subsequent measurement

Gains or losses on subsequent measurement of financial instruments that are carried at fair value, and are not part of a hedging relationship, are accounted for as follows:

- Fair value through profit or loss financial assets are recognised in profit or loss for the year.
- Available for sale and cash equivalent investments are taken to other comprehensive income until the financial asset is disposed of, or determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in profit or loss for the year.

For the purposes of hedge accounting, hedges are classified into two categories:

- Fair value hedges, which hedge the exposure to changes in the fair value of a recognised asset, liability or firm commitment; and
- Cash flow hedges, which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

In relation to fair value hedges, which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument to fair value is recognised in profit or loss for the period. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in profit or loss for the year.

In relation to cash flow hedges, which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss for the year. For cash flow hedges affecting future transactions, the gains or losses, which are recognised in other comprehensive income, are transferred to profit or loss in the same period in which the hedged transaction affects profit or loss. Where the hedged transaction results in the recognition of an asset or a liability, then at the time the asset or liability is recognised, the associated gain or loss that had previously been recognised in other comprehensive income is included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Set-off

Where the redemption of debt, raised for major capital projects, is provided for by sinking funds or financial instruments which allow for the legal right of set-off against the debt on the repayment date, and it is expected that the debt will be settled in this way, the related income statement, statement of cash flows and statement of financial position items are set off.

Financial guarantee contracts

Where financial guarantee contracts are entered into, these are regarded as insurance contracts and accounted for as insurance arrangements.

GOVERNMENT GRANTS

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. When the conditions attaching to government grants have been complied with they are recognised in profit or loss. When they are for expenses or losses already incurred, they are recognised immediately in profit or loss.

EMPLOYEE BENEFITS

Retirement funds

The assets of the defined contribution schemes are held separately from those of Tongaat Hulett and are administered and controlled by trustees.

Contributions to defined contribution schemes are charged to profit or loss when incurred.

There was previously a defined benefit arrangement which was converted in the prior financial year to a defined contribution arrangement with the outsourcing of existing pensioner liabilities to an insurer. The Tongaat Hulett employer surplus account recognised in Tongaat Hulett's financial statements relates to the allocations previously made in the defined benefit fund. The employer surplus account is being utilised for a contribution holiday and, within the regulatory framework, there is a "loan" from the pension fund to the company in respect of the employer surplus account.

Post-retirement medical aid benefits and retirement gratuities

Provision is made for post-retirement medical aid benefits and gratuities payable on retirement and is based on the present value of those liabilities for services rendered to date as determined by independent actuaries. Service costs and the net interest expense or income is recognised in profit or loss. Actuarial gains and losses are recognised immediately in other comprehensive income and will not be reclassified to profit or loss.

SHARE-BASED PAYMENTS

The company enters into share-based payment transactions in terms of the employee share incentive schemes. The charge to profit or loss required by IFRS 2 Share-based Payment is accounted for in terms of the scheme on the basis that the instruments are equity-settled. The total amount to be expensed on a straight line basis over the vesting period is determined with reference to the fair value of the awards determined at the grant date. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become due, including taking into account the forfeiture of instruments due to resignation and these assumptions are reviewed on an annual basis. The fair value of the share-based payment is measured using a binomial tree model and/or a Monte Carlo Simulation model, as is appropriate for the various schemes.

CORPORATE TRANSACTIONS CONCLUDED IN 2007 - 25% BEE EQUITY PARTICIPATION TRANSACTIONS

Broad based 18% interest held by strategic partners, cane and infrastructure communities

The broad based BEE equity participation of 18%, involving strategic partners, cane and infrastructure communities, is held by two SPVs – the TH Infrastructure SPV (10%) and the yoMoba SPV (8%).

The cost related to this 18% broad based BEE equity participation was measured and recognised at the grant date in June 2007, resulting in a once-off IFRS 2 cost of R320 million being recognised in profit or loss in 2007.

The BEE Infrastructure SPV participation interest, concluded in 2007, of R1,289 billion was funded through a combination of notional vendor financing (R821 million), preference share funding (R458 million) and equity and shareholders' loans of R10 million. The BEE yoMoba SPV participation interest of R1,031 billion was funded through a combination of notional vendor financing (R657 million), preference share funding (R367 million) and equity and shareholders' loans of R8 million. The SPV's participation interests are in the form of preferred ordinary shares which are entitled to receive a fixed coupon every year for a period of seven years. Thereafter the preferred ordinary shares will cease to receive preferred ordinary dividends. Tongaat Hulett has therefore committed to pay a fixed coupon on these preferred ordinary shares of R112 million in aggregate on an annual basis and the preferred ordinary shares will not receive any ordinary dividends for the duration of the seven year period. In terms of the notional vendor finance arrangement between the respective SPVs and Tongaat Hulett (R821 million in respect of the BEE TH Infrastructure SPV and R657 million in respect of the BEE yoMoba SPV), Tongaat Hulett will be entitled to repurchase, at a price of R0,01 per share, such number of shares as determined in accordance with a repurchase formula, subject to the external funding claims in the SPV. The number of shares repurchased will be a function of the value of the shares subscribed for at par, the notional return required by Tongaat Hulett and the success of the earn-in initiatives by the respective BEE partners. In compliance with IFRS, the two BEE SPVs are consolidated by Tongaat Hulett and consequently the preferred ordinary shares are reflected as treasury shares in the consolidated financial statements and are taken into account where relevant when calculating earnings per share. The external debt of the SPVs, amounting to R691 million in aggregate at 31 March 2014 (2013: R722 million), is thus reflected on the consolidated statement of financial position and the funding charge incurred by the SPV is reflected in the consolidated income statement. This BEE debt does not have recourse to Tongaat Hulett and will ultimately effectively be equity-settled. At the end of the seven year period, the preferred ordinary shares will convert into Tongaat Hulett listed ordinary shares.

Vesting of the BEE 7% employee interest

The 7% BEE employee transaction of 2007, which comprises the Employee Share Ownership Plan (ESOP) and the Management Share Ownership Plan (MSOP) vested in the trusts in August 2012.

The ESOP scheme consisted of a share appreciation right scheme and participants shared in 50% of the dividend payable to ordinary shareholders. The MSOP scheme consisted of two components namely a share appreciation right scheme and a share grant scheme. The ESOP Trust and MSOP Trust were established to acquire and hold Tongaat Hulett Limited shares for the benefit of designated employees. These shares had specific repurchase terms at maturity on 1 August 2012. They were a separate class of restricted shares which, other than for the repurchase terms, rank pari passu with ordinary shares and became ordinary shares on maturity.

The IFRS 2 cost relating to the 7% BEE employee transaction is amortised over 5 years from date of grant. The initial grant of awards occurred on 1 August 2007 and the amortisation of the IFRS 2 cost relating to this award commenced in the second half of 2007. These initial awards vested on 1 August 2012.

The BEE employee equity participation trusts' subscription consideration for the original issue in 2007 of 9 740 908 B ordinary shares was funded through contributions by the respective operating entities in Tongaat Hulett. The notional vendor finance provided to the employees was recovered at the maturity of the scheme through the repurchase by Tongaat Hulett of 6 383 283 B ordinary shares (as determined in accordance with predetermined repurchase formulae) on the fifth anniversary of the effective date, at R0,01 per B share. These B ordinary shares were repurchased by Tongaat Hulett for a consideration of R63 833 and immediately cancelled. The remaining 3 357 625 B ordinary shares were converted to listed ordinary shares in Tongaat Hulett Limited. Of these listed ordinary shares, 1 880 431 shares were delivered to beneficiaries who had participated in the initial award on 1 August 2007. Of the MSOP participants whose shares vested, 70% elected to hold their shares in Tongaat Hulett. During the year ended 31 March 2014, a further 237 936 ordinary shares became available for delivery to employees who were awarded shares on 1 August 2008 and 1 February 2009. The remaining 1 080 938 listed ordinary shares are still time constrained for up to five years.

In accordance with IFRS, the ESOP Trust and MSOP Trust are consolidated by Tongaat Hulett and consequently the remaining 1 080 938 listed ordinary shares are reflected as treasury shares in the consolidated financial statements. These shares are taken into account for the purposes of the earnings per share and headline earnings per share calculations.

JUDGEMENTS MADE BY MANAGEMENT

Preparing financial statements in accordance with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Certain accounting policies have been identified as involving complex or subjective judgements or assessments. The items for consideration have been identified as follows:

Growing crop valuation

Growing crops are required to be measured at fair value less harvesting, transport and over-the-weighbridge costs. In determining fair value an estimate is made of the yield of the standing cane as well as the estimated cane price. These estimates can vary from the actuals when the cane is harvested.

In Tongaat Hulett Developments, project cost of sales determination and cost allocation to sites includes a future development expenditure accrual

Judgement is applied in determining total project costs, which are supported by estimates from professional consultants and consulting engineers for services infrastructure. These costs are reviewed by management three to four times a year during the forecasting process and if necessary, estimates are revised accordingly. At the outset as well as during the life of a project, judgement is applied in determining the sales prices per saleable sites or bulk square metres, which is supported with input from estate agents, external property valuers and management on an ongoing basis as well as during the forecasting process. For phased developments, judgement is applied to allocate common costs including bulk infrastructure expenditure to development phases, taking into account factors such as expected sales values, land areas and development intensity. Thereafter, cost of sales allocation to sites is determined in proportion to sales values after making allowance for site and phase specific infrastructural requirements.

Asset lives and residual lives
Property, plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets and residual values are assessed annually and are influenced by factors such as technological innovation, product life cycles and maintenance programmes. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

Impairment of assets
Ongoing assessments are made regarding any potential impairment of assets across Tongaat Hulett, using valuation models prescribed under IFRS.

Decommissioning and rehabilitation obligations in respect of the environment
Tongaat Hulett monitors and assesses its obligations arising from decommissioning of plant and rehabilitation of the environment on an ongoing basis.

Post-retirement benefit obligations
Post-retirement benefit obligations are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare costs, inflation rates and salary increments.

Valuation of financial instruments
The value of the derivative instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the date of the statement of financial position.

KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position that management have assessed as having a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

NEW OR REVISED IFRS STANDARDS APPLICABLE TO FUTURE PERIODS

The following relevant new and revised standards and interpretations were also in issue but not effective for the current year. Tongaat Hulett is in the process of evaluating the effects of these new and revised standards and interpretations and they are not expected to have a significant impact on Tongaat Hulett's results and disclosures:

Effective for the next financial year:
Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities
Investment Entities: Amendments to IFRS 10: Consolidated Financial Statements, IFRS 12: Disclosure of Interests and IAS 27: Separate Financial Statements
IAS 39 (Amendment): Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
IAS 36 (Amendment): Impairment of Asset - Recoverable Amount Disclosures for Non-Financial Assets
IFRIC 21: Levies

Effective for annual periods beginning on or after 1 July 2014:
IAS 19: Defined Benefit Plans: Employee Contributions

Annual Improvements to IFRSs (2010 - 2012 Cycle):
IFRS 2: Share-based Payment
IFRS 3: Business Combinations
IFRS 8: Operating Segments
IFRS 13: Fair Value Measurement
IAS 16: Property, Plant and Equipment
IAS 24: Related Party Disclosures
IAS 38: Intangible Assets

Annual Improvements to IFRSs (2011 - 2013 Cycle):
IFRS 1: First-time Adoption of IFRS
IFRS 3: Business Combinations
IFRS 13: Fair Value Measurement
IAS 40: Investment Property

Effective for annual periods beginning on or after 1 January 2016:
IFRS 14: Regulatory Deferral Accounts

Effective for annual periods beginning on or after 1 January 2017:
IFRS 15: Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 January 2018:
IFRS 9: Financial Instruments

NOTES TO THE FINANCIAL STATEMENTS

1. PROPERTY, PLANT AND EQUIPMENT (Rmillion)

Consolidated	Total	Land, improvements and buildings	Plant and equipment	Vehicles and other	Capitalised leases	Capital work in progress
Carrying value at beginning of year	10 287	2 798	4 706	2 305	67	411
Additions	546	46	240	129	2	129
Disposals	(21)	(6)	(1)	(14)		
Depreciation	(571)	(80)	(321)	(166)	(4)	
Transfers		117	94	(29)		(182)
Currency alignment	1 038	330	400	279	8	21
Carrying value at end of year	11 279	3 205	5 118	2 504	73	379
Comprising:						
31 March 2014						
At cost	15 686	3 821	7 866	3 511	109	379
Accumulated depreciation	4 407	616	2 748	1 007	36	
	11 279	3 205	5 118	2 504	73	379
31 March 2013						
At cost	13 952	3 281	7 061	3 101	98	411
Accumulated depreciation	3 665	483	2 355	796	31	
	10 287	2 798	4 706	2 305	67	411
Company						
Carrying value at beginning of year	2 578	477	1 659	191	2	249
Additions	277	5	176	6	2	88
Disposals	(5)	(4)	(1)			
Depreciation	(206)	(7)	(168)	(29)	(2)	
Transfers		1	58	4		(63)
Carrying value at end of year	2 644	472	1 724	172	2	274
Comprising:						
31 March 2014						
At cost	4 986	581	3 686	438	7	274
Accumulated depreciation	2 342	109	1 962	266	5	
	2 644	472	1 724	172	2	274
31 March 2013						
At cost	4 729	581	3 456	437	6	249
Accumulated depreciation	2 151	104	1 797	246	4	
	2 578	477	1 659	191	2	249

Plant and machinery of Mozambique subsidiaries with a book value of R495 million (2013: R748 million) are encumbered as security for the secured long-term borrowings and certain short-term borrowings of R101 million (2013: R92 million).

The register of land and buildings is available for inspection at the company's registered office.

2. **GROWING CROPS** (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Carrying value at beginning of year	**4 583**	3 575	1 003	613
(Loss)/gain arising from physical growth and price changes	**(276)**	418	54	164
Increase due to increased area under cane	**131**	107	131	107
Expenditure on new area	**118**	157	107	125
Decrease due to reduced area under cane	**(8)**	(57)	(7)	(6)
Currency alignment	**457**	383		
Carrying value at end of year	**5 005**	4 583	1 288	1 003
The carrying value comprises:				
Roots	**2 532**	2 289	910	705
Standing cane	**2 473**	2 294	378	298
	5 005	4 583	1 288	1 003
Area under cane (hectares):				
South Africa	**35 035**	34 011	35 035	34 011
Mozambique	**25 687**	25 352		
Swaziland	**3 838**	3 838		
Zimbabwe	**27 557**	27 978		
	92 117	91 179	35 035	34 011

In terms of IAS 41: Agriculture, sugarcane growing crops are accounted for as biological assets and are measured and recognised at fair value. Changes in the fair value, replanting and agricultural operating costs incurred are included in profit or loss.

- The fair value of roots is determined on a current amortised cost basis, which is adjusted for cost increases, and the amortisation takes place over the life of the roots (between approximately 6 and 12 years).
- The fair value of standing cane is determined by the growth of the cane, the yield, sucrose content, selling prices (including specifics such as European Union exports), less costs to harvest and transport, over-the-weighbridge costs and costs into the market.

The statement of financial position reflects the following in respect of growing crops:

	2014					2013
	South Africa	Swaziland	Zimbabwe	Mozambique	Total	
Roots						
Hectares	35 035	3 838	27 557	25 687	92 117	91 179
Amortised root value (Rand per hectare)	25 964	15 278	23 136	36 045	27 484	25 108
Cane						
Hectares for harvest	29 206	3 741	27 153	24 958	85 058	82 969
Standing cane value (Rand per hectare)	12 942	33 463	40 099	35 321	29 080	27 644
Yield (Tons cane per hectare)	66	125	102	89	87	86
Average maturity of cane at 31 March (%)	71	66	67	69	69	67
Statement of Financial Position (Rmillion)						
Roots	910	59	638	925	2 532	2 289
Standing cane	378	125	1 088	882	2 473	2 294
Total	1 288	184	1 726	1 807	5 005	4 583

2. GROWING CROPS (Rmillion) continued

	2014	2013
Carrying value at beginning of year	4 583	3 575
Change in fair value *	(153)	468
Currency alignment	457	383
Expenditure on new area	118	157
Carrying value at end of year	5 005	4 583

The IAS 41 fair value change included in profit or loss for the year ended 31 March 2014 is set out below and the fair value measurement disclosures are included in note 25.

	2014	2013
Roots	(78)	303
Standing cane	(75)	165
Change in fair value *	(153)	468

	2014	2013
South Africa	178	265
Swaziland	14	15
Zimbabwe	(241)	78
Mozambique	(104)	110
Change in fair value *	(153)	468

* This represents the gross change in fair value. The agricultural costs actually incurred in generating this increase in fair value are charged to cost of sales.

3. LONG-TERM RECEIVABLE AND PREPAYMENTS (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Long-term receivable				
Employer surplus account	552	515	552	515
Less current portion	(67)	(60)	(67)	(60)
Carrying value at end of year	485	455	485	455
Prepayments				
Contribution to the BEE Employee Share Ownership Plan	136	136	132	132
Contribution to the BEE Management Share Ownership Plan	91	91	78	78
	227	227	210	210
Less accumulated amortisation at end of year	(209)	(193)	(194)	(180)
At beginning of year	(193)	(156)	(180)	(145)
Charge for the year	(16)	(37)	(14)	(35)
Less BEE share ownership plan consolidation shares	(18)	(34)		
			16	30
Carrying value at end of year	485	455	501	485

The prepayment relates to awards made in terms of the company's BEE employee share ownership plans, details of which are set out in note 34.

4. GOODWILL (Rmillion)

	Consolidated	
	2014	2013
Carrying value at beginning of year	**300**	260
Currency exchange rate changes	**38**	40
Carrying value at end of year	**338**	300

Goodwill is attributable to the Mozambique and Zimbabwe sugar operations and a Botswana and a Namibian subsidiary. Goodwill is tested annually for impairment. The recoverable amount of goodwill was determined from the "value in use" discounted cash flow model. The value in use cash flow projections, which cover a period of five years, are based on the most recent budgets and forecasts approved by management and the extrapolation of cash flows which incorporate growth rates consistent with the average long-term growth trends of the market. As at 31 March 2014, the carrying value of goodwill was considered not to require impairment.

5. INTANGIBLE ASSETS (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Cost:				
At beginning of year	**111**	89	105	83
Additions	**7**	15	7	15
Transfer from property, plant and equipment		7		7
At end of year	**118**	111	112	105
Accumulated amortisation:				
At beginning of year	**33**	24	28	19
Charge for the year	**15**	9	15	9
At end of year	**48**	33	43	28
Carrying value at end of year	**70**	78	69	77
The carrying value comprises:				
Software	**53**	59	53	59
Patents and licences	**16**	17	15	16
Cane supply agreements	**1**	2	1	2
	70	78	69	77

6. INVESTMENTS (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Unlisted shares at cost	**17**	13		
Loans	**1**	1		
Carrying value of investments (Directors' valuation)	**18**	14		

A schedule of unlisted investments is available for inspection at the company's registered office.

7. SUBSIDIARIES AND JOINT OPERATIONS (Rmillion)

	Company	
	2014	2013
Shares at cost, less amounts written off	**4 307**	4 397
Indebtedness by	**631**	809
Indebtedness to	**(934)**	(665)
	4 004	4 541

Details of principal subsidiary companies and joint operations are included in note 26.

Tongaat Hulett's proportionate share of the assets, liabilities and post-acquisition reserves of joint operations, which comprise in the main, Effingham Development (33%) and Tongaat Hulett/IFA Resort Developments (50%) and which are included in the consolidated financial statements are set out below:

	Consolidated	
	2014	2013
Property, plant and equipment	**6**	6
Current assets	**199**	208
Less Current liabilities	**(56)**	(47)
Interest in joint operations	**149**	167
Tongaat Hulett's proportionate share of the trading results of the joint operations is as follows:		
Revenue	**17**	4
Operating profit/(loss)	**1**	(2)
Financing costs	**(1)**	
Profit/(loss) before tax		(2)
Tax		1
Net profit/(loss) after tax		(1)
Tongaat Hulett's proportionate share of cash flows of the joint operations is as follows:		
Cash flows from operating activities	**16**	1
Net cash used in investing activities	**(18)**	(6)
Movement in net cash resources	**(2)**	(5)

8. INVENTORIES (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Raw materials	**408**	389	401	269
Work in progress	**21**	17	20	16
Finished goods	**747**	217	154	135
Consumables	**585**	637	143	136
Development properties	**546**	493		
Livestock and game	**109**	105		
	2 416	1 858	718	556

Included in raw materials is an amount of R321 million (2013: R209 million) that relates to the constructive obligation that has been recognised on maize procurement contracts.

9. DERIVATIVE INSTRUMENTS (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
The fair value of derivative instruments at year end was:				
Forward exchange contracts - hedge accounted	**(1)**	(6)	(1)	(6)
Futures contracts - hedge accounted	**16**	(10)	16	(10)
	15	(16)	15	(16)
Summarised as:				
Derivative assets	**(1)**		(1)	
Derivative liabilities	**16**	(16)	16	(16)
	15	(16)	15	(16)

Further details on derivative instruments are set out in note 25.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit and cash advanced, repayable on demand and excludes bank overdrafts.

11. SHARE CAPITAL (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Authorised:				
150 000 000 ordinary shares of R1,00 each	**150**	150	150	150
30 000 000 A preferred ordinary shares of R1,00 each	**30**	30	30	30
10 redeemable preference shares of R1,00 each				
	180	180	180	180
Issued and fully paid:				
109 967 030 (2013: 108 647 700) ordinary shares of R1,00 each	**110**	109	110	109
25 104 976 A preferred ordinary shares of R1,00 each	**25**	25	25	25
	135	134	135	134

Under control of the directors:
- for the purposes of the employee share option schemes in accordance with previous shareholder authority: 10 934 183 shares (2013: 10 604 926 shares).
- in terms of a shareholders' resolution: 5 432 385 shares (2013: 5 257 159 shares).

Details of the employee share incentive schemes are set out in the Remuneration Report. Following the unbundling of Hulamin in 2007, the options granted to employees in terms of the original employee share option scheme which had not been exercised at the unbundling date were converted into two components, a Tongaat Hulett Limited component and a Hulamin Limited component, as described in the Remuneration Report. At 31 March 2014 employees have an option to subscribe for 16 200 shares at a price of R35,90 per share (2013: 191 900 shares at an average price of R33,86 per share) in respect of the Tongaat Hulett component and the equivalent of approximately 46 000 shares in respect of the Hulamin component (2013: 68 000 shares).

The original share option scheme was replaced in 2005 with a new share incentive scheme comprising the Share Appreciation Right Scheme 2005, the Long Term Incentive Plan 2005 and the Deferred Bonus Plan 2005. In 2010, shareholders approved that retention awards be included within the Long Term Incentive Plan 2005.

12. BEE HELD CONSOLIDATION SHARES (Rmillion)

	Consolidated	
	2014	2013
25 104 976 A preferred ordinary shares of R1,00 each	**839**	839
1 080 938 (2013: 1 313 393) ordinary shares of R1,00 each	**18**	34
	857	873
Less amount attributable to A preferred ordinary shareholders	**(157)**	(126)
	700	747

13. DEFERRED TAX (Rmillion)

	Consolidated		Company	
	2014	2013 Restated	2014	2013 Restated
Balance at beginning of year	**1 930**	1 651	463	441
Currency alignment	**179**	194		
Current year Other Comprehensive Income (relief) / charge on:				
Actuarial loss	**(5)**	(12)	(3)	(13)
Hedge reserve	**2**	(1)	2	(1)
Current year Income Statement charge / (relief) on:				
Earnings before capital profits	**16**	91	33	33
Capital profits	**13**	3	13	3
Rate change adjustment	**(4)**	5		
Prior year		(1)		
Balance at end of year	**2 131**	1 930	508	463
Comprising temporary differences relative to :				
Property, plant and equipment	**1 477**	1 345	527	517
Growing crops	**925**	842	361	281
Long-term receivable	**154**	144	154	144
Current assets	**162**	151	9	8
Current liabilities	**(104)**	(124)	(40)	(38)
Tax losses	**(370)**	(279)	(264)	(260)
Other	**(113)**	(149)	(239)	(189)
	2 131	1 930	508	463

14. **BORROWINGS** (Rmillion)

	Effective interest rate	Consolidated 2014	Consolidated 2013	Company 2014	Company 2013
Long-term		**4 094**	3 481	3 852	3 202
Short-term and bank overdraft		**1 293**	2 078	1 006	1 907
		5 387	5 559	4 858	5 109
Long-term borrowings comprise:					
Secured:					
SA Rand					
Repayable 2020/21	9,00%	**274**	308		
Finance leases (refer to note 28)	7,50%	**3**	3	3	3
		277	311	3	3
Unsecured:					
SA Rand					
Bond repayable 2018/19	3 month JIBAR + 2,60%	**350**	350	350	350
Bond repayable 2016/17	3 month JIBAR + 2,43%	**400**	400	400	400
Bond repayable 2018/19	3 month JIBAR + 2,40%	**170**		170	
Repayable 2017/18	3 month JIBAR + 2,33%	**500**	500	500	500
Repayable 2017/18	3 month JIBAR + 2,70%	**180**		180	
Repayable 2016/17	3 month JIBAR + 2,17%	**250**	250	250	250
Repayable 2015/16	3 month JIBAR + 1,35%	**600**	668	600	668
Repayable 2015/16	3 month JIBAR + 2,20%	**600**	600	600	600
Repayable 2015/16	3 month JIBAR + 2,50%	**500**	500	500	500
Repayable 2015/16	3 month JIBAR + 2,10%	**300**		300	
Foreign					
Indefinite	nil	**4**	5		
		3 854	3 273	3 850	3 268
Long-term borrowings		**4 131**	3 584	3 853	3 271
Less current portion included in short-term borrowings		**37**	103	1	69
		4 094	3 481	3 852	3 202

Plant and machinery of Mozambique subsidiaries with a book value of R495 million (2013: R748 million) are encumbered as security for the secured long-term borrowings and certain short-term borrowings of R101 million (2013: R92 million).

Short-term borrowings comprise call loans and bank overdrafts with various South African financial institutions at interest rates linked to the prime overdraft rate as well as short-term borrowings in Mozambique equivalent to R39 million (2013: R43 million) and in Zimbabwe equivalent to R203 million (2013: R79 million).

Summary of future loan repayments by financial year:

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Thereafter
Rmillion	37	2 041	694	728	573	54	4

In terms of the company's memorandum of incorporation the borrowing powers exercisable by the directors is limited to R18 285 million.

15. NON-RECOURSE EQUITY-SETTLED BEE BORROWINGS (Rmillion)

		Consolidated	
		2014	2013
The non-recourse equity-settled BEE borrowings comprise:			
	Effective interest rate		
4 122 000 Class A redeemable preference shares	9,335% nacs	**24**	98
4 122 000 Class B redeemable preference shares	11,960% nacs	**649**	605
Accrued dividends		**19**	20
		692	723
Less BEE cash resources		**1**	1
		691	722

These borrowings relate to Tongaat Hulett's black economic empowerment partners, yoMoba SPV (Pty) Limited and TH Infrastructure SPV (Pty) Limited, which have been fully consolidated in terms of IFRS. yoMoba SPV (Pty) Limited owns 11 157 767 A preferred ordinary shares and TH Infrastructure SPV (Pty) Limited owns 13 947 209 A preferred ordinary shares in Tongaat Hulett.

The preference share structure runs until mid-2014 and has a fixed coupon payable semi-annually on 2 January and 1 July each year. The debt due will be settled by the SPVs utilising dividends received from Tongaat Hulett and ultimately by the shares that they hold in Tongaat Hulett. These SPVs will continue to be consolidated while Tongaat Hulett carries a residual risk in these entities.

16. PROVISIONS (Rmillion)

	Consolidated		Company	
	2014	2013 Restated	2014	2013 Restated
Post-retirement medical aid obligations	**487**	448	396	383
Retirement gratuity obligations	**176**	152	112	102
Other	**33**	122		
	696	722	508	485

Further details on provisions are set out in note 31.

17. TRADE AND OTHER PAYABLES (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Accounts payable	**2 407**	2 356	1 147	1 137
Maize obligation - interest bearing	**334**	216	334	216
	2 741	2 572	1 481	1 353

The directors consider that the carrying amount of trade and other payables approximates their fair value.

18. **OPERATING PROFIT** (Rmillion)

	Consolidated		Company	
	2014	2013 Restated	2014	2013 Restated
Revenue	**15 716**	14 373	8 393	7 643
Cost of sales - cane and maize purchases	**(4 423)**	(3 700)	(3 545)	(2 831)
Cost of sales - other (goods, services, salaries and wages)	**(7 085)**	(7 511)	(3 558)	(3 940)
Administration and other expenses	**(1 678)**	(1 505)	(718)	(510)
Marketing and selling expenses	**(334)**	(287)	(247)	(201)
Other net income (including growing crops fair value change *)	**133**	790	504	589
Capital profits (refer to note 19)	**66**	15	135	53
BEE IFRS 2 charge and transaction costs	**(21)**	(44)	(20)	(41)
Operating profit	**2 374**	2 131	944	762
Disclosable items included in operating profit:				
Income from subsidiaries:				
Dividends received			148	97
Management fees			91	78
Amortisation of intangible assets	**15**	9	15	9
Auditors' remuneration:				
Fees	**14**	13	6	5
Other services	**2**	1	1	1
Depreciation charged:				
Buildings	**80**	59	7	7
Plant and equipment	**321**	272	168	139
Vehicles and other	**170**	141	31	26
Growing crops: (loss)/gain from change in fair value *	**(153)**	468	178	265
Management fees paid to subsidiaries			1	1
Management fees paid to third parties	**4**	4		
Operating lease charges (property, plant and vehicles)	**71**	48	65	43
Profit on disposal of plant and equipment	**1**			1
Technical fees paid	**13**	13	13	13
Translation of foreign currencies	**37**	10	1	(2)
Share-based payments:				
IFRS 2 charge on share options, SARS, LTIP and DBP	**67**	57	57	47
BEE IFRS 2 charge	**16**	37	15	35
Valuation adjustments:				
Financial instruments	**1**	9	1	9
Fair value hedges:				
Net gains/(losses) on the hedged item	**47**	(7)	47	(7)
Net gains/(losses) on the hedging instrument	**(47)**	7	(47)	7

* This represents the gross change in fair value. The agricultural costs actually incurred in generating this increase in fair value are charged to cost of sales.

19. CAPITAL PROFITS (Rmillion)

	Consolidated		Company	
	2014	2013 Restated	2014	2013 Restated
Comprises:				
Surplus on sale of land and buildings	**74**	21	142	58
Costs thereon	**(8)**	(5)	(7)	(5)
Other surpluses		(1)		
Capital profits before tax	**66**	15	135	53
Tax (refer to note 21)	**(18)**	(3)	(13)	(3)
Capital profits after tax	**48**	12	122	50

20. NET FINANCING (COSTS)/INCOME (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Net financing costs comprise:				
Interest paid - external	**(646)**	(596)	(469)	(416)
Interest paid - subsidiaries			(76)	(41)
Financing costs	**(646)**	(596)	(545)	(457)
Interest received - external	**37**	36	3	4
Interest received - subsidiaries			1	2
Finance income	**37**	36	4	6
Net financing costs	**(609)**	(560)	(541)	(451)

21. TAX (Rmillion)

	Consolidated		Company	
	2014	2013 Restated	2014	2013 Restated
Earnings before capital profits:				
Current	**507**	294	10	10
Deferred	**16**	91	33	33
Rate change adjustment (deferred)	**(4)**	5		
Prior years	**1**	(1)		
	520	389	43	43
Capital profits:				
Current	**5**			
Deferred	**13**	3	13	3
	18	3	13	3
Tax charge for the year	**538**	392	56	46
Foreign tax included above	**183**	250	10	10

21. **TAX** (Rmillion) continued

	Consolidated		Company	
	2014	2013 Restated	2014	2013 Restated
Tax charge at normal rate of South African tax	**494**	439	113	87
Adjusted for:				
Non-taxable income and permanent allowances/deductions	**(14)**	(63)	(77)	(50)
Assessed losses of foreign subsidiaries	**(7)**	1		
Non-allowable expenditure	**29**	29	2	1
Foreign tax rate variations	**11**	(30)		
Foreign withholding tax	**10**	9	5	5
Rate change adjustment (deferred)	**(4)**	5		
Capital gains	**18**	3	13	3
Prior years	**1**	(1)		
Tax charge	**538**	392	56	46
Normal rate of South African tax	**28,0%**	28,0%	28,0%	28,0%
Adjusted for:				
Non-taxable income and permanent allowances/deductions	**(0,8)**	(4,0)	(19,1)	(17,0)
Assessed losses of foreign subsidiaries	**(0,4)**	0,1		
Non-allowable expenditure	**1,6**	1,9	0,5	0,3
Foreign tax rate variations	**0,6**	(1,9)		
Foreign withholding tax	**0,6**	0,5	1,2	1,7
Rate change adjustment (deferred)	**(0,2)**	0,3		
Capital gains	**1,0**	0,2	3,2	1,0
Prior years	**0,1**	(0,1)		
Effective rate of tax	**30,5%**	25,0%	13,8%	14,0%

22. **HEADLINE EARNINGS** (Rmillion)

	Consolidated	
	2014	2013 Restated
Profit attributable to shareholders	**1 155**	1 079
Less after tax effect of:	**(49)**	(12)
Capital profit on disposal of land and buildings	**(66)**	(16)
Capital loss on other items		1
Profit on disposal of plant and equipment	**(1)**	
	(67)	(15)
Tax charge on profit on sale of land	**18**	3
Headline earnings	**1 106**	1 067
Headline earnings per share (cents)		
Basic	**990,5**	968,0
Diluted	**978,9**	950,3

23. EARNINGS PER SHARE

Earnings per share are calculated using the weighted average number of relevant ordinary shares and qualifying preferred ordinary shares in issue during the year. In the case of basic earnings per share the weighted average number of shares in issue during the year was 111 655 446 (2013: 110 225 436). In respect of diluted earnings per share the weighted average number of shares is 112 979 644 (2013: 112 274 481) and includes 941 010 shares (2013: 2 049 045 shares) that relate to employee share award schemes and 383 188 shares (2013: nil) that relate to BEE schemes.

24. DIVIDENDS (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Ordinary share capital				
Final for previous year, paid 18 July 2013: 190 cents (2013: 170 cents)	**206**	179	206	179
Interim for current period, paid 6 February 2014: 150 cents (2013: 150 cents)	**34**	163	34	163
A preferred ordinary share capital				
Interim for current period, paid 30 June 2013: 223 cents (30 June 2012: 223 cents)	**56**	56	56	56
Final for current period, paid 31 December 2013: 223 cents (31 December 2012: 223 cents)	**56**	56	56	56
Accrued for three months to 31 March 2014: 223 cents (31 March 2013: 223 cents)	**28**	28	28	28
B ordinary share capital: final for 2012, paid 19 July 2012: 170 cents		16		16
	380	498	380	498
Less dividends relating to BEE treasury shares	**(140)**	(151)		(11)
	240	347	380	487

The final ordinary dividend for the year ended 31 March 2014 of 210 cents per share declared on 22 May 2014 and payable on 26 June 2014 has not been accrued.

25. FINANCIAL RISK MANAGEMENT (Rmillion)

Financial instruments consist primarily of cash deposits with banks, unlisted investments, derivatives, accounts receivable and payable, and loans to and from associates and others. Financial instruments are carried at fair value or amounts that approximate fair value.

Categories of financial instruments	Consolidated		Company	
	2014	2013	2014	2013
Financial assets				
Derivative instruments in designated hedge accounting relationships	**16**		16	
Unlisted shares at cost	**18**	14		
Loans and receivables at amortised cost	**4 402**	3 672	1 356	1 305
	4 436	3 686	1 372	1 305
Financial liabilities				
Derivative instruments in designated hedge accounting relationships	**1**	16	1	16
Financial liabilities at amortised cost	**8 124**	8 077	6 268	6 393
Non-recourse equity-settled BEE borrowings	**691**	722		
	8 816	8 815	6 269	6 409

Risk management is recognised as being dynamic, evolving and integrated into the core of running the business. The approach to risk management in Tongaat Hulett includes being able to identify and describe/analyse risks at all levels throughout the organisation, with mitigating actions being implemented at the appropriate point of activity. The very significant, high impact risk areas and the related mitigating action plans are monitored at a Tongaat Hulett risk committee level. Risks and mitigating actions are given relevant visibility at various appropriate forums throughout the organisation.

In the normal course of its operations, Tongaat Hulett is inter alia exposed to capital, credit, foreign currency, interest, liquidity and commodity price risks. In order to manage these risks, Tongaat Hulett may enter into transactions, which make use of derivatives. They include forward exchange contracts (FECs) and options, interest rate swaps and commodity futures and options. Separate committees are used to manage risks and hedging activities. Tongaat Hulett does not speculate in or engage in the trading of derivative instruments. Since derivative instruments are utilised for risk management, market risk relating to derivative instruments will be offset by changes in the valuation of the underlying assets, liabilities or transactions being hedged. The overall risk strategy remains unchanged from previous years.

Capital risk management

Tongaat Hulett's overall strategy around capital structure remains unchanged from previous years and is continually reviewed in budgeting and business planning processes. Tongaat Hulett manages its capital to ensure that its operations are able to continue as a going concern while maximising the return to stakeholders through an appropriate debt and equity balance. The capital structure of Tongaat Hulett consists of debt, which includes borrowings (long-term and short-term bank debt and bonds issued in the debt capital market), cash and cash equivalents and equity.

Credit risk

Financial instruments do not represent a concentration of credit risk because Tongaat Hulett deals with a variety of major banks, and its accounts receivable and loans are spread among a number of major industries, customers and geographic areas. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. In addition, appropriate credit committees review significant credit transactions before consummation. Where considered appropriate, use is made of credit guarantee insurance. A suitable provision is made for doubtful debts. Financial guarantee contracts are accounted for as insurance arrangements.

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Past due trade receivables

Included in trade receivables are debtors which are past the expected collection date (past due) at the reporting date and no provision has been made as there has not been a significant change in credit quality and the amounts are still considered recoverable. No collateral is held over these balances. A summarised age analysis of past due debtors is set out below.

	Consolidated		Company	
	2014	2013	2014	2013
Less than 1 month	**41**	41	32	26
Between 1 to 2 months	**12**	15	4	7
Between 2 to 3 months	**9**	11	2	1
Greater than 3 months	**240**	224	15	9
Total past due	**302**	291	53	43
Provision for doubtful debts				
Set out below is a summary of the movement in the provision for doubtful debts for the year:				
Balance at beginning of year	**20**	20	2	5
Currency alignment	**2**	2		
Amounts written off during the year		(1)		(1)
Decrease in allowance recognised in profit or loss	**(1)**	(1)	(1)	(2)
Balance at end of year	**21**	20	1	2

Foreign currency risk

In the normal course of business, Tongaat Hulett enters into transactions denominated in foreign currencies. As a result, Tongaat Hulett is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. A variety of instruments are used to minimise foreign currency exchange rate risk in terms of its risk management policy. In principle it is the policy to cover foreign currency exposure in respect of liabilities and purchase commitments and an appropriate portion of foreign currency exposure on receivables. There were no speculative positions in foreign currencies at year end. All foreign exchange contracts are supported by underlying transactions. Tongaat Hulett is not reliant on imported raw materials to any significant extent. The fair values of the forward exchange contracts were established by reference to quoted prices and are categorised as level 1 under the fair value hierarchy.

Forward exchange contracts that constitute designated hedges of currency risk at year end are summarised as follows:

	Consolidated				Company			
	Average contract rate	Commitment (Rmillion)	**2014 Fair value of FEC (Rmillion)**	2013 Fair value of FEC (Rmillion)	Average contract rate	Commitment (Rmillion)	2014 Fair value of FEC (Rmillion)	2013 Fair value of FEC (Rmillion)
Imports								
US dollar	11,07	3			11,07	3		
Exports								
US dollar	10,80	264	**(1)**	(6)	10,80	264	**(1)**	(6)
Net total		267	**(1)**	(6)		267	**(1)**	(6)

The hedges in respect of imports and exports are expected to mature within approximately one year.

The fair value is the estimated amount that would be paid or received to terminate the forward exchange contracts in arm's length transactions at the date of the statement of financial position.

25. **FINANCIAL RISK MANAGEMENT** (Rmillion) continued

Forward exchange contracts that do not constitute designated hedges of currency risk at year end are summarised as follows:

	Consolidated				Company			
			2014	2013			2014	2013
	Average contract rate	Commitment (Rmillion)	**Fair value of FEC (Rmillion)**	Fair value of FEC (Rmillion)	Average contract rate	Commitment (Rmillion)	Fair value of FEC (Rmillion)	Fair value of FEC (Rmillion)
Imports								
US dollar	10,95	7			10,95	7		
UK pound	17,68	2			17,68	2		
Total		9				9		

Although not designated as a hedge for accounting purposes, these forward exchange contracts represent cover of existing foreign currency exposure.

Tongaat Hulett has the following uncovered foreign receivables:

	Consolidated			Company		
	Foreign amount (million)	**2014 (Rmillion)**	2013 (Rmillion)	Foreign amount (million)	2014 (Rmillion)	2013 (Rmillion)
US dollar	6	**63**	45	6	63	42
Australian dollar	5	**47**	53	5	47	53
New Zealand dollar		**2**	2			
		112	100		110	95

The impact of a 10% strengthening or weakening of the Rand on the uncovered Australian dollar receivable will have a R5 million (2013: R5 million) impact on profit before tax and a R3 million (2013: R4 million) impact on equity. The impact of a 10% strengthening or weakening of the Rand on the uncovered US dollar receivable will have a R6 million (2013: R5 million) impact on profit before tax and a R5 million (2013: R4 million) impact on equity.

Commodity price risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in the prices of commodities. To hedge prices for Tongaat Hulett's substantial commodity requirements, commodity futures and options are used, including fixed and spot-defined forward sales contracts and call and put options.

Tongaat Hulett Starch has secured its maize requirements for the current maize season to 31 May 2014 and a significant portion of its requirements for the period to 31 May 2015 by using a combination of unpriced procurement contracts and purchases and sales of maize futures.

The fair value of the commodity futures contracts, which are set out below, were established by reference to quoted prices and are categorised as level 1 under the fair value hierarchy.

	Consolidated				Company			
			2014	2013			2014	2013
	Tons	Contract value (Rmillion)	**Fair value (Rmillion)**	Fair value (Rmillion)	Tons	Contract value (Rmillion)	Fair value (Rmillion)	Fair value (Rmillion)
Futures - hedge accounted:								
Maize futures sold	300	1	**19**	(15)	300	1	19	(15)
Maize futures purchased	77 200	168	**(3)**	5	77 200	168	(3)	5
			16	(10)			16	(10)
Period when cash flow is expected to occur			**2014/15**	2013/14			2014/15	2013/14
When expected to affect profit or loss			**2014/15**	2013/14			2014/15	2013/14
Loss recognised in equity during the year				(4)				(4)
Loss/(gain) transferred from equity and recognised in profit or loss			**4**	(1)			4	(1)

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Growing crops fair value measurement

Growing crops, comprising roots and standing cane, are measured at fair value which is determined using unobservable inputs and is categorised as level 3 under the fair value hierarchy. The fair value of roots is determined on a current amortised cost basis, which is adjusted for cost increases, and the amortisation takes place over the life of the roots (between approximately 6 and 12 years). The fair value of standing cane is determined by the growth of the cane, an estimate of the yield of the standing cane, sucrose content, selling prices, less costs to harvest and transport, over-the-weighbridge costs and costs into the market. Changes in the fair value are included in profit or loss, with a charge of R153 million (2013: benefit of R468 million) being recognised in profit or loss in the current year. A reconciliation of the change in fair value for the year is included in note 2.

The effect of an increase in yield or in selling prices will result in an increase in the fair value of the standing cane. The key unobservable inputs, used in determining fair value and which are not interrelated, are yield of the standing cane of 87 tons per hectare (2013: 86 tons per hectare), and selling prices. For commercial reasons, selling prices cannot be disclosed. A change in yield of one ton per hectare would result in a R26 million (2013: R24 million) change in fair value while a change of one percent in selling prices would result in a R24 million (2013: R22 million) change in fair value.

Interest rate risk

Tongaat Hulett is exposed to interest rate risk on its fixed rate loan liabilities and accounts receivable and payable, which can impact on the fair value of these instruments. Tongaat Hulett is also exposed to interest rate cash flow risk in respect of its variable rate loans and short-term cash investments, which can impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the cash management system, which enables Tongaat Hulett to maximise returns while minimising risks. The impact of a 50 basis point move in interest rates will have a R23 million (2013: R29 million) effect on profit before tax and a R17 million (2013: R21 million) impact on equity.

Liquidity risk

Tongaat Hulett manages its liquidity risk by monitoring forecast cash flows on a weekly basis. There are unutilised established banking facilities of R2,84 billion (2013: R1,75 billion). Tongaat Hulett continues to meet the covenants associated with its long-term unsecured South African debt facilities.

Borrowings inclusive of interest projected at current interest rates:

Consolidated	Weighted average effective interest rate	Due within 1 year	1 to 2 years	2 to 5 years	After 5 years	Interest adjustment	Total
2014							
Bank loans	7,3%	1 346	2 228	2 075		(810)	4 839
Foreign loans	10,2%	330	61	61	183	(107)	528
Other borrowings	7,0%	359				(12)	347
Financial lease liability	7,3%	2	1	1		(1)	3
Other non-interest bearing liabilities		2 403			4		2 407
Net settled derivatives		1					1
Total for Tongaat Hulett		4 441	2 290	2 137	187	(930)	8 125
Non-recourse equity-settled BEE borrowings		947				(256)	691
Total including SPV debt		5 388	2 290	2 137	187	(1 186)	8 816
2013							
Bank loans	6,9%	2 244	1 348	2 211	489	(891)	5 401
Foreign loans	10,0%	138				(7)	131
Other borrowings	6,3%	242				(7)	235
Financial lease liability	7,0%	1	1	1			3
Other non-interest bearing liabilities		2 302			5		2 307
Net settled derivatives		16					16
Total for Tongaat Hulett		4 943	1 349	2 212	494	(905)	8 093
Non-recourse equity-settled BEE borrowings		82	856			(216)	722
Total including SPV debt		5 025	2 205	2 212	494	(1 121)	8 815

26. PRINCIPAL SUBSIDIARY COMPANIES AND JOINT OPERATIONS (Rmillion)

Name of subsidiary	Principal activity	Interest of holding company Equity 2014	Equity 2013	Indebtedness 2014	Indebtedness 2013
Tongaat Hulett Starch (Pty) Limited	Wet maize milling starch & glucose manufacturing operation	**15**	15	**37**	51
Tongaat Hulett Developments (Pty) Limited	Land & property development activities			**(857)**	(578)
Tongaat Hulett Estates (Pty) Limited	Estate agency				
Tongaat Hulett Sugar Limited	Raw sugar refining, packaging and production of liquid & dry speciality sugars	**4 238**	4 328	**576**	730
Tambankulu Estates Limited (Swaziland)					
Tongaat Hulett Acucareira de Mocambique, SA (Mozambique) (85%)					
Tongaat Hulett Acucareira de Xinavane, SA (Mozambique) (88%)					
Tongaat Hulett Acucar Limitada (Mozambique)					
Triangle Sugar Corporation Limited (Zimbabwe)					
Triangle Limited (Zimbabwe)					
Hippo Valley Estates Limited (Zimbabwe) (50,3%)					
The Tongaat Group Limited		**54**	54	**(59)**	(59)
		4 307	4 397	**(303)**	144

Except where otherwise indicated, effective participation is 100 percent.

A full list of all subsidiaries and joint operations is available from the company secretary on request.

Non-wholly owned subsidary with material non-controlling interests: Hippo Valley Estates Limited (Zimbabwe)

Hippo Valley Estates Limited is listed on the Zimbabwe Stock Exchange. It is engaged in the growing and milling of sugarcane and other farming operations.

Summarised financial information	Consolidated 2014	2013 Restated
Non-current assets	**2 920**	2 623
Current assets	**1 079**	685
Non-current liabilities	**(1 522)**	(1 183)
Current liabilities	**(182)**	(205)
Equity attributable to Tongaat Hulett	**(1 141)**	(958)
Non-controlling interests	**1 154**	962
Revenue	**1 380**	1 478
Profit attributable to Tongaat Hulett	**41**	54
Profit attributable to non-controlling interests	**40**	52
Profit for the year	**81**	106

26. PRINCIPAL SUBSIDIARY COMPANIES AND JOINT OPERATIONS (Rmillion) continued

Summarised financial information continued	Consolidated 2014	Consolidated 2013 Restated
Other comprehensive income attributable to Tongaat Hulett	**143**	157
Other comprehensive income attributable to non-controlling interests	**141**	155
Other comprehensive income for the year	**284**	312
Total comprehensive income attributable to Tongaat Hulett	**184**	211
Total comprehensive income attributable to non-controlling interests	**181**	207
Total comprehensive income for the year	**365**	418
Net cash inflow from operating activities	**300**	369
Net cash outflow from investing activities	**(313)**	(475)
Net cash inflow from financing activities	**279**	125
Net cash inflow for the year	**266**	19

27. GUARANTEES AND CONTINGENT LIABILITIES (Rmillion)

	Consolidated		Company	
	2014	2013	2014	2013
Guarantees in respect of obligations of Tongaat Hulett and third parties	**113**	38	6	7
Contingent liabilities	**3**			
	116	38	6	7

28. LEASES (Rmillion)

	Consolidated 2014	Consolidated 2013	Company 2014	Company 2013
Amounts payable under finance leases				
Minimum lease payments due:				
Not later than one year	**2**	1	2	1
Later than one year and not later than five years	**2**	2	2	2
	4	3	4	3
Less future finance charges	**(1)**		(1)	
Present value of lease obligations	**3**	3	3	3
Payable:				
Not later than one year	**1**	1	1	1
Later than one year and not later than five years	**2**	2	2	2
	3	3	3	3
Operating lease commitments, amounts due:				
Not later than one year	**65**	41	61	38
Later than one year and not later than five years	**63**	58	56	52
Later than five years		5		4
	128	104	117	94
In respect of:				
Property	**84**	86	75	78
Plant and machinery	**6**	4	5	4
Other	**38**	14	37	12
	128	104	117	94

29. CAPITAL EXPENDITURE COMMITMENTS (Rmillion)

	Consolidated 2014	Consolidated 2013	Company 2014	Company 2013
Contracted	**74**	175	22	60
Approved but not contracted	**152**	312	124	202
	226	487	146	262

Funds to meet future capital expenditure will be provided from retained net cash flows and debt financing.

30. RELATED PARTY TRANSACTIONS (Rmillion)

During the year Tongaat Hulett, in the ordinary course of business, entered into various related party sales, purchases and investment transactions. These transactions occurred under terms that are no less favourable than those arranged with third parties. Intra-group transactions are eliminated on consolidation.

	Consolidated		Company	
	2014	2013	2014	2013
Goods and services:				
Transacted between operating entities within the company			1	1
Between the company and its subsidiaries			761	706
Transacted between subsidiaries within Tongaat Hulett	**193**	260		
Tongaat-Hulett Pension Fund contribution cost		56		53
Administration fees and other income:				
Transacted between operating entities within the company			6	5
Between the company and its subsidiaries			513	82
Transacted between subsidiaries within Tongaat Hulett	**108**	119		
Transacted with/between joint operations within Tongaat Hulett	**5**	8		
Paid to external related parties	**5**	4		
Interest received /paid:				
Transacted between operating entities within the company			474	449
Paid by the company to its subsidiaries			76	41
Received by the company from its subsidiaries			1	2
Transacted between subsidiaries within Tongaat Hulett	**95**	57		
Transacted with/between joint operations within Tongaat Hulett	**5**	5		
Sales of fixed assets:				
Between the company and its subsidiaries			107	55
Transacted between subsidiaries within Tongaat Hulett	**52**			
Loan balances:				
Between operating entities within the company			5 816	6 054
Between the company and its subsidiaries			303	144
Pension Fund loan - employer surplus account	**73**	69	73	69
Dividends received:				
Between the company and its subsidiaries			148	97
Transacted between subsidiaries within Tongaat Hulett	**140**	90		

Other related party information:

Total dividends paid - refer to note 24

Directors - refer to pages 71 to 72 and pages 78 to 80 of the Remuneration Report

Tongaat Hulett Developments is a guarantor on Tongaat Hulett Limited's South African long-term unsecured loan facility

31. RETIREMENT BENEFITS

Pension and Provident Fund Schemes

Tongaat Hulett contributes towards retirement benefits for substantially all permanent employees who, depending on preference or local legislation, are required to be a member of either a Tongaat Hulett implemented scheme or of various designated industry or state schemes. The Tongaat Hulett schemes are governed by the relevant retirement fund legislation. Their assets consist primarily of listed shares fixed income securities property investments and money market instruments and are held separately from those of Tongaat Hulett. The scheme assets are administered by boards of trustees each of which includes elected employee representatives.

Defined Contribution Pension and Provident Schemes

The latest audited financial statements of the defined contribution schemes including the scheme in Swaziland reflect a satisfactory state of affairs. Contributions of R94 million were expensed during the year (2013: R55 million).

Zimbabwe Pension Funds

The post-retirement benefit provisions for the Zimbabwe operations at 31 March 2014 amount to R186 million (2013: R269 million) including the post-retirement medical aid and the retirement gratuity provisions.

Defined Benefit Pension Scheme

A defined benefit scheme in South Africa which previously covered the old Tongaat-Hulett Group was split between Tongaat Hulett and Hulamin in 2012 and then in 2013 was converted to a Defined Contribution arrangement with the existing pensioner liabilities being outsourced to an insurer.

Details of the IAS 19 valuation of the DB Fund (South Africa):	**2014 Rmillion**	2013 Rmillion
Fair value of fund assets		
Balance at beginning of year	**737**	5 076
Expected return on scheme assets	**34**	366
Contributions by plan members		18
Benefits paid		(192)
Actuarial loss		(72)
Settlements / conversion	**(20)**	(4 459)
Balance at end of year	**751**	737
Present value of defined benefit obligation		
Balance at beginning of year		3 794
Current service cost		56
Interest cost		261
Contributions by plan members		18
Benefits paid		(192)
Actuarial loss		111
Settlements / conversion		(4 048)
Balance at end of year	**-**	-
Fund assets less member liabilities	**751**	737
Employer surplus account (note 3)	**(552)**	(515)
Provisions and reserves	**199**	222

31. RETIREMENT BENEFITS (continued)

The following dislosure is in respect of the previous financial year and relates to the defined benefit scheme up to the time that it was converted to a Defined Contribution arrangement.

Defined benefit accounting disclosure for the year ended 31 March 2013

	2013 Rmillion
Amounts included in the statement of financial position:	
Balance at 1 April 2012	469
Amounts recognised in profit or loss:	46
Net expense in respect of defined benefit accounting	(22)
Employer surplus account recognition	68
Balance at 31 March 2013	515
Asset information	
Cash and other	737
Actual return on scheme assets	294
The principal actuarial assumptions were:	
Discount rate	8,00%
Salary cost and pension increase	5,75%
Expected rate of return on assets	8,00%
Experience loss on:	
Plan assets	72
Percentage of plan assets	9,80%

Basis used to determine the rate of return on assets

The expected rate of return on assets was calculated using the discount rate at the beginning of the year, which corresponds to that used in the previous valuation. This is a reasonably conservative approach, adopted on the basis that the additional returns anticipated on certain other asset classes in which the Fund is invested (e.g. equities) can only be achieved with increased risk.

31. RETIREMENT BENEFITS (Rmillion) continued

Post-Retirement Medical Aid Benefits

In the South African operations, the obligation to pay medical aid contributions after retirement is no longer part of the conditions of employment for employees engaged after 30 June 1996. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employee remaining in service until retirement and completing a minimum service period of ten years. The Zimbabwe operations provide post-retirement medical benefits for pensioners and current employees. In Mozambique, Acucareira de Xinavane subsidises the medical contributions in respect of its pensioners.

The unfunded liability for post-retirement medical aid benefits is determined actuarially each year and comprises:

	Consolidated		Company	
	2014	2013 Restated	2014	2013 Restated
Amounts recognised in the statement of financial position:				
Net liability at beginning of year as previously reported	**448**	357	383	274
Effect of adoption of IAS 19 (Revised):				
Actuarial losses transferred to Other Comprehensive Income		34		61
Net liability at beginning of year restated	**448**	391	383	335
Actuarial loss/(gain):	**10**	33	4	39
From changes in financial assumptions	**1**	23	1	24
From changes in demographic assumptions	**6**	(7)	(4)	
From changes in experience items during the year	**3**	17	7	15
Net expense recognised in profit or loss	**48**	40	33	32
Employer contributions	**(29)**	(27)	(24)	(23)
Currency alignment	**10**	11		
Net liability at end of year	**487**	448	396	383
Amounts recognised in profit or loss:				
Current service costs	**6**	6	3	3
Past service costs	**7**			
Interest costs	**35**	34	30	29
	48	40	33	32
The principal actuarial assumptions applied are:				
Discount rate				
South Africa	**9,00%**	8,00%	9,00%	8,00%
Mozambique	**6,75%**	6,75%		
Zimbabwe	**7,00%**	7,60%		
Health care cost inflation rate				
South Africa	**7,75%**	6,75%	7,75%	6,75%
Mozambique	**6,00%**	6,00%		
Zimbabwe	**5,75%**	6,35%		
Sensitivity analysis:				
On discount rate				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	**(2)**	(1)	(1)	(1)
1% increase in trend rate - decrease in the obligation	**(53)**	(49)	(38)	(37)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	**2**	2	1	1
1% decrease in trend rate - increase in the obligation	**65**	59	45	45
On health care cost inflation rate				
1% increase in trend rate - increase in the aggregate of the service and interest costs	**2**	2	1	1
1% increase in trend rate - increase in the obligation	**65**	59	45	45
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	**(2)**	(1)	(1)	(1)
1% decrease in trend rate - decrease in the obligation	**(54)**	(50)	(38)	(38)
Estimated contributions payable in the next financial year	**30**	29	26	25

31. RETIREMENT BENEFITS (Rmillion) continued

	Consolidated 2014	Consolidated 2013 Restated	Company 2014	Company 2013 Restated
Weighted average duration of the obligation (years):				
South Africa	**11,3**	11,4	11,3	11,4
Mozambique	**4,9**	4,6		
Zimbabwe	**17,8**	16,9		

Key risks associated with the post-retirement medical aid obligation:

Higher than expected inflation (to which medical cost/contribution increases are related).
"Real" future medical aid cost/contribution inflation (i.e. above price inflation) is higher than allowed for.
Members / pensioners changing medical aid plans to more expensive plans subject to maximum in terms of policy.
Longevity – pensioners (and their dependants) living longer than expected in retirement.
Changes in the prescribed basis (as a result of market conditions) which adversely impact the financial results of the company.

Retirement Gratuities

Tongaat Hulett has in the past made payments, on retirement, to eligible employees who have remained in service until retirement, and have completed a minimum service period of ten years. The benefit is applicable to employees in the South African and Zimbabwean operations. The unfunded liability for retirement gratuities which is determined actuarially each year comprises:

	Consolidated 2014	Consolidated 2013 Restated	Company 2014	Company 2013 Restated
Amounts recognised in the statement of financial position:				
Net liability at beginning of year as previously reported	**152**	116	102	77
Effect of adoption of IAS 19 (Revised):				
Actuarial losses transferred to Other Comprehensive Income		8		11
Net liability at beginning of year restated	**152**	124	102	88
Actuarial loss:	**7**	11	8	10
From changes in financial assumptions		4		4
From changes in demographic assumptions	**2**		2	
From changes in experience items during the year	**5**	7	6	6
Net expense recognised in income statement	**22**	19	14	13
Payments made by the employer	**(13)**	(9)	(12)	(9)
Currency alignment	**8**	7		
Net liability at end of year	**176**	152	112	102
Amounts recognised in profit or loss:				
Service costs	**9**	8	6	5
Interest costs	**13**	11	8	8
	22	19	14	13

31. RETIREMENT BENEFITS (Rmillion) continued

	Consolidated 2014	Consolidated 2013 Restated	Company 2014	Company 2013 Restated
The principal actuarial assumptions applied are:				
Discount rate				
South Africa	**9,00%**	8,00%	9,00%	8,00%
Zimbabwe	**7,00%**	7,60%		
Salary inflation rate				
South Africa	**7,50%**	6,50%	7,50%	6,50%
Zimbabwe	**5,00%**	5,60%		
Sensitivity analysis:				
On discount rate				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	**(1)**	(1)	(1)	(1)
1% increase in trend rate - decrease in the obligation	**(16)**	(14)	(9)	(9)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	**1**	1	1	1
1% decrease in trend rate - increase in the obligation	**18**	17	11	11
On salary inflation rate				
1% increase in trend rate - increase in the aggregate of the service and interest costs	**3**	3	2	2
1% increase in trend rate - increase in the obligation	**18**	17	11	11
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	**(3)**	(2)	(2)	(2)
1% decrease in trend rate - decrease in the obligation	**(16)**	(15)	(9)	(9)
Estimated contributions payable in the next financial year	**15**	16	11	12
Weighted average duration of the obligation (years):				
South Africa	**9,8**	10,6	9,8	10,6
Zimbabwe	**11,4**	12,3		

Key risks associated with the retirement gratuity obligation:

Higher than expected inflation (to which salary increases are related).
"Real" salary increases (i.e. above price inflation) are higher than allowed for.
Large number of early retirements (normal or ill health) bringing forward gratuity payments.
Fewer exits prior to retirement than expected (i.e. more people reach retirement than allowed for in terms of current demographic assumptions).
Changes in the prescribed basis (as a result of market conditions) which adversely impact the financial results of the company.

32. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS AND INTERESTS

The information in respect of directors' and prescribed officers' emoluments and interests is included in the Remuneration Report as follows:

	Page
Executive directors' and prescribed officers' remuneration	71
Non-executive directors' remuneration	72
Declaration of full disclosure	72
Interest of directors of the company in share capital	72

33. EMPLOYEE SHARE INCENTIVE SCHEMES

Details of awards made in terms of the company's share incentive schemes comprising The Tongaat-Hulett Group Limited 2001 Share Option Scheme, the Share Appreciation Right Scheme 2005, the Long Term Incentive Plans 2005 and the Deferred Bonus Plan 2005 are set out on pages 73 to 77 of the Remuneration Report and details of the interest of directors in share-based instruments are set out on pages 78 to 80.

34. BEE EMPLOYEE SHARE OWNERSHIP PLANS

The BEE employee transaction, which comprises the Employee Share Ownership Plan (ESOP) and the Management Share Ownership Plan (MSOP), vested during the year ended 31 March 2013.

The ESOP scheme consisted of a share appreciation right scheme and participants shared in 50% of the dividend payable to ordinary shareholders. The MSOP scheme consisted of two components, namely a share appreciation right scheme and a share grant scheme.

The ESOP Trust and MSOP Trust were established to acquire and hold Tongaat Hulett Limited shares for the benefit of designated employees. Tongaat Hulett Limited and its subsidiaries made contributions to the MSOP Trust and the ESOP Trust (refer note 3). Due to these shares having had specific repurchase rights at maturity (five years from grant), they were a separate class of restricted shares which, other than for the repurchase terms, ranked pari passu with ordinary shares and became ordinary shares at maturity of the scheme on 1 August 2012.

Employee Share Ownership Plan

Grant date	Balance at 31 March 2013	Released including deaths in service	Scrip distribution	Forfeited / adjustments	Balance time constrained
1 August 2008	49 154	(48 694)		(460)	
1 February 2009	28 564	(26 971)		(1 593)	
1 August 2009	23 524			(3 194)	20 330
1 February 2010	24 330			(708)	23 622
1 August 2010	13 436			(414)	13 022
1 February 2011	12 688			(378)	12 310
1 August 2011	11 883			(215)	11 668
Unallocated	18 769		378	8 887	28 034
	182 348	(75 665)	378	1 925	108 986

Management Share Ownership Plan

Grant date	Balance at 31 March 2013	Released including deaths in service	Awarded during 2013/14	Scrip distribution	Forfeited / adjustments	Balance time constrained
1 August 2008	116 851	(116 851)				
1 February 2009	45 420	(45 420)				
1 August 2009	47 167				(10 291)	36 876
1 February 2010	76 390				(3 771)	72 619
1 August 2010	49 749					49 749
1 February 2011	23 430				(3 854)	19 576
1 August 2011	82 638				(4 640)	77 998
1 February 2012	93 737					93 737
1 June 2012	43 885					43 885
1 July 2012	41 935					41 935
1 August 2012	2 782					2 782
1 November 2012	267 587				(16 949)	250 638
7 January 2013	5 000					5 000
1 March 2013	4 855					4 855
1 July 2013			25 000			25 000
Unallocated	229 619		(25 000)	3 178	39 505	247 302
	1 131 045	(162 271)		3 178		971 952

35. CHANGE IN ACCOUNTING POLICY (Rmillion)

The adoption of the revised IAS 19 Employee Benefits has resulted in actuarial gains and losses being recognised immediately in other comprehensive income and no longer amortised via profit or loss. The effect of the change in accounting policy is disclosed below.

	Consolidated	Company
Effect on the statements of financial position at 31 March 2012		
Equity at 31 March 2012 as previously reported	7 796	3 162
Effect of change in accounting policy	(30)	(51)
Increase in provision for retirement benefits: actuarial losses recognised	(42)	(72)
Deferred tax thereon	12	21
Equity at 31 March 2012 restated	7 766	3 111
Effect on profit or loss for the year ended 31 March 2013		
Reversal of actuarial losses amortised	12	17
Deferred tax	(3)	(5)
Increase in profit for the year	9	12
Attributable to:		
Shareholders of Tongaat Hulett	8	12
Minority (non-controlling) interest	1	
	9	12
Effect on other comprehensive income for the year ended 31 March 2013		
Actuarial losses recognised	(44)	(49)
Deferred tax	12	13
Currency alignment	6	
Decrease in other comprehensive income	(26)	(36)
Net decrease in total comprehensive income	(17)	(24)
Attributable to:		
Shareholders of Tongaat Hulett	(19)	(24)
Minority (non-controlling) interest	2	
	(17)	(24)
Effect on the statements of financial position at 31 March 2013		
Equity at 31 March 2013 as previously reported	9 752	2 922
Effect of change in accounting policy	(47)	(75)
Actuarial losses recognised	(74)	(104)
Currency alignment	6	
Increase in provision for retirement benefits	(68)	(104)
Deferred tax thereon	21	29
Equity at 31 March 2013 restated	9 705	2 847

The change in accounting policy did not affect cash flow from operations.