

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

PIONEER FOOD GROUP LTD

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DIRECTORS' RESPONSIBILITY

Directors' responsibility

In accordance with the requirements of the Companies Act, Act 71 of 2008, as amended, the Board of directors ("the Board") is responsible for the preparation of the annual financial statements and the consolidated annual financial statements of Pioneer Food Group Ltd ("Pioneer Foods") which conform to International Financial Reporting Standards ("IFRS") and which fairly present the state of affairs of Pioneer Foods and its subsidiaries ("the Group") at the end of the financial year, and the financial performance and cash flows for that period. The Board is also responsible for the information other than that of the annual statutory financial statements that are included in the annual integrated report for both its accuracy and its consistency with the financial statements.

It is the responsibility of the independent external auditors to report on the fair presentation of the financial statements.

The Board is ultimately responsible for the internal control processes. Management enables the Board to meet its responsibilities in this regard. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the Group's financial records and its financial statements. The Board and management are, furthermore, also committed to adequately safeguard, verify and maintain accountability for the Group's assets. Appropriate accounting policies, supported by reasonable and prudent judgements and estimates are applied on a consistent and going concern basis. Systems and controls include the proper delegation of responsibilities, effective accounting procedures and adequate segregation of duties.

Based on the information and reasoning provided by management as well as the internal and external auditors, the Board is of the opinion that the accounting controls are sufficient and that the financial records may be relied upon for preparing the financial statements and maintaining accountability for the Group's assets and liabilities. During the year under review, and up to the date of this report, nothing has come to the Board's attention that indicates or implies a breakdown in the functioning of these controls, resulting in a material loss to the Group. The Board has a reasonable expectation that the Group and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

The annual financial statements, which appear in the Integrated Report, were approved by the Board on 19 November 2015 and are herewith signed on its behalf by:



ZL Combi
Chairman



PM Roux
Chief Executive Officer

PREPARATION AND PRESENTATION OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The preparation of the summary consolidated financial statements have been prepared under the supervision of CJ Hess, CA(SA), Group financial director. The full set of annual financial statements is published on the Group's website at www.pioneerfoods.co.za or can be requested from the company secretary.

SECRETARIAL CERTIFICATION

In accordance with section 88 of the Companies Act, Act 71 of 2008, as amended ("the Act"), for the year ended 30 September 2015, it is hereby certified that the Company and its subsidiaries have lodged with the Companies and Intellectual Property Commission all such returns that are required of a public company in terms of the Act and that such returns are true, correct and up to date.



J Jacobs
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements of Pioneer Food Group Ltd, set out on pages 114 to 134 of the integrated report for the year ended 30 September 2015, which comprise the summary consolidated statement of financial position as at 30 September 2015, and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Pioneer Food Group Ltd for the year ended 30 September 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 19 November 2015. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: "Other Reports Required by the Companies Act" (refer below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Pioneer Food Group Ltd.

Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the JSE Limited's ("JSE") requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Pioneer Food Group Ltd for the year ended 30 September 2015 are consistent, in all material respects, with those consolidated financial statements, in accordance with the JSE's requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The "Other reports required by the Companies Act" paragraph in our audit report dated 19 November 2015 states that as part of our audit of the consolidated financial statements for the year ended 30 September 2015, we have read the Directors' Report, the Report of the Audit and Risk Committee and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.



PricewaterhouseCoopers Inc.

Director: R Jacobs

Registered Auditor

Paarl

19 November 2015

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Group statement of comprehensive income

	Audited Year ended 30 September 2015 R'm	Audited Year ended 30 September 2014 R'm
Continuing operations		
Revenue	18 748.2	17 698.6
Cost of goods sold	(12 773.7)	(12 321.2)
Gross profit	5 974.5	5 377.4
Other income and gains/(losses) – net	184.7	115.9
Other expenses	(4 313.3)	(4 000.5)
Excluding the following:		
Phase I B-BBEE transaction share-based payment charge	(306.8)	(187.3)
Items of a capital nature	(48.5)	(47.0)
Operating profit	1 797.4	1 445.8
Investment income	39.3	22.3
Finance costs	(142.1)	(138.0)
Share of profit of investments accounted for using the equity method	71.4	69.8
Profit before income tax	1 766.0	1 399.9
Income tax expense	(588.7)	(451.8)
Profit for the year from continuing operations	1 177.3	948.1
(Loss)/profit for the year from discontinued operations (attributable to owners of the parent)	(45.0)	18.2
Profit for the year	1 132.3	966.3
Other comprehensive income/(loss) for the year		
Items that will not subsequently be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligations	(1.0)	0.6
Items that may subsequently be reclassified to profit or loss:		
Fair value adjustments to cash flow hedging reserve	12.3	(9.3)
For the year	86.9	62.8
Current income tax effect	(31.0)	(18.4)
Deferred income tax effect	6.6	1.7
Reclassified to profit or loss	(69.8)	(75.8)
Current income tax effect	26.4	20.7
Deferred income tax effect	(6.8)	(0.3)
Fair value adjustments on available-for-sale financial assets	(4.6)	4.9
For the year	(0.6)	9.9
Deferred income tax effect	(0.2)	(1.2)
Reclassified to profit or loss	(3.8)	(3.8)
Share of other comprehensive income of investments accounted for using the equity method	22.7	3.1
Movement on foreign currency translation reserve	39.9	12.1
Total comprehensive income for the year	1 201.6	977.7
Profit/(loss) for the year attributable to:		
Owners of the parent		
For continuing operations	1 175.4	947.0
For discontinued operations	(45.0)	18.2
Non-controlling interest		
For continuing operations	1.9	1.1
Total comprehensive income/(loss) for the year attributable to:		
Owners of the parent		
For continuing operations	1 244.7	973.7
For discontinued operations	(45.0)	2.9
Non-controlling interest		
For continuing operations	1.9	1.1
	1 201.6	977.7

Headline earnings reconciliation

	Audited Year ended 30 September 2015 R'm	Audited Year ended 30 September 2014 R'm
Reconciliation between profit/(loss) attributable to owners of the parent and headline earnings		
<i>Profit/(loss) attributable to owners of the parent</i>	1 130.4	965.2
For continuing operations	1 175.4	947.0
For discontinued operations	(45.0)	18.2
<i>Remeasurement of items of a capital nature – continuing operations</i>	50.8	34.1
Net loss on disposal of property, plant and equipment and intangible assets	1.7	1.3
Net profit on disposal of available-for-sale financial assets	(3.8)	(3.7)
Impairment of property, plant and equipment and available-for-sale financial assets	50.6	49.4
Before tax	48.5	47.0
Tax effect on remeasurement of items of a capital nature	2.3	(12.9)
<i>Remeasurement of items of a capital nature – discontinued operations</i>	45.0	55.7
Net profit on disposal of property, plant and equipment and intangible assets	–	(1.7)
Net loss on unbundling of Quantum Foods and disposal of Quantum Foods shares	27.4	–
Impairment of property, plant and equipment and intangible assets	–	77.7
Before tax	27.4	76.0
Tax effect on remeasurement of items of a capital nature	17.6	(20.3)
<i>Remeasurement of items of a capital nature included in equity-accounted results</i>	1.1	0.1
Effect on remeasurement of items of a capital nature	1.5	0.1
Tax effect on remeasurement of items of a capital nature	(0.4)	–
Headline earnings	1 227.3	1 055.1
For continuing operations	1 227.3	981.2
For discontinued operations	–	73.9
Phase I B-BBEE transaction share-based payment charge	306.8	187.3
Adjusted headline earnings (Note 1)	1 534.1	1 242.4
For continuing operations	1 534.1	1 168.5
For discontinued operations	–	73.9
Number of issued ordinary shares (million)	232.7	231.7
Number of issued treasury shares:		
– held by subsidiary (million)	18.0	18.0
– held by share incentive trust (million)	0.7	1.1
– held by B-BBEE equity transaction participants (million)	18.1	18.1
– held by BEE trust (million)	10.7	10.6
Number of issued class A ordinary shares (million)	4.2	6.0
Weighted average number of ordinary shares (million)	184.5	183.3
Weighted average number of ordinary shares – diluted (million)	200.1	192.1
Earnings per ordinary share (cents):		
– basic	612.8	526.5
– diluted	564.9	502.4
– headline	665.3	575.6
– diluted headline	613.4	549.2
– adjusted headline (Note 1)	831.6	677.8
– diluted adjusted headline (Note 1)	766.7	646.7
– adjusted headline for continuing operations (Note 1)	831.6	637.4
– diluted adjusted headline for continuing operations (Note 1)	766.7	608.2
Gross dividend per ordinary share (cents)	332.0	221.0
Gross dividend per class A ordinary share (cents)	99.6	66.3
Net asset value per ordinary share (cents)	3 757.6	3 318.2
Debt to equity ratio (%)	5.8	10.9

Note 1:

Headline earnings ("HE") is calculated based on Circular 2/2013 issued by the South African Institute of Chartered Accountants. Adjusted HE is defined as HE adjusted for the impact of the share-based payment charge on the B-BBEE Phase I transaction on profit or loss due to the volatility of this share-based payment charge.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Group statement of financial position

	Audited 30 September 2015 R'm	Audited 30 September 2014 R'm
Assets		
Property, plant and equipment	4 328.9	4 229.1
Goodwill	224.4	220.8
Other intangible assets	475.1	457.2
Biological assets	16.0	16.0
Investments in and loans to associates and joint ventures	574.0	402.3
Available-for-sale financial assets	141.8	70.0
Trade and other receivables	24.3	23.4
Deferred income tax	0.2	3.7
Non-current assets	5 784.7	5 422.5
Current assets	6 298.2	5 420.9
Inventories	2 678.9	2 423.3
Derivative financial instruments	20.6	14.9
Trade and other receivables	2 148.6	1 873.8
Current income tax	1.3	1.3
Cash and cash equivalents	1 448.8	1 107.6
Assets of disposal group classified as held for sale	88.1	2 066.8
Total assets	12 171.0	12 910.2
Equity and liabilities		
Capital and reserves attributable to owners of the parent	6 958.7	6 102.4
Share capital	23.3	23.2
Share premium	2 430.5	2 255.2
Treasury shares	(1 204.1)	(1 186.5)
Other reserves	460.5	428.5
Retained earnings	5 248.5	4 582.0
Non-controlling interest	12.3	10.4
Total equity	6 971.0	6 112.8
Non-current liabilities	2 273.4	2 308.6
Borrowings		
B-BBEE equity transaction third-party finance	449.7	449.7
Other	850.5	1 063.8
Provisions for other liabilities and charges	110.4	101.5
Share-based payment liability	395.8	245.2
Deferred income tax	467.0	448.4
Current liabilities	2 901.0	3 920.7
Trade and other payables	2 210.0	2 258.2
Current income tax	21.0	18.1
Derivative financial instruments	15.8	9.7
Borrowings	553.9	260.7
Loan from joint venture	20.5	15.7
Share-based payment liability	79.3	115.8
Dividends payable	0.5	1 242.5
Liabilities of disposal group classified as held for sale	25.6	568.1
Total equity and liabilities	12 171.0	12 910.2

Group statement of changes in equity

	Audited Year ended 30 September 2015 R'm	Audited Year ended 30 September 2014 R'm
Share capital, share premium and treasury shares	1 249.7	1 091.9
Opening balance	1 091.9	1 020.8
Movement in treasury shares	5.3	4.4
Ordinary shares acquired by BEE trust	(22.9)	–
Ordinary shares issued – share appreciation rights	175.6	66.8
Employee share scheme – repurchase of shares	(0.2)	(0.1)
Other reserves	460.5	428.5
Opening balance	428.5	426.2
Equity compensation reserve transactions	38.9	26.5
Ordinary shares issued – share appreciation rights	(175.6)	(66.8)
Deferred income tax on share-based payments	105.9	31.8
Share of other comprehensive income of investments accounted for using the equity method	22.7	3.1
Unbundling of Quantum Foods	(7.5)	–
Other comprehensive income for the year	47.6	7.7
Retained earnings	5 248.5	4 582.0
Opening balance	4 582.0	5 134.3
Profit for the year	1 130.4	965.2
Other comprehensive (loss)/income for the year	(1.0)	0.6
Dividends paid	(463.3)	(1 519.2)
Management share incentive scheme – disposal of shares	1.4	1.7
Employee share scheme – transfer tax on share transactions	(1.0)	(0.6)
Non-controlling interest	12.3	10.4
Opening balance	10.4	9.3
Profit for the year	1.9	1.1
Total equity	6 971.0	6 112.8

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Group statement of cash flows

	Audited Year ended 30 September 2015 R'm	Audited Year ended 30 September 2014 R'm
Net cash profit from operating activities	2 512.2	2 133.9
Cash effect from hedging activities	16.2	(7.8)
Working capital changes	(546.4)	27.5
Net cash generated from operations	1 982.0	2 153.6
Income tax paid	(475.5)	(386.4)
Net cash flow from operating activities	1 506.5	1 767.2
Net cash flow from investment activities	(422.7)	(392.7)
Property, plant and equipment and intangible assets		
– additions	(186.3)	(269.7)
– replacements	(465.5)	(216.3)
– proceeds on disposal	176.3	55.7
Proceeds on disposal of and changes in available-for-sale financial assets and loans	117.6	(1.1)
Investment in joint ventures	(126.3)	–
Interest received	37.2	24.3
Dividends received	2.1	1.6
Dividends received from joint ventures	22.2	12.8
Net cash flow from financing activities	(603.5)	(422.0)
Proceeds from borrowings	207.1	78.1
Treasury shares acquired by BEE trust	(22.9)	–
Repurchase of class A ordinary shares from leavers and other share scheme transactions	(187.1)	(72.3)
Interest paid	(137.4)	(150.8)
Dividends paid	(463.2)	(277.0)
Net cash, cash equivalents and bank overdrafts on unbundling of Quantum Foods	(105.6)	–
Net increase in cash, cash equivalents and bank overdrafts	374.7	952.5
Net cash, cash equivalents and bank overdrafts at beginning of year	1 018.1	65.6
Net cash, cash equivalents and bank overdrafts at end of year	1 392.8	1 018.1
Disclosed as continuing operations	1 380.9	912.5
Disclosed as discontinued operations	–	105.6
Disclosed as disposal group held for sale	11.9	–

Group segment report

	Audited Year ended 30 September 2015 R'm	Audited Year ended 30 September 2014 Restated R'm
Segment revenue (Note 1)		
Essential Foods	11 334.5	10 651.9
Quantum Foods	–	3 591.4
Groceries: Cereals and other (formerly Bokomo Foods)	2 420.3	2 361.8
Groceries: Beverages (formerly Ceres Beverages)	2 377.1	2 411.3
International	2 616.3	2 273.6
Total	18 748.2	21 290.0
Segment results (Note 1)		
Essential Foods	1 278.5	975.5
Quantum Foods	–	21.6
Groceries: Cereals and other (formerly Bokomo Foods)	252.0	220.7
Groceries: Beverages (formerly Ceres Beverages)	182.5	124.7
International	444.5	363.4
Other	(4.8)	10.3
	2 152.7	1 716.2
Reversal of depreciation charge in Quantum Foods legal entities (asset held for sale)	–	54.7
Phase I B-BBEE transaction share-based payment charge	(306.8)	(187.3)
Operating profit before items of a capital nature	1 845.9	1 583.6
Reconciliation of operating profit (before items of a capital nature) to profit before income tax		
Operating profit before items of a capital nature	1 845.9	1 583.6
Adjusted for:		
Remeasurement of items of a capital nature	(75.9)	(123.0)
Interest income	37.2	24.3
Dividends received	2.1	1.6
Finance costs	(142.1)	(138.7)
Share of profit of investments accounted for using the equity method	71.4	70.4
Profit before income tax (including discontinued operations)	1 738.6	1 418.2

Note 1

Includes discontinued operations for the year ended 30 September 2014.

Note 2

Segment revenue and segment results were restated to:

- * Reflect the operations of all exports, other than to Botswana, Namibia, Lesotho and Swaziland, as well as the operations of all foreign operations to a new segment, International; and
- * Allocate corporate results to the operating segments, except for the B-BBEE Phase I share-based payment charge, the results of the legal entities for the ultimate holding company and the insurance captive, corporate legal costs, costs relating to BEE socio-economic and enterprise development and mergers and acquisitions.

Refer to note 10 of the notes to the summary consolidated financial statements for further detail regarding this restatement.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Notes to the summary consolidated financial statements for the year ended 30 September 2015

1. Basis of preparation

The summary consolidated financial statements of the Group for the year ended 30 September 2015 have been prepared in accordance with the requirements of the JSE Limited ("JSE") for summary financial statements, and the requirements of the Companies Act of South Africa, Act 71 of 2008, as amended, applicable to summary financial statements. The Listings Requirements of the JSE require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, to contain the information required by *IAS 34 – Interim Financial Reporting*. This summary report is an extract from audited information, but this summary report has not been audited.

The directors take full responsibility for the preparation of the summary consolidated financial statements and that the financial information has been correctly extracted from the underlying financial records.

2. Accounting policies

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the adoption of the following new standards, amendments to published standards and interpretations that became effective for the current reporting period beginning on 1 October 2014:

Amendments to IAS 32 – Financial Instruments: Presentation on financial instruments asset and liability offsetting (effective 1 January 2014)

Amendments to IAS 36 – Impairment of Assets on recoverable amount disclosures (effective 1 January 2014)

Amendment to IAS 39 – Financial Instruments: Recognition and Measurement on novation of derivatives and hedge accounting (effective 1 January 2014)

Amendment to IAS 19 – Employee Benefits regarding defined benefit plans (effective 1 July 2014)

Annual improvements 2012 (issued December 2013) (effective 1 July 2014)

Annual improvements 2013 (issued December 2013) (effective 1 July 2014)

IFRIC 21 – Levies (effective 1 January 2014)

The adoption of these amendments to standards and interpretations did not have any material impact on the Group's results and cash flows for the year ended 30 September 2015 and the financial position at 30 September 2015.

In preparing these summary consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, other than the judgement exercised in the assessment of joint control over Food Concepts Pioneer Ltd as explained below, were the same as those that applied to the consolidated financial statements for the year ended 30 September 2014.

Assessment of joint control over Food Concepts Pioneer Ltd

Pioneer Foods acquired an interest of 50.1% in Food Concepts Pioneer Ltd ("FCP"), a bakery business in Nigeria, for a purchase consideration of R81.3 million during the period. The transaction became effective on 1 March 2015.

In the interim financial statements for the six months ended 31 March 2015, FCP was consolidated as the Group was of the opinion that it had power over the relevant activities of the company.

The assessment of whether the Group had power over the relevant activities of FCP involved the application of significant judgement and legal interpretation of the respective legal agreements. Since the publication of the interim financial statements, the Group has reassessed its interpretation and has concluded that, given the requirement for unanimous consent of both parties to the agreement in respect of the most significant relevant activities, a more appropriate classification would be that of a joint venture. Consequently, FCP has been accounted for as a joint venture and equity accounted in the financial statements of the Group for the year ended 30 September 2015.

As the transaction is considered immaterial in the context of the financial statements, the interim financial statements for the year ended 31 March 2015 will not be restated in 2016.

	Audited Year ended 30 September 2015	Audited Year ended 30 September 2014
3. Share capital		
During the period under review, the following share transactions occurred:		
Number of listed issued and fully paid ordinary shares		
At beginning of year	231 691 881	231 006 847
Shares issued in terms of employee share appreciation rights scheme	1 047 450	685 034
At end of year	232 739 331	231 691 881
1,047,450 (30 September 2014: 685,034) listed ordinary shares of 10 cents each were issued at an average of R167.71 (30 September 2014: R97.47) per share in terms of the share appreciation rights scheme.		
Number of treasury shares held by the share incentive trust		
At beginning of year	1 110 213	1 422 116
Movement in shares	(380 601)	(311 903)
At end of year	729 612	1 110 213
Proceeds on the sale of treasury shares by the share incentive trust (R'000)	6 660	6 262
Number of treasury shares held by B-BBEE transaction participants		
At beginning and end of year	18 091 661	18 091 661
Number of treasury shares held by Pioneer Foods Broad-Based BEE Trust		
At beginning of year	10 599 988	10 599 988
Shares acquired	145 362	–
At end of year	10 745 350	10 599 988
Purchase consideration paid for shares acquired by BEE Trust (R'000)	22 940	–
Number of treasury shares held by a subsidiary		
At beginning and end of year	17 982 056	17 982 056
Number of unlisted class A ordinary shares		
At beginning of year	6 043 940	7 367 360
Shares bought back and cancelled	(1 809 640)	(1 323 420)
At end of year	4 234 300	6 043 940
Purchase consideration paid for unlisted class A ordinary shares bought back (R'000)	189 405	74 988

4. Borrowings

Pioneer Foods obtained a R300 million vehicle and asset finance facility during the previous year. This facility is used to finance the replacement of the Group's bakery delivery vehicle fleet. The vehicles are acquired in terms of instalment sales agreements. These borrowings are secured by the vehicles acquired in terms of these agreements. At 30 September 2015, further borrowings obtained during the year in terms of these facilities amounted to R210.5 million.

No other material new borrowings were concluded during the year under review. Changes in borrowings mainly reflect repayments made in terms of agreements. Short-term borrowings fluctuate in accordance with changing working capital needs.

5. Events after the reporting date

5.1 Dividend

The Board approved and declared a gross final dividend of 237.0 cents (2015: gross interim dividend of 95.0 cents and 2014: gross final dividend of 156.0 cents) per ordinary share. This will amount to approximately R526,125,735 (2015: interim of R210,743,649 and 2014: final of R345,100,897) depending on the exact number of ordinary shares issued at the record date. In addition, the 10,745,350 (2015 interim: 10,745,350 and 2014 final: 10,683,570) Pioneer Foods shares issued to the Pioneer Foods Broad-Based BEE Trust, will receive 20% of the dividend payable, i.e. 47.4 cents (2015: gross interim of 19.0 cents and 2014: gross final dividend of 31.2 cents) per share, amounting to R5,093,296 (2015: interim of R2,041,617 and 2014: final of R3,333,274).

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Events after the reporting date (continued)

5.1 Dividend (continued)

The Board approved a gross final dividend of 71.1 cents (2015: gross interim dividend of 28.5 cents and 2014: gross final dividend of 46.8 cents) per class A ordinary share, being 30% of the dividend payable to the other class ordinary shareholders in terms of the rules of the relevant employee scheme. This will amount to approximately R3,010,587 (2015: interim of R1,226,047 and 2014: final of R2,223,519) depending on the exact number of class A ordinary shares issued at the record date.

Additional information disclosed:

These dividends are declared from income reserves and qualify as a dividend as defined in the Income Tax Act, Act 58 of 1962.

Dividends will be paid net of dividends tax of 15%, to be withheld and paid to the South African Revenue Service by the Company. Such tax must be withheld unless beneficial owners of the dividend have provided the necessary documentary proof to the relevant regulated intermediary that they are exempt therefrom, or entitled to a reduced rate as result of the double taxation agreement between South Africa and the country of domicile of such owner.

The net dividend amounts to 201.450 cents per ordinary share and 60.435 cents per class A ordinary share for shareholders liable to pay dividends tax. The dividend amounts to 237.0 cents per ordinary share and 71.1 cents per class A ordinary share for shareholders exempt from paying dividends tax.

The number of issued ordinary shares and issued class A ordinary shares is 232,797,446 and 4,121,600 respectively as at the date of this declaration.

5.2 Acquisition of a 50% equity interest in Future Life Health Products (Pty) Ltd ("Future Life")

As announced on SENS on 23 April 2015, Pioneer Foods entered into an agreement to acquire a 50% shareholding in Future Life.

As announced on SENS on 9 November 2015, The Competition Tribunal of South Africa granted conditional approval of this transaction. These conditions will have no negative impact on the commercial prospects for this venture.

5.3 Disposal of interest in Maitland Vinegar Works (Pty) Ltd

On 1 October 2015, all conditions precedent for the disposal of the Group's interest in Maitland Vinegar Works (Pty) Ltd were met. Refer to note 8.2 for further detail.

5.4 Other material events

There have been no other material events requiring disclosure after the reporting date and up to the date of approval of the summary consolidated financial statements by the Board.

6. Contingent liabilities

6.1 Guarantees

The Group had guarantees in issue of R36.5 million (30 September 2014: R50.2 million) as at 30 September 2015, primarily for loans by third parties to contracted suppliers.

As part of the financial assistance provided by Rand Merchant Bank, a division of FirstRand Bank Ltd ("RMB"), to BEE Investors in terms of the B-BBEE equity transaction concluded during 2012, Pioneer Foods (Pty) Ltd provided RMB with a guarantee amounting to R100 million.

6.2 Dispute with egg contract producers – discontinued operations

Pioneer Foods is defending contractual claims from its former privatised egg contract producers. The matters were set down for arbitration during 2012. Since the hearings commenced in 2012, settlements were negotiated with all except one egg contract producer. These settlements had no adverse financial impact on Pioneer Foods.

During the year under review, settlement agreements were reached with Kwazulu Egg Producers (Pty) Ltd and Moerasrivier Boerdery (Pty) Ltd. The claim of the remaining contract egg producer being Flinkwink Properties (Pty) Ltd is still unresolved.

Pioneer Foods filed pleas to this claim and, in respect of this claim, a counterclaim has been filed to recover damages suffered by Pioneer Foods as a result of breach of contract by the contract producer. No further legal action transpired during the year under review. Based on legal opinion obtained, management is satisfied that this unresolved matter is low risk and poses no material financial risk to the Group.

Pioneer Foods unbundled its interests in Quantum Foods to its shareholders and subsequently Quantum Foods was listed on the JSE on 6 October 2014. Quantum Foods indemnified Pioneer Foods from any potential financial exposure to the claims from the egg contract producers.

7. Future capital commitments

Capital expenditure approved by the Board and contracted for amount to R492.0 million (30 September 2014: R299.8 million). Capital expenditure approved by the Board, but not contracted for yet, amount to R867.3 million (30 September 2014: R351.6 million). Capital commitments relating to joint ventures amount to R137.8 million (30 September 2014: R28.3 million).

8. Non-current assets held for sale and discontinued operations

8.1 Quantum Foods

The assets and liabilities related to the Quantum Foods segment, which include the equity interests held in the wholly owned subsidiaries Quantum Foods Holdings Ltd, Quantum Foods (Pty) Ltd, Philadelphia Chick Breeders (Pty) Ltd, Lohmann Breeders SA (Pty) Ltd, Bokomo Uganda (Pty) Ltd, Quantum Foods Zambia Ltd and Bokomo Zambia Ltd (included with Quantum Foods until 31 July 2014), have been presented as an “asset held for sale” and as “discontinued operations” in terms of *IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations* for the year ended 30 September 2014, following the approval of the Board in September 2013 to restructure the Company’s interest in the Quantum Foods segment.

Shareholders were advised on SENS on 5 September 2014 and 18 September 2014 that the Board resolved to proceed with the unbundling of its interest in Quantum Foods and to list Quantum Foods as a separate entity on the JSE. Quantum Foods was subsequently listed on the JSE on 6 October 2014.

The unbundling was accounted for as a *dividend in specie* at fair value in accordance with *IFRIC 17 – Distributions of Non-cash Assets to Owners*. IFRIC 17 requires distributions within its scope to be measured at the fair value of the assets to be distributed at the date when the dividend is appropriately authorised and is no longer at the entity’s discretion. Consequently, an amount of R1,242.2 million, representing the fair value of the interest in Quantum Foods attributable to external shareholders, was accounted for as a dividend payable to shareholders at 30 September 2014. Refer to Note 9 for the methods and assumptions used to determine the fair value.

A profit of R82.5 million was recognised on the date of unbundling, representing the difference between the carrying amount of the disposal group and the fair value of the *dividend in specie*. The profit has been included in the line item “Items of a capital nature” for discontinued operations in the statement of comprehensive income for the year ended 30 September 2015.

Loss on the disposal of Quantum Foods shares

A wholly owned subsidiary, the management share incentive trust, the Pioneer Foods Broad-Based BEE Trust and the consolidated B-BBEE equity transaction participants of Pioneer Food Group, collectively received 47,783,918 shares in Quantum Foods as part of the unbundling of Quantum Foods due to their shareholding in Pioneer Foods. The shares were initially recognised at the fair value on the date of unbundling. During December 2014, 29,692,257 of these shares were sold at a loss of R109.9 million (before income tax). The loss has been included in the line item “Items of a capital nature” for discontinued operations in the statement of comprehensive income for the year ended 30 September 2015.

Impairment of Quantum Foods shares

The remaining 18,091,661 shares held by the Phase II B-BBEE equity transaction participants are accounted for as available-for-sale financial assets. As at 30 September 2015, the market value of the Quantum Foods shares was significantly lower than the cost price (fair value as at 6 October 2014). Consequently, an impairment loss of R50.6 million has been recognised. The loss has been included in the line item “Items of a capital nature” for continuing operations in the statement of comprehensive income for the year ended 30 September 2015.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Non-current assets held for sale and discontinued operations (continued)

8.1 Quantum Foods (continued)

	Audited 30 September 2015 R'm	Audited 30 September 2014 R'm
Assets of the disposal group classified as held for sale:		
Property, plant and equipment	–	1 075.5
Intangible assets	–	7.2
Investment in associates	–	6.1
Inventories	–	232.5
Biological assets	–	292.4
Trade and other receivables	–	343.5
Deferred income tax	–	3.1
Derivative financial instruments	–	0.9
Cash and cash equivalents	–	105.6
	–	2 066.8
Liabilities of the disposal group classified as held for sale:		
Deferred income tax	–	195.7
Provision for other liabilities and charges	–	15.6
Trade and other payables	–	355.3
Current income tax	–	1.5
	–	568.1
Hedging reserve	–	0.2
Currency translation reserve	–	7.3

The results of discontinued operations and the results recognised on the remeasurement of the Quantum Foods disposal group are as follows:

	Audited Year ended 30 September 2015 R'm	Audited Year ended 30 September 2014 R'm
Revenue	–	3 591.3
Operating profit before items of a capital nature	–	90.8
Items of a capital nature	(27.4)	1.7
Investment income	–	3.6
Finance costs	–	(0.7)
Share of profit of associated companies	–	0.6
(Loss)/profit before income tax	(27.4)	96.0
Income tax	(17.6)	(20.7)
(Loss)/profit after income tax	(45.0)	75.3
Loss after income tax recognised on the remeasurement of assets of the disposal group	–	(57.1)
Before income tax	–	(77.7)
Income tax	–	20.6
(Loss)/profit for the year from discontinued operations	(45.0)	18.2
Other comprehensive income/(loss) for the year from discontinued operations		
Fair value adjustments to cash flow hedging reserve		
For the year	–	0.3
Deferred income tax effect	–	(0.1)
Currency translation differences	–	(15.5)
Total comprehensive (loss)/profit for the year from discontinued operations	(45.0)	2.9
Cash flows of the disposal group classified as held for sale:		
Net cash flow from operating activities	–	93.0
Net cash flow from investment activities	–	(37.8)
Net cash flow from financing activities	–	25.8
Net cash, cash equivalents and bank overdrafts on unbundling of Quantum Foods	(105.6)	–
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(105.6)	81.0
Net cash, cash equivalents and bank overdrafts at beginning of year	105.6	24.6
Net cash, cash equivalents and bank overdrafts at end of year	–	105.6

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Non-current assets held for sale and discontinued operations (continued)

8.2 Maitland Vinegar

As on 1 October 2015, all conditions precedent for the disposal of the Group's interest in Maitland Vinegar Works (Pty) Ltd were met. Consequently, the assets and liabilities related to Maitland Vinegar have been presented as a "disposal group held for sale" in terms of *IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations* for the year ended 30 September 2015.

As the proceeds received were in excess of the carrying amount of the disposal group, no impairment was required. Maitland Vinegar is presented within the Groceries: Cereals and other segment.

	Audited 30 September 2015 R'm
Assets of the disposal group classified as held for sale:	
Property, plant and equipment	42.7
Intangible assets	0.6
Inventories	12.5
Trade and other receivables	20.2
Current income tax	0.2
Cash and cash equivalents	11.9
	88.1
Liabilities of the disposal group classified as held for sale:	
Deferred income tax	4.8
Trade and other payables	20.8
	25.6
Non-controlling interest	12.4

9. Fair value measurement

The information below analyses assets and liabilities that are carried at fair value at each reporting period, by level of hierarchy as required by IFRS 7 and IFRS 13.

	Audited fair value measurements at 30 September 2015 using:		
	Quoted prices in active markets for identical assets and liabilities (Level 1) R'm	Significant other observable input (Level 2) R'm	Significant unobservable input (Level 3) R'm
Assets measured at fair value			
Available-for-sale financial assets			
– Listed securities	141.6	–	–
– Unlisted securities	–	0.2	–
Derivative financial instruments			
– Foreign exchange contracts	–	20.4	–
– Futures – fair value hedges	–	0.2	–
Biological assets			
– Vineyards	–	–	16.0
Liabilities measured at fair value			
Derivative financial instruments			
– Foreign exchange contracts	–	15.1	–
– Embedded derivative	–	0.7	–

	Audited fair value measurements at 30 September 2014 using:		
	Quoted prices in active markets for identical assets and liabilities (Level 1) R'm	Significant other observable input (Level 2) R'm	Significant unobservable input (Level 3) R'm
Assets measured at fair value			
Available-for-sale financial assets			
– Listed securities	68.6	–	–
– Unlisted securities	–	1.4	–
Derivative financial instruments			
– Foreign exchange contracts	–	14.3	–
– Embedded derivative	–	0.7	–
Biological assets			
– Vineyards	–	–	16.0
Assets of disposal group classified as held for sale	–	–	2 066.8
Liabilities measured at fair value			
Derivative financial instruments			
– Foreign exchange contracts	–	9.7	–
Liabilities of disposal group classified as held for sale	–	–	568.1
<i>Dividend in specie</i> – unbundling of Quantum Foods	–	–	1 242.2

There have been no transfers between level one, two or three during the period, nor were there any significant changes to the valuation techniques and input used to determine fair values.

Financial assets and liabilities

The fair values of financial instruments traded in active markets (such as publicly traded derivatives and available-for-sale securities) are based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price. These instruments are included in level 1. Instruments included in level 1 comprise primarily JSE-listed equity investments classified as available-for-sale.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument were observable, the instrument is included in level 2.

The Group uses a variety of methods that makes assumptions that are based on market conditions existing at the reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments. Other techniques, such as estimated discounted cash flows, are used to determine the fair value of the remaining financial instruments. The fair value of foreign exchange contracts is determined using quoted forward exchange rates at the reporting date.

The carrying amounts of cash, trade and other receivables less provision for impairment, trade and other payables and short-term borrowings are assumed to approximate their fair values due to the short term until maturity of these assets and liabilities.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair values of long-term investments and long-term borrowings are not materially different from the carrying amounts.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Fair value measurement (continued)

Financial assets and liabilities (continued)

Biological assets

The fair value of vineyards is calculated as the future expected net cash flows from the asset, discounted at a current market-determined rate, over the remaining useful lives of the vineyards.

Assets and liabilities of disposal group classified as held for sale

The assets and liabilities related to the Quantum Foods segment have been presented as an "asset held for sale" and as "discontinued operations" in terms of *IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations* for the year ended 30 September 2014. Refer to note 8 for further detail.

In terms of IFRS 5, an entity shall measure a non-current disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The fair value less costs to sell was determined using the average results of an income valuation approach and different scenarios for a market valuation approach.

In terms of the income approach, the discounted cash flow method is used to determine the present value of projected future cash flows for a cash-generating unit ("CGU") using a rate of return that is commensurate with the risk associated with the business and the time value of money. This approach requires assumptions about revenue growth rates, operating margins, tax rates and discount rates. The assumptions regarding growth are based on the CGUs' internal forecasts for revenue, operating margins and cash flows for a period of five years and by application of a perpetual long-term growth rate thereafter. Past experience, economic trends as well as market and industry trends were taken into consideration. The discount rate used to arrive at the present value of future cash flows represents the weighted average cost of capital ("WACC") for comparable companies operating in similar industries as the applicable CGU, based on publicly available information. The WACC is an estimate of the overall required rate of return on an investment for both debt and equity owners. Its determination requires separate analysis of the cost of equity and debt and considers a risk premium based on an assessment of risks related to the projected cash flows of the CGU.

The South African businesses consist of a number of CGUs. Bokomo Uganda (Pty) Ltd and Quantum Foods Zambia (Pty) Ltd are two separate CGUs. The market approach assumes that companies operating in the same industry will share similar characteristics and that company values will correlate to these characteristics. The publicly available financial information of similar listed entities have been used to estimate two scenarios of fair value based on EBITDA multiples of these benchmark entities.

The key assumptions used in performing the impairment tests, by CGU, were as follows:

	30 September 2014
Discount rate	
South Africa	17.4%
Uganda	27.1%
Zambia	25.1%
Perpetual growth rate	
South Africa	5.5%
Uganda	5.5%
Zambia	6.5%
Income tax rate	
South Africa	28.0%
Uganda	30.0%
Zambia	12.5%

10. Restatement of financial information for comparative periods

Segment revenue and segment results were restated to:

- Reflect the operations of all exports, other than to Botswana, Namibia, Lesotho and Swaziland, as well as the operations of all foreign operations to a new segment, International; and
- Allocate corporate results to the operating segments, except for the B-BBEE Phase I share-based payment charge, the results of the legal entities for the ultimate holding company and the insurance captive, corporate legal costs, costs relating to BEE socio-economic and enterprise development and mergers and acquisitions.

	Audited Year ended 30 September 2014 R'm
(Decrease)/increase in revenue	
Essential Foods	(275.6)
Groceries: Cereals and other (formerly Bokomo Foods)	(1 366.5)
Groceries: Beverages (formerly Ceres Beverages)	(929.5)
International	2 273.6
Internal revenue reallocated to segments	298.0
Total	-
(Decrease)/increase in operating profit before items of a capital nature	
Essential Foods	(99.4)
Groceries: Cereals and other (formerly Bokomo Foods)	(186.0)
Groceries: Beverages (formerly Ceres Beverages)	(204.0)
International	363.4
Other	126.0
Total	-

11. Preparation of financial statements

These summary consolidated financial statements have been prepared under the supervision of CJ Hess, CA(SA), Group financial director.

12. Audit

The external auditors, PricewaterhouseCoopers Inc., have audited the Group's financial statements for the year ended 30 September 2015 and their unqualified auditor's report is available for inspection at the registered office of the Company.

The Group's auditors have not reviewed nor reported on any of the comments relating to prospects.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Shareholder analysis

GROUP

Shareholder spread

Category	Number of ordinary shareholders	% of shareholders	Number of ordinary shares	% of total ordinary shares
<i>Ordinary shares</i>				
Individuals	4 157	72.6	19 409 099	8.3
Nominees and trusts	749	13.1	13 142 533	5.6
Investment companies and corporate bodies	819	14.3	200 187 699	86.1
	5 725	100.0	232 739 331	100.0
Non-public/public shareholders				
Pursuant to the JSE Listings Requirements and to the best knowledge of the directors, after reasonable enquiry, the spread of shareholders at 30 September 2015, is as follows:				
Analysis of shareholding – ordinary shares				
Public shareholding				
<i>Major shareholders</i>				
Government Employees Pension Fund	1	–	25 442 450	10.9
Ryla 21 (Pty) Ltd (formerly Thembeke Capital Ltd) (Note 1)	1	–	9 326 640	4.0
<i>Other shareholders</i>	5 713	99.9	109 787 699	47.3
	5 715	99.9	144 556 789	62.2
Non-public shareholding				
<i>Major shareholders</i>				
Zeder Investments Ltd (Note 2)	1	–	58 250 788	25.0
Pioneer Foods (Pty) Ltd	1	–	17 982 056	7.7
<i>Other shareholders</i>				
Pioneer Foods Broad-Based BEE Trust	1	–	10 745 350	4.6
Pioneer Foods Share Incentive Trust	1	–	729 612	0.3
Directors (including subsidiary directors)	6	0.1	474 736	0.2
	10	0.1	88 182 542	37.8
	5 725	100.0	232 739 331	100.0
Distribution of ordinary shareholders				
Number of shares				
1 – 1 000 shares	3 126	54.6	954 829	0.4
1 001 – 10 000 shares	1 695	29.6	6 358 274	2.7
10 001 – 50 000 shares	612	10.7	13 855 331	6.0
50 001 – 100 000 shares	114	2.0	8 295 215	3.6
100 001 – 500 000 shares	135	2.4	27 377 178	11.8
500 001 shares and over	43	0.7	175 898 504	75.5
	5 725	100.0	232 739 331	100.0

Note 1

This entity resulted from the unbundling of Thembeke Capital Ltd during December 2014.

Note 2

The ultimate holding company, after the Agri Voedsel transaction was approved in September 2014 and finally implemented in October 2014.

Directors' interest in shares

As at 30 September 2015 the aggregate of the direct and beneficial interest of directors was 0.20% (2014: 0.38%) of the issued share capital of the Company. Indirect interest through listed public companies have not been taken into account. Individual directors' interest in the issued share capital of the Company is reflected below. Since the end of the financial year and the date of the annual report there were no changes in the interest of directors.

GROUP	Number of shares [#]			% of issued ordinary share capital
	Direct	Indirect ^o	Total	
The direct and indirect interests of the directors in the issued share capital of the Company are reflected in the table below:				
30 September 2015				
PM Roux	14 000	–	14 000	–
CJ Hess (1 March 2015)*	–	–	–	–
LR Cronjé (28 February 2015)**	–	–	–	–
ZL Combi	–	172 295	172 295	0.07
N Celliers	–	–	–	–
MM du Toit	–	–	–	–
Prof ASM Karaan	–	86 147	86 147	0.04
NS Mjoli-Mncube	–	86 147	86 147	0.04
G Pretorius	–	30 000	30 000	0.01
LP Retief	–	–	–	–
AH Sangqu	–	86 147	86 147	0.04
	14 000	460 736	474 736	0.20
30 September 2014				
PM Roux	9 631	–	9 631	–
LR Cronjé	345 000	55 000	400 000	0.17
ZL Combi	–	172 295	172 295	0.08
N Celliers	–	–	–	–
MM du Toit	–	–	–	–
AE Jacobs (13 February 2014)***	–	–	–	–
Prof ASM Karaan	–	86 147	86 147	0.04
NS Mjoli-Mncube	–	86 147	86 147	0.04
G Pretorius	–	30 000	30 000	0.01
LP Retief	–	–	–	–
AH Sangqu	–	86 147	86 147	0.04
	354 631	515 736	870 367	0.38

Notes

* Appointed as director during the year.

** Retired as director during the year.

*** Resigned as director during the year.

• Include shares issued during a previous year to SPVs, wholly owned by BEE directors, in terms of the B-BBEE equity transaction.

There has been no change in the directors' interest in shares from the end of the financial year to the date of the approval of the annual financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Share capital

GROUP	2015 R'000	2014 R'000
Authorised – ordinary shares of 10 cents each 400,000,000 (2014: 400,000,000) ordinary shares	40 000	40 000
Authorised – class A ordinary shares of 10 cents each 18,130,000 (2014: 18,130,000) class A ordinary shares	1 813	1 813
Total issued and fully paid – ordinary shares of 10 cents each		
At beginning of year: 231,691,881 (2014: 231,006,847) ordinary shares	23 170	23 101
Issued to management in terms of share appreciation rights scheme: 1,047,450 (2014: 685,034) ordinary shares	105	69
At end of year: 232,739,331 (2014: 231,691,881) ordinary shares	23 275	23 170
Shares issued in terms of share appreciation rights scheme During the year the Company issued 1,047,450 (2014: 685,034) ordinary shares of 10 cents each at an average of R167.71 (2014: R97.47) per share in terms of the share appreciation rights scheme.		
Shares issued in terms of the B-BBEE equity transaction During 2012 the Company issued 28,691,649 shares to the value of R1,000,347,998 to special purpose vehicles (“SPVs”) that were formed in terms of a B-BBEE equity transaction. In terms of the transaction 17,488,631 ordinary shares were issued to strategic BEE partners at a subscription price of R55.14 per share and 603,030 ordinary shares to current and former black directors of the Company at a subscription price of R58.04 per share. A further 10,599,988 shares were issued to the Pioneer Foods Broad-Based BEE Trust (“BEE Trust”) at a subscription price of R0.10 per share. The BEE Trust acquired a further 145,362 listed ordinary shares of 10 cents at an average of R157.82 per share during the year. These SPVs are consolidated as wholly owned subsidiaries in terms of IFRS and these issued shares of the Company are consequently treated as treasury shares of the Group. The B-BBEE equity transaction was in accordance with the Company’s memorandum of incorporation and the Companies Act, Act 71 of 2008, as amended.		
Treasury shares of 10 cents each – nominal value		
Treasury shares held by management share incentive trust At beginning of year: 1,110,213 (2014: 1,422,116) ordinary shares	111	142
Net treasury shares sold: 380,601 (2014: 311,903) ordinary shares	(38)	(31)
At end of year: 729,612 (2014: 1,110,213) ordinary shares	73	111

GROUP	2015 R'000	2014 R'000
Share capital (continued)		
<i>Treasury shares of 10 cents each – nominal value (continued)</i>		
Treasury shares held by B-BBEE equity transaction participants		
At beginning and at end of year: 18,091,661 (2014: 18,091,661) ordinary shares	1 809	1 809
Treasury shares held by Pioneer Foods Broad-Based BEE Trust		
At beginning of year: 10,599,988 (2014: 10,599,988) ordinary shares	1 060	1 060
145,362 (2014: Nil) ordinary shares acquired during the year	15	–
At end of year: 10,745,350 (2014: 10,599,988) ordinary shares	1 075	1 060
During the year the Trust acquired 145,362 further ordinary shares for an amount of R22,940,476.		
Treasury shares held by subsidiary		
At beginning and at end of year: 17,982,056 (2014: 17,982,056) ordinary shares	1 798	1 798
Total treasury shares – nominal value		
At beginning of year	4 778	4 809
Ordinary shares bought by Pioneer Foods Broad-Based BEE Trust during the year	15	–
Ordinary shares sold by management share incentive trust (at strike price)	(38)	(31)
At end of year	4 755	4 778
Net listed ordinary share capital – nominal value		
Total issued and fully paid ordinary shares	23 275	23 170
Treasury shares held by management share incentive trust	(73)	(111)
Treasury shares held by B-BBEE equity transaction participants	(1 809)	(1 809)
Treasury shares held by Pioneer Foods Broad-Based BEE Trust	(1 075)	(1 060)
Treasury shares held by subsidiary	(1 798)	(1 798)
	18 520	18 392
The unissued ordinary shares in the Company, limited to 5% of the ordinary shares in issue at the last year-end date, are placed under the control of the directors until the next annual general meeting and they are authorised to issue any such shares as they may deem fit.		
Treasury shares – carrying amount		
Consist of:		
Treasury shares held by management share incentive trust	17 740	23 036
Treasury shares held by B-BBEE equity transaction participants	999 288	999 288
Treasury shares held by Pioneer Foods Broad-Based BEE Trust	24 000	1 060
Treasury shares held by subsidiary	163 113	163 113
	1 204 141	1 186 497

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

GROUP	2015 R'000	2014 R'000
Share capital (continued)		
<i>Issued and fully paid – unlisted class A ordinary shares of 10 cents each held by employee share scheme trust</i>		
At beginning of year: 6,043,940 (2014: 7,367,360) class A ordinary shares	605	737
Bought back and cancelled: 1,809,640 (2014: 1,323,420) class A ordinary shares	(181)	(132)
At end of year: 4,234,300 (2014: 6,043,940) class A ordinary shares held by employee share scheme trust	424	605

During the year the Company issued Nil (2014: Nil) class A ordinary shares.

Class A ordinary shares are not listed on the JSE. These shares have full voting rights, similar to those of ordinary shares.