



2011

*integrated annual report /
geïntegreerde jaarverslag*

CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011 / GEKONSOLIDEERDE FINANSIËLE STATE 30 JUNIE 2011



Clover

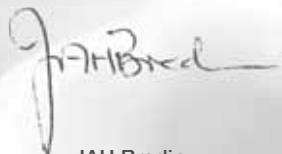
Way Better™

Clover Group's Corporate Citizenship: A Comprehensive Report

The Integrated Annual Report reflects and tracks the Group's responsibilities as a corporate citizen and the relevance and impact that the social and sustainable policies of the Group have on the broader community. The Audit and Risk Committee has recommended the Integrated Annual Report for approval by the Board of Directors.

The Board is satisfied that the Integrated Annual Report addresses all material issues, and fairly presents the integrated performance of the Clover Group. The Board authorised the Integrated Annual Report for release.

Signed by the Directors who have been duly authorised thereto by the Board.



JAH Bredin
Chairman



JH Vorster
Chief Executive

CONTENTS

1. OVERVIEW

Vision, Mission, Strategy and Building Blocks for the Future	5
Our history	6
Group structure	8
Salient features	9
Our shares and shareholder information	10
Directorate and Management	12

2. BUSINESS REVIEWS

6-year financial review	17
Chairman's report	20
Chief Executive's report	24
Chief Financial Officer's report	28

3. SUSTAINABILITY REVIEW..... 32

4. CORPORATE GOVERNANCE REPORT 44

5. REMUNERATION REPORT 48

5.1 Remuneration policy	52
-------------------------------	----

6. GENERAL

Certificate by Secretary	54
Administration	54

7. FINANCIAL SECTION/FINANSIËLE AFDELING

Directors' report/Direkteursverslag	58
Audit and Risk Committee Report/Verslag van die Oudit- en Risikokomitee	63
Auditor's report/Ouditeursverslag	67
Consolidated Statement of Comprehensive Income/ Gekonsolideerde Staat van Omvattende Inkomste	68
Consolidated Statement of Financial Position/Gekonsolideerde Staat van Finansiële Posisie	70
Consolidated Statement of Changes in Equity/ Gekonsolideerde Staat van Veranderinge in Ekwiteit	72
Statement of Changes in Equity/Staat van Veranderinge in Ekwiteit	73
Consolidated Statement of Cash Flows/Gekonsolideerde Staat van Kontantvloeï	74
Notes to the Consolidated Financial Statements/ Aantekeninge tot die Gekonsolideerde Finansiële State	76

AFRIKAANSE ALGEMENE

INHOUDSOPGAWE 159

A list of all definitions and abbreviations used throughout the Annual Report is set out in Note 3 on pages 94 to 97.

'n Lys van al die definisies en afkortings wat in die jaarverslag gebruik word, word in Aantekening 3 op bladsye 94 tot 97 uiteengesit.

*Clover's Krush range of delicious 100% fruit juices
blends contains no additives or sweeteners...*



Vision

To be a leading and competitive company in South Africa and selected African countries, reaching every consumer on a daily basis with its most admired branded and trusted products, delivering improved and sustainable shareholder value by being a responsible corporate citizen and preferred employer.

Mission

Clover is a branded foods and beverages group with a strong emphasis on value-added products. Clover's South African dairy business is the perfect enabler to reach the Group's widely dispersed customers and consumers. Extraordinary care is taken to develop brands which will occupy the number one or two position in its chosen segments. It believes in the superior procurement, production, marketing, sales and distribution of these branded consumer goods to its loyal consumers.

Strategy

Clover's corporate strategy is to build onto existing competencies within the Group and to establish a culture of exceptional performance with a view to set a platform for future market expansion. Different companies within the Group have different strategies, all receiving company-specific support to maximise their potential. Key to all its activities is the expansion of capacities to share in the strong growth in consumption in the segments which it dominates.

Building blocks for the future

Building blocks to reach our dreams in 2012 are:

- Growth through the Clover brand and other independent sub-brands
- A deep understanding of consumer needs
- An extensive distribution infrastructure
- A strong relationship with customers
- A strong relationship with milk producers and other trading partners
- Continuous efficiency improvements
- Capacity expansion
- Mergers and acquisitions.

our history

*Calendar years not financial years.

1898

Farmers meet at Mooi River to discuss the establishment of a butter factory. At follow-up meetings the name Natal Creamery Ltd and co-operative principles are approved.

1899

Joseph Baynes starts the first butter factory in Natal on his farm Nel's Rust. Due to the absence of proper legal channels to register a co-operative, Natal Creamery Ltd is registered under the Natal Companies Act, and H Blaker is appointed first chairman.

1901

The first reference is made to Model Dairy as a partnership between Natal Creamery Ltd and Joseph Baynes Ltd for the marketing of fresh milk in Durban. This partnership breaks up in October 1901.

1902

Milk distribution by Natal Creamery Ltd commences in Pietermaritzburg.

1903

Milk is dispatched to Johannesburg on a daily basis and Natal Creamery Ltd decides to investigate the Johannesburg milk industry.

1906

Natal Creamery Ltd takes over the Johannesburg Milk Supply Company Ltd.

1908

Heilbron Government Creamery is established.

1923

Natal Creamery Ltd is registered under the Co-operative Societies Act of 1922.

1932

By 1932 Natal Creamery Ltd is operating in 32 centres countrywide.

1934

The operation of a 100% co-operative style system is approved and the name Natal Creamery Ltd is changed to National Co-operative Dairies Ltd.

1994

Clover S.A. (Pty) Ltd is established.



1995

Clover S.A. (Pty) Ltd and Compagnie Gervais Danone (Danone) join forces as joint venture partners.

1997

Clover Holdings Ltd is established to act as a holding company for Clover S.A. (Pty) Ltd.

1998

Danone and Clover S.A. (Pty) Ltd form the Danone Clover (Pty) Ltd joint venture.

2003

The conversion of National Co-operative Dairies Ltd from a co-operative to a public company took place during November 2003. A name change to Clover Industries Ltd was also approved during a series of special general meetings. The dynamics incorporated in Clover Industries Ltd in respect of ordinary shares exercising control and preferential shares being freely tradable, opens a new era for the Group. Clover S.A. (Pty) Ltd and Danone form the Clover Danone Beverages Ltd joint venture.

2004

Clover Holdings Ltd is unbundled. Clover Industries Ltd is the new holding company of Clover S.A. (Pty) Ltd, one of the largest branded consumer goods companies in South Africa, South Africa's largest dairy company and one of the leading manufacturers and marketers of food products in South Africa.

2005

Hosken Consolidated Investments Ltd acquires a 25,1% shareholding in Clover Industries Ltd as a BBBEE partner.

2006

Clover S.A. (Pty) Ltd and Fonterra Ltd of New Zealand form the Clover Fonterra Ingredients (Pty) Ltd joint venture.

2007

Hosken Consolidated Investments Ltd, the BBBEE partner, exercises its option to increase its ordinary shareholding to 34,9% and Clover S.A. (Pty) Ltd buys 39,8% of the shares in Clover Danone Beverages Ltd from Danone. The company's name is changed to Clover Beverages Ltd.

2008

Danone Clover (Pty) Ltd acquires a 70% interest in Mayo Dairy (Pty) Ltd.

2009

Deconsolidation/Recapitalisation of Danone Clover (Pty) Ltd.

2010

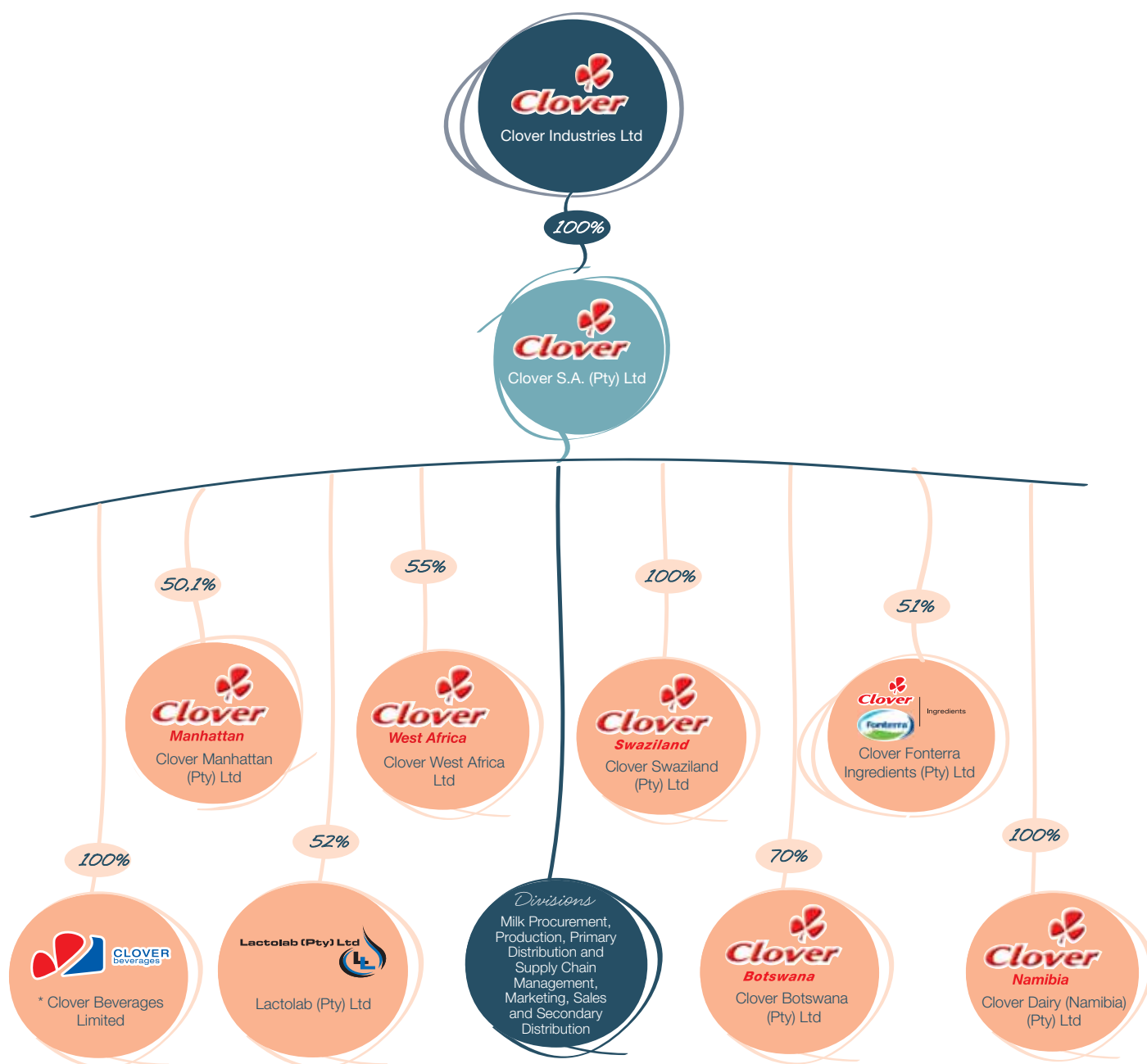
Sale of Danone Clover (Pty) Ltd and capital restructuring. Removal of the condition that only milk producers may hold ordinary shares and de-linking the ordinary share from milk supply. Repurchase of 34,9% ordinary shares from Hosken Consolidated Investments Ltd. Conversion of preference shares to debt-only instruments. Clover Industries Limited was listed on the main board of the JSE Limited, on 14 December 2010.

2011

Buy-out of the non-controlling interest in Clover Beverages Limited and the subsequent transfer of the non-alcoholic beverages business to Clover SA.



group structure

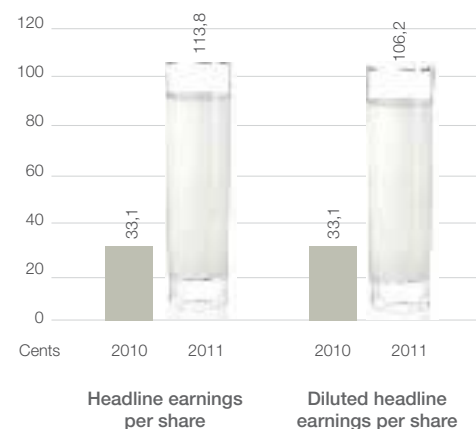
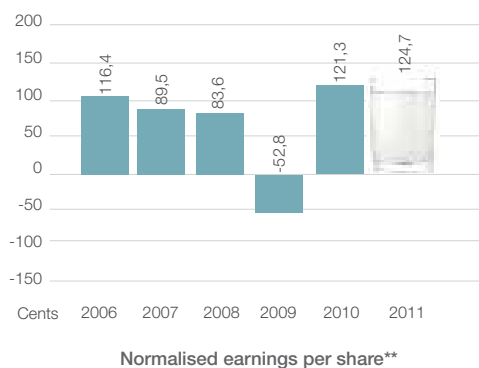
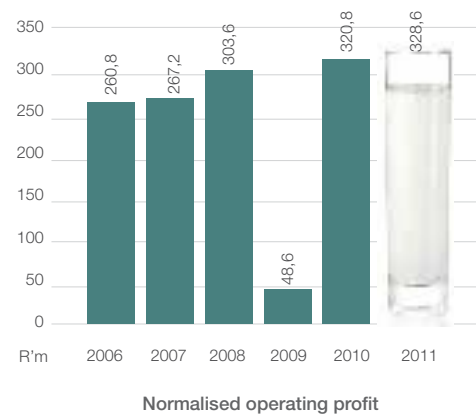
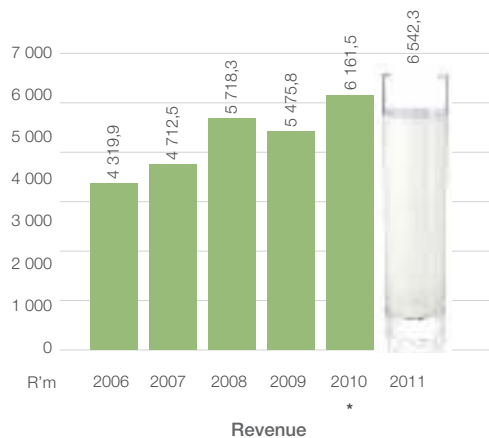


*With effect from 1 June 2011 the business activities of Clover Beverages Limited were transferred to Clover S.A. (Pty) Limited.

Clover full cream condensed milk is made from quality dairy milk and contains no preservatives except sugar. It brings baking and coffee to life.



Group activities	2011	2010	Change
	R'm	R'm	%
Revenue	6 542,3	*6 161,5	6,2
Normalised operating profit	328,6	320,8	2,4
Normalised profit on continuing operations	191,8	187,6	2,2
Net assets	1 751,8	1 076,5	62,7
Normalised earnings per share (cents)	124,7	121,3	2,8
Headline earnings per share (cents)	113,8	33,1	243,8
Diluted headline earnings per share (cents)	106,2	33,1	220,8
Ratios	%	%	%
Gearing percentage	(12,4)	21,4	158,0
Return on equity holders' funds	12,9	***26,6	(51,5)
Return on net assets	15,0	***25,7	(41,6)



* During the first six months of the prior year raw milk sales to Danone Clover, an associated company at the time, were set off against cost of sales. To facilitate comparability to the current year that period's sales are now shown as revenue and the cost of sales and revenue figures were regrouped accordingly. It has no effect on profits.

** The earnings per share for the years 2006 to 2010 has been adjusted to take into consideration the 2 for 1 share split. The earnings per share for the years 2006 to 2009 has also been adjusted to illustrate what the earnings per share would have been if ordinary equity holders had been entitled to all equity (4 November 2010) earnings.

*** Includes R337,7 million (R227,1 million after tax) profit on sale of Danone Clover.

our shares and shareholder information

shareholder analysis

Company: **Clover Industries Ltd - Ordinary shares**
 Register date: **24 June 2011**
 Issued Share Capital: **179 111 867**
 JSE Code: **CLR**
 ISIN Code: **ZAE 000152377**

Shareholder spread	No of shareholders	%	No of shares	%
1 - 1,000 shares	523	31,35	269 110	0,15
1,001 - 5,000 shares	531	31,83	1 368 285	0,76
5,001 - 10,000 shares	108	6,47	856 692	0,48
10,001 - 50,000 shares	185	11,09	4 674 783	2,61
50,001 - 100,000 shares	71	4,26	5 148 228	2,87
100,001 shares and over	250	15,00	166 794 769	93,13
Totals	1 668	100,00	179 111 867	100,00

Distribution of shareholders	No of shareholders	%	No of shares	%
Banks	9	0,54	1 292 680	0,72
Close Corporations	21	1,26	522 880	0,29
Endowment Funds	13	0,78	268 731	0,15
Individuals	1 127	67,56	30 395 699	16,97
Insurance Companies	12	0,72	3 480 483	1,94
Investment Companies	6	0,36	63 713	0,04
Milk Producers Trust	2	0,12	20 996 284	11,72
Mutual Funds	75	4,50	42 075 533	23,49
Nominees & Trusts	123	7,37	8 337 211	4,65
Other Corporations	13	0,78	111 460	0,06
Private Companies	24	1,44	317 323	0,18
Milk Producers	143	8,57	48 032 409	26,82
Public Company	1	0,06	118 066	0,07
Retirement Funds	99	5,94	23 099 395	12,90
Totals	1 668	100,00	179 111 867	100,00

Public / non-public shareholders	No of shareholders	%	No of shares	%
Non-public Shareholders	21	1,32	46 851 739	26,16
Directors of the company	11	0,72	22 970 247	12,83
Strategic Holdings (more than 10%)	2	0,12	20 996 284	11,72
Associates & Management	8	0,48	2 885 208	1,61
Public Shareholders	1 647	98,68	132 260 128	73,84
Totals	1 668	100,00	179 111 867	100,00

Beneficial shareholders holding 3% or more	No of shares	%
Clover Milk Producers Trust	20 996 284	11,72
Coronation Fund Managers	9 346 193	5,22
Metal & Engineering Industries	7 854 891	4,39
Vorster, JH	7 505 496	4,19
Abax Investments	5 941 686	3,32
Roode, HB	5 388 276	3,01
Totals	57 032 826	31,85

our shares and shareholder information

shareholder analysis

Company: Clover Industries Ltd - Preference Shares
 Register date: 24 June 2011
 Issued Share Capital: 89 442 022
 JSE Code: CLRP
 ISIN Code: ZAE 000152385

Shareholder spread	No of shareholders	%	No of shares	%
1 - 1,000 shares	90	15,63	49 169	0,05
1,001 - 5,000 shares	101	17,53	279 564	0,31
5,001 - 10,000 shares	79	13,71	607 835	0,68
10,001 - 50,000 shares	174	30,21	4 347 929	4,86
50,001 - 100,000 shares	63	10,94	4 687 011	5,24
100,001 shares and over	69	11,98	79 470 514	88,86
Totals	576	100,00	89 442 022	100,00

Distribution of shareholders	No of shareholders	%	No of shares	%
Associates & Management	1	0,17	250 000	0,28
Close Corporations	20	3,48	1 016 373	1,14
Empowerment	1	0,17	25 000 000	27,95
Individuals	416	72,22	22 155 347	24,77
Investment Companies	1	0,17	1 118 128	1,25
Mutual Funds	11	1,91	7 469 436	8,35
Nominees & Trusts	59	10,25	5 152 404	5,76
Other Corporations	1	0,17	39 878	0,04
Private Companies	24	4,17	23 750 810	26,56
Milk Producers	42	7,30	3 489 646	3,90
Totals	576	100,00	89 442 022	100,00

Public / non-public shareholders	No of shareholders	%	No of shares	%
Non-public Shareholders	9	1,56	47 757 954	53,39
Directors of the company	6	1,05	10 225 367	11,43
Strategic Holdings (more than 10%)	1	0,17	12 282 587	13,73
Associates & Management	1	0,17	250 000	0,28
Empowerment	1	0,17	25 000 000	27,95
Public Shareholders	567	98,44	41 684 068	46,61
Totals	576	100,00	89 442 022	100,00

Beneficial shareholders holding 4% or more	No of shares	%
HCI	25 000 000	27,95
Sanpref (Pty) Ltd	12 282 587	13,73
Move-On-Up 104 (Pty) Ltd	8 057 878	9,01
Roode, HB	4 341 514	4,86
Vorster, JH	3 696 232	4,13
Coronation Fund Managers	3 677 700	4,11
Totals	57 055 911	63,79

directorate and management

Executive Directors

(Please refer to next page for full CVs)

JOHANN HENDRIK VORSTER (47)

Chief Executive

Appointed: 2004

BCompt (Hons), CA (SA), MBA

HERMANUS BERNARDUS ROODE (59)

Deputy Chief Executive and Managing Director Africa

Appointed: 2003

BJuris, LLB

LOUIS JACQUES BOTHA (49)

Chief Financial Officer & Milk Procurement

Appointed: 2007

BCom(Hons), CA(SA), ACIS

CHRISTIAAN PHILIPPUS LERM (DR) (54)

Brands

Appointed: 2007

DCom

Independent Non-executive Directors

THOMAS ALEXANDER WIXLEY (71)

Vice-chairman & Lead Independent Director

Appointed: 2007

BCom, CA (SA)

Chairman of Audit and Risk Committee

Chairman of Sustainability Committee

Member of Nomination Committee

Member of Remuneration Committee

Tom Wixley obtained a BCom from the University of Cape Town in 1959. He is a Chartered Accountant (SA). He was with Ernst & Young and its predecessor firms, 31 years as a partner and chairman for the last 10 years. He is a member of SAICA's committee on corporate law, the Actuarial Governance Board and the King III sub-committee on directors and boards. He was appointed as the Company's lead Independent Director by the Board.

NKATEKO PETER MAGEZA (56)

Independent Non-executive Director

Appointed: 2010

FCCA (UK)

Member of Audit and Risk Committee

Peter Mageza is a fellow of the Association of Chartered Certified Accountants. He is the former Chief Operations Officer and Executive Director of Absa Bank Limited. He worked as an audit manager within Transnet Limited's group internal audit services before becoming Chief Executive Officer of Autonet – the road passenger and freight logistics division of Transnet.

STEFANES FRANCOIS BOOYSEN (DR) (48)

Independent Non-executive Director

Appointed: 2010

BCompt (Acc)(Hons), MCompt (Unisa)

DCom (Acc), CA (SA)

Chairman of Remuneration Committee Member of Audit and Risk Committee

Dr Stef Booysen obtained a Bachelor of Accounting Science (Honours) from the University of South Africa and a Doctorate of Commerce from the University of Pretoria. He qualified as a chartered accountant in 1985. After completing his articles with Ernst & Young, he was a senior lecturer in Accounting at the University of South Africa. Stef is the former Group Chief Executive of the Absa Group. He holds numerous directorships, inter alia the following: Non-executive Chairman of the listed group Efficient Financial Holdings Ltd, Non-executive Director of Steinhoff International Holdings Ltd, Chairman of "Die Aardklop Kunstefees" and he is also a council member of the University of Pretoria.

Front from left to right : Dr CP Lerm, JH Vorster, HB Roode, LJ Botha



JOHANNES NICOLAAS STEPHANUS DU PLESSIS (ADV) (61)

Independent Non-executive Director

Appointed: 2010

BCom, LLB

Member of Audit and Risk Committee
Member of Remuneration Committee
Member of Sustainability Committee

Adv Johan du Plessis obtained a BCom and then a Bachelor of Law degree. He was admitted as counsel during 1974 and took silk in 1989. He has occasionally acted as judge in the High Court. He has been a Non-executive Director of Steinhoff since 2002 and was appointed as an Executive Member of the Steinhoff Group Services Team and Alternate Executive Director with effect from 1 March 2006.

Non-Executive Directors

JOHN ALLAN HUTCHINSON BREDIN (64)

Non-executive Director – Chairman

Appointed: 2003

Agric Dip

Chairman of Nomination Committee
Member of Remuneration Committee

John Bredin is the Chairman of the Board. He is a farmer in the KwaZulu-Natal Midlands with 44 years' dairy farming experience, 41 of those running his own business. He has been acting

as Director of the Company and associated companies for the past 21 and has been Chairman of the Company for the last six years.

WERNER IGNATIUS BÜCHNER (45)

Non-executive Director – Vice-chairman

Appointed: 2006

B Eng

Member of Nomination Committee
Member of Sustainability Committee

Werner Büchner is Vice-chairman of the Board. He is a milk producer who has been farming in the Eastern Cape since 1994. Prior to 1994, he was First Engineer at Eloptro (Denel) for a period of five years.

HERCULES PETRUS FREDRIK

DU PREEZ (46)

Non-executive Director

Appointed: 2003

BSc Agric (Hons)

Harry du Preez is a milk producer with 20 years' experience in the North West Province area. He obtained a Bachelor of Science in 1986 from the University of Pretoria.

MARTIN GEOFF ELLIOTT (58)

Non-executive Director

Appointed: 2003

BSc

Geoff Elliott is a milk producer in the Mooi River area of KwaZulu-Natal. He obtained a Bachelor of Science from the University of Natal (Pietermaritzburg) in 1974 and has been farming since 1975.

JACOBUS CHRISTOFFEL

HENDRIKS (DR) (62)

Non-executive Director

Appointed: 2003

BVSc

Member of Nomination Committee
Member of Sustainability Committee

Dr Kobus Hendriks is a farmer in the Heilbron area. He obtained a Bachelor of Science in 1971 and practised as a veterinarian for 13 years before becoming a full-time farmer.

NIGEL ATHOL SMITH (55)

Non-executive Director

Appointed: 2011

Agric Dip

Nigel Smith is a milk producer in the Creighton area of KwaZulu-Natal. He obtained a diploma in Agriculture from Cedara Agricultural College in 1977 and has been farming since 1980. He is currently the Chairman of the Nkonza Irrigation Board.

Front from left to right : Adv JNS du Plessis, Dr SF Booysen, NP Mageza, TA Wixley
Back from left to right: WI Büchner, MG Elliot, HPF du Preez, Dr JC Hendriks, NA Smith, JAH Bredin



directorate and management

JOHANN HENDRIK VORSTER (47)

Chief Executive

Appointed to EXCO: 2000

BCompt (Hons), CA (SA), MBA

HERMANUS BERNARDUS ROODE (59)

Deputy Chief Executive and Managing Director Africa

Appointed to EXCO: 1998

BJuris, LLB

LOUIS JACQUES BOTHA (49)

Chief Financial Officer & Milk Procurement

Appointed to EXCO: 2007

BCom(Hons), CA(SA), ACIS

After three and a half years with the South African Revenue Services as Assistant Director of Operational Research, Johann Vorster joined East Rand Plastics (Proprietary) Limited in 1992. After several acquisitions, the East Rand Plastics Group of Companies was created, which finally became Astrapak Limited. As Financial Director at Astrapak Johann was responsible for the Company's listing on the JSE in 1997. He became Joint Managing Director of the Film Division of Astrapak before accepting an offer as Chief Financial Officer from the Clover Group in October 2000. After four years in charge of the Group's Financial Department, Johann was appointed Chief Operating Officer in September 2004. In July 2005 he became Deputy CEO to Robert Wesseloo, and when Robert announced his retirement at the beginning of 2006, he was appointed as Clover's next Chief Executive.

Manie Roode obtained a Bachelor of Jurisprudence and Bachelor of Laws at the Rand Afrikaans University and was a practicing attorney from 1978 to 1998, specialising in commercial law. Manie was appointed as Legal Director and Secretary in 1998 and therefore has extensive experience in legal and corporate governance matters.

After qualifying as a Chartered Accountant with Arthur Young & Co in 1988, Jacques Botha pursued a career in commerce. He served as a divisional financial manager at Motorvia Limited and as Company Secretary/Financial Manager at Fransaf Limited. In 1995 he re-joined the accounting profession as a Senior Manager at Ernst & Young and in 1997 bought the Mafikeng practice from Ernst & Young to trade as Ernst & Young (Mafikeng), an independent partnership. During 2000 he merged his practice with Gobodo Incorporated and served as a Director and Executive Committee member of this firm until July 2006 when he joined Clover. Jacques was initially appointed as Executive: Corporate Development and after taking charge of milk procurement in January 2007, he was appointed as Financial Director in June 2007.

clover executive committee



CHRISTIAAN PHILIPPUS LERM (DR) (54)**Executive: Brands***Appointed to EXCO: 2007*

DCom

HENDRIKUS LUBBE (42)**Executive: Supply Chain and Information Services***Appointed to EXCO: 2006*

MCom (Transport Economics), MBA

JAMES HENRY FERREIRA BOTES (DR) (49)**Commercial***Appointed to EXCO: 2009*

DPhil

Dr Chris Lerm obtained a Bachelor of Commerce in 1977 and in 1978 completed his Bachelor of Commerce (Honours) in marketing at the University of the Orange Free State. He completed his Master of Commerce in 1981 at the Rand Afrikaans University. In 1987 Chris obtained a Doctor of Commerce (Marketing) at the University of South Africa. He joined National Co-operative Dairies in 1991 as Corporate Affairs Manager. Other promotions included Marketing Manager: Concentrated Products, Group Export Manager, Group Manager Marketing and then Chief Operating Officer of Clover Danone Beverages Limited.

Drikus Lubbe received his Masters in Transport Economics from UJ, and his MBA from the University of Stellenbosch. As a bursary student he joined Clover in 1994 (Logistics Officer). Drikus has held various line and functional posts within Clover. As an EXCO member, his current responsibilities include Production, Procurement, Primary Distribution, Supply Chain Planning and IT.

Dr Jimmy Botes obtained his PhD in Agricultural Economics from the University of the Free State. He joined NCD's Agricultural Extension Division in 1994. He began his career as MD Clover Botswana in 1994 and later became GM Clover Gauteng. As a member of EXCO he is responsible for Secondary Warehouses & Distribution, Sales and Trade Marketing.



From left to right: H Lubbe, Dr JHF Botes, Dr CP Lerm, JH Vorster, LJ Botha, HB Roode

6-year financial review

	2011	2010	2009	2008	2007	2006
Summarised results for the year	Rm	Rm	Rm	Rm	Rm	Rm
Revenue	6 542,3	@ 6 161,5	+ 5 475,8	5 718,3	4 712,5	4 319,9
Revenue Danone Clover	-	-	-	682,7	521,6	437,9
Revenue Excluding Danone Clover	6 542,3	6 161,5	5 475,8	5 035,6	4 190,9	3 882,0
Operating profit	319,0	*** 559,0	** 664,3	297,2	* 357,0	242,2
Net financing cost						
Current and non-current liabilities	(16,1)	(41,2)	(103,5)	(90,7)	(53,7)	(58,6)
Debt portion of preference share capital	(21,4)	(22,3)	(32,2)	(30,4)	(22,0)	(16,4)
Profit/(loss) before tax from continuing operations	281,5	495,5	528,6	176,1	281,3	167,2
Taxes	(97,5)	(191,7)	(29,2)	(50,5)	(72,7)	(36,2)
Profit after tax from discontinued operations	-	32,1	39,6	-	-	-
Non-controlling interest	(4,4)	(5,1)	(11,7)	(5,7)	(41,5)	(35,8)
Profit/(loss) attributable to equity holders of the parent	179,6	*** 330,8	** 527,3	119,9	* 167,1	95,2
Reported results adjusted for exceptional items	Rm	Rm	Rm	Rm	Rm	Rm
Operating profit	319,0	559,0	664,3	297,2	357,0	242,2
Adjusted for exceptional items:						
Loss/(profit) on sale and scrapping of property, plant and equipment	(7,3)	0,9	(3,8)	(5,1)	5,5	11,8
Profit on the sale of Boksburg factory	-	(50,8)	-	-	-	-
Profit on sale of Ultra Mel Custard business	-	-	-	-	(111,1)	(6,7)
Profit on sale of Clover Danone Beverages shares	-	-	-	-	-	(1,4)
Profit on cancellation of a distribution agreement	-	-	-	-	-	(3,0)
Profit on deconsolidation of Danone Clover	-	-	(637,5)	-	-	-
Profit on sale of Danone Clover	-	(337,7)	-	-	-	-
Retrenchment costs	6,6	84,9	17,2	10,4	14,2	11,7
Option fee paid to HCI on capital restructuring	-	11,4	-	-	-	-
Legal and professional services costs associated with the listing	8,5	-	-	-	-	-
Legal and professional services costs associated with the capital restructuring	-	5,3	-	-	-	-
SAR bonuses paid to Executives on capital restructuring	-	37,1	-	-	-	-
Other restructuring cost	1,8	10,7	8,4	1,1	1,6	6,2
Operating profit adjusted for exceptional items	328,6	320,8	48,6	303,6	267,2	260,8

@ During the first six months of the prior year raw milk sales to Danone Clover, an associated company at the time, were set off against cost of sales. To facilitate comparability to the current year that period's sales are now shown as revenue and the cost of sales and revenue figures were regrouped accordingly. It has no effect on profits.

+ Following the sale of the Group's interest in Danone Clover, the Group's share of Danone Clover's income was classified as income from discontinued operations. The 2009 comparative figures were restated accordingly.

*Includes R111 million profit (R103 million after tax) on sale of the Ultra Mel Custard business.

**Includes R637,5 million (R599,5 million after tax) profit on deconsolidation of Danone Clover.

***Includes R337,7 million (R227,1 million after tax) profit on sale of Danone Clover.

6-year financial review

	2011	2010	2009	2008	2007	2006
Reported results adjusted for exceptional items	Rm	Rm	Rm	Rm	Rm	Rm
Net financing cost	(37,4)	(63,5)	(135,7)	(121,1)	(75,8)	(75,0)
Tax expense						
Total tax expense	(97,5)	(191,7)	(29,2)	(50,5)	(72,7)	(36,2)
STC paid on capital restructuring		52,2	-	-	-	-
Taxation adjustment on exceptional items	(1,9)	69,8	33,1	(2,6)	1,4	(4,5)
Profit/(loss) from continuing operations adjusted for exceptional items	191,8	187,6	(83,2)	129,4	120,1	145,1
Dividends equity - ordinary shares	58,7	-	1,0	0,6	0,3	-
Dividends equity - preference shares	-	370,0	29,0	17,8	9,2	-
Preference dividends recognised as interest	21,4	22,3	32,2	30,4	22,0	16,4
Earnings and dividends per share	Cents	Cents	Cents	Cents	Cents	Cents
Equity dividends per ordinary share	43,0	-	1,1	0,7	0,4	-
Equity dividends per preference share	-	-	33,5	20,5	10,7	-
Special dividend on the buy-back of equity rights of preference shares per preference share	-	413,7	-	-	-	-
Preference dividend recognised as interest per preference share	23,9	24,9	37,3	35,2	25,5	22,8
Earnings per ordinary share	116,7	**214,0	22,3	5,2	8,3	5,1
Diluted earnings per ordinary share	108,9	**214,0	22,3	5,2	7,1	4,5
Earnings/(loss) per share from continuing operations adjusted for exceptional items, calculated by dividing the profit/(loss) from continuing operations adjusted for exceptional items by the weighted average number of ordinary shares net of treasury shares	124,7	*121,3	* (52,8)	* 83,6	* 89,5	*116,4
Summarised statement of financial position	Rm	Rm	Rm	Rm	Rm	Rm
Non-current assets	1 361,4	1 202,5	1 823,7	1 361,3	1 206,0	889,8
Deferred taxation asset	3,2	18,7	110,4	104,8	71,1	63,3
Current assets	2 180,9	1 710,9	1 651,4	1 908,1	1 249,4	1 272,1
Total assets	3 545,5	2 932,1	3 585,5	3 374,2	2 526,5	2 225,2
Shareholders' funds	1 742,4	1 048,4	1 440,1	938,6	829,0	629,7
Non-controlling Interest	9,4	28,1	40,9	48,3	28,5	59,0
Non-current portion of interest-bearing borrowings	432,8	592,5	761,4	657,0	566,9	574,4
Non-current portion of provisions	62,5	50,4	60,5	62,9	64,0	59,0
Non-current portion of other payables	13,4	6,3	-	-	-	-
Deferred taxation liability	32,0	6,4	6,3	28,6	15,4	10,8
Current portion of interest-bearing borrowings	173,8	66,9	234,8	517,6	135,4	49,7
Current liabilities	1 079,2	1 133,1	1 041,5	1 121,2	887,3	842,6
Total equity and liabilities	3 545,5	2 932,1	3 585,5	3 374,2	2 526,5	2 225,2

* The earnings/(loss) per share from continuing operations adjusted for exceptional items for years 2006 to 2010 are presented for illustrative purposes only to indicate what the earnings per share would have been if ordinary shareholders had been entitled to all equity earnings and if the 2 for 1 share split (4 November 2010) is taken into consideration.

** Earnings per share for the 2010 financial year has been recalculated to account for the 2 for 1 share split.

A list of all definitions used in the above calculation is set out in Note 3 on page 94 and 95.

6-year financial review

	2011	2010	2009	2008	2007	2006
	Rm	Rm	Rm	Rm	Rm	Rm
Net assets	1 751,8	1 076,5	1 481,0	986,9	857,5	688,7
Replacement value of property, plant and machinery @	5 445,7	5 112,8	4 927,0	4 521,6	4 383,2	3 729,3
Number of shares in issue	'000	'000	'000	'000	'000	'000
Number of ordinary shares in issue at year-end	179 111,9	#123 850,0	88 485,3	88 485,3	76 907,8	76 907,8
Weighted average number of ordinary shares net of treasury shares	153 882,4	#154 595,4	78 711,5	77 411,0	67 134,0	62 308,1
Number of preference shares in issue at year-end	89 442,0	89 442,0	86 492,6	86 492,6	86 492,6	82 603,9
Weighted average number of preference shares net of treasury shares	89 442,0	87 516,2	85 442,0	85 517,0	83 888,6	72 042,6
Weighted average number of ordinary shares for calculation of diluted earnings	164 890,5	#154 595,4	78 711,5	77 411,0	78 711,5	70 991,2
Cash flow	Rm	Rm	Rm	Rm	Rm	Rm
Cash flow from/(used in) operating activities	256,9	347,1	79,7	(113,5)	186,3	14,7
Cash flow (used in)/ from investment activities	(253,3)	1 005,1	(186,4)	(213,1)	(311,9)	(118,3)
Net cash inflow/(outflow) before financing activities	3,6	1 352,2	(106,7)	(326,6)	(125,5)	(103,7)
Cash generated from/(utilised in) operating activities per share (cents)	167,0	#224,5	101,3	(146,6)	277,7	23,5
Ratios and returns	%	%	%	%	%	%
Operating profit to revenue	4,9	*** 9,1	** 12,1	5,2	* 7,6	5,6
Operating profit adjusted for exceptional items to revenue	5,0	5,2	1,0	5,3	5,7	6,0
Return on net assets	15,0	*** 25,7	** 27,7	15,3	* 23,6	18,2
Return on net assets excluding exceptional items	15,4	14,8	2,0	15,6	17,7	19,6
Return on equity holders' funds	12,9	*** 26,6	** 44,3	13,6	* 22,9	17,1
Return on equity holders' funds excluding exceptional items	13,7	15,1	(7,0)	14,6	16,5	26,0
Gearing percentage	(12,4)	21,4	48,8	67,9	43,1	38,4
Effective tax rate	34,7	38,7	5,5	28,7	25,9	21,6
	Times	Times	Times	Times	Times	Times
Net asset turn	8,3	6,5	6,5	10,9	10,5	20,8
Current ratio	1,7	1,4	1,3	1,2	1,2	1,4
Employee statistics	Number	Number	Number	Number	Number	Number
Average number of permanent employees	6 353	6 362	6 579	6 662	6 776	6 537
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue per employee	1 029,8	*** 942,4	** 832,3	858,3	* 695,5	660,8
Operating profit per employee	50,2	*** 87,9	** 101,0	44,6	* 52,7	37,0
Operating profit adjusted for exceptional items per employee	51,7	50,4	7,4	45,6	39,4	39,9
Net assets per employee	222,6	201,0	187,6	138,4	114,1	93,6

@ Replacement value of property, plant and machinery is determined by an external valuator.

The number of ordinary shares have been adjusted for the 2 for 1 share split (4 November 2010).

* Includes R111 million profit (R103 million after tax) on sale of the Ultra Mel Custard business.

** Includes R637,5 million (R599,5 million after tax) profit on deconsolidation of Danone Clover.

*** Includes R337,7 million (R227,1 million after tax) profit on sale of associate Danone Clover.

A list of all definitions used in the above calculation is set out in Note 3 on page 94 and 95.



Introduction

2011 saw yet another set of major milestones being reached as Clover continued its transition from a supply-driven to a demand driven company. Building on its impressive 113-year history, Clover is set to continue entrenching itself as the South African dairy industry leader.

Many steps have been taken during the past year to ensure that the momentum enabled by the recapitalisation of the Company through the sale of Clover's stake in Danone Clover a year ago was maintained. This culminated in the successful listing of Clover on the main Board of the Johannesburg Stock Exchange in December 2010.

Listing

As announced in my last report, Clover listed both ordinary and preference shares on the JSE Limited during the course of the year under review.

This process saw R575 million of fresh capital being raised from local and international institutional investors. I would like to take this opportunity to welcome our new shareholders and to thank them for their confidence.

The recapitalisation process leading up to the listing saw milk supply agreements with producers being delinked from the ordinary shares which they held. This created a mutually beneficial situation for both Clover and its milk producers as they benefited from the unlocking of value created by the listing without any effect on the milk supply agreements.

Operating environment

The past year has been marked by continued uncertainty around economic recovery both locally and abroad. Multiple sovereign debt issues, including mixed success on the part of the USA to provide international markets with some relief in terms of their own debt position, continued to weigh heavily on exchange rates and commodity prices generally.

In our industry, various pressures on input costs have resulted in rampant global food inflation. The events witnessed in the Arab world since the beginning of the year were no doubt compounded by the effect of increasingly expensive basic foodstuffs. With the world population projected to total some 9 billion people by 2040 and requiring a 70% increase in food production to meet nutritional needs, food security is going to require some serious attention.

In South Africa, the economic scenario is also difficult. The lead-and-lag factor will see food prices rise and impact on general inflation in the foreseeable future with basic foodstuffs the hardest hit. Production, input costs such as maize and fertilizer are subject to inflationary pressures which have a ripple effect for Clover throughout its supply chain.

The authorities would do well to focus on land reform with the emphasis on returning millions of hectares of fallow, but potentially highly productive and available land to optimal production. Political uncertainty with regard to the land question has the potential to seriously undermine food security and devastate a healthy agricultural sector.

The biological nature of milk production and seasonal cyclicity inherent to the industry, though addressed by Clover's Unique Milk Procurement System, can prove problematic. The outbreak of foot and mouth disease in northern KwaZulu-Natal was confined to an area outside of the milk procurement region of the province, but still led to a disruption in the export of some dairy products. Of serious concern is the apparent lack of capacity and experience within the Department of Veterinary Services to deal with outbreaks of this nature.

Another area where government could provide assistance to local milk producers is by improving the policing of imports. The majority of dairy producing countries have internal subsidies and this makes African countries, which are not subsidised, vulnerable. Large parts of Africa have no local dairy industries left due to dumping and South Africa needs to guard against this.

Finally, the announcement of Walmart's arrival in South Africa generated a lot of interest and although the entire food industry will need to carefully assess the exact impact that the Group will have on the operating environment, we believe a lot of positive changes are about to happen.

Project Reset and Project Cielo Blu

Project Reset incorporated a number of proactive measures to reduce selling prices and stimulate volume growth. These initiatives are bearing fruit and have resulted in strong market share gains, margin improvements and enhanced supply chain efficiencies.

Project Cielo Blu is part of these initiatives and the most of the R575 million proceeds from the capital raising is being deployed towards the repositioning and expansion of facilities which will lead to improved efficiencies, increased production capacity and overall cost reductions.

The Board also approved capital expenditure programmes to the value of R277 million in addition to Project Cielo Blu that will include the relocation of Clover's cheese manufacturing facilities to the coast, increased collection capacity in certain regions and various value-added packaging initiatives. The total amount of capex programmes currently underway now stands at R627 million.

Financial review

Clover produced a satisfactory performance during the year under review amidst unfavourable trading conditions during the second half of the year. The results need to be viewed against a number of non-recurring transactions and events occurring during the previous year which had a material impact on the results. These included amongst others, abnormal income and expenses resulting from the sale of Clover's stake in Danone Clover and the sale of a factory and warehouse in Boksburg.

Revenue increased by 6,2%, mainly due to volume growth in branded products of 8,3%. Clover has developed strong relationships with many of its principals. This was again demonstrated in May 2011 when Danone Southern Africa agreed to outsource all its merchandising services to Clover. This step takes our collaboration to a new level, ensuring opportunities for both companies.

Headline earnings from continuing operations improved by 822,1% to R175,2 million (2010: R19 million) underpinned by lower restructuring and finance costs as well as a better operating performance overall. Accordingly, headline earnings per share improved by 243,8% from 33,1c to 113,8c.

After the steps taken during the previous financial year to limit the Group's exposure to the over supply of milk, cash generation was positive again.

Group liquidity and solvency showed pleasing improvement following the listing on the JSE.

A final dividend of 15 cents per ordinary shares has been declared bringing the total dividend for the year to 25 cents per ordinary share.

A more detailed financial review is contained in the Chief Financial Officer's report.

Governance and the Board

The Board is committed to the highest corporate governance standards.

A number of directorship changes were made during the course of the year including rebalancing of the Board members to support Clover with its future plans and new listed status. As a result, F Meyer, M Mackenzie and J Lotz, who were Non-executive Producer Directors, stepped down whilst three new Independent Director appointments were made. The new Independent Non-executive Directors are Dr SF Booysen, NP Mageza and Adv JNS du Plessis.

I would like to pay tribute to the Producer Directors and thank them for their many years of guidance and dedication which served Clover and all its stakeholders well. To the new Independent Directors, a very warm welcome to Clover. I look forward to working with them.

HPF du Preez asked to stand down from his position as Deputy Chairman due to other commitments and WI Büchner and T Wixley were elected as joint deputies with the latter also serving as Lead Independent Director.

V Turner resigned from the Board and N Smith was appointed in his place. I would like to thank Viv for his contribution to the affairs of Clover over the past 11 years and wish him well in his new farming venture.

The Board now comprises four Executive Directors, six Non-executive Directors and four Independent Non-executive Directors.

Regulatory

In April 2011, Clover advised shareholders that the Competition Commission had withdrawn its long running referrals of several milk processors, including Clover.

Social and environmental

For the past 7 years, our major CSI initiative has been Clover Mama Afrika which today cares for more than 12 800 children 3 500 elderly through 163 self-help projects; 154 of which are income generating. Clover Mama Afrika continued to grow from strength to strength over the past year under the leadership of Prof Elain Vlok and this was recognized with the project winning the prestigious Mail & Guardian Investing in the Future 2010 Award in the corporate category.

Clover has been part of South Africans' lives for the past 113 years and aims to continue playing an important role in the development of the country's art and culture. In July 2011, the Company announced a five-year sponsorship of the Aardklop National Arts Festival to the value of R4.5 million a year over a five-year period with a yearly inflationary increase. As a result, the festival will be renamed the "Clover Way Better Aardklop National Arts Festival".

One of the contributing factors to Clover's success is its people. They are the driving force enabling us to be consistently more competitive in our chosen markets. We are convinced that our people will also be the single biggest contributor to Clover's future growth, profitability and excellence and the Company has a number of successful initiatives aimed specifically at ensuring that our employees are productive and rewarded through their work.

Clover has developed a comprehensive environmental strategy and more details on the various initiatives can be found in our Sustainability Review section of this report.

Transformation

Our industry is a large employer and we are committed to job creation and sustainability. The various capex projects underway are certain to generate numerous employment opportunities whilst we continue to develop essential industry skills and expertise.

Clover views broad-based black economic empowerment (BBBEE) as an opportunity to increase economic activity, sustain livelihoods for as many people as possible and continue to grow a sustainable consumer market.

Prospects

The global economy is set to remain uncertain in the year ahead and we are bracing ourselves for another difficult economic year in South Africa. In spite of this, we are confident that the impetus provided by the capital raised through the listing and the various projects currently running as well as those that have been fully implemented will ensure that Clover maintains a healthy position both from a market share perspective and financially.

In the longer term, the entry of other international retailers into South Africa, as well as the opportunities to push into Africa through partnerships with our customers, remain very exciting and will continue to receive the Company's attention in the year ahead.

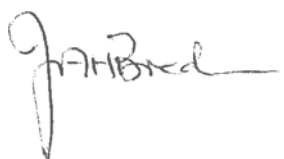
Appreciation

Firstly, I would like to thank the producer body for its superb support during the transition of Clover from a co-operative to a listed company. They have embraced the Company's vision and provided the necessary impetus to the Executive team.

Under the inspiring leadership of Johann Vorster, and very ably supported by his deputy Manie Roode, the Management team has worked tirelessly to steer the Company through some very difficult economic times. The lead up to the listing was handled extremely professionally and competently and I would like to offer a very special appreciation for their efforts.

The listing attracted new shareholders, including a number of blue-chip institutional investors, to Clover and I would like to welcome and thank them for their support. In addition, I would like to thank the various advisors who made the listing possible including Rand Merchant Bank, Werksmans, College Hill and Ernst & Young for their professional expertise.

Finally, thanks go to my fellow Directors for their invaluable commitment as well as our many customers, suppliers, partners and other stakeholders for their most valued contributions.



JAH Bredin
Chairman



chief executive's report

Overview and market conditions

Clover is pleased to announce that in its maiden year of being listed on the JSE, it achieved solid and satisfactory results. It has managed to grow profitability as well as market share despite difficult trading conditions, where input costs started to rise sharply. Clover was also able to protect and continue Project Reset, with the main aim of increasing market shares by using cost savings to reduce selling prices, which will have many benefits to Clover in the medium to long term.

The listing of the Group on the JSE on 14 December 2010 is probably the biggest highlight in Clover's history. It culminated in what has been a very long road to recapitalise the Group. In a very successful listing, Clover raised R575 million of new capital which will be used to fund, amongst others, Project Cielo Blu which is necessary to address previous inefficiencies in the supply chain. Market conditions were difficult, with the benefits of last year's World Cup spending not repeated, and many companies in the food sector felt the pressure. What makes Clover's results even more pleasing, is the fact that the necessary momentum build-up during the past few years could be maintained.

Clover has expressed its opinion in the past that the supply chain in South Africa is too expensive. The effort level of buying chilled products specifically, is too high. The entry of new international retailers may change this. Clover will address this issue from two fronts, internal efficiencies and working with its trading partners to take costs out of the system.

The Clover Unique Milk Procurement System has again proved its strength and as a result, Clover's milk demand and supply for milk have been in balance. The Beverages division also benefited from the higher volumes in dairy as the dairy division continued to expand its footprint.

Capital expenditure was within budget and the benefits are expected to materialise in years to come.

CHIEF EXECUTIVE'S REPORT

Brand strength

We have inherited and are the custodians of the amazing Clover brand.

An independent study during the year by TGi named Clover as the 13th most iconic brand in South Africa. Only 22 brands were awarded iconic status out of 8000 tested. Clover was second in the cold drinks category after Coca-Cola and in the non-alcoholic drinks category Clover Fresh Milk came second after Coca-Cola and Clover Long Life Milk came fourth.

During the last couple of weeks another survey by Yellowwood found Clover to be the 3rd most engaging brand in South Africa in the company of other great brands like Pick n Pay, Shoprite, KFC and Coca-Cola. Yellowwood said the following after being asked about Clover's success: "Clover's brand engagement is foremost driven by commitment, conviction and connection. Clover's strength is further supported by a high degree of brand social advocacy, understanding and integrity – In short... strong brand values, strong emotional connection with consumers and proven social advocacy. Like the other top brands, this means that the brand has a strong emotional brand connection that is able to rise above the commodity status of the category which it operates in."

What was interesting to see is that most of the nine pillars that Yellowwood used to determine brand engagement, can be found in Clover's cultural drivers and it is indeed very pleasing to see that what we strive for at Clover is also experienced by our consumers.

Internal operations

For many years Clover had to endure high historical inefficiencies in the supply chain as it had no access to capital to address these. After the sale of its stake in Danone Clover during the 2010 financial year, as well as the funds raised during the 14 December 2010 listing on the JSE, Clover can now address these inefficiencies. It is a major project with the Board having approved R627 million of capital to be spent over the next three to four years.

Although most of the capital will be spent during the next 18 to 24 months, some capital projects were completed during the year under review, of which the benefits will only be seen in following years.

Project Cielo Blu will address the following:

1. Capacity constraints in Production
2. Capacity constraints in Distribution
3. Inefficiencies in Milk Procurement
4. Repositioning of production facilities
5. Inefficiencies in Distribution
6. Investment in new technologies.

Clover is well equipped to implement these capital projects successfully as it has demonstrated its implementation ability in the past.

Recapitalisation and listing on the JSE

No other event in Clover's 113-year history was as important as Clover's listing on the JSE on 14 December 2010. Not only was it a vote of confidence by the investors (before and after listing) in Clover's ability to deliver, but it also raised very necessary capital to take Clover to a next level, and to ensure another 113 years of growth. The abolishment of the dual share structure and the delinking of the shares from milk quota made this important event possible.

Financial results

Headline earnings improved considerably from R51,1 million to R175,2 million and largely as a result of the much reduced restructuring costs during the year under review. Normalised operating profit was slightly higher than the previous year at R328,6 million compared to R320,8 million in FY2010 amidst tough trading conditions during the latter part of the year and a disappointing Easter sales period, which fell outside the school holidays this year. Sharp inflation towards the end of the year could not be sufficiently recovered from the market, as certain areas in the country experienced oversupplies of milk during autumn and early winter. This caused the normalised operating margin to deteriorate slightly from 5,2% in FY2010 to 5,0% in FY2011.

Cash flow was healthy and with the low gearing the Group is sufficiently poised for expansion.

A more detailed financial analysis can be found in the Chief Financial Officer's report.

Outlook

The single biggest impact on Clover's performance in the year ahead is going to be input costs and the Company's ability to recover these costs in the selling prices. The country is seeing renewed inflationary pressures, and the high wage settlements are indicative of price pressures on all fronts. Clover has not yet addressed the inefficiencies in its supply chain, which means the higher inflation will have an effect on a higher cost base than for its competitors. It is therefore imperative that Project Cielo Blu is implemented and finalised as a matter of priority.

Clover's fundamentals have not changed. Clover stands for quality and delivery. Our products are cherished, enjoyed and admired by our consumers. With the planned savings in supply chain costs, the products can become more affordable and available to even more potential consumers. The trading conditions will therefore be unpredictable as many factors have the potential to impact on future results.

Clover also believes that there are consolidation opportunities in the food sector which can be explored.

Clover has made a case for change and a compelling investment case to its shareholders which revolves around the following pillars:

1. Leveraging off its strong sales and distribution network
2. Leveraging off its strong household brand
3. Continuous product extension
4. Aggressive product extension
5. Addressing supply chain cost inefficiencies
6. Capitalising on its extensive route-to-market ability
7. Seeking consolidation opportunities in the FMCG market
8. Sensible Africa expansion.

Any forward-looking statement in this section has not been reviewed and reported on by Clover's external auditors and does not constitute an earnings forecast.

Dividends

The Company follows a policy of declaring 25% of Group profits attributable to equity holders of the parent company, excluding capital profits, as dividends. This policy is fixed until such time as the preference shares are redeemed in 2013. An interim dividend of 10c per ordinary share was declared and paid during March 2011 and a final dividend of 15c per ordinary share was declared by the Board.

Subsidiaries and joint ventures

CFI has built on its solid performance and has further grown its presence in Africa. It exceeded its budget by approximately 20%.

Clover Botswana commissioned a UHT factory and strong plans are being executed to grow its presence in Botswana.

Africa expansion

Clover has adopted a cautious approach to ventures into Africa north of the SADEC countries. Clover West Africa was formed and long-life Tropika was launched during November 2010. The products are well received and processes have been put in place to acquire 100% equity in Clover West Africa Limited and to expand the basket of products. An effective distribution partner was appointed.

Appreciation

The past year has been a momentous year. The listing of Clover on the JSE marked the beginning of a very exciting new journey in Clover's future.

To the thousands of Clover people who have contributed to the success of Clover in the past in order to have made the listing possible, my sincere appreciation. Every generation ensured that they left a better Clover behind.

I would like to specifically make mention of the following people, whose valuable support has been tremendous:

1. Clover's loyal producers, who supported the listing process overwhelmingly
2. The Board, who enthusiastically participated and contributed to the listing process
3. The Chairman, John Bredin, who led from the front and showed true statesmanship during all the various processes
4. The Independent Directors, who made sure that all the interests of the various stakeholder groups were balanced
5. The Executive Team, who worked hard and long hours to position Clover to become "listable"
6. And lastly, all the Cloverites who so bravely rose to the challenge and made the dream a reality.



JH Vorster
Chief Executive

In addition to sparkling and still mineral waters, Aquartz also comes in 6 refreshing flavoured water variants, and 3 Lite alternatives.



chief financial officer's report

Financial highlights

	2011	2010	
Revenue	R6 542,3m	R6 161,5m	6,2%
Headline EBITDA	R415,0m	R291,4m	42,4%
Headline EBIT	R314,8m	R182,9m	72,1%
Normalised EBITDA	R428,8m	R429,3m	(0,1%)
Normalised EBIT	R328,6m	R320,8m	2,4%
Net finance cost	R37,4m	R63,5m	(41,1%)
Effective tax rate	34,7%	38,7%	(10,3%)
Headline earnings	R175,2	R51,1m	242,9%
Headline earnings per share	113,8c	33,1c	243,8%
Diluted headline earnings per share	106,2c	33,1c	220,8%
Headline earnings from continuing operations	R175,2m	R19,0m	822,1%
Headline earnings from continuing operations per share	113,8c	12,3c	825,2%
Normalised earnings	R187,4m	R214,6m	(12,7%)
Normalised earnings per share	121,8c	138,8c	(12,2%)
Normalised earnings from continuing operations	R191,8m	R187,6m	2,2%
Normalised earnings from continuing operations per share	124,7c	121,3c	2,8%
Capital expenditure:			
-Project Cielo Blu	R79,8m	Rnil	100%
-Recurring capital expenditure	R136,5m	R103,6m	31,8%
Return on equity	12,9%	26,6%	(51,5%)
Normalised return on equity	13,7%	15,1%	(9,3%)
Cash generated by operations	R256,9m	R347,1m	(26,0%)
Dividends per share	42,95c	-	100%

Overview

During the year under review, Clover experienced strong sales and volume growth in its branded products category. Overall volumes grew by 5,4% (concentrated dairy products expressed in milk equivalent) after a further strategic reduction in bulk commodity product volumes of 13,4%.

Branded product volumes increased by 8,3% as a result of the successful implementation of Project Reset which used cost savings to reduce price premiums.

Clover's own beverage sales volumes as well as the volumes of principal products distributed came under pressure during the last quarter, as consumer spending contracted.

UHT and flavoured milk service levels to the market were poor during the second half of the year, due to machinery inefficiencies on flavoured milk and the unprecedented growth in sales volumes on UHT milk in the wake of Project Reset that outgrew production capacity. These constraints have been addressed.

Selling prices were increased in the last quarter of the review period to recover inflationary cost increases in wages, energy, fuel and ingredients. These increases were difficult to implement fully at the time as certain areas experienced an oversupply of milk during autumn that led to lagging competitor prices. Operating margins as a result came under pressure during the second part of the year. Clover's raw milk supply and demand was again largely in balance.

Comprehensive income

Headline earnings from continuing operations improved by 822,1% to R175,2 million from R19 million in the prior year. Considerably lower restructuring costs during the year, reduced finance costs and an improved operating performance underpinned the growth in headline earnings. Headline earnings per share from continuing operations accordingly increased by 825,2% to 113,8c (2010:12,3c). Headline earnings improved to R175,2 million from R51,1 million or 242,9% and headline earnings per share from 33,1c to 113,8c or 243,8%.

The prior reporting year included a number of non-recurring transactions and events that materially impacted the financial results. For any meaningful evaluation of the Group's operating performance, which saw operating profit reduced from R559,0 million in FY 2010 to R319,0 million in the year under review, these transactions need to be considered:

- During FY2010 the group sold its 45% interest in Danone Clover which contributed substantially to the 2010 results, realising a profit of R337,7 million (R227,1 million after taxation). In addition, during the prior year period, the Group recognised a profit of R50,8 million (R56,2 million after taxation) on the sale of its Boksburg factory and warehouse to Danone Clover.
- Restructuring costs of R149,5 million in FY2010 was however also significantly higher than the R16,9 million in the review period.

Taking into account the above abnormal income and expenses, normalised operating profit for the year under review increased by 2,4% to R328,6 million (2010: R320,8 million). This was achieved on revenue of R6 542,3 million (2010: R6 161,5 million), an increase of 6,2% over the comparative period. The gross margin reduced from 27,1% to 26,6% while normalised operating margin for the full year came to 5,0% compared to the 5,2% of the previous year. The current year included the full year effects of Project Reset that reduced selling prices compared to the previous year where Project Reset was only partly in effect for the last quarter. In addition the increased capital spending on Project Cielo Blu and resultant depreciation charges with a delayed realisation of following benefits together with the constrained trading conditions during the last quarter and rising inflation caused the slip in operating margin.

Revenue from the sale of products increased by 5,7% to R5 510,4 million mainly as a result of volume growth. Revenue from the rendering of services increased by 10,1% to R642,1 million as a result of increased volumes of principal products distributed and renegotiated higher rates.

Raw material costs increased by 6,6%. The costs of production, primary distribution, milk procurement and packaging all increased less than the combined volume and inflation growth.

Other operating income reduced by R46,1 million as the previous year included the sale of the Boksburg plant to Danone Clover with a realised profit of R50,8 million.

Selling and distribution expenses increased by 3,6% which is well below the effects of volume growth and inflation and reflects the ability of the Group to leverage off its infrastructure to reduce unit costs.

The annual provision for share based payments of R11,2 million relating to the executive Share Appreciation Rights Scheme accounted for 7,0% of the 16,3% increase in administrative expenses. During the previous year only R0,7 million was provided as the scheme only came into effect on 31 May 2010.

Restructuring expenses firstly reduced considerably as the previous year contained significant costs related to Project Novus Forma and other cost

CHIEF FINANCIAL OFFICER'S REPORT

saving restructuring initiatives but was also inflated by R8,5 million of the costs associated with the listing on the JSE that could not be written off against the share premium.

Clover's listing on the Johannesburg Stock Exchange raised fresh share capital to the amount of R564,3 million net of costs. These funds are mostly earmarked for capital projects and will be spent over a period spanning a number of years. The remaining long term debt, due to the terms attached thereto, cannot be further reduced by the excess cash. Finance charges for the year nevertheless reduced by R26,1 million on the lower utilisation of banking facilities and long term debt throughout the period.

In the prior reporting year, the Group's effective taxation rate was reduced predominantly as a result of the profit on the sale of Danone Clover that was subject to mainly Capital Gains Tax at an effective rate of 14%, compared to the normal taxation rate of 28%. On the other hand, the Group's effective taxation rate during the previous year was increased by a Secondary Tax on Companies (STC) charge of R52,2 million, relating to the buyback of ordinary shares from HCI and the special dividend paid to preference shareholders as part of the capital restructuring concluded on 31 May 2010.

After eliminating the non-recurring items highlighted above, normalised profit for the year from continuing operations increased by 2,2% from R187,6 million in FY2010 to R191,8 million.

Financial position

Significant movements from 30 June 2010 to 30 June 2011 on individual line items of the statement of financial position are explained below.

Non-current assets

The increase in property, plant and equipment mostly stems from the capital expenditure associated with Project Cielo Blu which will expand distribution capacity and increase efficiencies.

Intangible assets increased by R60 million mainly as a result of a R49,3 million increase in goodwill following the Group's acquisition of the non-controlling interests in Clover Beverages from shareholders in terms of a section 311 scheme of arrangement during May 2011 and the purchase of the Danao trademark from Danone for R10 million.

The net deferred tax asset of the previous year of R12,4 million changed to a net deferred tax liability of R28,8 million in the current year almost entirely due to the utilisation of R133,4 million of past tax losses in Clover SA during the current year.

Current assets

Inventory levels were similar to the previous year while trade and other receivables increased by 7,3% from 30 June 2010. This increase is in line with revenue growth and is further inflated by the final quarter's price increases. Trade receivable days outstanding further improved on the previous year's already credible number.

Cash increased by R394,9 million from R429,3 million in FY 2010 to R824,2 million, following the capital raised through the listing on the Johannesburg Stock Exchange.

- Note: In interpreting the financial statements it should be noted that the trade receivable days outstanding cannot be derived from the financial statements as the full receivables of certain distribution principals are included in trade receivables while the revenue of such principals are not included in the statement of comprehensive income. Only fees earned for providing the services involved are included in revenue.

Equity

R575 million of capital was raised during December 2010 and January 2011 with the listing on the Johannesburg Stock Exchange. Share capital and share premium increased by this amount before deduction of costs.

An R11,9 million increase in the share based payment reserve relating to the Group's Share Appreciation Rights Plan for Executive Management, representing the annual cost expensed over the vesting period of the rights

in question, together with the year's total comprehensive income, net of tax, constituted the movement in reserves.

The non-controlling interests in Clover Beverages were acquired during May 2011 leading to a reduction in non-controlling interests of R21,1 million.

Non-current liabilities

The majority of the Group's trade receivables have been securitised in the past as collateral on long term funding. R155 million of this funding matures during December 2011 and has accordingly been disclosed as a current liability. A decision on whether to renew this funding is still pending given the Group's current strong cash position.

Current liabilities

Trade and other payables decreased by R46,5 million and this reduction was mainly caused by certain non-recurring accruals at 30 June 2010 relating to the sale of the Group's interest in Danone Clover, the capital restructuring during May 2010 and lower amounts owing to principals for sales invoiced on their behalf.

Group debt levels were significantly reduced from December 2009 following the sale of the Group's interest in Danone Clover. The fresh capital raised through the Group's listing on the Johannesburg Stock Exchange further reduced its reliance on banking facilities. Even with the reclassification of R155 million from non-current interest bearing debt to the current portion of interest bearing debt (as highlighted in Non-current liabilities above), the balance only increased by R106,9 million.

Gearing

Gearing at 30 June 2011 was 34,6%. Net of cash the Group was negatively geared at 12,4%. At 30 June 2010, gearing was 61,3% and 21,4% net of cash respectively. Group gearing is currently conservative and well within the Group's ability to service interest and repayments.

Cash flow

Group liquidity improved considerably with net current assets increasing to R927,9 million from R510,8 million. Excluding inventory, net current assets increased to R467,7 million from R44,8 million in FY 2010.

Cash generated from operations, before working capital changes, is R379,5 million compared to R176,7 million reported in the prior year. During the previous reporting year, Clover's milk supply and utilisation needs were brought into balance by amending the milk delivery agreement rules. This, as well as further prudent inventory management released R170,4 million in cash from working capital. During the year under review, working capital absorbed cash to the amount of R122,6 million mainly as a result of increased trade receivables in line with revenue growth.

Investing activities consumed R253,3 million in cash. Capital expenditure on Project Cielo Blu amounted to R79,8 million and capital expenditure of a recurring nature came to R136,5 million of which R10 million was for the purchase of the Danao trademark. R70,4 million was utilised to acquire the non-controlling interest and associated goodwill in Clover Beverages.

Financing activities contributed R391,3 million in cash, R562,5 of which was raised during the listing of Clover on the Johannesburg Stock Exchange, net of costs. Finance costs and debt reduction absorbed cash of R114,9 million.

The Group ended with a net increase in its cash position for the year of R394,9 million.

Segmental information

Previously, the Group reported segmental results in three broad segments being dairy, beverages and other represented by the various Group entities. During the year under review and in response to the transfer of the beverages business to Clover SA on 1 June 2011, segmental reporting is now presented on the second tier underlying product categories being Dairy Fluids, Concentrated Dairy products, Ingredients and Beverages. The segmental information is only disclosed to Margin on Materials ("MOM") level as the Group's assets and operations are largely integrated between

segments making the allocation of overhead costs to the different segments impractical. Overheads are managed at group level.

Dairy Fluids' sale of products revenue increased with 7% on volume growth of 7,9%. Project Reset strategically reduced selling prices while inflationary price increases during the last quarter caused year on year prices to be slightly lower. MOM % improved from 41,0% to 41,5% on favourable price reductions in material and packaging costs.

The Concentrated Dairy Products segment consists of cheese, butter, condensed milk and retail powders. Volumes reduced by 4,6% and external revenue by 3,3% due to a number of factors being a further strategic reduction in bulk cheeses and very competitive opposition pricing on pre-packed natural cheeses and Mozzarella cheese together with strong growth in butter and condensed milk sales. The MOM % accordingly reduced from 27,1% to 24,3%.

The Ingredients segment benefitted from the much improved international dairy commodity prices that largely determine prices in this segment. Strategic further volume reductions in bulk milk powders by Clover SA which offset volume growth by CFI, lower whey powder production following from the lower cheese production and strong growth in creamer sales caused overall volumes to decrease by 3,6%. Revenue however increased by 9,1% but the MOM % dropped by 0,7% in the wake of the higher commodity import prices by CFI.

Beverage sales volumes increased by 11,6% while Project Reset restricted revenue growth to 9%. The lower selling prices together with inflation on ingredients however reduced the MOM % from 53,3% to 51%.



LJ Botha
Chief Financial Officer



Clover Feta is made to a prescribed traditional recipe and contains no added preservatives other than salt.





3. sustainability review

Clover is one of a few South African businesses that have been in existence for well over 100 years. It recognises that in order to survive and prosper, critical self-assessment and constant change are required.

In recent years, the Group has formalised its approach to sustainable development by establishing a Sustainability Committee (“Committee”) chaired by an experienced Independent Director, Mr TA Wixley. The other members were DK Smith, WI Büchner and Dr JC Hendriks. After the resignation of DK Smith on 22 October 2010, Adv JNS du Plessis was appointed to the Committee. Subsequently, the Board also appointed HB Roode, an Executive Director, to the Committee.

1. Scope and boundary

The Group’s sustainability strategy is based on the acknowledgement of its responsibility to all stakeholders in order to ensure its long-term viability. In pursuing this strategy, the Group has to continuously identify and consider the impact of its business on all its stakeholders.

The King Report on Governance for South Africa 2009 (“King III”) suggests that “A key challenge for leadership is to make sustainability issues mainstream: the leadership must integrate strategy, sustainability and governance.”

Whilst King III also requires that sustainability reporting should be independently assured, the Committee is of the opinion that it would be premature to obtain external assurance until the Group’s recording systems are mature. It is however the Group’s intention to expand on qualitative and quantitative information as systems are progressively bedded down. The scope of this review currently covers its South African operations and will over time be extended to its subsidiaries in other countries.

The contents of this report have been based on the Global Reporting Initiative (GRI) G3 guidelines for the Food Processing Sector where applicable.

The sustainability issues considered material to the Group and which are set out in this review are as follows:

- Economic viability
- Quality of products (including product responsibility)
- Stakeholders (impact and engagement)
- Safety, Health and the Environment
- Corporate Social and Community Investment, and
- Broad-Based Black Economic Empowerment.

2. Economic viability

The Group recognises that its continued existence and prosperity depends firstly on its economic viability. To this end it has approved a major re-configuration of its production and distribution facilities to be carried out over the next four years. These changes will require a substantial investment and will position the Group well to improve its service to South African customers for several years ahead.

Economic indicators of sustainable development

Sustainable development indicator overview	2011	2010	2009	2008
Revenue (R'm)	6 542,3	6 161,5	5 475,8	5 718,3
Operating profit (R'm)	319,0	559,0	664,3	297,2
Earnings per ordinary share (cent)	116,7	214,0	22,3	5,2
Equity dividends paid per ordinary share (cent)	42,95	-	1,1	0,7
Equity dividends paid per preference share (cent)	-	413,7	33,5	20,5
Dividends paid per preference share (cent)	29,7	24,9	37,3	35,2

3. Quality of Clover products

The strength of Clover's brand is based on its 113 year reputation for consistent quality. Following recent industry awards and recognition is indicative of not only the goodwill towards the brand, but also the pricing power it can demand.

- 2011 Yellowwood's S.A. Top 10 Engager Brands: Clover 3rd
- 2011 TGI Icon Brand Survey: Clover voted in the top 15 overall South African icon brands
- 2011 TGI Icon Brand Survey: Clover fresh milk achieved the no. 2 position in the non-alcoholic icon brand category
- 2011 TGI Icon Brand Survey: Clover long life milk achieved the no. 4 position in the non-alcoholic icon brand category
- HDI Generation Next 2011 Youth Brand Survey: Tropika, Super M, Danao and Clover Mmmilk voted in the top 10 coolest brands in the dairy drink category
- Sunday Times Top Brands Awards 2010: Tropika and Clover Krush voted no. 2 and no.3 in the fruit-based drinks category
- Diamond Arrow Award in the annual PMR Africa national Survey: Clover the highest rated in the cheese category
- Golden Arrow Award in the annual PMR Africa national Survey: Clover the highest rated in the milk category
- 2011 Agri Expo: Clover achieved the first position for products in the following categories:
 - spreadable butter: Butro
 - rindless gouda – Clover gouda
 - cheddar – Sacca cheddar
 - feta non-flavoured – Clover feta
 - feta flavoured – Clover feta pepper

4. Product responsibility

Clover's commitment to quality starts on the farms of its producers. The Group has developed and introduced its own Best Farming Practices (BFP) programme for its milk producers, based on the International Dairy Federation's ("IDF") directive. Since the end of June 2009, 100% of the Group's milk producers have participated in the BFP programme and all new producers sign up as they join Clover. Compliance is assured through regular audits.

We are in the process of broadening the application of the BFP programme, by integrating the most recent drivers in terms of the worldwide move towards sustainable dairy farming. The Group stays in close contact with international work groups and uses the IDF's directive as base and benchmark for this integration. As from 1 January 2012, the BFP programme should be available on the Internet, which will make updating and interactive participation much easier. One of the objectives, for instance, is to make it possible for producers to calculate their dairy operation's carbon footprint online.

The Group has for many years studied various methods to enhance the way in which milk is measured and sampled on farms. The Group has recently developed an electronic system in conjunction with a small South African company. The system should be implemented in full at the end of December 2011 and be operational from 1 January 2012. In short the system will:

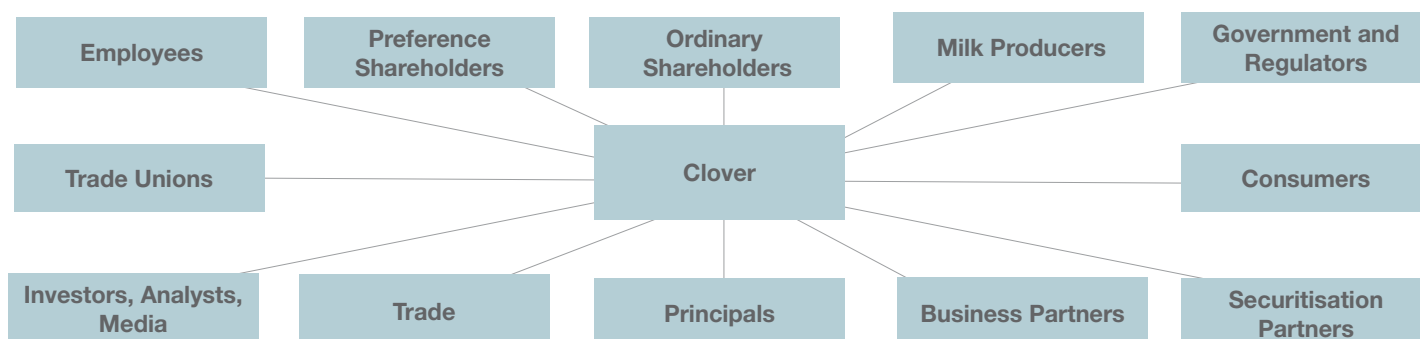
- Measure the milk volume with flow meter technology, as it is pumped from the bulk tank on the farm into the Clover tanker. This information will be transferred electronically via cell phone technology to Clover's milk system.
- Electronically take a flow proportional, representative sample of the milk. These samples are sent to Lactolab's fully-equipped laboratory, to assess the composition and quality of the milk.
- Electronically determine the temperature of the milk as it is pumped from the bulk tank into the Clover tanker. This information will also be transferred via cell phone technology.

This is a first for the dairy industry in South Africa and apart from its cost saving and productivity benefits, will ensure that Clover and its producers have peace of mind that Clover is purchasing its raw milk according to world class standards and with minimum human intervention.

5. Clover's stakeholders

Throughout the 2011 financial year the Group has actively engaged with all its key stakeholders. Positive growth was experienced in all these relationships. Management undertakes to identify all stakeholders as well as their legitimate interests in and expectations of the Group on a continuous basis as stakeholders' interests in the Group are dynamic and subject to change. Once the stakeholders are identified, Management decides through consultation with the various stakeholder groups how to further engage with each constituency. This process forms part of the Group's risk management.

Summary of stakeholders



sustainability review

KEY STAKEHOLDER	TYPE OF INTERACTION
Employees	A variety of internal communication channels are used to reach employees across the Group regarding ongoing business-related information and strategy, through to training and personal development. This includes group-wide staff magazines, intranet, CEO briefs, notice boards, etc.
Trade unions	Approximately 50% of Clover's employees are unionised and the Group interacts across a range of labour forums, e.g. regular union meetings, collective bargaining forums, etc. to ensure sound employee relations and compliance with internationally recognised labour practices.
Shareholders, investors, analysts	Investor and analyst presentations are held during interim and financial year-end reporting periods. Clover communicates through one-on-one meetings, group presentations and SENS reports over and above circulars and annual general meetings. Relevant information is uploaded to the Group's website: www.clover.co.za
Media	Regular interaction with all forms of the media to communicate delivery on strategy, capital expansion programmes, financial results, and to deal with issues that concern stakeholders at large. Interaction includes one-on-one and group interviews, site visits, media statements and general interaction to promote understanding.
Consumers	Ongoing interaction with Consumers. Direct consumer stakeholder contact through promotions and integration into the Group's CSI strategy, including community based initiatives.
Trade	Ongoing interaction with the Trade (which include supermarket chains and wholesalers) through bi-monthly business discussions regarding promotional activities and performance reviews and annual trading terms discussions.
Principals	Ongoing interactions with Principals through monthly and/or quarterly contract discussions. The principals include Danone SA, Unilever, Foodcorp, Eskort and Orley Foods.
Business partners	Support of local industry suppliers, business and operational update meetings, negotiation of service level agreements.
Milk producers	Ensuring security for Clover's milk producers and market fulfilment through Clover's Unique Milk Procurement System ("CUMPS"). Ongoing communication with producers. Operational discussions at regional Group meetings.
Governments and regulators	Clover complies with the various regulatory requirements in South Africa and other countries of operation. Regular contact with regulators and various government departments is maintained.
Communities, traditional and civic society	Identification and communication with communities relating to Clover's environmental strategy, support of community empowerment through Clover Mama Afrika initiatives.

5.1 Shareholders

5.1.1. Background

Although Clover was converted from a co-operative to a company in 2003, the process of creating a suitable structure has been extremely difficult and challenging as has been the recapitalisation of the Group. Given the Group's co-operative background and the previous role played by the Land Bank in funding the capital requirements of co-operatives in the past, a legacy of undercapitalisation has plagued the Group for a number of years.

5.1.2 Recapitalisation

A number of steps were taken over this period to address the problem, but it was only after the successful conclusion of the transaction with Group Danone that the Group raised sufficient capital to reduce debt and make it possible to simplify the share structure.

The transaction with Group Danone concluded in 2010 involved the selling of Clover's 45% stake in Danone Clover for an amount of R1,080 billion. The sale of the shares to Group Danone was part of a deal that included renegotiating all the agreements for services to Danone Clover by Clover as well as the raw milk supply agreement.

5.1.3 Collapse of the dual share structure

When the dual share structure consisting of ordinary shares and participating preference shares was originally introduced, it allowed the introduction of capital without affecting the control of Clover by the producers. At its in-

ception producers held an equal number of ordinary and preference shares, resulting in a balance between the control rights of the ordinary shares and the economic rights of the preference shares.

Over the years many producers disposed of their preference shares, leading to an unfortunate conflict between the two classes of shareholders. The capital inflow as a result of the transaction with Group Danone allowed the Board to make a successful offer to the preference shareholders for a change in the rights of the preference shares to a pure debt instrument attracting rates linked to the prime overdraft rate.

This allowed ordinary shareholders to participate fully in any dividends declared in accordance with the dividend policy as determined by the Board from time to time.

5.1.4 Delinking of the ordinary shares from the Milk Producers' Delivery Agreement and buy-back from Clover's empowerment partner

In May 2010, the producer shareholders voted in favour of delinking their Delivery Agreement allocation from the ordinary shares.

During the same period, Clover's Black Economic Empowerment partner, HCI, who at the time had acquired 34,9% of Clover's ordinary share capital indicated that they wished to disinvest from Clover. An offer was made to buy back and cancel their ordinary shares for an amount of R10,92 per share. Deloitte & Touche independently determined this price to be fair and reasonable. HCI agreed to the terms and their shares were bought back and cancelled in early June 2010, with the appropriate shareholder approvals.

5.1.5 Listing on the Johannesburg Stock Exchange (JSE)

The delinking of ordinary shares from the delivery agreement enabled Clover to approach shareholders other than milk producers to invest in the capital of the business. Clover listed both its preference and ordinary shares on the JSE on 14 December 2010 and through a private placement of its ordinary shares, secured a capital inflow of R575 million (before costs) from some of the most prominent institutional investors in South Africa.

5.2 Our people

One of the contributing factors to Clover's success over the years is the quality and loyalty of Clover people. It is through the contributions of our people that we can continuously strive to improve our service to customers and become more competitive in our chosen markets. We are convinced that our people will also be the single biggest contributor to Clover's future growth, profitability and excellence.

We therefore strive to establish a pleasant and motivating work climate where employees are treated fairly and are provided with the skills, ability and tools to do their job. We believe in teamwork and actively work towards solid collaboration across business units and departments. Speed of execution, passion and commitment are encouraged at all levels, as we believe that these give the Company a competitive advantage, and make it an employer of choice.

To meet the business's current and future requirements it is important that we unlock the potential of all our people. Individual aspirations are supported by purposeful and focused training and development while attending to realistic and equitable career planning.

The level of trust and openness established between management and the relevant trade unions was underlined during recent annual salary negotiations with trade unions, which resulted in an acceptable salary settlement.

5.2.1 Staff engagement

The Group actively promotes and supports various employee initiatives to foster a positive work climate across departments and divisions. A special effort is made to align individual and team contributions to Company objectives.

Initiatives to embed a common vision and ensure alignment include: Trading updates, the *In Clover* staff publication, management briefing sessions, shop steward meetings, mission directed work teams and departmental meetings.

5.2.2 Wellness Days

In an effort to improve employee well-being and vitality, an inaugural "Wellness Day" was held at the Group's head office on 28 June 2011. The organising team consisted of members of Absa Healthcare Consultants, Discovery Health, Umvuzo Health and personnel from Clover's human resources department.

All personnel, regardless of whether they were a member of a medical aid or not, had access to a diverse range of services.

Subsequent to the Wellness Day:

- Feedback sessions were arranged for "high risk" employees
- A WeighLess group was started
- Many employees are taking action to address areas of concern that were highlighted



The day proved to be highly successful with very positive feedback received from participants.

5.2.3 AIDS awareness campaigns

Clover has been raising awareness around HIV/Aids for over a decade. Voluntary counselling and testing sessions are arranged and staff is informed of preventative measures on a regular basis.

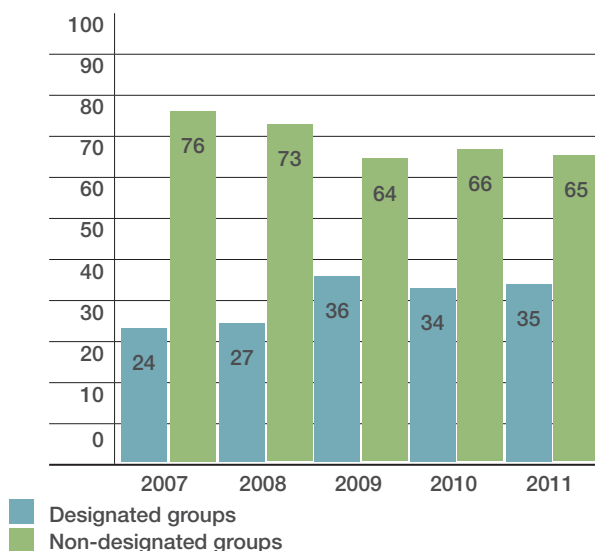
5.2.4 South African National Blood Service (SANBS)

Clover actively supports regular blood donation drives arranged by the SANBS. In November 2010, head office personnel made history by donating 100 units of blood in one day! As part of our commitment to fellow citizens, Clover will continue to support the SANBS initiative.

5.2.5 Employment Equity

Clover submits Employment Equity reports and plans as required by legislation. Communication and consultation with relevant stakeholders take place on a regular basis. Steady progress has been made to increase the number of people from designated groups (as defined by the Department of Trade and Industry) at management level.

Percentage of staff from Designated Groups as defined by the Department of Trade and Industry



5.2.6 Training and development

Focused employee training and development, driven by powerful leadership, is a key business strategy to support Clover's performance and growth objectives and to position the Company as the industry's employer of choice.

Training and development focuses on firstly building competence that will ensure effective execution of operational tasks, and secondly on generating capacity in human resources that will ensure sustainable performance and growth.

Training and development initiatives are supported by a well-structured formal approach to performance management.

Establishing a powerful and sustainable leadership pipeline of talented employees with the required competence and readiness to perform now and in the future is vital to Clover's success.

Clover is committed to:

- the development of succession plans for key/critical positions
- the identification, transfer and development of scarce/critical skills to maintain competence in key areas of the business
- the appointment of young graduate professionals
- the development of focused training and advancement plans

In the past year, 4 001 learning opportunities were provided to 2 058 Clover employees. 75% of the employees trained were Historically Disadvantaged South Africans of which 7.9% were women. The focus is on these categories of employees as Clover must significantly bolster its levels of skilled employees from these designated groups, especially black people and women.

Employee indicators	2011	2010	2009	2008	2007
Average number of employees	6 353	6 362	6 579	6 662	6 466
Employee turnover per year (%)	10,9%	9,3%	10,3%	10,6%	9,6%
Number of man days lost due to strikes	112	334	415	0	210
Total training spend per year (R'000)	3 450	3 942	7 017	7 861	6 644
Training spend per employee per year (R)	565	665	1 066	1 180	980

5.2.7 Clover Fonterra Ingredients Social Responsibility Programme

Clover Fonterra Ingredients ("CFI") launched their Social Responsibility Programme ("SRP") in 2010. CFI have based their SRP on the platforms of Education, Sport and Health.

CFI identified The Sir Edmund Hillary Primary School with its obvious connection with New Zealand, also sat well with our Education and Sport platform.

In regards to Health, we recognised the tremendous work that Mèdecins Sans Frontières ("MSF")/Doctors Without Borders conducts not only in South Africa, but across the African continent.

CFI's 2010 SRP commenced with organising a Charity Golf Day supporting both The Sir Edmund Hillary Primary School and MSF, which was well supported and raised approximately R140 000,00.

CFI's support to The Sir Edmund Hillary Primary School was in the form of funding a Leadership/Self Esteem Camp for 120 Grade 7 Learners accompanied by four teachers.

The camp was a three day/two-night camp with numerous activities which were extremely well managed by the Management Team of Konka Camp in Magaliesburg. At the conclusion of the camp, we presented certificates and a school prize pack to the top 20 learners. In addition, some of the teachers commented that this was an amazing experience for all of the children, (some of whom have never left the city before) and would be life changing for some of these learners. CFI also supported the TB Clinic run by MSF located in Khayelitsha, through a cheque donation which was presented to MSF management at their Khayelitsha Clinic.

Finally, with the terrible earthquake in Christchurch New Zealand, CFI also made a cash donation to the Christchurch Earthquake Fund.

CFI is committed to our SRP in South Africa and will continue to support the future of South Africa through the Sir Edmund Hillary Primary School and Mèdecins Sans Frontières.

5.3 Trade unions

Approximately 50% of Clover's staff is unionized with membership of the Food and Allied Workers' Union (FAWU) being predominant. Collective bargaining takes place at national level and the Group interacts across a range of labour forums to ensure sound employee relations and compliance with legislation and recognised labour practices.

The Company and union has reached agreement on wages and conditions of employment for the period 1 July 2011 to 30 June 2012.

5.4 Milk producers

The Group maintains a very close relationship with its milk producers, and has sustained the supply of milk to the Group at the required levels. Clover's Unique Milk Procurement System ("CUMPS") works exceptionally well as it offers Clover's producers certainty in terms of volumes to be acquired

and also properly fulfils the Group's demand for raw milk. Through CUMPS, Clover mitigates volume risk with regards to raw milk supply. The fact that Clover's raw milk was over supplied by only 0.49% for the 2010/11 financial year is indicative of the efficiency and management of CUMPS.

The CUMPS system comprises the following:

- "A" delivery agreements: the "A" delivery agreements oblige the producers to supply Clover with approximately 75% of the forecasted milk demand for the year. The "A" delivery agreement represents a perpetual right to supply milk to Clover and is traded between producers. The price per litre of milk is set by Clover based on market dynamics on an ad hoc basis.
- "B" delivery agreements: the "B" delivery agreements oblige the producers to supply Clover with a certain number of litres over and above the "A" delivery agreement volumes. The "B" delivery agreements are issued to producers on application, based on their abilities to produce the volumes applied for, which can be withdrawn at Clover's discretion and are used to balance the supply and demand dynamics in the business. The agreements are managed continuously by Clover and the price per litre of milk is the same as the "A" delivery agreements. These agreements cannot be traded by producers.

The milk delivered to Clover under the "A" and "B" delivery agreements will constitute approximately 100% of Clover's required forecasted milk demand. However, because milk is an agricultural product subject to cyclical supply, in addition to the "A" and "B" delivery agreements discussed above, Clover utilises supply contracts to balance the milk supply and demand dynamics.

Supply contracts are short-term mechanisms agreed with producers on an ad hoc basis during periods of milk shortage with varying durations, normally no longer than one year, depending on the extent and location of the milk shortage in relation to forecasted future milk demand. The price per litre of milk in the supply contract is the same as the price paid in the "A" and "B" delivery agreement.

"C" milk relates to milk supply to Clover in excess of the "A" and "B" delivery agreements (and the supply contracts, to the extent that these have been issued) and is by definition, milk delivered to Clover which is in excess of its contracted milk supply. Clover, while not obliged to do so, has in practice

collected "C" milk, but at a reduced price. From time to time, Clover has not paid producers for "C" milk.

As a result of CUMPS the Group's focus is on ensuring stable rural communities and a strong base of milk producers. This will significantly contribute to the sustainability of agriculture in general, but specifically also the sustainability of continuous supply of raw milk to the Group and food security within the country.

Description	2011	2010	2009	2008
Number of milk producers who supplied milk to Clover during the year	278	303	321	372
Estimated number of employees employed by above producers	3 892	4 242	4 494	5 208
Estimated number of dependents reliant on income received from above employees	27 244	29 694	31 458	36 456

The downward trend in the Group's milk producer numbers is the result of continuous consolidation in the primary industry and should not be interpreted as a threat to the sustainability of milk supply in the short to medium term. It is however not in the best interest of rural development or job creation in South Africa and it is therefore important for the industry and government to find a way of ensuring a viable agricultural sector.

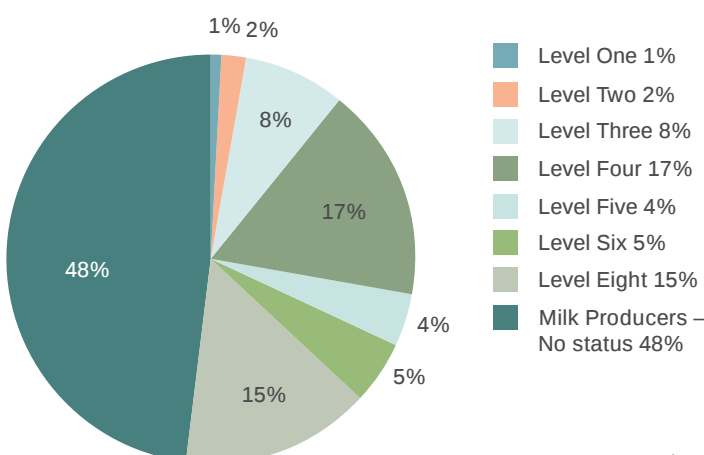
5.5 Business partners

5.5.1 Suppliers

The Group's relationships with the suppliers of packaging and other goods and services are also strong and on a sound footing, based on fair and reasonable commercial terms. Through preferential procurement, the Group concentrates on social and environmental issues in the supply chain. Approximately 52% of the money spent by the Group in its non-milk procurement process is spent with suppliers who enjoy various levels of BBBEE compliance status.

The table and graph below represent the spend with suppliers in terms of their BEE status.

BBBEE level	R Value	Recognition %	Weighted BEE procurement	%
Level 1	22,010,607	135%	29,795,775	0,5%
Level 2	95,429,353	125%	120,640,813	2,4%
Level 3	308,502,606	110%	374,519,454	7,7%
Level 4	680,269,138	100%	697,139,769	16,9%
Level 5	158,888,647	80%	132,751,590	4,0%
Level 6	208,344,702	60%	136,793,040	5,2%
Level 7	18,673,901	50%	9,683,891	0,5%
Level 8	602,612,876	10%	67,504,324	15,0%
Milk Producers - No status	1,909,836,297	0%	-	47,5%
No status	14,769,054	0%	-	0,4%
Total	4,019,337,181		1,568,828,656	100,0%



In summary, Clover meets the definition of a Level 5 contributor towards BBBEE in terms of the preferential procurement of the Company.

5.5.1.1 CSI initiatives in conjunction with business partners

The following social and environmental initiatives have been implemented in conjunction with certain suppliers:

	Social projects	Environmental projects
NAMPAK	* "Make every can count for education" campaign * HIV/AIDS + Thembaletu initiative * Partner schools * Bursary scheme * Hospices * Business trust * BEE charter	* Recycling initiatives * Light-weighting of products
Polyoak (Dairypack)	Polyoak Business School	Polyoak is a member of Petco and voluntarily pays a levy on all PET raw material converted at its plants which assist with the funding of PET recycling within South Africa.
	Polyoak Education Trust	Polyoak has been instrumental in the establishment of Polyco, a producer responsibility organisation which is tasked with the improvement of end-of-use (recycle, reduce, reuse) activities associated with packaging products manufactured using HD-PE, LD-PE and PP plastic polymers. Polyoak is also committed to paying a levy towards Polyco on every ton of raw material converted. Polyco will be instrumental in the improved recycling of milk cartons, yoghurt, butter and ice cream tubs.
	Polyoak supports South Africa Recycling day through Plastics SA and the Enviromark	Polyoak has a board member position on PSPC and is an active contributor (voluntary levy) towards the PSPC. PSPC is an organisation established by PS converters to facilitate improving end-of-use facilities and recycling support where and when necessary.
		Polyoak packaging group is a proud member of Enviromark. Enviromark is the banner under which various recycling initiatives, coastal clean-ups and other waste management initiatives are managed within Plastics SA.
		Polyoak packaging is the holding company of Hangerman, a company that was established to recycle and reuse hangers that are manufactured by Polyoak Visconti. This company ensures the reduction of waste material ending up in landfills and provides employment to a number of disabled individuals.
		Polyoak is active in on-site recycling projects that have ensured that over 75% of all waste material generated on Polyoak sites is recycled, thus reducing the carbon footprint of the company as well as reducing the amount of waste that goes to landfills annually.
Tetra Pak	Soetwater environmental centre Schools environmental programmes Swedish Workplace HIV and Aids Programme	Recycling of carton waste, including factory waste Carbon footprint measurement Developing sustainable products Product life cycle assessments
IMCD South Africa	Hearts of Hope Children's Home Provide the home with a monthly contribution and have an annual function for the children. Norah's Cleaning Empowerment of a black lady by assisting her with the start-up of a warehouse cleaning company. The company has outsourced its warehouse and vehicle cleaning to this individual's company.	N/A
Silicone & Technical	St Lukes Hospice Promoting a new recycling drive which started recently. The beneficiary of this program is St Luke's Hospice that cares for terminally ill patients. Enterprise Development via funding black owned businesses and considering the viability of assisting with the formation and initial funding of a co-operative for subsistence fisher women. Social Development by funding a schooling program for under-privileged high school children.	N/A
Savannah Fine Chemicals	Donate to charities at the end of each year. Some charities that we donated to: Feed the Babies Sparrow Ministries Hunger & Thirst Nazareth House Acting Angels	N/A

	Social projects	Environmental projects
	Reach for Hope Foundation Good Hope Foundation South African Veterinary Foundation and Thokomala House	
Hudson & Knight	Child Welfare Keep-Me-Safe Home: financial and other support	Gaff Bags – Reduce number of gaff bags being used by 10% by washing and re-using Eff Plant – Reduce non-conformance charges by R20 000 p/m by controlling pH and conductivity
TSB Sugar	Maths and Science projects for Grade 10,11 & 12 Completed an administration building for Injabulo Primary School -16 July 2011 Bursaries to students Enterprise development for rural communities Selati Super Cup soccer Tournament Support to home-based care givers and orphanages	N/A

5.5 Principals

Clover distributes products for five principals namely: Unilever, Eskort, Foodcorp, Danone S.A. and Orley Foods. The principal business is strategically important to Clover and enables Clover to optimise the efficiency of the distribution network, increase the profitability of the distribution platform for Clover's own products and provides Clover with critical mass to service markets which its competitors cannot economically service.

In the financial year ended 30 June 2011, Clover handled approximately 311,263 tons of principal products for its principals totalling in aggregate approximately R5.7 billion in turnover. Clover is remunerated on a "cost

plus" fee basis with fees tied to the volume of products distributed or on a percentage of turnover basis.

During 2011 Clover has successfully renegotiated five year contracts with, Unilever, Foodcorp, Eskort and Orley Foods. The aim has always been for Clover to partner with principals that enhance and compliment the product and service offering of Clover to the customers.

These contracts are not only profitable for Clover, but offer extensive benefits to both principals and customers, offering a world class distribution and sales service with the added economies of scale benefit.

The table below sets out the products handled and services provided to its Principals:

	Products handled	Services rendered
Unilever	All refrigerated products, being Margarine (Rama, Stork and Flora) and Meadowlands	Warehousing and distribution services Manufacturing of OLA ice cream Sales and merchandising services
Danone S.A.	Total product basket, being custard, yoghurt and maas	Supply Chain Planning Distribution & warehousing Raw material procurement Credit control and debtors admin Manufacturing and packaging of maas and custard IT services Sales and merchandising services
Eskort	Total product basket, being processed pork products	Sales and merchandising services Distribution services Credit control and debtors admin
Foodcorp	Mageu, being fermented maize drink	Manufacturing, packaging and distribution Credit control and debtors admin Sales and merchandising services
Orley Foods	Orley Whip Cream	Sales and merchandising services Distribution services Credit control and debtors admin

5.6 Customers

The Group's strong and honest relationships with its principals, customers, retail and wholesale businesses, agents and distributors, continued during the year under review. This ensures that the Group's products reach consumers throughout South Africa in good condition and at fair prices in a very competitive market. Clover's emphasis on quality products is strongly embedded in the quality raw milk which the Group procures from its producers. The Group is proud to be associated with milk producers who consistently deliver milk of a very high standard both in composition and quality.

As the Group views its relationship with the consumer as central, it has during the year under review concentrated on reducing prices in order to make its products more readily affordable to consumers. This was accomplished through revising our business model and increasing efficiencies.

The Clover Consumer Centre (CCC) strives to consistently service our cus-

tomers' expectations and needs by demonstrating the required respect for their feelings and opinions. All complaints and inquiries are handled professionally by trained Consultants to ensure that the image of Clover, Clover's brand names and services are protected while ensuring compliance with the Consumer Protection Act. Clover has adequate product liability insurance in place.

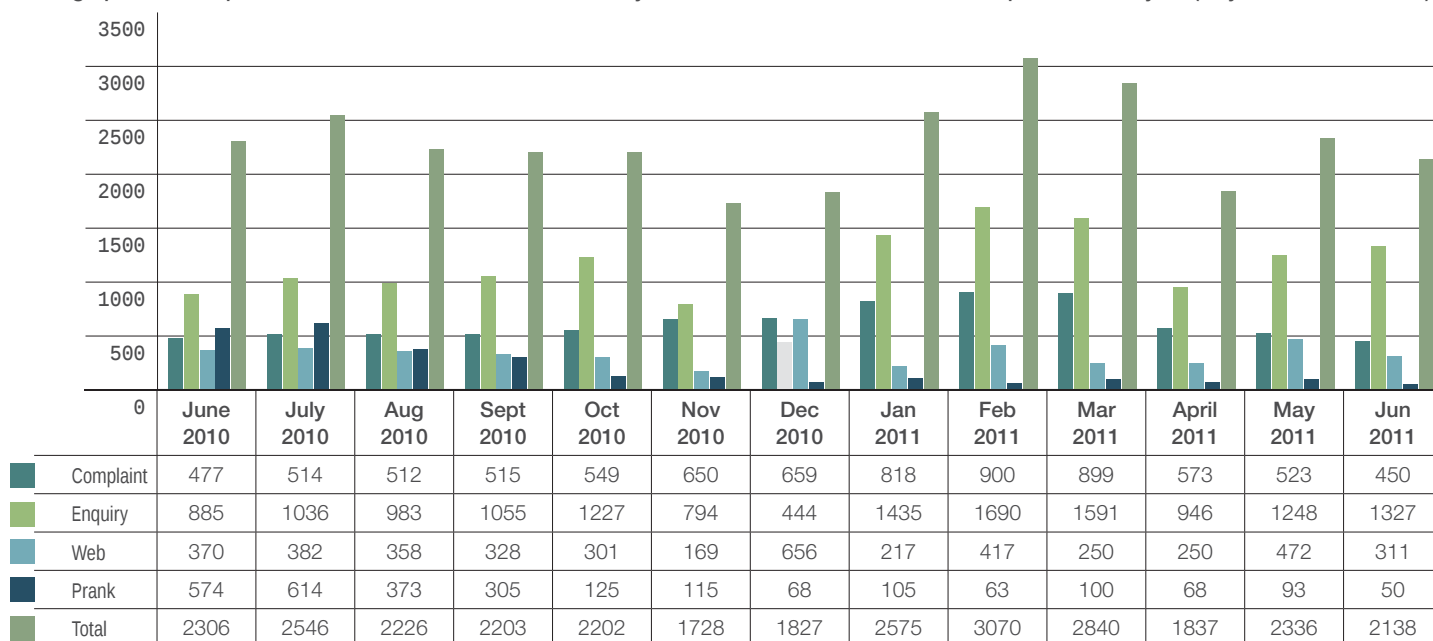
Consumers can reach the Clover Consumer Centre by using the share call number 0860 11 7533, SMS number 31121, by e-mail (consumer.mail@clover.co.za) or via Clover's Website. Contact details appear on all product packaging.

The information regarding the complaints and inquiries are logged with a reference number for each caller to ensure that the required follow-up actions are taken.

The consumer is given the required feedback and is compensated with a voucher. This voucher can only be used to buy Clover and/or Danone SA products at any merchant.

Important to note that, as per the Consumer Protection Act, a procedure is in place and will be applied in situations where a serious risk or threat exists for Clover in general, Clover's brand names or products, Clover's personnel or on possible environmental impact. From all the priority calls received in the period mentioned above, 1% escalated to the Crisis Committee and/or the Executive Committee (priority 1 calls), 20% to Management (priority 2 calls) and 79% were handled by the Consumer Consultants (priority 3 calls).

The graph below depicts the Total Consumer Calls received by the Clover Consumer Centre for the past financial year (July 2010 to June 2011):



5.7 Media

Clover views the media as an effective channel to communicate with external stakeholders and strives to maintain open, honest and effective communication. We regularly comment on the factors and developments that impact on the Group's business activities, as we believe that the public should have a balanced view of our industry.

Communication is generally pro-active in the form of one-on-one meetings, group presentations, media statements and updates as well as site visits. Relevant information is continuously updated on the Group's website, www.clover.co.za

5.8 State and regulators

5.8.1 Competition Commission

On 20 April 2011, Clover advised shareholders that the Competition Commission has withdrawn its long running referrals of several milk processors, including Clover that started in December 2006. The withdrawal follows the Supreme Court of Appeal's ruling in September 2010 in which it upheld Woodlands Dairy (Pty) Ltd and Milkwood Dairy (Pty) Ltd's objections to the Commission's initiation and investigation procedures.

Clover remains committed to fully co-operating with the Competition Commission and takes reasonable steps to ensure that management and employees do not engage in conduct that would constitute a prohibited practice.

5.8.2 Consumer Protection Act (CPA)

The Group has taken proactive steps to ensure that it is fully prepared for the application of the Consumer Protection Act which came into effect during the year. We engaged the services of an experienced lawyer who presented a high level induction programme to key individuals in the Group on the potential effect of the application of the new Consumer Protection Act. Flowing from this, the following proactive steps were taken by Clover to create awareness of the Consumer Protection Act and also to ensure compliance:

- Weekly workshops were held with senior members of the Company's sales and marketing departments respectively to identify potential risks
- A workshop was held for senior members of the Company's production and primary distribution department to identify potential risks

- A presentation on the application of the CPA was presented at the annual Sales Conference (attended by approximately 300 employees)
- A full review of all packaging material was done to ensure compliance with the CPA
- A leading SA law firm, Adams & Adams was appointed to review the use of a number of statements on packaging material or advertising material.

6. Safety and health

The Group acknowledges its responsibility for the occupational health and safety of its employees and other persons affected by its activities and that it should conduct its business so as to conserve and, as far as practical, to eliminate negative impacts on the natural environment.

Amongst numerous other indicators, Clover actively monitors the following aspects through its use of the dedicated Entropy Risk Management System and various checks and balances.

Working towards zero-waste operations	Reducing the Group's energy consumption
Total waste generated by operations that was sent to landfill sites around the country	Electricity consumed
Total waste generated by operations that was recycled	Fuel consumed for steam generation (coal, gas HFO)
Total of all waste generated by operations that could be reused (either reworked or repacked) or used by a third party	Motor vehicle fuel consumption
Total waste product generated by all operations that was disposed of as animal feed	
Effluent discharged by all operations, indicating volume and quality	

Reducing the amount of water used to produce the products	Constantly improving the Group's occupational health and safety performance
Water consumed per kg/litre of product produced	Safety index to measure the Group's safety management performance
	Incidents and injury reports throughout the Group's operations

7. Corporate social and community investment

Clover Mama Afrika continues to be an exemplary corporate social development initiative. Its infrastructure and tangible results has attracted several financial blue chip partners enabling the project to assist with various self-help projects. Another highlight for the project was winning the prestigious Mail & Guardian Investing in the Future 2010 Award in the corporate category.

Since its inception in 2004, Clover Mama Afrika has grown to assist 35 remarkable Mamas across the country. These Mamas collectively care for well over 12 800 children and more than 3 500 elderly. A total of 163 self-help projects of which 154 are income generating projects is managed by the team of Clover Mama Afrika. These self-help projects include cooking and baking, bread baking, sewing, quilting, food gardens, crocheting and flower arranging. Clover Mama Afrika has also started with its first enterprise development project through Clover Mama Emily Duda with a bakery situated at Garden World Nursery in Randburg, Gauteng. This project will provide a service to the nursery's clientele as well as surrounding informal communities that include Zandspruit.

For the last four years, Clover Mama Afrika unites all the Clover Mamas to attend an intensive week of hands-on training. Aptly called Smarties Week, the Mamas are given added value workshops that complement their current self-help projects and provide them with additional employable skills. It is also a wonderful opportunity for them to unite and share ideas and stories.

The week ended on a high note and the participants enjoyed the annual Clover Mama Afrika awards ceremony, where each Mama received a trophy in recognition for her hard work and commitment to the project. All activities take place at one venue. The Clover Mama Afrika Smarties Week is fondly known as a fountain of knowledge by the Clover Mamas. Skills taught were hand quilting, knitting and crocheting.

Clover Mama Afrika has positioned itself as a successful award winning example of an honest, sustainable and effective CSI project which is making a tangible difference in the lives of many South Africans.

Description	2011	2010	2009	2008
Clover Group's financial investment in Clover Mama Afrika	R2,349,996	R2,200,000	R2,200,000	R1,600,000
Donations (financial) received from third parties	R1,485,066	R1,100,000	R2,100,000	R920,000
Number of Mamas involved in projects	35	33	25	18
Number of active Clover Mama Afrika centres	35	33	25	18
Number of persons directly affected by or involved with the Clover Mama Afrika project	Affected 12 800 children, 3 500 elderly. Involved from Clover/agency 18	Affected 11 800 children, 3 000 elderly. Involved from Clover/agency 15	Affected 10 500 children and 2 500 elderly. Involved from Clover/agency 13	Affected 8 000 children. Involved from Clover/agency 13



With 12% fruit juice, and containing no artificial colourants, sweeteners or preservatives, Capri-Sun is ideal to complement kids' school lunches.

8. Environmental strategy

Clover's green initiative started in the year under review with the aim of establishing a formal environmental sustainability ("green") strategy.

The objectives of the strategy include:

- The identification of focal points for a formal green strategy
- To encourage greater environmental awareness among Clover staff
- Identify opportunities for Clover to operate in a more environmentally responsible manner
- Identify potential partners to build an environmental strategy that incorporates the entire supply chain.

These objectives are benchmarked against their links to social initiatives such as Clover Mama Afrika, its impact on long-term economic performance and ability to facilitate partnerships. Other important criteria are the ability to involve and inspire staff and the public, as well as longevity.

Focal points identified for action are:

11 offices entered with various initiatives that included:

- Recycling
- Power conservation
- Carbon footprint reduction through car pooling
- Waste reduction

Staff initiatives involved clean-up campaigns and involved both Clover's partners and linked with the Group's social projects. 21 branches, involving approximately 882 staff members participated in clean-up campaigns where environments around branches, streams and within communities were cleared of refuse. The projects involved Clover partners such as City of Johannesburg, Pikitup, Caxton newspapers and radio stations.

Approximately 40 tonnes of refuse were collected and appropriately disposed of.

The initiatives also linked with Clover Mama Afrika and other social programmes, with a number of the Clover Mama Afrika communities support-

Focal point	Target audience and objective	Mediums available	Impact/motivation
Education on environmental issues	Target audience: Youth, consumers, general public Objective: Promoting education on environmental matters	School programmes, Clover website, Staff newspaper (<i>In Clover</i>), Clover packaging, partner involvement (e.g. Tetrapak)	1. Broad reach 2. Doesn't add any cost to the consumer 3. Programmes can complement Clover Mama Afrika 4. Education on the environment is a vital starting point to fight climate change
Social empowerment	Target audience: Disadvantaged communities in South Africa Objective: Uplifting disadvantaged communities through environmental programmes	Waste recovery programmes through NGOs such as Wildlands, Clover Mama Afrika and other environmental programmes	1. Alleviate poverty while addressing environmental issues 2. Disadvantaged communities will be the worst affected by climate change 3. Synergy of sustainability initiatives is facilitated
Waste management and recycling	Target audience: Management of Clover's waste streams both internally at branch level and externally at consumer level Objective: To reduce Clover's waste stream and recover materials for recycling. (Waste should be seen as a resource)	Branch waste management programmes, end-user recycling programmes, Clover clean-up campaigns	1. Enhances branch level efficiency 2. Directly lowers Clover's Carbon footprint 3. Assists in building an environmental awareness among Clover staff 4. No cost implications for consumers
Carbon reduction	Target audience: Staff and broader public Objective: Measure carbon emissions and implement reduction measures	Project Cielo Blu and other Capex initiatives, Arbour day, Earth Day and similar initiatives environmentally-friendly head-office refurbishment.	1. Improves efficiency while driving down Clover's carbon footprint 2. Drives environmental awareness in Clover 3. Ideal opportunity to involve partners 4. Long-term economic gains

To enhance environmental awareness among staff, a Clover Green section was introduced as a regular feature in the bi-monthly staff newspaper (*In Clover*), containing news on Clover's green initiatives, staff involvement and clean-up challenges across the Group and providing green tips.

A green web page with regular updates was also uploaded to Clover's website: (<http://www.clover.co.za/content/2955/clover-green/>)

8.1. Clover's Green Office Week

Another campaign aimed at improving environmental awareness was Clover's Green Office Week which took place from 18 to 21 April 2011 in support of International Green Office Week. Offices were encouraged to use their own initiatives to "go green" with cash prizes for the winning three offices. More than 6 300 staff members were reached and educated on environmental issues during this campaign, with a total cost to Clover of R20 000.

ing the clean-up campaign. In some instances, cleaned-up areas were converted into vegetable gardens managed and tended to by the community, with the support of Clover and a number of businesses in the community, who sponsored fencing, labour, seeds, etc. (See case study).

- During the Clover Clean up 2010, the City Deep team collaborated with Mama Zakhe from Roodepoort. In one day more than 300 Clover volunteers and community members collected more than 1 000 bags of waste which were taken to the City Deep branch where the waste was collected for recycling.
- Another collaboration between Mama Africa and Clover volunteers during the Clover Clean Up 2010 occurred in the Western Cape on a cold Friday morning when 17 Clover volunteers collaborated with Mama Pumla to collect 102 bags of garbage to help uplift the local community.
- During July 2010, Clover along with partners e-TV and Kids of Nature

donated a solar television to deserving Clover Mama Afrika Mama Selestien in Aschbury. This television is equipped with DSTV and is used to broadcast educational programming to school children in the community of the Mama.

8.2 Education of the broader public

Education of the broader public on Clover's green initiative focused on:

8.2.1 Clover's schools recycling programme

- Branded bins were placed in schools and Clover pays for the monthly management. Schools also received presentations on recycling. A recycling partner conducts all recycling.
- The initiative started in November 2010 at primary and secondary schools in KwaZulu-Natal
- It is expected that more than 30 schools and approximately 27 000 pupils will be reached by the end of 2011
- A total of 1 700 bins will be in place by the end of 2011
- An estimated 25-30 tonnes of waste will be recycled per annum
- Total capex for the project up to the end of 2011 will be R377 960

	Partners involved	Schools/pupils reached	Bins placed	Tonnes of waste recycled
2010	Yes recycling KZN, Tetra Pak	5 schools 2 398 pupils	104	1.2
2011	Yes recycling KZN, Tetra Pak	30 schools 27 000 pupils	1 080	25-30

8.2.2 Capri-Sun Save Our Planet campaign

- Capri-Sun sponsored five lesson plans to primary schools on the environment. These programmes were designed by a qualified educator and are in line with the national curriculum
- Further impetus were given to the programme through a competition where classes at participating schools had to build sculptures from recycled material in order to win a share of prizes which included a fun day at a water or theme park for the winning class and R100 000 in school equipment for the three winning schools
- The campaign ran from May 2011 to August 2011
- A total of 334 primary schools were reached, with approximately 144 000 pupils and 3 600 teachers educated on waste management and recycling
- The total value of the campaign will amount to R706 000
- This campaign raised awareness amongst youth on environmental issues.

9. Carbon reduction

Initiatives undertaken at Clover Park, the Group's head office during refurbishments include:

- Replacement of T8 fluorescent lamps with new generation T5 fluorescent lamps that create more usable light and are 12,5% more electricity efficient on a per lamp basis
- The fluorescent luminaires were replaced with luminaires with electronic control gear resulting in energy savings
- The 12 volt 50 watt downlights were replaced with 18 watt fluorescent down lights with electronic control gear

- Occupation sensors were installed throughout the office and toilet areas to automatically switch off lights when these areas are unoccupied, resulting in further savings
- The entrance to the building is through a double door, which controls the inside building temperature efficiently
- All air conditioning units have been put on timers
- 90% of the console air conditioning units were replaced with split or hideaway units. Hideaway units are approximately 30% more efficient (in cooling mode) and 15% more efficient (in heating mode) than console units.

Apart from these initiatives, Clover is continuously exploring other ways in which to reduce its carbon footprint. As part of its waste initiative, Clover's IT department usually stores redundant equipment until there is a reasonable amount for collection. During the review period, a total of 124 assets were scrapped, of which 16 servers will not be replaced or have been replaced with more energy efficient ones.

This is the equivalent of removing almost 250 000 kg CO₂ from the environment annually. A total of 1 680 kg of equipment was sent for secure destruction and recycling.

Reduced transport of raw milk and final products is high on the agenda and the decision to move UHT and cheese production facilities to the coastal regions closer to source, is a major step in this direction. This will most certainly make a meaningful contribution towards less CO₂ emissions in Clover's supply chain.

10. Broad-Based Black Economic Empowerment

As a result of the share transactions referred to in point 5.1.4, HCI secured a healthy return on its initial investment in the Group. The Group believes that this return will increase economic activity, and create sustainable livelihoods for the beneficiaries of HCI's investments and also contribute to a growing and sustainable consumer market.

Clover views broad-based black economic empowerment (BBBEE) as an opportunity to increase economic activity, thereby creating:

- sustainable livelihoods for as many of the country's inhabitants as possible
- a growing and sustainable consumer market.

Clover remains committed to the BBBEE process as outlined by the Department of Trade and Industry. During the recent external audit (conducted by SANAS-approved Empowerlogic), Clover received a Level 7 rating.

11. Future

Clover is cognisant of the fact that integrated reporting is a phased approach, which only started in 2009 for the Group. It also recognises the importance of avoiding a tick-box mentality, but to incorporate integrated reporting as part of Clover's core. To this end, the Committee can report that the Group has already started to see benefits from its integrated reporting process.

The Group remains committed to continuous improvement in all matters that affect the sustainability of the Group and its activities.



TA Wixley
Chairman: Sustainability Committee



4. corporate governance report

Introduction

The Group is committed to the principles of transparency, fairness, integrity and accountability in its dealings with all its stakeholders and supports the Code of Corporate Practices and Conduct as recommended by the King III Report on Corporate Governance for South Africa 2009 ("King III"), which came into effect on 1 March 2010. This report describes how the Board applies King III within the Group as required by the JSE Listing Requirements, and explains its reasons for not applying certain principles set forth in King III.

In addition to King III, the Group is committed to complying with all legislation, regulations and best practices relevant to our business, in every country and jurisdiction where we conduct business.

Statement of compliance

For the 2011 financial year, apart from the exceptions outlined below, the Board confirms that the Group has applied the principles set forth in King III,

- The Chairman of the Board, JAH Bredin, is a Non-executive Director who is not independent insofar as he is a milk producer and supplier of raw milk to the Group. In the opinion of the Board, it is in the interests of the Group to maintain a close relationship with its raw milk suppliers and his appointment serves the long-term interests of the Group. As recommended by King III, TA Wixley has been appointed as Lead Independent Director to fulfil the functions of the Chairman whenever a conflict arises and in the other circumstances envisaged in King III.
- Although the majority of Directors are Non-executives, the Independent Directors do not comprise a majority of Non-executive Directors. The Non-executive Directors who are not independent are milk producers who supply raw milk to the Group. In the opinion of the Board, the present composition of the Board is in the interests of the Group for reasons of continuity, maintaining a close relationship and an effective channel of communication with its raw milk suppliers.
- The Company Secretary is an Executive Director and the Deputy Chief Executive. To comply with King III, the Company Secretary will be replaced before 31 December 2012 by a person who is not a Director.
- Until the Group's sustainability reporting systems have matured sufficiently, it is the opinion of the Board that no purpose will be served by having its Sustainability Review independently assured.

Ethics

The Board has adopted a Code of Ethics. The Directors are fully committed to these principles, which ensure that the business is managed with due regard to the conditions in the branded consumer goods industry in South Africa, as well as the social, political and physical environment within which the Group operates.

Financial statements

The Directors of the Group are responsible for the financial statements and other information set out in the Integrated Annual Report, and for ensuring that it fairly represents the state of affairs and results of the operations of the Group. The external auditors of the Group are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing and reporting their findings

thereon. The external auditor's report is set out on page 67. The annual financial statements set out on pages 57 to 157 have been prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies and supported by reasonable and prudent judgement and estimates.

The Directors believe that the operations of the Group will continue as a going concern for the ensuing year.

Internal control

The Group maintains internal controls and systems designed to provide reasonable assurance as to the reliability of the financial statements and to adequately protect, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented by trained personnel with segregation of duties and responsibilities.

The Group has outsourced its internal audit function to KPMG Services (Proprietary) Limited ("KPMG Services"), a professional service provider, which is responsible for implementing the annual internal audit plan approved by the Audit and Risk Committee. This internal audit function operates under the direction of the Audit and Risk Committee, which approves the scope of the work to be performed.

The internal control systems include a documented organisational structure and division of responsibility, established policies and procedures which are communicated throughout the Group, and the careful selection, training and development of people. Significant findings are reported to both the Executive Committee and the Audit and Risk Committee. Corrective action is taken to address internal control deficiencies identified in the execution of work.

A risk-based internal audit plan was developed during the 2010 financial year. The results of the risk-based audits were reported to the Audit and Risk Committee. No material breakdowns in internal controls were noted within the key areas reviewed. Follow-up audits were also conducted to ensure that corrective actions were implemented and the results were reported to the Audit and Risk Committee.

In addition to the internal audit conducted by KPMG Services, Ernst & Young performed a limited assurance review of Management's assessment with respect to internal financial controls. No material findings were reported to the Audit and Risk Committee.

There are inherent limitations on the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system

can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

Nothing has come to the attention of the Directors or the auditors that indicates any material breakdown in the effectiveness of the internal controls and systems during the year under review.

Risk control

Effective risk management is imperative to Clover. The realisation of our strategy depends on us being able to take calculated risks in a manner that does not jeopardise the direct interests of stakeholders. The nature of our risk profile demands that Clover adopts a prudent approach to corporate risk and our decisions regarding risk tolerance as well as risk mitigation will reflect this.

Consequently the Board assumes full responsibility for governance of risk through formal risk management processes. The Board is assisted in the execution of this duty by the Audit and Risk Committee, which is a subcommittee of the Board and appropriately constituted.

In order to ensure a consistent approach to the management of risk within the Group, management implements a risk management policy and framework, which is annually reviewed and approved by the Audit and Risk Committee. This policy and framework incorporates the COSO Enterprise Risk Management – Integrated Framework, generally accepted risk management practices as well as King III. All service organisations, supporting functions, processes, projects and Clover-controlled entities will be subject to this policy and framework.

Management has further developed a risk management plan that takes cognisance of the current level of risk management maturity and is aimed at maturing both the risk management process as well as the quality of the output thereof. This plan is annually approved by the Audit and Risk Committee. The Audit and Risk Committee regularly reviews the progress against the risk management plan.

Management has been charged with the design, implementation and monitoring of the risk management arrangements within the Group. Consequently a methodology was developed and implemented across the Group to ensure that risk assessments are conducted on a quarterly basis within each business unit. A formal Management Risk Committee has been established and meets on a quarterly basis to discuss key risks facing the Group as well as the status of mitigating action plans. Key risks facing the Group and mitigating actions taken are reported to the Audit & Risk Committee on a quarterly basis.

Key risks currently facing the Group are industry related and include:

Risk	Risk mitigation
Dependence on channels to market: Risk that certain well-established channels may change or consolidate. An inability to respond with agility may result in inefficiencies or lost opportunities.	Key marketing plans and strategies have been designed and implemented to ensure that potential opportunities are considered.
Facility locations: Certain production facilities are located far away from the raw milk source, which results in a higher cost of production.	Project Cielo Blu has been implemented and when completed should have a significant impact on improving efficiencies.
Increased competition at large retailer customers: Our customers may invoke aggressive marketing strategies, placing pressure on their suppliers' prices.	Key marketing plans and strategies have been designed and implemented to ensure that potential opportunities are considered.
Regulatory environment: Risk that the interpretation and impact of new legislation and regulations may not be, in every respect, wholly comprehended or implemented.	Continual monitoring to ensure that the company stays abreast of changes and/or new legislation and regulations and the impact to the business.
Water supply: Inconsistent availability and quality will adversely affect the company's profitability.	- Continual monitoring of press reports regarding the quality and availability of water supply. - Refinement of processes and monitoring to improve efficiencies.

corporate governance report

Certain risks are regarded as competitively sensitive information, and accordingly have not been disclosed.

The Management Risk Committee has not reported any material losses related to the period under review. Furthermore, no losses have been incurred with respect to unpredictable events occurring during the period under review.

As recommended by King III, management has conducted a self-assessment over the maturity level of the risk management function, to highlight the areas where the focus should be to develop a mature risk management function. Based on the current risk maturity profile, management will engage in a formal independent review for the forthcoming financial year. The services of professional services advisors are being used to assist in developing the risk management function.

The Board, assisted by the Audit & Risk Committee, is satisfied with the effectiveness of the risk management process.

IT governance

Clover is in a process of developing an IT governance framework. A formal IT usage policy and disaster recovery plan is currently in place, which is guided by the IT and business systems strategy. The IT infrastructure and applications which support the financial system functions are audited on an annual basis by the external auditors. An IT internal control framework forms part of the general internal control framework. The Audit & Risk Committee and IT Executive are supported by Business Systems Managers, an IT Infrastructure Manager and an IT Applications Manager who are responsible for evaluating the security of computer systems and applications, and for devising the contingency plans for processing financial information in the event of a systems breakdown.

During the year under review, KPMG conducted an IT governance review. Management is in the process of implementing the reported recommendations, which is expected to improve the Group's current IT governance maturity profile.

Directorate

The Board of Directors ("Board") currently consists of 4 (four) Executive Directors and 10 (ten) Non-executive Directors, 4 (four) of whom are independent.

The Chairman of the Board, JAH Bredin, is a Non-executive Director who is a milk producer and supplier of raw milk to the Group. King III states that the Board should elect a Chairman who is an Independent Non-executive Director, failing which the Board should appoint a Lead Independent Non-executive Director. The Board has appointed TA Wixley as Lead Independent Director to fulfil the functions of the Chairman whenever a conflict arises and in the other circumstances envisaged in King III. Details of the Directors appear on pages 12 to 13.

Members of the Board are appointed by the Group's shareholders, provided that the Board also has the authority to appoint additional Directors or to fill any vacancy which may arise from time to time. Directors are appointed on the basis of skill, experience and their level of contribution to, and impact on, the activities of the Group following recommendations received from the Nomination Committee. Therefore, the process relating to the appointment of Directors is formal and transparent, and a matter for the Board as a whole. New appointees to the Board are appropriately familiarised with the Group's business through an induction programme.

The Board is ultimately responsible for the management of the Group's business and determining the Group's strategy and policies. The Board is also responsible for approving the Group's financial objectives and targets. The Group's Executive Directors, who are also members of the Executive Committee, are involved in the day-to-day business activities of

the Group and are responsible for ensuring that the decisions of the Board are implemented in accordance with the mandates given to it by the Board. There exists a balance of power and authority at board level, such that no individual Director has unfettered powers of decision making.

All Directors of the Group have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that procedures and regulations are complied with and that the Directors are conversant with their duties and responsibilities. The certificate of the Company Secretary appear on page 54. Directors may also seek independent professional advice on the affairs of the Group in appropriate circumstances if they believe that such action would be in the best interests of the Group.

The Board meets 4 (four) times per financial year, excluding any ad hoc meetings held to consider special business. Details of Board composition and attendance can be found in the table at the end of this report.

Board committees

A number of committees have been established to assist the Board in fulfilling its responsibilities. The nature and scope of authority of each committee is detailed in its charter and/or terms of reference as approved by the Board. Copies of the committee charters may be obtained from the Company Secretary. The Board monitors these responsibilities to ensure effective coverage of, and control over, the operations of the Group.

1. Executive Committee

The Executive Committee ("Committee") comprises all the Executive Directors, namely JH Vorster, HB Roode, LJ Botha and Dr CP Lerm. In addition, Dr JHF Botes and H Lubbe, the Executive Management members responsible for Commercial and Supply Chain respectively, are also members of the Committee. The Committee meets regularly to review current operations, identify risks and the management thereof, develop strategies and policies for consideration by the Board and to implement the directives and decisions of the Board.

2. Audit and Risk Committee

TA Wixley, an Independent Non-executive Director (also Lead Independent Director), chairs the Audit and Risk Committee, which is comprised entirely of Independent Non-executive Directors. The other members of the Committee are Dr SF Booysen, NP Mageza and Adv JNS du Plessis.

The report of the Audit and Risk Committee sets out its responsibilities and describes how they have been fulfilled. A full report appears on pages 63 to 66. Details of Audit and Risk Committee composition and attendance can be found in the table at the end of this report. During the year the Financial Oversight and Risk Committee and the Audit and Risk Committee were consolidated to form the Group Audit and Risk Committee.

3. Remuneration Committee

The Remuneration Committee is chaired by Dr SF Booysen an Independent Non-executive Director and its other members are JAH Bredin, TA Wixley and Adv JNS du Plessis, all of whom are Non-executive Directors. The Chief Executive and other Executives attend meetings of the Committee by invitation but do not participate in discussions regarding their own remuneration and benefits.

The report of the Remuneration Committee sets out its responsibilities and describes how they have been fulfilled. A full report appears on pages 48 to 53. Details of the Remuneration Committee composition and attendance can be found in the table at the end of this report.

4. Sustainability Committee

During the 2010 financial year the Board established a Sustainability Committee comprised of 4 (four) Non-Executive members, TA Wixley, WI Buchner, DK Smith and Dr JC Hendriks. The Committee is chaired by TA Wixley, an Independent Non-executive Director (also Lead Independent Director). Subsequent to the resignation of DK Smith, Adv JNS du Plessis was appointed to the Committee. After the establishment of the Committee, the Board also appointed HB Roode an Executive Director to the Committee.

Other management members attend the meetings of this Committee by invitation.

The responsibility of this Committee is to advise the Board on all relevant aspects that may have a significant impact on the long-term sustainability of the Group and which influences the Group's "triple bottom line" reporting.

The Committee normally meets twice during a financial year, excluding any ad hoc meetings held to consider special business. During the 2011 financial year, however, it was only able to meet once. Details of the Sustainability Committee composition and attendance can be found in the table at the end of this report.

5. Nomination Committee

The Nomination Committee is comprised of JAH Bredin, TA Wixley, JC Hendriks and WI Büchner, who are all Non-executive Directors, and is chaired by JAH Bredin, who is a Non-executive Director.

The Committee is responsible for regularly reviewing the Group's board structure and the size and composition of the various boards within the Group and making recommendations in respect of these matters as well as an appropriate split between Executive and Non-executive Directors and Independent Directors. This Committee also assists in the identification and nomination of new Directors for appointment by the Board and/or shareholders. It considers and approves the classification of Directors as independent, oversees induction and training of Directors and conducts annual performance reviews of the Board and the various Board committees.

In respect of the annual performance reviews of the Board and its committees, the Committee assists the Chairman of the Board. It also assists the Chairman in ensuring the proper and effective functioning of the Board, and ensures that succession plans are established and maintained throughout the Group.

The Committee meets as and when required during every financial year, excluding any ad hoc meetings held to consider special business. The Committee met once during the 2011 financial year. Details of the Nomination Committee composition and attendance can be found in the table below.

CLOVER INDUSTRIES LIMITED: BOARD ATTENDANCE 1 JULY 2010 TO 30 JUNE 2011

Director	Board		Audit & Risk Committee		Audit Committee		Fin Oversight & Risk Committee (FORC)		Remuneration Committee (Remco)		Nomination Committee (Nomco)		Sustainability Committee (Suscom)	
	A	B	A	B			A	B	A	B	A	B	A	B
Booyesen, SF	3	3	3	3					1	1				
Botha, LJ	6	5												
Bredin, JAH	6	6					1	1	2	2	1	1		
Büchner, WI	6	5											1	1
Du Plessis, JNS (Adv)*	3	3							1	1				
Du Preez, HPF	6	6					1	1	1	1				
Elliott, MG	6	6												
Hendriks, JC (Dr)	6	5									1	1	1	1
Lerm, CP (Dr)	6	3												
Lotz, JW	3	3												
Mackenzie, M	3	2												
Mageza, NP	3	2	2	2										
Meyer, FG	3	3												
Roode, HB	6	6												
Smith, DK	3	2			1	1	1	1	1	1	1	0	1	1
Smith, NA	1	1	1	1										
Turner, VP	5	5												
Vorster, JH	6	5												
Wixley, TA	6	6	3	3	1	1	1	1	2	2	1	1	1	1

1. Column A indicates the number of meetings held during the period the Director was a member of the Board/Committee.

2. Column B indicates the number of meetings attended during the period the Director was a member of the Board/Committee.

Notes: * JNS du Plessis was appointed to the Audit and Risk Committee with effect from 18 May 2011



HB Roode
Company Secretary

5. remuneration report

The Clover Group has a dedicated Board Committee that, inter alia, determines the governance of remuneration matters, Group remuneration philosophy and policy, remuneration of Executive Directors and other Executives, as well as the compensation of Non-executive Directors, which is ultimately approved by the shareholders. This remuneration report primarily covers the remuneration of the Executive Directors, Non-executive Directors, and other senior Executives.

Details on the attendance of meetings held by the Remuneration Committee is set out in the Corporate Governance Report on page 47. The complete Group Remuneration Policy is set out on pages 52 to 53.

Remuneration approach for Executives

The Clover Group acknowledges that it has to offer nationally and internationally competitive remuneration in order to attract, retain and incentivise high-calibre staff.

The Remuneration Committee uses external market surveys and benchmarks to determine Executive remuneration and benefits, as well as Non-executive Directors' base fees and attendance fees. The Group's remuneration philosophy is to structure remuneration packages in such a way that short- and long-term incentives are linked to the achievement of business objectives and the delivery of an acceptable return on shareholders' funds, while at the same time ensuring the sustainability of the Group.

The executive remuneration structures of the Group comprise both guaranteed and variable components:

- a. A Total Guaranteed Package ("TGP") includes a monthly base salary and benefits such as motor vehicle allowance, retirement funding and medical aid assistance and
- b. Short- and Long-term Incentives ("STIs" and "LTIs"):
 - STIs refer to all cash-based payments that are paid to an individual based on the Group and personal performance over the preceding financial year.
 - LTIs refer to all cash- and equity-based awards that accrue to an individual based on the Group performance over a financial year period.

Total Guaranteed Package ("TGP")

The TGP of Executives (any reference hereinafter to "Executive" shall include a reference to Executive Directors) is benchmarked by using market data of individual salary levels for similar positions on an annual basis. This information, combined with the individual's performance assessment, is the key consideration for the annual salary reviews. Although Clover endeavour to pay its total staff complement at a level between the median and upper quartile compared to other peers in the industry. It has no restrictions on Executives' TGP. The Remuneration Committee has discretion in the level it needs to determine the TGP for Executives. Factors such as retention, contribution and level of skills are all considered in determining the level of TGP for Executives.

The Group offers Executives membership of a defined contribution retirement fund. Other benefits such as a motor vehicle allowance, medical insurance, death and disability insurance, leave and recognition for service are also applicable to Executives.

Short- and long-term incentives

a. Short-term incentives

Executives participate in the "Short-term Incentive Scheme", which is represented as multiples of the monthly base salary (being the monthly basic

salary plus motor vehicle allowance (which is 22% of basic remuneration) and the Company's contribution to the pension fund (which is 10%) and is linked to the achievement of profit growth and personal performance. The short-term incentive for executives is based 50% on individual performance and 50% on Group profit. A maximum of 100% can be earned on the individual performance bonus. The calculation of the Group profit is based on the achievement of attributable profit. The Remuneration Committee annually approves the target and confirms the profit figure on which bonuses are calculated. If the profit target is exceeded, 1% additional bonus is paid for every 1% above the target. The Group Profit Bonus portion was uncapped during the 2011 financial year, but has been capped at 200% for the 2012 financial year. Henceforth and in addition to the capping of the profit target, if the profit target is exceeded, a 2% (and not 1% as for previous financial years) additional bonus is paid for every 1% above the target.

Current bonus levels are:

	Individual performance	Group profit
CEO	6 months	6 months
Executives	5 months	5 months

b. Long-term incentives

The capital restructuring of the Group, which was approved by shareholders on 31 May 2010, changed the nature of the preference shares from profit-sharing instruments to pure debt instruments carrying a right to guaranteed dividends only. This affected the value of the preference shares by eliminating any value upside. Accordingly, an award of preference shares to employees of the Group in terms of Clover's preference share incentive scheme no longer incentivises those employees or aligns their interests with the interests of ordinary shareholders. As a result on 31 May 2010 (which was subsequently amended on 4 November 2010) the shareholders of the Company approved the adoption of the Clover Share Appreciation Rights Plan (2010) ("SAR Scheme").

The salient features of the SAR Scheme, which complies with the JSE listing requirements, are set out below:

- The Group is entitled to issue new share appreciation rights to persons who are salaried Directors or employees of the Company and its subsidiaries from time to time, as determined by the Remuneration Committee
- A new share appreciation right is issued to a participant at the fair market value (as defined) of an ordinary share on the date of its issue, and will vest in equal tranches on the expiry of three, four and five years from the date of issue
- If a share appreciation right is exercised by a participant, the participant will be paid an amount equal to the difference between the issue price of the Share Appreciation Right in question (as determined above) and the fair market value (as defined) of an ordinary share on the day of exchange, provided that the Remuneration Committee may elect to settle the amount due through the issue to them of such number of ordinary shares as could be acquired with such cash amount at the fair market value of those shares on the date on which the cash amount falls due for payment or in cash
- If a participant resigns, retires early or is dismissed from the employment of the Company or any of its subsidiaries, then all the share appreciation rights held by the participant will lapse and
- If a participant retires at normal age, dies or becomes permanently disabled, then all the share appreciation rights held by the participant will vest immediately and he/she or his/her executor will be required to exercise those share appreciation rights within 60 days of the occurrence of such event.

The aggregate number of ordinary shares which may be acquired by participants under the SAR Scheme may not exceed 16 million ordinary shares. At balance sheet date no ordinary shares have been issued to participants and therefore the full aggregate of 16 million ordinary shares is still available for issue.

Total share appreciation rights issued to Executive Directors and other Executives as at 30 June 2010.

Executive Director/Other Executives	Number of share appreciation rights	Allocation date	Allocation price
Executive Director			
Johann Hendrik Vorster	4 587 200	31 May 2010	R4,67
Hermanus Bernardus Roode	2 616 762	31 May 2010	R4,67
Christiaan Philippus Lerm (Dr)	2 454 758	31 May 2010	R4,67
Louis Jacques Botha	2 443 140	31 May 2010	R4,67
Other Executives			
Hendrikus Lubbe	2 027 236	31 May 2010	R4,67
James Henry Ferreira Botes (Dr)	1 870 904	31 May 2010	R4,67

As a result of the subdivision of the ordinary shares on a two-for-one basis during the listing process, the number of share appreciation rights was doubled accordingly.

Further, in lieu of bonus payments relating to the Danone transaction which was concluded in the 2010 financial year, a second allocation of share appreciation rights under the SAR Scheme took place. The second allocation follows the same rules as set out above in respect of share appreciation rights save that, with the approval of shareholders, share appreciation rights issued under the second allocation were issued at an allocation price of R0,00 and are to vest in equal tranches after the expiry of one, two and three years from 18 August 2010 respectively.

Executive Director/Other Executives	Number of share appreciation rights which were the subject of the second allocation	Second allocation date	Allocation price
Executive Director			
Johann Hendrik Vorster	800 000	18 August 2010	R0,00
Hermanus Bernardus Roode	400 000	18 August 2010	R0,00
Louis Jacques Botha	400 000	18 August 2010	R0,00
Christiaan Philippus Lerm (Dr)	133 336	18 August 2010	R0,00
Executives			
Hendrikus Lubbe	133 332	18 August 2010	R0,00
James Henry Ferreira Botes (Dr)	133 332	18 August 2010	R0,00

Total share appreciation rights issued to Executive Directors and other Executives as at 30 June 2011:

Executive Director/Other Executives	Total number of share appreciation rights held at 30 June 2011 (includes the initial and second allocations)
Executive Director	
Johann Hendrik Vorster	5 387 200
Hermanus Bernardus Roode	3 016 762
Louis Jacques Botha	2 843 140
Christiaan Philippus Lerm (Dr)	2 588 094
Executives	
Hendrikus Lubbe	2 160 568
James Henry Ferreira Botes (Dr)*	1 504 236

**The Board recommended to the shareholders to issue 500 000 ordinary shares at a subscription price of R4,67 to Dr JHF Botes, in exchange for which 500 000 share appreciation rights will be cancelled. The shareholders approved the aforementioned issue of ordinary shares to Dr JHF Botes on 4 November 2010 and the 500 000 share appreciation rights were cancelled accordingly.*

The allocated share appreciation rights have not been hedged. Refer to note 9 to the annual financial statements on pages 109 and 110 for dilutionary effect.

Employment contracts for Executives

Subsequent to the 2011 financial year-end, all Executives entered into new employment contracts whereby the notice period for termination of the contract was amended from 1 (one) month to 6 (six) months.

Loans to Executives

On 31 May 2010 and 4 November 2010 (with regard to Dr JHF Botes), the Executives subscribed and shareholders of the Company approved the allotment and issue to them of 18 700 000 (on 31 May 2010) and 500 000 (on 4 November 2011 with regard to Dr JHF Botes) ordinary shares at a subscription price of R4,67 per share, with a portion of the subscription price being lent to the Executives.

The salient features of the loan and cession agreements entered into between the Executives and the Company are set out below:

- as security for the indebtedness the Executives have ceded to the Company the ceded rights (defined as being all rights, title and interest in and to the proceeds in respect of the ordinary shares (issued to them as referred to above) and from the preference shares acquired through the Clover preference shares scheme to the Company) in respect of the proceeds (defined as being dividends, special distributions, redemption proceeds and any proceeds as a result of a disposal or sale of either the ordinary and/or preference shares referred to above, or any part thereof). The ordinary and preference shares have therefore been ceded in securitatem debiti
- interest shall accrue on the outstanding balance of the loan amount at an interest rate equal to 90% of the prime interest rate charged from time to time by Absa Bank Limited
- if an Executive leaves the employ of the Company for any reason whatsoever, he shall be obliged to repay the loan amount and interest or the balance thereof, within two months after termination of his employment and
- if an Executive dies, the loan amount and interest or the balance thereof, shall be repaid to the Company within six months after his death.

The table below reflects the outstanding balances of the loans on 30 June 2010 and 30 June 2011 respectively.

Executive Director/Other Executives	Loan	
	30 June 2011	30 June 2010
Executive Director		
JH Vorster	R26 509 496	R28 381 859
HB Roode	R19 176 720	R20 382 114
CP Lerm (Dr)	R12 037 292	R12 905 961
LJ Botha	R5 635 941	R9 983 832
Other Executives		
H Lubbe	R1 000 606	R1 875 664
JHF Botes (Dr)	R2 411 574	-
Total	R66 771 629	R73 529 430

Remuneration approach for Non-executive Directors

It is the Group's policy to attract Non-executive Directors who can add significant value to Clover. For this reason, non-executive fees are competitive and at the 50th percentile. Attendance fees are only paid for actual committee meetings attended. Further, subject to shareholders' approval as required in terms of the Companies Act 2008, the Chairman of the Board, JAH Bredin, and the Lead Independent Director, TA Wixley will not receive additional remuneration should they serve on any subcommittee.

The fees payable to Non-executive Directors for the 2012 financial year will be proposed for consideration and approval at the November 2011 annual general meeting.

Total remuneration and benefits payable to Directors and Prescribed Officers

A complete table setting out the total remuneration of Directors and prescribed officers can be found in note 32.1 to the annual financial statements, on pages 151 and 152 of this Integrated Annual Report.

King III recommends the disclosure of the remuneration of three Executives other than Directors. The Group has decided to limit the disclosure to members of the Executive Committee, two of whom are not Directors.



Dr SF Booysen
Independent Non-executive Director

Clover's invigorating Manhattan Ice Tea range is the only brand locally to contain the powerful antioxidant Tearigo (EGCG).



5.1 remuneration policy

1. Objective

The Clover Group Remuneration Policy ("Policy") aims, by means of fair, reasonable and market related remuneration practices, to ensure that the Clover Group ("Group") attracts and retains key people (specifically Executive and Senior Management members of the quality required by the Board) in order to continue delivering shareholder return on investment and fulfilling its role as corporate citizen sustainably.

The Policy follows the internationally recognised practice of combining short-term remuneration with long-term incentives in order to compete for skilled resources in the short-term and to align the interest of Executive and Senior Management with long-term value creation for shareholders.

The Policy is based on the following key principles:

- Remuneration must support the Group's strategies, and be consistent with the organisation's culture of fairness and equity.
- Remuneration should support the Group's vision to be the most admired branded consumer goods company in emerging markets by attracting and retaining the right talent.
- Remuneration should have a direct correlation with the growth objectives and financial performance targets and actual achievements of the businesses of the Group.
- Remuneration should be reviewed and benchmarked annually through independent external professional local service providers to ensure that the Group remains competitive in the diverse markets in which

its operates, not applying percentiles rigidly but taking into account industry type, skills scarcity, performance and legislative structures and requirements.

- Remuneration should motivate and allow for differentiation (i.e. reward high performers).
- Individual contribution based on the role and responsibilities should have a direct bearing on the levels of remuneration.

2. Governance

The Remuneration Committee takes an active role in reviewing the remuneration philosophy, policy, strategy and practices for alignment to best practice and the strategic imperatives of the Group.

3. Remuneration mix

3.1 General

Clover's remuneration structure comprises the following:

- Total Guaranteed Package ("TGP")
- Short-Term Incentives ("STIs")
- Long-Term Incentives ("LTIs")

The remuneration structure for all employees who are not executives is determined and approved by the Executive Committee.

3.2 Differentiation between Paterson Grades

Paterson Grade	Total Guaranteed Package	Short-Term Incentive	Long-Term Incentive
C5 and below	Base pay and benefits; 13th cheque	Performance bonus based on formal performance management	N/A
D1 to D5	Base pay and benefits	Short-term incentive scheme participation; Performance bonus based on formal performance management	N/A
C5 to D5	Base pay and benefits	Short-term incentive scheme; Performance bonus based on formal performance management	N/A
E	Base pay and benefits	Short-term incentive scheme; Performance bonus based on formal performance management	Long-term incentive scheme
F	Base pay and benefits	Short-term incentive scheme	Share Appreciation Rights Scheme

4. Total Guaranteed Package

TGP Considerations	Composition of TGP
• Employment profile based on competencies, outputs and behaviours required for the position • The employment profile must fit within the organisational structure and an appropriate employment grade should be assigned • Regular benchmarking exercises are performed internally and externally to ensure equity, fairness and market relatedness • Appropriate market percentiles are applied based on skills, experience and market competitiveness and cognisance paid to performance ratings, time in position, personal development and overall value-added scarce skills	• Guaranteed monthly salary • Compulsory benefits (e.g. retirement) • Discretionary benefits (e.g. medical aid)
	Medical aid considerations
• Guaranteed packages are reviewed annually in May and are revised on 1 July of each year • Interim reviews of the Guaranteed Packages are undertaken to retain talent, to take into account market adjustments or upon promotion of employees	• Employees on Paterson Grade C and lower can choose to join Discovery Health Medical Scheme or Umvozu Medical Scheme • For Paterson Grade C4 and higher the Discovery Health Medical Scheme is compulsory

Scarce skills are identified annually and where scarcity is due to demand outstripping supply, a plan is put in place to reduce the risk of the business or organisation. Where scarcity is due to a unique combination of skills and experience required, deliberate efforts are made to build a talent pool around the scarce individual to reduce the risk to the business or organisation. Management has introduced an "S" category of employee to reduce the risk of losing employees with specialised skills. The total remuneration package applied to this category of people is targeted at the top end of the market (90th percentile) range and includes a specialised discretionary retention bonus (8% of annual base pay) which is payable at the end of every financial year provided the necessary performance criteria is met by the individual.

5. Short-Term Incentive

5.1 The Group's Short-Term Incentive Scheme ("STI")

- The STI is designed to drive improvement of the Group's results on an annual basis.
- Fifty percent of the STI is determined by individual performance (which is capped at 100%) and fifty percent by the extent to which the Group's profit target (uncapped) has been reached. Going forward, the portion relating to the Group's profit target which is currently uncapped, will be capped at 200% with effect from the 2012 financial year. Therefore, no employee will receive a STI greater than 1.5 times his/her annual base salary (being the basic salary plus motor vehicle allowance (being 22% of basic remuneration) and the Company's contribution to pension fund (which is 10%).
- The Group's profit target (which refers either to operating profit or attributable profit) is triggered once 90% of the profit target (100% bonus level) is reached, further if the profit is greater than the profit target, 1% additional bonus will be paid for every 1% achieved over the profit target. Going forward if the profit is greater than the profit target, 2% additional bonus will be paid for every 1% achieved over the profit target.
- The STI is self-funded since all bonuses are budgeted for in full before the profit target is approved by the Remuneration Committee.
- When applying the STI there is a differentiation between Paterson Grades F, E and D.

Number of months additional income			
Paterson Band	Individual Performance	Group Profit	Total
D1 – D2	1.5	0.5	2
D3 – D5	1.5	1.5	3
E	2.5	2.5	5
Other Executives	5	5	10
Chief Executive	6	6	12

- The STI for Paterson Grade F is calculated with reference to attributable profit, whereas the STI for Paterson Grades E and D is calculated with reference to operating profit.
- The Remuneration Committee annually approves the profit targets and confirms the final profit figure after the annual audit is completed; whereafter bonuses are paid out during September/October of each year.
- Adjustments may be made for extraordinary factors at the sole and absolute discretion of the Remuneration Committee.
- Employees who have been found guilty of gross misconduct will not be allowed to participate in the STI.
- Due to the agricultural nature of the Group's business the Remuneration Committee shall use its discretion when awarding bonuses in the event that cyclical (which is beyond the control of the employees) played an integral part in the Group not achieving the necessary profit targets.
- Steps are put in place to manage and guide employees to achieve the maximum bonus (and relevant profit targets) through performance management sessions (on a one-on-one basis) being held quarterly.

5.2 Performance Bonus

- A performance bonus is paid to all employees who score an annual performance rating of 4 or 5.
- The performance bonus is calculated as a percentage of annual basic pay and is paid together with the 13th cheque (for employees in Paterson Grades C5 and lower) or the STI (for employees in Paterson Grades D1 to EH).

6. Long-term incentive

6.1 Long-Term Incentive Scheme ("LTI")

- The LTI is a deferred bonus scheme which serves as a retention mechanism and rewards senior management members (Paterson Grade E) for adding value to the businesses of the Group.
- The Group's senior management members are eligible for participation in the LTI.
- Provided the attributable profit target is met, a percentage of annual earnings are paid out over a three year period (in equal amounts).
- The LTI is governed by rules which are reviewed and updated by the Remuneration Committee as necessary for alignment with best practice, from time to time.

6.2 Share Appreciation Rights Scheme ("SAR Scheme")

- The purpose of the SAR Scheme is to attract, retain, motivate and reward the Group's Executives (Paterson Grade F) who are able to influence the performance of the Group, on a basis which aligns their interests with those of the Group's shareholders.
- The Group's Executives are eligible for participation in the SAR Scheme.
- The eligibility criteria, the quantum of allocations and the conditions governing each allocation are determined by the Remuneration Committee taking cognisance of the following:
 - a. the seniority within the Group
 - b. the work function and
 - c. the ability of the Executive to add value to the Group and its businesses
- Notwithstanding the aforementioned, in calculating the number of share appreciation rights ("SAR") to be allocated to an Executive (or participant) the following market related formula is used:-

$$A = (B \times C) / D$$

where –

A = the total number of SAR to be allocated

B = TGP of the Executive (or participant)

C = market related multiples (for the Chief Executive the multiple is 8, for the Deputy Chief Executive and the Chief Financial Officer the multiple is 6 and for other Executives the multiple is 4) and

D = the volume weighted average price of an ordinary share on the JSE over seven trading days immediately prior to the allocation price.

- The SAR Scheme is governed according to rules approved by the Company's shareholders in November 2010.

7. Regulatory

This Policy is to be read in conjunction with the Company's letter of appointment, disciplinary code, code of ethics, applicable employment legislation, specifically the Basic Conditions of Employment Act and Labour Relations Act, as well as the Company's short-term and long-term incentive scheme rules.

certificate by secretary

(in terms of Section 268G(d) of the Companies Act)

The Secretary of Clover Industries Limited, Hermanus Bernardus Roode, certifies that Clover Industries Limited has complied with all requirements of the Companies Act and more specifically that all such returns as required by a public company in terms of the Companies Act 2008, as amended, have been lodged with the Registrar of Companies and that such returns are true, correct and up to date and that a copy of these annual financial statements was sent to every person who is entitled thereto in terms of the Act.



HB Roode
Secretary

administration

Registered office

200 Constantia Drive, Constantia Kloof, 1709

Postal address

P O Box 6161, Weltevredenpark, 1715

Telephone

(011) 471 1400

Telefax

(011) 471 1504

Internet address

www.clover.co.za

External auditors

Ernst & Young Incorporated Johannesburg

Bankers

The Absa Group
First National Bank
Investec Bank

Company registration number

2003/030429/06

Attorneys

Werksmans
Roestoff, Venter and Kruse
Kocks and Dreyer
Adams & Adams

Clover's characteristic attention to detail and meticulous quality control ensure that Clover cheeses are as authentic as tradition demands.



A large, flowing green line graphic that starts at the top left, curves across the top, loops down on the right side, and then loops back up and across the bottom, ending in a small circle near the bottom right corner.

Financial section

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

Finansiële afdeling

Die geouditeerde finansiële state vervat in hierdie afdeling is voorberei onder die toesig van Louis Jacques Botha GR (SA) in sy hoedanigheid as Hoof Finansiële Beampste van die Groep.

directors' report/direkteursverslag

The Directors present their report on the activities and the financial statements for Clover Industries Ltd ("CIL") and the Group in respect of the year ended 30 June 2011.

Directors' responsibility

CIL's Directors are required by the Companies Act to maintain adequate accounting records and to prepare financial statements for each year which fairly present the state of affairs of the Company and the Group at the end of the financial year and of the profit and cash flows for the period. In preparing the accompanying financial statements, International Financial Reporting Standards have been followed, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Any changes to accounting policies are approved by the Board and the effects thereof are fully explained in the annual financial statements. The financial statements incorporate full and responsible disclosure.

The Directors have reviewed the Group's budget and cash flow forecast up to 30 June 2012. On the basis of this review and in the light of the current financial position and existing borrowing facilities, the Directors are satisfied that CIL is a going concern and have therefore continued to adopt the going-concern basis in preparing the financial statements. The Group's external auditors, Ernst & Young Inc., have audited the financial statements and their unqualified report appears on page 67. The financial statements for the year ended 30 June 2011, as set out on pages 58 to 62 and 68 to 157, were approved by the Board on 7 September 2011 and are signed on its behalf by JAH Bredin and JH Vorster.

Nature of business

The procurement, production, marketing, sales and distribution of branded consumer goods to customers in the Southern African region at benchmarked costs, with margins sufficient to ensure Clover's long-term prosperity and growth.

Group results

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

	2011 Rm	2010 Rm
Revenue	6 542,3	6 161,5
Profit attributable to equity holders of the parent company	179,6	330,8

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

Subsidiary companies, interests in joint ventures and associated companies

Details of subsidiary companies are reflected in Note 30 to the financial statements, interests in joint ventures in Note 4.

During May 2011 Clover SA successfully bought out the minority shareholders in Clover Beverages after a Section 311 scheme of arrangement at a price of R4,50 per share and a total consideration of R70,5 million. With effect from 1 June 2011 the business of Clover Beverages was transferred to Clover SA as a going concern by way of a dividend in specie. Clover Beverages has been dormant since that date and is in the process of being liquidated.

Borrowing powers

Borrowings were R606,7 million on 30 June 2011 (2010: R659,5 million). Borrowings are subject to the treasury policy adopted by the Board of Directors. In terms of the articles of association, the Directors has unlimited borrowing powers.

Die Direkteure lê hul verslag oor die aktiwiteite en die finansiële state van Clover Industries Bpk ("CIL") en die Groep vir die jaar geëindig 30 Junie 2011 voor.

Direkteure se verantwoordelikheid

Die Maatskappywet vereis dat CIL se Direkteure toereikende rekeningkundige rekords byhou en finansiële state vir elke finansiële jaar opstel wat die stand van die Maatskappy en die Groep aan die einde van die finansiële jaar en die wins en kontantvloeï vir die tydperk redelik weergee. By die opstel van die meegaande finansiële state is "International Financial Reporting Standards" toegepas, geskikte rekeningkundige beleid is gebruik en konsekwent toegepas en waar nodig, is redelike en omsigtige ramings gemaak. Enige veranderinge aan die rekeningkundige beleid word deur die Direksie goedgekeur en die uitwerking daarvan word volledig in die finansiële jaarstate verduidelik. Die finansiële state sluit volledige en verantwoordelike openbaarmaking in.

Die Direkteure het die Groep se begroting en kontantvloeivoorskatting vir die jaar tot 30 Junie 2012 nagegaan. Op die grondslag van hierdie ondersoek en in die lig van die huidige finansiële posisie en bestaande leenfasiliteite is die Direkteure daarvan oortuig dat die Groep 'n lopende saak is en het hulle dus voortgegaan om die lopendesaaik-beginsel toe te pas by die opstel van die finansiële state. Die Groep se eksterne ouditeure, Ernst & Young Inc., het die finansiële state geoudit en hulle ongekwalifiseerde verslag verskyn op bladsy 67. Die finansiële state vir die jaar geëindig 30 Junie 2011, soos op bladsye 58 tot 62 en 68 tot 157, is deur die Direksie op 7 September 2011 goedgekeur en namens hulle geteken deur JAH Bredin en JH Vorster.

Aard van besigheid

Die verskaffing, produksie, bemarking, verkoop en verspreiding van handelsmerk-verbruikersgoedere aan klante in Suidelike Afrika teen mededingende koste, met marges wat voldoende is om Clover se langtermynvoorspoed en -groei te verseker.

Groepresultate

Die Groep se resultate vir die jaar is soos volg:

	2011 Rm	2010 Rm
Inkomste	6 542,3	6 161,5
Wins toeskryfbaar aan ekwiteitshouers van die houermaatskappy	179,6	330,8

Meer breedvoerige finansiële inligting is beskikbaar in die Hoof Finansiële Beampte se Verslag wat deel is van die Geïntegreerde Jaarverslag.

Filiaalmaatskappye, belange in gesamentlike en geassosieerde ondernemings

Inligting aangaande filiaalmaatskappye word in Aantekening 30 tot die finansiële state uiteengesit, belange in gesamentlike ondernemings in Aantekening 4.

Gedurende Mei 2011 het Clover SA die minderheidsbelang in Clover Beverages suksesvol na 'n Artikel 311 skemareëling teen 'n prys van R4,50 per aandeel en 'n totale vergoeding van R70,5 miljoen uitgekoop. Met effek van 1 Junie 2011 is die besigheid van Clover Beverages na Clover SA deur middel van 'n dividend in spesie as 'n lopende saak oorgeplaas. Clover Beverages is sedert daardie datum onaktief en word tans gelikwideer.

Leningsbevoegdheid

Op 30 Junie 2011 was lenings R606,7 miljoen (2010: R659,5 miljoen). Lenings is onderhegig aan die tesouriebeleid wat deur die Direksie aanvaar is. Ingevolge die statute het die Direkteure onbeperkte leenbevoegdheid.

directors' report/direkteursverslag

Share capital

Details of the authorised and issued share capital are included in Note 18 to the financial statements.

The Company's issued ordinary and preference shares were listed on the JSE on 14 December 2010. In anticipation of the listing, on 4 November 2010, the company's authorised ordinary share capital consisting of 100,000,000 shares of R0,10 each was subdivided on a 1 to 2 basis into shares of R0,05 each and simultaneously increased to 2,000,000,000 ordinary shares of R0,05 each.

At the 2010 Annual General Meeting unissued ordinary shares not totalling more than 15% of the issued ordinary shares of the Company were placed under the control of the Directors until the next Annual General Meeting. Any such shares may not be issued at a discount of more than 10% of the weighted average trading price of the shares for the period 30 days prior to the issue.

A general authority to repurchase ordinary shares of the Company was granted to the Directors by way of a special resolution adopted on 4 November 2010. Such authority is subject to the Companies Act and the Listing Requirements of the JSE. The Listing Requirements of the JSE limit repurchases during any one year to a maximum of 20% of the issued ordinary shares at the time.

The following shares were issued during the year:

- 47,619,048 ordinary shares on 14 December 2010 at R10,50 each in terms of the Prelisting Statement dated 29 November 2010.
- 7,142,857 ordinary shares on 14 January 2011 at R10,50 each in terms of the Prelisting Statement dated 29 November 2010 to the stabilisation manager in terms of the 30 day stabilisation mechanism.
- 250,000 ordinary shares (prior to the subdivision of ordinary shares) to dr JHF Botes, a member of the Executive Management, on 4 November 2010 at R9,34 each in terms of a special resolution of shareholders adopted on 4 November 2010.

The debt portion of preference shares is quantified and separately disclosed as part of interest-bearing liabilities. The guaranteed preference dividends paid during the year are accounted for as interest paid in the statement of comprehensive income.

Refer to page 10 and 11 for our shareholder information and shareholder analysis.

Dividends

Dividends declared and paid by CIL during the year:

	2011 R'000	2010 R'000
Ordinary dividends		
Declared:		
To ordinary shareholders	58 720	–
To preference shareholders	–	–
Total declared	58 720	–
Paid:		
To ordinary shareholders	58 720	1 000
To preference shareholders	–	28 984
Total paid	58 720	29 984

Preference Dividends

Recognised as interest:		
Declared	21 359	22 290
Paid	26 529	22 751
Special preference dividend:		
Declared	–	370 030
Paid	–	370 030

Aandelekapitaal

Besonderhede van gemagtigde en uitgereikte aandelekapitaal word in Aantekening 18 tot die finansiële state verskaf.

Die Maatskappy se uitgereikte gewone en voorkeuraandele is op 14 Desember 2010 op die Johannesburgse Effektebeurs genoteer. In afwagting van die notering is die maatskappy se gemagtigde gewone aandelekapitaal, wat uit 100,000,000 aandele van R0,10 elk bestaan, op 'n 1 tot 2 basis in aandele van R0,05 elk onderverdeel en het dit terselfdertyd vermeerder tot 2,000,000,000 gewone aandele van R0,05 elk.

By die 2010 Jaarlikse Algemene Vergadering is onuitgereikte gewone aandele van nie meer as 15% van die uitgereikte gewone aandele van die Maatskappy tot die volgende Algemene Vergadering onder die beheer van die Direkteure geplaas. Enige sodanige aandele mag nie uitgereik word teen 'n korting van meer as 10% van die gewoegde gemiddelde handelsprys van die aandele gedurende die 30 dae tydperk voor uitreiking nie.

'n Algemene magtiging om gewone aandele van die Maatskappy terug te koop is verleen deur middel van 'n spesiale besluit wat op 4 November 2010 aanvaar is. Sodanige magtiging is onderworpe aan die Maatskappywet van die Noteringsvereistes van die JSE. Die Noteringsvereistes van die JSE beperk terugkope gedurende enige een jaar tot op 'n maksimum van 20% van die uitgereikte gewone aandele op daardie stadium.

Die volgende aandele is gedurende die jaar uitgereik:

- 47,619,048 gewone aandele op 14 Desember 2010 teen R10,50 elk in terme van die Voornoteringstaat gedateer 29 November 2010.
- 7,142,857 gewone aandele op 14 Januarie 2011 teen R10,50 elk in terme van die Voornoteringstaat gedateer 29 November 2010 aan die stabilisasiebestuurder in terme van die stabilisasiemeganisme van 30 dae.
- 250,000 gewone aandele (voor die onderverdeling van gewone aandele) aan dr JHF Botes, 'n lid van die Uitvoerende Bestuur, op 4 November 2010 teen R9,34 elk in terme van 'n spesiale besluit van aandeelhouders wat op 4 November 2010 aanvaar is.

Die skuldcomponent van die voorkeuraandele is bepaal en word afsonderlik as rentedraende skuld openbaar gemaak. Die gewaarborgde voorkeurdividend wat gedurende die jaar betaal is, word as rente betaal in die staat van omvattende inkomste aangetoon.

Verwys na bladsy 166 en 167 vir inligting oor ons aandeelhouders asook 'n ontleding van ons aandeelhouders.

Dividende

Dividende gedurende die jaar deur CIL verklaar en betaal:

	2011 R'000	2010 R'000
Gewone dividende		
Verklaar:		
Aan gewone aandeelhouders	58 720	–
Aan voorkeuraandeelhouders	–	–
Totaal verklaar	58 720	–
Betaal:		
Aan gewone aandeelhouders	58 720	1 000
Aan voorkeuraandeelhouders	–	28 984
Totaal betaal	58 720	29 984

Voorkeurdividende

Erken as rente:		
Verklaar	21 359	22 290
Betaal	26 529	22 751
Spesiale voorkeurdividend:		
Verklaar	–	370 030
Betaal	–	370 030

directors' report/direkteursverslag

The Board declared and paid an interim cash dividend of 10c per ordinary share during March 2011. It further declared a final dividend of R 26,9 million or 15 cents per ordinary share. The interim dividend together with the proposed final dividend will constitute 25% of Profit Attributable to Equity holders of CIL, excluding after tax capital profits.

Declaration of dividend no. 3

Notice is hereby given that a final ordinary cash dividend has been declared for the financial year ended 30 June 2011, payable in South African currency, on 17 October 2011 and amounts to 15 cents per share.

The salient dates will be as follows:

Last day to trade "cum" the ordinary share dividend	Friday, 7 October 2011
Shares commence trading "ex" the ordinary share dividend	Monday, 10 October 2011
Record date on	Friday, 14 October 2011
Payment date on	Monday, 17 October 2011

Share certificates may not be dematerialised or rematerialised between Monday, 10 October 2011 and Friday, 14 October 2011, both days inclusive.

Directors and Secretary

'Particulars of the present Directors and Secretary are listed on page 12 to 13 and page 54.

The following Non-executive Directors resigned during the year:

VP Turner	(10 March 2011)
JW Lotz	(7 October 2010)
MG Mackenzie	(7 October 2010)
FG Meyer	(7 October 2010)

The following Non-executive Directors were appointed to the Board during the year:

NA Smith	(10 March 2011)
NP Magaza	(4 November 2010)
Dr SF Booysen	(7 October 2010)
Adv JNS du Plessis	(7 October 2010)

Share-based compensation

During the previous year (31 May 2010) the Company approved a Long Term Incentive Plan, named the Clover Share Appreciation Rights Plan (2010) ("Plan"), for Senior Executives of the Group. The Plan involved the issuance of 8 million (16 million after the 2 for 1 ordinary share subdivision) share appreciation rights ("SAR"), at an issue price of R9,34, to Executives that vest over a period of five years. On 4 November 2010, 250,000 (500,000 after the ordinary share 2 for 1 subdivision) were cancelled simultaneously with a 250,000 ordinary share issue to dr JHF Botes. During the current year a further 2 million SAR were issued to Executives at an issue price of R nil. Executives can at any time after vesting and for as long as they are employed by the Company choose to exercise SAR which will entitle them to a payment equal to the increase in the CIL ordinary share price over the issue price of the SAR. Such payment can at the election of the Remuneration Committee be settled either in cash or by way of the issue to the member of a number of ordinary shares equal in value to such cash amount. Details of SAR issued and vested in terms of the Plan are given in Note 31.3.

Die Raad het gedurende Maart 2011 'n tussentydse kontantdividend van 10c per gewone aandeel verklaar en betaal. Hy het verder verklaar en sal aan aandeelhouders voorstel dat 'n finale dividend van R 26,9 miljoen of 15 sent per gewone aandeel betaal word. Die tussentydse dividend sal tesame met die voorgestelde finale dividend 25% van Wins Toeskrifbaar aan Ekwiteitshouders van CIL behels, kapitaalswins na belasting uitgesluit.

Verklaring van dividend no. 3

Kennis word hiermee gegee dat 'n finale gewone kontant-dividend vir die finansiële jaar geëindig 30 Junie 2011 verklaar is, betaalbaar op 17 Oktober 2011 in Suid-Afrikaanse valuta, en wat 15 sent per aandeel beloop.

Die belangrike datums is soos volg:

Laaste dag om "cum" die gewone-dividend te handel	Vrydag, 7 Oktober 2011
Aandele-handel "ex" die gewone-dividend begin	Maandag, 10 Oktober 2011
Rekorddatum op	Vrydag, 14 Oktober 2011
Betaaldatum op	Maandag, 17 Oktober 2011

Aandeesertifikate mag nie tussen Maandag, 10 Oktober 2011 en Vrydag, 14 Oktober 2011, albei dae ingesluit, gematerialiseer of gedematerialiseer word nie.

Direkteure en Sekretaris

Besonderhede van die huidige Direkteure en Sekretaris word op bladsy 168 tot 169 en bladsy 210 uiteengesit.

Die volgende Nie-uitvoerende Direkteure het bedank gedurende die jaar:

VP Turner	(10 Maart 2011)
JW Lotz	(7 Oktober 2010)
MG Mackenzie	(7 Oktober 2010)
FG Meyer	(7 Oktober 2010)

Die volgende Nie-uitvoerende Direkteure is aangestel tot die Raad gedurende die jaar:

NA Smith	(10 Maart 2011)
NP Magaza	(4 November 2010)
Dr SF Booysen	(7 Oktober 2010)
Adv JNS du Plessis	(7 Oktober 2010)

Aandeelgebaseerde vergoeding

Gedurende die vorige jaar (31 Mei 2010) het die Maatskappy 'n Langtermyn Aansporingsplan vir Senior Lede van die Uitvoerende bestuur van die Groep, die Clover Aandeelgroei-regte-plan (2010) ("Plan"), goedgekeur. Die Plan het die uitreiking van 8 miljoen (16 miljoen na die 2 vir 1 onderverdeling van gewone aandele) aandeelgroei-regte ("AGR"), teen 'n uitreikingsprys van R9,34 aan lede van die Uitvoerende Bestuur wat hulle oor 'n tydperk van vyf jaar by die maatskappy vestig, behels. Op 4 November 2010 is 250,000 (500,000 na die 2 vir 1 onderverdeling van gewone aandele) terselfdertyd met die uitreiking van 250,000 gewone aandele aan dr JHF Botes gekanselleer. Gedurende die huidige jaar is 'n verdere 2 miljoen AGR teen 'n uitreikingsprys van R nul aan lede van die Uitvoerende Bestuur uitgereik. Lede van die Uitvoerende Bestuur kan te eniger tyd nadat hulle gevestig is en vir solank as wat hulle in die Maatskappy se diens is besluit om AGR uit te voer, wat hulle geregtig sal maak op 'n uitbetaling wat gelykstaande is aan die verhoging in die prys van CIL se gewone aandele bo die uitreikingsprys van die AGR. Sodanige uitbetaling kan met keuse van die Vergoedingskomitee vereffen word in kontant óf deur middel van die uitreiking van 'n aantal gewone aandele van gelyke waarde as die kontantbedrag wees. Besonderhede van AGR wat ingevolge die Plan uitgereik en gevestig is, is in Aantekening 31.3 uiteengesit.

directors' report/direkteursverslag

Insurance and risk management

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

Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Group or in the policy regarding their use. Capital expenditure on tangible assets was R197,5 million (2010: R98,1 million) and R18,8 million (2010: R5,5 million) on intangible assets.

Special resolutions

A number of special resolutions were adopted on 4 November 2010 to give effect to the listing of the Company on the JSE and to attend to certain ancillary matters:

1. The shareholders approved to make a loan to Dr JHF Botes (a manager of the Company) in the amount of R2,335 million to enable him to subscribe for 250 000 (500 000 after the sub-division of the ordinary shares) ordinary shares in the Company.
2. The shareholders approved that the ordinary authorised share capital of the Company of R10 million comprised of 100 000 000 ordinary shares of R0,10 each be altered by dividing each ordinary share into two ordinary shares of R0,05 each, such that after the sub-division the authorised ordinary share capital comprised of 200 000 000 ordinary shares of R0,05 each.
3. The shareholders approved the increase of the ordinary authorised share capital from R10 million comprised of 200 000 000 ordinary shares of R0,05 each to R100 million by the creation of a further 1 800 000 000 ordinary shares of R0,05 each, such that after the creation the authorised share capital of the Company consisted of 2 000 000 000 ordinary shares of R0,05 each.
4. The shareholders adopted a new memorandum of association and a new articles of association which reflected the amendments to the ordinary share capital of the Company, and ensured that the Company's memorandum of association and articles of association comply with the Listing Requirements of the JSE Limited to facilitate the listing of the Company.
5. The shareholders authorised the Company and/or any of its subsidiaries by way of a general authority to acquire ordinary shares issued by the Company on such terms and conditions as the Directors deem fit (and subject to the Companies Act and JSE rules).

On 7 March 2011 the shareholders approved the amendment of article 43.1.12 of the articles of association to ensure compliance with schedule 24 of the Listing Requirements of the JSE Limited pertaining to dividend payment timetables.

Events after the reporting period

No significant events occurred subsequent to the year end.

Change in basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board. Refer to Note 2.2 regarding changes in accounting policy.

Corporate governance

Detailed Company statements on corporate governance are set out on pages 44 to 47.

Versekering en risikobestuur

Dit is die beleid van die Groep om jaarliks in samewerking met die versekeraars die risiko met betrekking tot die bates en moontlike aanspreeklikhede wat uit die bedryf daarvan mag voortvloei te hersien. Waar moontlik word bates teen vervangingswaarde verseker en nuwe aankope gedurende die jaar word outomaties ingesluit. Daar is ook 'n deurlopende batesrisikobehoeërprogram wat in samewerking met die Groep se versekeringsmakelaars bedryf word. Vir meer inligting oor die Groep se risikobestuursproses, verwys asseblief na die Korporatiewe Beheer op bladsy 200.

Eiendom, aanleg en toerusting

Daar was geen verandering in die aard van die eiendom, aanleg en toerusting van die Groep of in die beleid ten opsigte van die gebruik daarvan nie. Kapitaaluitgawe op tasbare bates was R197,5 miljoen (2010: R98,1 miljoen) en R18,8 miljoen (2010: R5,5 miljoen) op ontasbare bates.

Spesiale besluite

'n Aantal spesiale besluite is op 4 November 2010 aangeneem om uitvoering te gee aan die notering van die Maatskappy op die JSE en om sekere verwante aangeleenthede aan te spreek:

1. Die aandeelhouders het 'n lening aan dr JHF Botes ('n bestuurder van die Maatskappy) ter waarde van R2,335 miljoen goedgekeur sodat hy kon inskryf op 250 000 (500 000 na die onderverdeling van die gewone aandele) gewone aandele in die Maatskappy.
2. Die aandeelhouders het goedgekeur dat die gewone gemagtigde aandeelkapitaal van die Maatskappy van R10 miljoen, bestaande uit 100 000 000 gewone aandele van R0,10 elk, gewysig word deur elke gewone aandeel in twee gewone aandele van R0,05 elk te verdeel, sodanig dat die gemagtigde gewone aandeelkapitaal na die onderverdeling bestaan het uit 200 000 000 gewone aandele van R0,05 elk.
3. Die aandeelhouders het die verhoging van die gewone gemagtigde aandeelkapitaal van R10 miljoen, bestaande uit 200 000 000 gewone aandele van R0,05 elk na R100 miljoen deur die skepping van 'n verdere 1 800 000 000 gewone aandele van R0,05 elk goedgekeur, sodanig dat die gemagtigde aandeelkapitaal van die Maatskappy na die skepping bestaan het uit 2 000 000 000 gewone aandele van R0,05 elk.
4. Die aandeelhouders het 'n nuwe akte van oprigting en 'n nuwe statute aanvaar wat die wysigings aan die gewone aandeelkapitaal van die Maatskappy aandui, en verseker dat die Maatskappy se akte van oprigting en statute voldoen aan die noteringsvereistes van die JSE om die notering van die Maatskappy te fasiliteer.
5. Die aandeelhouders het deur middel van 'n algemene magtiging aan die Maatskappy en/of enige van sy filiale toestemming verleen om gewone aandele te koop wat deur die Maatskappy uitgereik is volgens bepalinge en voorwaardes wat die Direksie mag nodig ag (en onderworpe aan die Maatskappiewet en JSE reëls).

Op 7 Maart 2011 het die aandeelhouders die wysiging van paragraaf 43.1.12 van die statute goedgekeur om voldoening aan skedule 24 van die Noteringsvereistes van die JSE Bpk, wat met die tydrooster vir die betaling van dividende verband hou, te verseker.

Gebeure na die verslagdoeningstydperk

Geen noemenswaardige gebeure het na jaareinde plaasgevind nie.

Veranderinge in die rekeningkundige basis

Die finansiële state is opgestel in ooreenstemming met "International Financial Reporting Standards" en die interpretasie daarvan deur die "International Accounting Standards Board". Verwys na Aantekening 2.2 met betrekking tot veranderinge in die rekeningkundige beleid.

Korporatiewe beheer

Die volledige Maatskappyverklarings oor korporatiewe bestuur word op bladsye 200 tot 203 uiteengesit.

directors' report/direkteursverslag

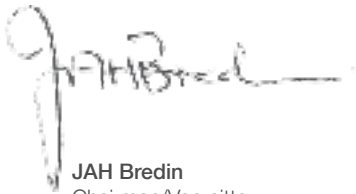
Competition Commision

On 20 April 2011, Clover advised share holders that the Competition Commision has withdrawn its long running referrals of several milk processors, including Clover that started in December 2006. The withdrawal follows the Supreme Court of Appeal's ruling in September 2010 in which it upheld Woodlands Dairy (Pty) Ltd and Milkwood Dairy (Pty) Ltd's objections to the commision's initiation and investigation procedures.

Acknowledgements

We express our thanks and appreciation to

- Our shareholders, both old and new, for their support during the year and specifically during the listing on the JSE
- Our staff for their unwavering support
- All our suppliers of a wide variety of requirements
- The retail and wholesale trade as well as all our distributors who made our products available on shelves and
- The millions of consumers who selected our quality products above those of our competitors.



JAH Bredin
Chairman/Voorsitter
7 September 2011

Mededingingskommissie

Op 20 April 2011 het Clover aandeelhouders in kennis gestel dat die Mededingingskommissie die destydse verwysings van verskeie melkverwerkers, insluitend Clover, wat in Desember 2006 begin het, teruggetrek het. Die terugtrekking volg op die Hooggeregsappèlhof se uitspraak in September 2010 waarin die hof Woodlands Dairy (Edms) Bpk en Milkwood Dairy (Edms) Bpk se besware teen die kommissie se stappe en ondersoek steun.

Dankbetuigings

Ons betuig ons dank en waardering aan

- Ons aandeelhouders, beide oud en nuut, vir hul ondersteuning gedurende die jaar en spesifiek gedurende die notering op die JSE
- Ons personeel vir hul onwrikbare ondersteuning
- Al ons verskaffers van 'n wye verskeidenheid benodigdhede
- Die klein- en groothandel en al ons verspreiders wat ons produkte op die rakke beskikbaar gestel het en
- Die miljoene verbruikers wat ons gehalte-produkte bo dié van ons kompetisie gekies het.



JH Vorster
Chief Executive/Uitvoerende Hoof
7 September 2011

audit and risk committee report/ verslag van die oudit- en risikokomitee

This is the report of the Audit and Risk Committee ("Committee") of Clover Industries Limited ("CIL" and/or "Company") appointed for the financial year ended 30 June 2011. The Committee has a detailed charter that complies with the Companies Act no 71 of 2008 ("Act") and King III and is approved by the Board of Directors of CIL ("Board"). A copy of the charter is available from the Company Secretary on request.

1. Membership

The Board appointed the Committee for the 2010/11 financial year.

Shareholders will be asked to approve the appointment of the members of the Committee for the 2011/12 financial year at the annual general meeting scheduled for 10 November 2011. The Committee consists solely of Independent Non-executive Directors.

The members are:

- 1.1 TA Wixley (Chairman)
- 1.2 Dr SF Booysen
- 1.3 NP Mageza and
- 1.4 Adv JNS du Plessis.

2. Purpose

The purpose of the Committee is:

- 2.1 to assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control and reporting processes, and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards
- 2.2 to provide management, external auditors and the internal auditors with access to the Chairman or any other member of the Committee to discuss any matter within the Committee's scope
- 2.3 to meet separately with the external and internal auditors at least once a year
- 2.4 to provide a forum for discussing business risk and control issues and developing recommendations for consideration by the Board
- 2.5 to monitor enterprise-wide, operational and market, regulatory, safety and other risks, and to monitor controls designed to minimise risk
- 2.6 to review the Company's annual integrated report, including the annual financial statements, as well as its interim report and any other public reports or announcements containing financial information
- 2.7 to consider and recommend to the Board whether external assurance should be provided on the sustainability report and to ensure that the report is consistent with the annual financial statements
- 2.8 to oversee the activities of and ensure co-ordination between the activities of internal and external audit
- 2.9 to perform duties assigned to it by the Act, and other legislative requirements, including the statutory audit committee functions for subsidiary companies
- 2.10 to receive and deal with any complaints concerning the accounting practices, internal audit or the content and audit of its financial statements or related matters and
- 2.11 to review the Committee's work and terms of reference annually and make recommendations to the Board to ensure its effectiveness.

Hierdie is die verslag van die Risiko- en Ouditkomitee ("Komitee") van Clover Industries Bpk ("CIL" en/of "Maatskappy") aangestel vir die finansiële jaar geëindig 30 Junie 2011. Die Komitee het 'n uiteengesette handves wat voldoen aan die Maatskappyyewet no 71 van 2008 ("Wet") en King III en is goedgekeur deur die direksie van CIL ("Direksie"). 'n Afskrif van die handves is op versoek van die Maatskappysekretaris beskikbaar.

1. Lidmaatskap

Die Direksie het aanstellings tot die Komitee vir die 2010/11 finansiële jaar gemaak.

Aandeelhouers sal by die jaarlikse algemene vergadering, wat vir 10 November 2011 geskeduleer is, gevra word om die aanstellings van die lede van die Komitee vir die 2011/12 finansiële jaar goed te keur. Die Komitee bestaan uitsluitlik uit Onafhanklike Nie-uitvoerende Direkteure.

Die lede is:

- 1.1 TA Wixley (Voorsitter)
- 1.2 Dr SF Booysen
- 1.3 NP Mageza en
- 1.4 Adv JNS du Plessis.

2. Doel

Die doel van die Komitee is:

- 2.1 om die Raad by te staan met die uitvoering van sy pligte wat verband hou met die beveiliging van sy bates, die bedryf van voldoende stelsels, beheer- en verslagdoeningprosesse, en die voorbereiding van akkurate verslagdoening en finansiële state in ooreenstemming met die toepaslike wetlike vereistes en rekeningkundige standaarde
- 2.2 om aan die bestuur, eksterne ouditeure en die interne ouditeure toegang te verleen tot die Voorsitter of enige ander lid van die Komitee oor enige aangeleentheid binne die Komitee se verantwoordelikhede
- 2.3 om ten minste een keer per jaar afsonderlik met die eksterne en interne ouditeure te vergader
- 2.4 om 'n forum te verskaf waar besigheidsrisiko's en beheeraangeleenthede bespreek kan word en aanbevelings vir oorweging deur die Raad te ontwikkel
- 2.5 om risiko's ten opsigte van die bedryf, mark, regulering, veiligheid en ander risiko's vir die hele onderneming te monitor en om beheermaatreëls wat ontwerp is om risiko tot die minimum te beperk, te monitor
- 2.6 om die Maatskappy se jaarlikse geïntegreerde verslag te oorweeg, insluitende die jaarlikse finansiële state, asook sy tussentydse verslag en enige ander openbare verslae of aankondigings wat finansiële inligting bevat
- 2.7 om te oorweeg en by die Direksie aan te beveel of eksterne versekering verskaf moet word oor die volhoubaarheidsverslag en om te verseker dat die verslag met die jaarlikse finansiële state ooreenstem
- 2.8 om 'n oorsigtelike rol te speel in die aktiwiteite van en die koördinering tussen die aktiwiteite van interne en eksterne ouditering en dit te verseker
- 2.9 om pligte wat deur die Wet aan hom opgedra word, en ander regsvereistes, insluitend die statutêre ouditkomitee se funksies vir filiaalmaatskappye uit te voer
- 2.10 om enige klagtes ten opsigte van die rekeningkundige praktyk, interne ouditering of die inhoud van sy finansiële state of verwante aangeleenthede te ontvang en te hanteer en
- 2.11 om die Komitee se werk en opdragte jaarliks te hersien en aanbevelings by die Direksie te maak om sy doeltreffendheid te verseker.

audit and risk committee report/ verslag van die audit- en risikokomitee

3. Duties carried out

The Committee confirms it has performed its duties and responsibilities during the financial year according to its terms of reference.

4. External audit

The Committee:

- 4.1 nominated Ernst & Young and F Scheepers as the external auditor and designated auditor respectively to the shareholders for appointment as auditor for the financial year ending 30 June 2012, and ensured that the appointment complied with all legal and regulatory requirements for the appointment of an auditor
- 4.2 confirmed that the auditor and the designated auditor are accredited by the JSE
- 4.3 approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor
- 4.4 reviewed the audit and evaluated the effectiveness of the auditor;
- 4.5 obtained a statement from the auditor confirming that his independence was not impaired
- 4.6 determined the nature and extent of all non-audit services provided by the external auditor and pre-approved all non-audit services undertaken
- 4.7 obtained assurances from the external auditor that adequate accounting records were being maintained
- 4.8 confirmed that no reportable irregularities had been identified or reported by the external auditors under the Auditing Profession Act
- 4.9 nominated the external auditor and the designated independent auditor for each of the South African subsidiary companies.

5. Financial statements

The Committee:

- 5.1 confirmed, based on managements' review, that the interim and annual financial statements should be drawn up on the going concern basis
- 5.2 examined the interim and annual financial statements and other financial information made public, prior to its approval by the Board
- 5.3 considered accounting treatments, significant or unusual transactions and accounting judgements
- 5.4 considered the appropriateness of accounting policies and any changes made
- 5.5 reviewed the external auditor's audit report
- 5.6 reviewed the representation letter relating to the annual financial statements signed by management
- 5.7 considered any problems identified as well as any legal and tax matters that could materially affect the financial statements;
- 5.8 met separately with management, external auditor and internal auditor
- 5.9 concluded that the annual financial statements fairly present the financial position of the Company at the end of the financial year and the results of operations and cash flows for the financial year.

3. Pligte uitgevoer

Die Komitee bevestig dat hy sy pligte en verantwoordelikhede tydens die finansiële jaar volgens sy opdragte uitgevoer het.

4. Eksterne audit

Die Komitee:

- 4.1 het Ernst & Young en F Scheepers as die eksterne ouditeur en die aangewese ouditeur onderskeidelik by die aandeelhouders genomineer vir aanstelling as ouditeur vir die finansiële jaar wat op 30 Junie 2012 eindig, en het verseker dat die aanstelling in ooreenstemming was met alle regs- en regulerende vereistes vir die aanstelling as ouditeur
- 4.2 het bevestig dat die ouditeur en die aangewese ouditeur by die Johannesburgse Effektebeurs geakkrediteer is
- 4.3 het die aanstellingsbrief vir eksterne ouditering, asook die plan en die begrote auditeringsfooi betaalbaar aan die eksterne ouditeur goedgekeur
- 4.4 het die audit oorweeg en die doeltreffendheid van die ouditeur geëvalueer
- 4.5 het bevestig van die ouditeur verkry dat sy onafhanklikheid nie belemmer is nie
- 4.6 het die aard en omvang van alle nie-ouditeursdienste wat deur die eksterne ouditeur gelewer is bepaal en alle gelewerde nie-ouditeringsdienste goedgekeur
- 4.7 het versekering van die eksterne ouditeur verkry dat voldoende rekeningkundige rekords gehou word
- 4.8 het bevestig dat geen meldbare ongerymdhede in terme van die Ouditprofessiewet deur die eksterne ouditeur geïdentifiseer of aangemeld is nie
- 4.9 het die eksterne ouditeur en die aangewese onafhanklike ouditeur by elk van die Suid-Afrikaanse filiaalmaatskappye genomineer.

5. Finansiële state

Die Komitee:

- 5.1 het, gebaseer op die bestuur se oorsig, bevestig dat die tussentydse en jaarlikse finansiële state op die lopende saak grondslag voorberei moet word
- 5.2 het die tussentydse en jaarlikse finansiële state en ander finansiële inligting wat openbaar gemaak is, bestudeer voordat dit by die Direksie goedgekeur is
- 5.3 het rekeningkundige hantering, noemenswaardige of ongewone transaksies en rekeningkundige beoordeling oorweeg
- 5.4 het die geskiktheid van rekeningkundige beleid en enige veranderings wat aangebring is oorweeg
- 5.5 het die eksterne ouditeur se auditverslag hersien
- 5.6 het die bestuursverklaringsbrief wat op die jaarlikse finansiële state betrekking het en deur die bestuur onderteken is, hersien
- 5.7 het enige probleme wat geïdentifiseer is, asook enige regs- en belastingaangeleenthede wat die finansiële state op wesenlike wyse kan beïnvloed, hersien
- 5.8 het afsonderlik met die bestuur, eksterne en interne ouditeure vergader
- 5.9 het tot die gevolgtrekking gekom dat die jaarlikse finansiële state die finansiële posisie van die Maatskappy aan die einde van die finansiële jaar en die resultate van bedrywighede en kontantvloei vir die finansiële jaar op 'n redelike wyse verteenwoordig.

audit and risk committee report/ verslag van die oudit- en risikokomitee

6. Risk management and information technology

The Committee:

- 6.1 reviewed the Group's policies on risk assessment and risk management, including fraud risks and information technology risks and found them to be sound;
- 6.2 received a limited assurance report on the effectiveness of the Company's system of internal controls from the external audit service providers, Ernst & Young Inc.

7. Internal control and internal audit

The Committee:

- 7.1 reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the internal audit providers
- 7.2 considered the reports of the internal auditor and external auditor on the Group's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems
- 7.3 received assurances that proper accounting records were maintained and that the systems safeguarded the Group's assets against unauthorised use or disposal
- 7.4 reviewed issues raised by internal audit and the adequacy of corrective action by management in response
- 7.5 assessed the adequacy of the performance of the internal audit function and found it satisfactory;

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

8. Sustainability

The Committee:

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

9. Legal and regulatory requirements

The Committee:

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

10. Combined assurance

The Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management, and concluded that these were adequate to address all significant financial risks facing the business.

6. Risikobestuur en inligtingstegnologie

Die Komitee:

- 6.1 het die Groep se beleid oor risikometing en risikobestuur, insluitend bedrogrisiko en inligtingstegnologie, hersien en dit bevredigend gevind;
- 6.2 het 'n beperkte oorsigverslag van die doeltreffendheid van die Maatskappy se stelsel vir interne beheer van die eksterne ouditdiensverskaffers, Ernst & Young Inc, ontvang.

7. Interne beheer en interne oudit

Die Komitee:

- 7.1 het die jaarlikse interne ouditplan hersien en die onafhanklikheid, doeltreffendheid en prestasie van die verskaffers van die interne oudit geëvalueer
- 7.2 het die verslae van die interne ouditeur en eksterne ouditeur oor die Groep se stelsels van interne beheer oorweeg, insluitend finansiële beheermaatreëls, besigheidsrisikobestuur en handhawing van doeltreffende interne beheerstelsels
- 7.3 het versekering ontvang dat behoorlike rekord gehou is en dat die stelsels die Groep se bates teen ongemaagtigde gebruik of wegdoening beskerm het
- 7.4 het die aangeleenthede wat deur interne ouditeure geïdentifiseer is en die toepaslikheid van korrektiewe aksie deur die bestuur in reaksie daarop oorsien
- 7.5 het die bekwaamheid van die prestasie van die interne ouditfunksie gemeet en dit bevredigend gevind

Wanneer al die inligting wat van Bestuur asook die interne en eksterne ouditeute ontvang is in ag geneem word, het daar niks onder die Komitee se aandag gekom wat op 'n wesenlike ineenstorting in die interne beheer van die Groep dui nie.

8. Volhoubaarheid

Die Komitee:

- 8.1 het die volhoubaarheidsverslag wat by die Maatskappy se geïntegreerde verslag ingesluit is, hersien en is tevrede dat dit met die jaarlikse finansiële state ooreenstem
- 8.2 het die wenslikheid van die verkryging van eksterne versekering ten opsigte van die volhoubaarheidsverslag oorweeg en by die Direksie aanbeveel dat dit in die lig van die dinamiese aard van die Maatskappy se volhoubaarheidsinligtingstelsels geen nuttige doel sal dien nie.

9. Regs- en reguleringsvereistes

Die Komitee:

- 9.1 het met die bestuur regs-aangeleenthede oorweeg wat 'n wesenlike impak op die Groep kan hê
- 9.2 het met die Maatskappy se interne regsadviseurs geraadpleeg of die Groep se prosedures voldoende en doeltreffend is om te verseker dat dit aan regs- en reguleringsverantwoordelikhede voldoen
- 9.3 het klagtes wat deur die Groep se etieklyn ontvang is, insluitend klagtes of kwellings oor rekeningkundige aangeleenthede, interne ouditering, interne rekeningkundige beheermaatreëls, die inhoud van die finansiële state, potensiële oortredings van die wet en twyfelagtige rekeningkundige of ouditaangeleenthede gemoniteer
- 9.4 het verslae wat deur die bestuur, interne ouditeur en eksterne ouditeur verskaf is ten opsigte van die voldoening aan regs- en reguleringsvereistes oorweeg.

10. Gekombineerde versekering

Die Komitee het die planne en verslae van die eksterne en interne ouditeure en ander versekeringsverskaffers, insluitend die bestuur, hersien en tot die gevolgtrekking gekom dat dit voldoende is om alle noemenswaardige finansiële risiko's wat die besigheid in die gesig staar, aan te spreek.

audit and risk committee report/ verslag van die audit- en risikokomitee

11. Financial Director and finance function

The Committee

- 11.1 considered the experience and expertise of the chief financial officer and concluded that these were appropriate
- 11.2 considered the expertise, resources and experience of the finance function and concluded that these were appropriate.

12. Independence of external auditor

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

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

13. Annual financial statements

Following the review by the Committee of the annual financial statements of Clover Industries Limited for the year ended 30 June 2011, the Committee is of the view that it in all material respects comply with the relevant provisions of the Act and IFRS and fairly present the financial position at that date and the results of operations and cash flows for the year then ended. The Committee has also satisfied itself of the integrity of the remainder of the Integrated Annual Report. Having achieved its objectives for the financial year, the Committee has recommended the annual financial statements and Integrated Annual Report for the year ended 30 June 2011 for approval to the Clover Industries Limited Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming annual general meeting.

On behalf of the Committee

11. Finansiële Direkteur en finansiële funksie

Die Komitee:

- 11.1 het die ervaring en kundigheid van die hoof finansiële beampte oorweeg en tot die slotsom gekom dat dit voldoende is
- 11.2 het die kundigheid, hulpbronne en ervaring van die finansiële funksie oorweeg en tot die slotsom gekom dat dit voldoende is.

12. Onafhanklikheid van die eksterne ouditeur

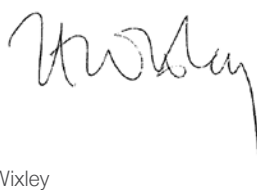
Nadat die volgende faktore in ag geneem is, is die Komitee tevrede dat Ernst & Young onafhanklik van die Groep is:

- 12.1 voorleggings deur Ernst & Young aan die Komitee
- 12.2 die ouditeur ontvang, behalwe as eksterne ouditeur of vir die lewering van toegelate nie-ouditeringsdienste, geen vergoeding of ander voordeel van die Groep nie
- 12.3 die ouditeur se onafhanklikheid is nie deur enige konsultasie, advies of enige ander werk wat onderneem is, belemmer nie
- 12.4 die ouditeur se onafhanklikheid is nie weens enige vorige aanstelling as ouditeur benadeel nie en
- 12.5 die kriteria wat vir onafhanklikheid gespesifiseer word deur die Onafhanklike Reguleringsraad vir Ouditeure en internasionale reguleringsorganisasies.

13. Jaarlikse finansiële state

Voortspruitend uit die oorsig deur die Komitee van die jaarlikse finansiële state vir Clover Industries Bpk vir die jaar geëindig 30 Junie 2011, is die Komitee van mening dat hulle in alle opsigte voldoen aan die toepaslike bepalings van die Wet en IFRS en die finansiële posisie op daardie datum en die resultate van bedrywighede en kontantvloei vir die jaar wat op daardie datum geëindig het, op 'n redelike wyse verteenwoordig. Die Komitee is ook tevrede met die integriteit van die res van die Geïntegreerde Jaarverslag. Aangesien hy sy doelwitte vir die finansiële jaar bereik het, het die Komitee die jaarlikse finansiële state en Geïntegreerde Jaarverslag vir die jaar geëindig 30 Junie 2011 by die Clover Industries Direksie vir goedkeuring aanbeveel. Die Direksie het daarna die finansiële state goedgekeur, wat by die volgende algemene jaar vergadering vir bespreking ter tafel gelê sal word.

Namens die Komitee



Tom Wixley
Chairman of the Audit and Risk Committee/
Voorsitter van die Oudit- en Risikokomitee
Date/Datum: 7 September 2011

auditor's report/ouditeursverslag

For the year ended 30 June 2011

Vir die jaar geëindig 30 Junie 2011

To the members of Clover Industries Limited

We have audited the group annual financial statements and annual financial statements of Clover Industries Limited, which comprise the consolidated and separate statements of financial position as at 30 June 2011, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the Directors' report as set out on pages 58 to 62 and 68 to 157.

Directors' responsibility for the financial statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of 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 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 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 the Directors, 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 financial statements present fairly, in all material respects, the consolidated and separate financial position of Clover Industries Limited as at 30 June 2011, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

Aan die lede van Clover Industries Bpk

Ons het die groepsfinansiële jaarstate en finansiële jaarstate van Clover Industries Bpk geaudit, wat bestaan uit die gekonsolideerde en afsonderlike state van finansiële posisie soos op 30 Junie 2011, die gekonsolideerde en afsonderlike state van omvattende inkomste, die gekonsolideerde en afsonderlike state van verandering in ekwiteit en die gekonsolideerde en afsonderlike state van kontantvloei vir die jaar wat op daardie datum geëindig het, en 'n opsomming van beduidende rekeningkundige beleide, en ander verduidelikende inligting en die Direkteursverslag, soos uiteengesit op bladsye 58 tot 62 en 68 tot 157.

Direkteure se verantwoordelikheid vir die finansiële state

Die Maatskappy se Direkteure is verantwoordelik vir die opstel en redelike voorstelling van hierdie finansiële state ooreenkomstig "International Financial Reporting Standards", en op die wyse wat deur die Maatskappiewet van Suid-Afrika vereis word en vir sodanige interne beheer wat die Direkteure as nodig ag vir die opstel van finansiële state wat vry is van wesenlike wanvoorstelling, hetsy weens bedrog of foute.

Ouditeur se verantwoordelikheid

Dit is ons verantwoordelikheid om op grond van ons audit 'n mening oor hierdie finansiële state uit te spreek. Ons het ons audit ooreenkomstig "International Standards on Auditing" uitgevoer. Daardie standaard vereis dat ons voldoen aan etiese vereistes en die audit beplan en uitvoer om redelike gerusstelling te verkry oor of die finansiële state vry is van wesenlike wanvoorstelling.

'n Oudit behels die uitvoering van prosedures om ouditbewyse te verkry oor die bedrae en openbaarmaking in die finansiële state. Die prosedures wat gekies word hang af van die ouditeur se oordeel, insluitend die beoordeling van die risiko's van wesenlike wanvoorstelling van die finansiële state, hetsy weens bedrog of foute. Tydens daardie risikobeoordeling oorweeg die ouditeur interne beheer relevant tot die entiteit se opstel en redelike voorstelling van die finansiële state, ten einde ouditprosedures te ontwerp wat in die omstandighede toepaslik is, maar nie met die doel om 'n mening uit te spreek oor die effektiwiteit van die entiteit se interne beheer nie. 'n Oudit sluit ook 'n evaluering van die toepaslikheid van rekeningkundige beleid wat gebruik is en die redelikheid van ramings wat deur die Direkteure gemaak is in, asook 'n evaluering van die algehele voorstelling van die finansiële state.

Ons glo dat die ouditbewyse wat ons verkry het, toereikend en toepaslik is om 'n grondslag vir ons ouditmening te bied.

Mening

Na ons mening is die finansiële state, in alle wesenlike opsigte, 'n redelike voorstelling van die gekonsolideerde en afsonderlike finansiële stand van Clover Industries Bpk soos op 30 Junie 2011, en van die maatskappy se gekonsolideerde en afsonderlike finansiële prestasie en gekonsolideerde en afsonderlike kontantvloei vir die jaar wat op daardie datum geëindig het, ooreenkomstig "International Financial Reporting Standards" en op die wyse wat deur die Maatskappiewet van Suid Afrika vereis word.

Ernst & Young Inc.

Ernst & Young Inc.
Director/Direkteur: FF Scheepers
Registered Auditor/Geregistreerde Ouditeur
Chartered Accountant (SA)/Geoktrooieerde Rekenmeester (SA)

7 September 2011
Johannesburg

consolidated statement of comprehensive income/ gekonsolideerde staat van omvattende inkomste

		Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	Notes/ Aantekeninge	2011 R'000	2010* R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
CONTINUING OPERATIONS						VOORTGESETTE BEDRYGWIGHEDE
Sales of products		5 510 436	5 213 234			Verkope van produkte
Rendering of services		642 133	583 073			Lewering van dienste
Sale of raw milk		386 070	362 198			Verkope van rou melk
Rental income		3 682	2 978			Huur-inkomste
REVENUE		6 542 321	6 161 483			INKOMSTE
Cost of sales	6.1	(4 801 323)	(4 494 437)			Koste van verkope
Gross profit		1 740 998	1 667 046			Bruto wins
Other operating income	6.2	13 974	60 054	39 172	36 374	Ander bedryfsinkomste
Profit on sale of associated company		–	337 682			Wins met verkoop van geassosieerde maatskappy
Dividends received		–	649	461 012	195 000	Dividende ontvang
Selling and distribution costs		(1 243 160)	(1 200 290)			Verkoops- en verspreidingskoste
Administrative expenses		(173 287)	(149 061)	(6 850)	(5 794)	Administratiewe uitgawes
Restructuring expenses	6.7	(16 907)	(149 458)	(8 499)	(16 727)	Herstruktureringuitgawes
Other operating expenses	6.3	(2 610)	(7 652)	(3)	–	Ander bedryfsuitgawes
Operating profit	6.4	319 008	558 970	484 832	208 853	Bedryfswins
Finance income	6.5	24 625	27 353	6 624	7 759	Finansieringsinkomste
Finance cost	6.6	(62 065)	(90 871)	(32 943)	(24 437)	Finansieringskoste
Profit before tax from continuing operations		281 568	495 452	458 513	192 175	Wins voor belasting uit voortgesette bedrywighede
Taxes	7.1	(97 534)	(191 662)	(15 138)	(62 125)	Belasting
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		184 034	303 790	443 375	130 050	WINS VIR DIE JAAR UIT VOORTGESETTE BEDRYGWIGHEDE
DISCONTINUED OPERATIONS						BEËINDIGENDE BEDRYGWIGHEDE
Profit after tax for the year from discontinued operations	8	–	32 123			Wins na belasting vir die jaar uit beëindigende bedrywighede
PROFIT FOR THE YEAR		184 034	335 913	443 375	130 050	WINS VIR DIE JAAR
OTHER COMPREHENSIVE INCOME						ANDER OMVATTENDE INKOMSTE
Exchange differences on translations of foreign operations		(856)	(2 717)			Wisselkoersverskille met omskakeling van buitelandse bedrywighede
Total comprehensive income for the year, net of tax		183 178	333 196	443 375	130 050	Totale omvattende inkomste vir die jaar, netto van belasting
Profit attributable to:						Wins toeskryfbaar aan:
Equity holders of the parent		179 588	330 819	443 375	130 050	Ekwiteitshouers van die houermaatskappy
Non-controlling interests		4 446	5 094			Nie-beherende belange
		184 034	335 913	443 375	130 050	
Total comprehensive income attributable to:						Totale omvattende inkomste toeskryfbaar aan:
Equity holders of the parent		178 992	328 881	443 375	130 050	Ekwiteitshouers van die houermaatskappy
Non-controlling interests		4 186	4 315			Nie-beherende belange
		183 178	333 196	443 375	130 050	

* The prior year revenue and cost of sales figures have been regrouped to facilitate comparability and analyses as explained in note 6.1

* Die vorige jaar se inkomste en koste van verkopiesfers is hergroepeer om vergelykbaarheid en ontleding soos uiteengesit in aantekening 6.1 te fasiliteer

consolidated statement of comprehensive income/ gekonsolideerde staat van omvattende inkomste

		Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	Notes/ Aantekeninge	2011 cent	2010* cent	2011 cent	2010 cent	vir die jaar geëindig 30 Junie 2011
Earnings per share						Verdienste per aandeel
Basic, profit for the year attributable to ordinary equity holders of the parent	9	116,7	214,0			Basiese, wins vir die jaar toedeelbaar aan gewone ekwiteitshouers van die houermaatskappy
Diluted, profit for the year attributable to ordinary equity holders of the parent	9	108,9	214,0			Verwaterde, wins vir die jaar toedeelbaar aan gewone ekwiteitshouers van die houermaatskappy
Earnings per share for continuing operations						Verdienste per aandeel vir voortgesette bedrywighede
Basic, profit from continuing operations attributable to ordinary equity holders of the parent	9	116,7	193,2			Basiese, wins uit voortgesette bedrywighede toedeelbaar aan gewone ekwiteitshouers van die houermaatskappy
Diluted, profit from continuing operations attributable to ordinary equity holders of the parent	9	108,9	193,2			Verwaterde, wins uit voortgesette bedrywighede toedeelbaar aan gewone ekwiteitshouers van die houermaatskappy

* The comparative basic and diluted earnings per share have been adjusted to take into consideration the 2 for 1 share split.

* Die vergelykende basiese- en verwaterde verdienste per aandeel is aangepas om die 2 vir 1 aandeelverdeling in ag te neem.

consolidated statement of financial position/ gekonsolideerde staat van finansiële posisie

		Group/Groep		Company/Maatskappy		
as at 30 June 2011	Notes/ Aantekeninge	2011 R'000	2010 R'000	2011 R'000	2010 R'000	soos op 30 Junie 2011
Assets						Bates
Non-current assets						Nie-bedryfsbates
Property, plant and equipment	11	1 013 289	914 413	667	678	Eiendom, aanleg en toerusting
Investment properties	12	961	1 010			Beleggingseiendomme
Intangible assets	13	347 102	287 060			Ontasbare bates
Investment in subsidiary company	30			326 735	326 735	Belegging in filiaalmaatskappy
Other investments	30			11 924	–	Ander beleggings
Deferred tax assets	14	3 262	18 740	88	165	Uitgestelde belastingbates
		1 364 614	1 221 223	339 414	327 578	
Current assets						Bedryfsbates
Inventories	15	460 247	465 994			Voorraad
Trade and other receivables	16	866 475	807 463	538 993	118 138	Handels- en ander debiteure
Prepayments		29 000	6 170			Vooruitbetalings
Cash and short-term deposits	17	824 212	429 274	2 232	97	Kontant- en korttermyndeposito's
		2 179 934	1 708 901	541 225	118 235	
Assets classified as held-for-sale	10	940	1 979	–	4	Bates geklassifiseer as gehou-vir-verkoop
		2 180 874	1 710 880	541 225	118 239	
Total assets		3 545 488	2 932 103	880 639	445 817	Totale bates

consolidated statement of financial position/ gekonsolideerde staat van finansiële posisie

		Group/Groep		Company/Maatskappy		
as at 30 June 2011	Notes/ Aantekeninge	2011 R'000	2010 R'000	2011 R'000	2010 R'000	soos op 30 Junie 2011
Equity and liabilities						Ekwiteit en laste
Equity						Ekwiteit
Issued capital	18.3	8 955	6 192	8 955	6 192	Uitgereikte aandelekapitaal
Share premium	18.3	675 113	115 348	675 113	115 348	Aandelepremie
Other reserves	19	252 784	242 188	14 094	2 170	Ander reserwes
Retained earnings/(accumulated loss)	20	805 499	684 631	(83 510)	(468 165)	Behoue inkomste/(opgehoopte verlies)
Equity attributable to equity holders of the parent		1 742 351	1 048 359	614 652	(344 455)	Ekwiteit toeskryfbaar aan ekwiteitshouers van die houermaatskappy
Non-controlling interests		9 444	28 108			Nie-beherende belang
Total equity		1 751 795	1 076 467	614 652	(344 455)	Totale ekwiteit
Liabilities						Laste
Non-current liabilities						Nie-bedryfslaste
Interest-bearing loans and borrowings	21	432 833	592 504	259 382	259 382	Rentedraende lenings en verpligtinge
Share-based payments	31	–	–			Aandeelgebaseerde betalings
Provisions	22.3	62 526	50 357			Voorsienings
Deferred tax liability	14	32 017	6 363			Uitgestelde belasting verpligting
Trade and other payables	23	13 357	6 320			Handels- en ander krediteure
		540 733	655 544	259 382	259 382	
Current liabilities						Bedryfslaste
Trade and other payables	23	1 068 836	1 115 327	6 842	483 320	Handels- en ander krediteure
Interest-bearing loans and borrowings	21	173 829	66 947	–	44 427	Rentedraende lenings en verpligtinge
Share-based payments	31	–	–			Aandeelgebaseerde betalings
Income tax payable	25.1	243	1 368	(237)	3 143	Inkomstebelasting betaalbaar
Provisions	22.3	10 052	16 450			Voorsienings
		1 252 960	1 200 092	6 605	530 890	
Total liabilities		1 793 693	1 855 636	265 987	790 272	Totale laste
Total equity and liabilities		3 545 488	2 932 103	880 639	445 817	Totale ekwiteit en laste

consolidated statement of changes in equity/ gekonsolideerde staat van veranderinge in ekwiteit

Group/Groep												
for the year ended 30 June 2011	Notes/Aantekeninge	Ordinary and preference share capital/Gewone- en voorkeuraandelekapitaal	Ordinary and preference share premium/Gewone- en voorkeuraandelepremie	Preference share capital and premium transferred to debt/ Voorkeuraandelekapitaal en -premie oorgedra na skuld	Treasury share capital and premium/Tesourie-aandele- kapitaal en -premie	Other capital reserves/ Ander kapitaal reserves	Foreign currency translation reserve/ Buitelandse valuta reserve	Retained earnings/ Behoue verdienste	Total/ Totaal	Non-controlling interests/ Nie-beherende belange	Total equity/ Totale ekwiteit	vir die jaar geëindig 30 Junie 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Balance at 30 June 2009		17 498	270 425	(149 393)	(4 024)	848 026	(4 439)	462 029	1 440 122	40 886	1 481 008	Saldo op 30 Junie 2009
Profit for the year								330 819	330 819	5 094	335 913	Wins vir die jaar
Other comprehensive income							(1 938)		(1 938)	(779)	(2 717)	Ander omvattende inkomste
Total comprehensive income							(1 938)	330 819	328 881	4 315	333 196	Totale omvattende inkomste
Preference share capital of subsidiary repaid										(15 208)	(15 208)	Voorkeuraandelekapitaal van filiaal terugbetaal
Dividends of subsidiaries										(1 885)	(1 885)	Dividende van filiale
Buy-back of equity rights of preference shares (Special dividend)	24							(370 030)	(370 030)		(370 030)	Terugkoop van ekwiteitsregte van voorkeuraandele (Spesiale dividend)
Transfer to retained profit						(600 194)		600 194	–		–	Oordrag na behoue verdienste
Reduction in ordinary share capital – CIL Stabilisation Trust	18	(504)							(504)		(504)	Vermindering in gewone aandelekapitaal – CIL Stabilisasietrust
Reduction in ordinary share capital – HCI	18	(3 088)						(337 363)	(340 451)		(340 451)	Vermindering in gewone aandelekapitaal – HCI
Ordinary shares issued	18	935	86 394						87 329		87 329	Gewone aandele uitgereik
Preference shares issued	18	295	8 967						9 262		9 262	Voorkeuraandele uitgereik
Increase in ordinary treasury shares					(41)				(41)		(41)	Vermeerdering in gewone tesourie-aandele
Treasury preference shares issued to Executives					3 047				3 047		3 047	Tesourie voorkeuraandele aan Uitvoerende Bestuur uitgereik
Reversal of debt portion on issue of treasury preference shares				(2 257)					(2 257)		(2 257)	Terugskrywing van skuldgedeelte met uitreiking van tesourie-voorkeuraandele
Share based payment reserve						733			733		733	Aandeelgebaseerde betalingsreserwe
Increase in debt portion on conversion of preference shares to redeemable preference shares				(107 732)					(107 732)		(107 732)	Verhoging van skuld-gedeelte met omskakeling van voorkeuraandele in aflosbare voorkeuraandele
Ordinary treasury shares realised and written off with deconsolidation of CIL Stabilisation Trust					1 018			(1 018)	–		–	Gewone tesourie-aandele gerealiseer en afgeskryf met dekonsolidasie van CIL Stabilisasietrust
Balance at 30 June 2010		15 136	365 786	(259 382)	–	248 565	(6 377)	684 631	1 048 359	28 108	1 076 467	Saldo op 30 Junie 2010
Profit for the year								179 588	179 588	4 446	184 034	Wins vir die jaar
Other comprehensive income							(596)		(596)	(260)	(856)	Ander omvattende inkomste
Total comprehensive income							(596)	179 588	178 992	4 186	183 178	Totale omvattende inkomste
Ordinary shares issued	18	2 763	574 572						577 335		577 335	Gewone aandele uitgereik
Share issue cost allocated to share premuim	18		(14 807)						(14 807)		(14 807)	Koste van aandeleuitreiking toegewys aan aandelepremie
Share based payment reserve						11 192			11 192		11 192	Aandeelgebaseerde betalingsreserwe
Dividends of subsidiaries									-	(1 805)	(1 805)	Dividende van filiale
Non-controlling interest acquired through the buy out of Clover Beverages minorities									-	(21 045)	(21 045)	Nie-beherende belang verkry met die uitkoop van Clover Beverages minderhede
Dividends	24							(58 720)	(58 720)		(58 720)	Dividende
Balance at 30 June 2011		17 899	925 551	(259 382)	–	259 757	(6 973)	805 499	1 742 351	9 444	1 751 795	Saldo op 30 Junie 2011

statement of changes in equity/ staat van veranderinge in ekwiteit

Company/Maatskappy									
for the year ended 30 June 2011	Notes/Aantekeninge	Ordinary and preference- share capital/Gewone- en voorkeuraandelekapitaal	Ordinary and preference- share premium/Gewone- en voorkeuraandelepremie	Preference share capital and premium transferred to debt/ Voorkeuraandelekapitaal en -premie oorgegedra na skuld	Treasury share capital and premium/Tesourie-aandele- kapitaal en -premie	Other reserves/ Ander reserwes	Retained earnings/ Behoue verdienste	Total equity/ Totale ekwiteit	vir die jaar geëindig 30 Junie 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Balance at 30 June 2009		17 498	270 425	(151 650)		2 170	109 178	247 621	Saldo op 30 Junie 2009
Profit for the year							130 050	130 050	Wins vir die jaar
Other comprehensive income							-	-	Ander omvattende inkomste
Total comprehensive income							130 050	130 050	Totale omvattende inkomste
Buy-back of equity rights of preference shares (Special dividend)	24						(370 030)	(370 030)	Terugkoop van ekwiteitsregte van voorkeuraandele (Spesiale dividend)
Reduction in ordinary share capital – HCI	18	(3 088)					(337 363)	(340 451)	Vermindering in gewone aandelekapitaal – HCI
Reduction in ordinary share capital – Stabilisation trust	18	(504)						(504)	Vermindering in gewone aandelekapitaal – Stabilisasietrust
Ordinary shares issued	18	935	86 394					87 329	Gewone aandele uitgereik
Preference shares issued	18	295	8 967					9 262	Voorkeuraandele uitgereik
Increase in ordinary treasury shares					(41)			(41)	Vermeerdering in gewone tesourie- aandele
Disposal of ordinary treasury shares					41			41	Verkoop van gewone tesourie-aandele
Increase in debt portion on conversion of preference shares to redeemable preference shares				(107 732)				(107 732)	Verhoging van skuldgedeelte met omskakeling van voorkeuraandele in aflosbare voorkeuraandele
Balance at 30 June 2010		15 136	365 786	(259 382)	-	2 170	(468 165)	(344 455)	Saldo op 30 Junie 2010
Profit for the year							443 375	443 375	Wins vir die jaar
Other comprehensive income						-	-	-	Ander omvattende inkomste
Total comprehensive income						-	443 375	443 375	Totale omvattende inkomste
Ordinary Shares issued	18	2 763	574 572					577 335	Gewone aandele uitgereik
Share issue cost allocated to share premium	18		(14 807)					(14 807)	Uitreikingskoste toegewys aan aandelepremie
Share based payment reserve	18					11 924		11 924	Aandeelgebaseerde betalingsreserwe
Dividends	24						(58 720)	(58 720)	Dividende
Balance at 30 June 2011		17 899	925 551	(259 382)	-	14 094	(83 510)	614 652	Saldo soos op 30 Junie 2011

consolidated statement of cash flows/ gekonsolideerde staat van kontantvloei

		Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	Notes/ Aantekeninge	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
Operating activities						Bedryfsaktiwiteite
Profit before tax from continuing operations		281 568	495 452	458 513	192 175	Wins voor belasting van voortgesette bedrywigheide
Profit before tax		281 568	495 452	458 513	192 175	Wins voor belasting
Adjustments to reconcile profit before tax to net cash flow						Aanpassing om wins voor belasting met netto kontantvloei te rekonsilieer
<i>Adjustment for non-cash items:</i>						<i>Aanpassing vir nie-kontant items:</i>
Depreciation and impairment of property, plant and equipment		90 165	89 253	11	13	Waardevermindering en waardedaling van eiendom, aanleg en toerusting
Amortisation and impairment of intangible assets		8 131	7 438			Amortisasie en waardedaling van ontasbare bates
Depreciation of investment properties		49	48			Waardevermindering van beleggingseiendomme
Impairment of assets held for sale		–	1 013			Waardedaling in bates gehou vir verkoop
Foreign exchange loss		1 258	2 005			Verlies op buitelandse valuta
Movement in provisions		5 771	(10 205)			Beweging in voorsienings
Movements in long term incentive bonus provisions		–	6 320			Bewegings in langtermyn aansporingsbonusvoorsienings
Profit on disposal of investment in associated company		–	(337 682)			Wins met verkoop van geassosieerde maatskappy
Share based payment reserve		11 192	(382)			Aandeelgebaseerde betalingsreserwe
Profit on disposal and scrapping of assets		(4 255)	(49 011)	–	(8)	Wins met verkoop en skrapping van bates
Impairment of plant included in restructuring cost		1 780	10 732			Verlies met die afskrywing van aanleg ingesluit by herstruktureringkoste
Foreign exchange differences on fixed assets		1 666	959			Buitelandse valutaverskille op vaste bates
<i>Other adjustments:</i>						<i>Ander aanpassings:</i>
Finance cost		62 065	90 871	32 943	24 437	Finansieringskoste
Finance income		(24 625)	(27 353)	(6 624)	(7 759)	Finansieringsinkomste
Dividends received		–	(649)	(461 012)	(195 000)	Dividende ontvang
<i>Working capital adjustments</i>						<i>Bedryfskapitaal aanpassings</i>
Decrease in inventories		5 747	63 226			Afname in voorraad
Increase in trade and other receivables		(81 841)	(17 810)	(420 855)	(36 126)	Toename in handels- en ander debiteure
(Decrease)/increase in trade and other payables		(46 491)	124 976	(476 478)	467 567	(Afname)/toename in handels- en ander krediteure
Taxes	25.1	(55 264)	(102 124)	(18 444)	(60 375)	Belasting
Net cash flow from/(used in) operating activities		256 916	347 077	(891 946)	384 924	Netto kontantvloei uit/(benut in) bedryfsaktiwiteite

consolidated statement of cash flows/ gekonsolideerde staat van kontantvloeï

		Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	Notes/ Aantekeninge	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
Investing activities						Beleggingsaktiwiteite
Proceeds from sale of property, plant and equipment		10 676	155 661	7	10	Opbrengs met verkoop van eiendom, aanleg en toerusting
Foreign exchange loss		(1 258)	(2 005)			Verlies op buitelandse valuta
Interest received	6.5	24 625	27 353	6 624	7 759	Rente ontvang
Income from other investment		–	3	–	1	Inkomste van ander beleggings
Dividends received		–	649	461 012	195 000	Dividende ontvang
Goodwill purchased through the buyout of Clover Beverages non-controlling interests		(49 387)	–			Klandisiewaarde met die uitkoop van Clover Beverages nie-beherende belange
Aquisition of non-controlling interest in Clover Beverages		(21 045)	–			Verkryging van nie-beherende belang in Clover Beverages
Proceeds on sale of associate company		–	1 079 560			Opbrengs met verkoop van geassosieerde maatskappy
Increase of investment in associated company		–	(150 554)			Verhoging van belegging in geassosieerde maatskappy
Capital expenditure: tangible assets	11.4	(197 529)	(98 089)			Kapitaalbesteding: tasbare bates
Capital expenditure: intangible assets	13.3	(18 797)	(5 527)			Kapitaalbesteding: nie-tasbare bates
Foreign currency translation reserve		(596)	(1 938)			Buitelandse valuta omskakeling reserwe
Net cash flows (used in)/from investing activities		(253 311)	1 005 113	467 643	202 770	Netto kontantvloeï (benut in)/uit beleggingsaktiwiteite
Financing activities						Finansieringsaktiwiteite
Interest paid	6.6	(62 065)	(90 871)	(32 943)	(24 437)	Rente betaal
Dividends paid		(58 720)	(400 014)	(58 720)	(400 014)	Dividende betaal
Repayment of preference share liability in subsidiary company		–	(50 000)			Terugbetaling van voorkeuraandele-verpligting van filiaalmaatskappy
Increase/(decrease) in non-controlling interest		2 380	(2 665)			Toename/(afname) in nie-beherende belang
Ordinary share buy back		–	(340 955)	–	(340 955)	Gewone aandele teruggekoop
Treasury shares sold		–	3 006			Tesourie-aandele verkoop
Proceeds from issue of ordinary shares		577 335	87 329	577 335	87 329	Opbrengs met uitreiking van gewone aandele
Proceeds from issue of preference shares		–	9 262	–	9 262	Opbrengs met uitreiking van voorkeuraandele
Transaction cost on issue of shares		(14 807)	–	(14 807)	–	Transaksiekoste met uitreik van aandele
Repayment of borrowings		(52 790)	(450 515)	(44 427)	–	Terugbetaling van lenings
Proceeds from borrowings		–	38 536	–	39 072	Opbrengs uit lenings
Net cash flows from/(used) in financing activities		391 333	(1 196 887)	426 438	(629 743)	Netto kontantvloeï uit/(benut in) finansieringsaktiwiteite
Net increase/(decrease) in cash and cash equivalents		394 938	155 303	2 135	(42 049)	Netto toename/(afname) in kontant en kontantekwivalente
Cash and cash equivalents at the beginning of the year		429 274	273 971	97	42 146	Kontant en kontantekwivalente aan die begin van die jaar
Cash and cash equivalents at the end of the year	17	824 212	429 274	2 232	97	Kontant en kontantekwivalente aan die einde van die jaar

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

1 Corporate information

Clover Industries Limited (the "Company") is a company incorporated and domiciled in South Africa. The consolidated financial statements of the Group for the year ended 30 June 2011 comprise the Company and its subsidiary companies (together referred to as the "Group") and the Group's interest in jointly controlled entities. The Companies within the Group have coterminous year-ends.

The consolidated financial statements of Clover Industries Limited for the year ended 30 June 2011 were approved in accordance with a resolution of the Directors on 7 September 2011.

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

2 Basis of accounting

2.1 Basis of preparation

(a) Statement of compliance

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

(b) Preparation

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

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

(c) Basis of consolidation

Subsidiaries

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

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

1 Korporatiewe inligting

Clover Industries Bpk (die "Maatskappy") is 'n maatskappy geïnkorporeer en gevestig in Suid-Afrika. Die gekonsolideerde finansiële state van die Groep vir die jaar geëindig 30 Junie 2011 sluit die Maatskappy en sy filiale in (saam word daar na die "Groep" verwys) en die Groep se belange in gesamentlike beheerde entiteite. Die Maatskappe in die Groep se jaareindes stem ooreen.

Die gekonsolideerde finansiële state van Clover Industries Bpk vir die jaar geëindig 30 Junie 2011 is deur die Direkteure goedgekeur in terme van 'n resoluëie op 7 September 2011.

Die Groep se bedrywighede en hoof-aktiwiteite word in die Direkteursverslag uiteengesit.

2 Rekeningkundige basis

2.1 Basis van voorbereiding

(a) Verklaring van nakoming

Die finansiële state is opgestel ooreenkomstig "International Financial Reporting Standards" en die vertolking daarvan deur die "International Accounting Standards Board".

(b) Voorbereiding

Die gekonsolideerde finansiële state word in rande aangebied, afgerond tot die naaste duisend. Die state is opgestel op die historiese kostebasis, tensy anders aangetoon. Die drawaarde van die erkende laste wat in instrumente met 'n billike waarde verskans is en andersins teen kosprys gedra word, word aangepas om veranderinge in die billike waarde van die risiko's wat verskans word aan te teken. Die voorbereiding van finansiële state in ooreenstemming met IFRS vereis dat die Bestuur waardebepalings, ramings en aannames moet maak wat die toepassing van beleid en die aangeduide waardes van bates en laste en inkomste en uitgawes raak. Die ramings en verwante aannames is gegrond op ervaring en verskeie ander faktore wat in die omstandighede as redelik beskou kan word en die resultate vorm die basis van die menings oor die drawaardes van bates en laste wat nie gereedelik uit ander bronne blyk nie. Werklike waardes mag van hierdie ramings verskil. Die ramings en onderliggende aannames word voortdurend hersien.

Hersienings van rekeningkundige ramings word erken in die tydperk waarin die raming hersien word indien die hersiening slegs daardie tydperk raak, of in die tydperk van hersiening en daaropvolgende tydperke as die hersiening huidige sowel as toekomstige tydperke raak. Waardebepalings deur Bestuur wat 'n beduidende uitwerking op die finansiële state en ramings het en 'n beduidende risiko van wesenlike aanpassing in die volgende jaar inhou, word in Aantekening 2.3 bespreek. Die rekeningkundige beleid hieronder omskryf is konsekwent op alle periodes in hierdie finansiële state toegepas.

(c) Basis van konsolidasie

Filiale

Filiale is entiteite wat deur die Maatskappy beheer word. Beheer bestaan waar die Maatskappy die mag het om die finansiële- en bedryfsbeleid van 'n entiteit regstreeks of onregstreeks te bestuur om voordeel uit sy aktiwiteite te verkry. By die bepaling van beheer word potensieële stemreg wat tans uitoefenbaar of omskepbaar is, in ag geneem. Filiale se finansiële state word in die gekonsolideerde finansiële state ingesluit vanaf die datum waarop beheer begin tot die datum waarop beheer eindig. Beleggings in filiale word teen kosprys gedra deur die maatskappy wat die beleggings maak.

'n Verandering in die eienaarskap-belang van 'n filiaal sonder die verandering van beheer word as 'n ekwiteitstransaksie te boek gestel.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

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

Joint ventures

Joint ventures are those entities over whose activities the Company has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the entities' assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis, from the date on which joint control commences until the date that joint control ceases. Financial statements of the joint ventures are prepared for the same reporting period as the parent company.

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

From the date when a jointly controlled entity becomes an associate of the Group, the Group accounts for its interest in accordance with IAS 28. On the loss of joint control, the Group shall measure at fair value any investment the Group retains in the former jointly controlled entity through profit or loss.

Transactions eliminated on consolidation

Intra-group balances and unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interest

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

Verliese word toegeskryf aan die nie-beherende belang selfs al lei dit tot 'n negatiewe saldo.

As die Groep beheer verloor oor 'n filiaal, dan doen hy die volgende:

- Ontkerken die bates (insluitend klandisiewaarde) en laste van die filiaal
- Ontkerken die drabedrag van enige nie-beherende belang
- Ontkerken die kumulatiewe omskakelingsverskille wat in ekwiteit aangeteken word
- Erken die billike waarde van die vergoeding ontvang
- Erken die billike waarde van enige belegging behou
- Erken enige surplus of tekort in wins of verlies
- Herklassifiseer die houermaatskappy se aandeel van komponente wat voorheen in ander omvattende inkomste erken is na wins of verlies.

Gesamentlike ondernemings

Gesamentlike ondernemings is daardie entiteite oor wie se aktiwiteite die Maatskappy gesamentlike beheer uitoefen soos per kontraktuele ooreenkoms bepaal. Die gekonsolideerde finansiële state sluit die Groep se proporsionele gedeelte van die entiteite se bates, laste, inkomste en uitgawes in, met soortgelyke items op 'n lyn-vir-lyn-basis, vanaf die datum waarop gesamentlike beheer begin tot die datum waarop gesamentlike beheer eindig. Finansiële state van die gesamentlike ondernemings word voorberei vir dieselfde verslagdoeningstydperk as die houermaatskappy.

Met die verlies van gesamentlike beheer en mits die voormalige gesamentlik beheerde entiteit nie 'n filiaal of geassosieerde word nie, meet en erken die Groep sy oorblywende belegging teen sy billike waarde. Enige verskil tussen die drabedrag van die voormalige gesamentlik beheerde entiteit tydens die verlies van gesamentlike beheer en die billike waarde van die oorblywende belegging en die opbrengs uit die verkoop word in wins of verlies erken. Wanneer die oorblywende belegging beduidende invloed uitoefen, word dit as 'n belegging in 'n geassosieerde te boek gestel.

Vanaf die datum waarop 'n gesamentlik beheerde entiteit 'n geassosieerde van die Groep word, stel die Groep sy belang in ooreenstemming met IAS 28 te boek. Met die verlies van gesamentlike beheer sal die Groep enige belegging wat die Groep in die voorheen gesamentlik beheerde entiteit hou, meet teen billike waarde deur wins of verlies.

Transaksies met konsolidasie uitgeskakel

Intergroepsaldo's, enige ongerealiseerde winste en verliese of inkomste en uitgawes uit intergroeptransaksies word by die voorbereiding van die gekonsolideerde finansiële state uitgeskakel. Ongerealiseerde winste wat ontstaan uit transaksies met gesamentlik beheerde entiteite word uitgeskakel tot die mate van die Groep se belang in die entiteit. Ongerealiseerde verliese word op dieselfde wyse as ongerealiseerde winste uitgeskakel, maar slegs tot die mate dat daar geen bewys van waardedaling is nie.

Nie-beherende belang

Nie-beherende belang verteenwoordig die gedeelte van die wins of verlies en die netto bates wat nie deur die Groep gehou word nie en word afsonderlik in die staat van omvattende inkomste en as deel van ekwiteit in die gekonsolideerde staat van finansiële posisie aangetoon, afsonderlik van die houermaatskappy se aandeelhouersekweiteit.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

(d) Changes in accounting policies and disclosures

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

IFRS 2 Amendments to IFRS 2 Share-based payments: Group cash-settled share-based payment transactions, effective date 1 July 2010

IAS 32 Amendments to IAS 32 - Classification of rights issues denominated in a foreign currency, effective date 1 July 2010

IFRIC 19 Extinguishing financial liabilities with equity instruments, effective date 1 July 2010

Improvements to IFRS (April 2009), effective date mostly 1 July 2010

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

- IFRS 2 Share-based Payments: Group cash-settled share-based payment transactions (Amended)

The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. This amendment is effective for financial years beginning on or after 1 July 2010. It did not have an impact on the financial position or performance of the Group.

- IAS 32 Classification of rights issues denominated in a foreign currency (Amended)

The amendment to IAS 32 is effective for annual periods beginning on or after 1 July 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Group after initial application.

- IFRIC 19 Extinguishing financial liabilities with equity instruments

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in profit or loss. The adoption of this interpretation will have no effect on the financial statements of the Group.

- Improvements to IFRS (Issued in April 2009)

In April 2009 the Board issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the amendments did not have any impact on the financial position or performance of the Group.

(d) Veranderinge in rekeningkundige beleide en openbaarmakings

Die rekeningkundige beleid is konsekwent toegepas met die in die vorige finansiële jaar. Die Groep het die volgende nuwe en gewysigde IFRS- en IFRIC-interpretasies gedurende die jaar geïmplementeer:

IFRS 2 Wysigings tot IFRS 2 Aandeelgebaseerde betalings: Groep kontant-vereffende aandeelgebaseerde betalingstransaksies, effektiewe datum 1 Julie 2010

IAS 32 Wysigings tot IAS 32 - Klassifisering van regte-aangeleenthede gedetermineer in buitelandse valuta, effektiewe datum 1 Julie 2010

IFRIC 19 Uitwissing van finansiële laste met ekwiteitsinstrumente, effektiewe datum 1 Julie 2010

Verbeterings tot IFRS (April 2009), effektiewe datum meestal 1 Julie 2010

Die Direkteure is van mening dat die impak van die standaarde soos volg sal wees:

- IFRS 2 Aandeelgebaseerde Betaling: Groep kontant-vereffende aandeelgebaseerde betalingstransaksies (Gewysig)

Die IASB het 'n wysiging tot IFRS 2 uitgereik wat die omvang en die teboekstelling van groep kontant-betaalde aandeelgebaseerde betalingstransaksies verduidelik. Hierdie wysiging is effektief vir finansiële jare wat op of na 1 Julie 2010 begin. Dit het geen impak op die finansiële posisie of prestasie van die Groep gehad nie.

- IAS 32 Klassifisering van regte-aangeleenthede gedetermineer in buitelandse valuta (Gewysig)

Die wysiging van IAS 32 is effektief vir jaarlikse tydperke wat op of na 1 Julie 2010 begin en het die definisie van finansiële toerekenbaarheid aangepas om regte-aangeleenthede (en sekere opsies of bewyse) as ekwiteitsinstrumente te klassifiseer in gevalle waar sodanige regte pro rata aan al die bestaande eienaars van dieselfde klas van 'n entiteit se nie-afgeleide ekwiteitsinstrumente gegee word, of om 'n vaste aantal van die entiteit se eie ekwiteitsinstrumente teen 'n vaste bedrag in enige valuta te verkry. Hierdie wysiging sal geen impak op die Groep na die aanvanklike toepassing daarvan hê nie.

- IFRIC 19 Uitwissing van finansiële laste met ekwiteitsinstrumente

IFRIC 19 is effektief vir jaarlikse tydperke wat op of na 1 Julie 2010 begin. Die interpretasie verduidelik dat ekwiteitsinstrumente wat aan 'n krediteur uitgereik word om finansiële laste uit te wis, as oorweging betaal. Die ekwiteitsinstrumente wat uitgereik word, word teen hul billike waarde gemeet. Indien dit nie betroubaar gemeet kan word nie, word die instrumente gemeet teen die billike waarde van die las wat uitgewis word. Enige wins of verlies word onmiddellik as wins of verlies erken. Die toepassing van hierdie interpretasie sal geen effek op die Groep se finansiële state hê nie.

- Verbeterings tot IFRS (Uitgereik in April 2009)

In April 2009 het die Raad sy tweede omnibus van wysigings tot sy standaarde uitgereik, hoosaklik met die doel om inkonsekwenthede te verwyder en om bewoording duideliker te maak. Daar is afsonderlike oorgangsvorsiening vir elke standaard gemaak. Die toepassing van die wysigings het geen impak op die finansiële posisie van die Groep gehad nie.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

2.2 Standards, Interpretations and Amendments issued that are not yet effective

At the date of authorisation of the Group annual financial statements for the year ended 30 June 2011, the following standards and interpretations were in issue but not yet effective:

IAS 24 Amendments to IAS 24 - Related Party Disclosures, effective date 1 January 2015

IFRS 9 Financial Instruments Classification and Measurement, effective date 1 January 2015

IFRIC 14 Amendments to IFRIC 14 - Prepayments of a Minimum Funding Requirement, effective date 1 January 2011

Improvements to IFRS (May 2010), effective date 1 January 2011

IFRS 7 Financial instruments: Disclosure - Transfer of Financial Assets, effective date 1 July 2011

IAS 12 Amendments to IAS 12 - Deferred Tax: Recovery of Underlying Assets, effective date 1 January 2012

IFRS 10 Consolidated Financial Statements, effective date 1 January 2013

IFRS 11 Joint Arrangements, effective date 1 January 2013

IFRS 12 Disclosure of Interest in Other Entities, effective date 1 January 2013

IFRS 13 Fair Value Measurement, effective date 1 January 2013

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

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

- IAS 24 Amendments to IAS 24 - Related Party Disclosures

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

- IFRS 9 Financial Instruments Classification and Measurement

The new standard introduces new requirements for classifying and measuring financial assets. The new standard forms part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement. The Group plans to adopt the standard only once the other parts of the project are available to enable the Group to adopt them simultaneously. The Group is in the process of evaluating the impact on the financial statements. The following are the main features of the standard:

At initial recognition, all financial assets (including hybrid contracts with a financial asset host) are measured at fair value.

2.2 Standaard, Interpretasies en Wysigings uitgereik en nie geïmplementeer nie

Op die magtigingsdatum van die Groep se finansiële jaarstate vir die jaar geëindig 30 Junie 2011 was die volgende standaard en interpretasies uitgereik, maar nog nie toegepas nie:

IAS 24 Wysigings tot IAS 24 - Openbaarmaking van Verwante Partye, effektiewe datum 1 Januarie 2015

IFRS 9 Klassifisering en Meting van Finansiële Instrumente, effektiewe datum 1 Januarie 2015

IFRIC 14 Wysigings tot IFRIC 14 - Voorafbetaling van 'n Minimum Befondsingsvereiste, effektiewe datum 1 Januarie 2011

Verbeterings tot IFRS (Mei 2010), effektiewe datum 1 Januarie 2011

IFRS 7 Finansiële Instrumente: Openbaarmaking - Oordrag van Finansiële Bates, effektiewe datum 1 Julie 2011

IAS 12 Wysigings tot IAS 12 - Uitgestelde Belasting: Verhaling van Onderliggende Bates, effektiewe datum 1 Januarie 2012

IFRS 10 Gekonsolideerde Finansiële State, effektiewe datum 1 Januarie 2013

IFRS 11 Gesamentlike Reëlings, effektiewe datum 1 Januarie 2013

IFRS 12 Openbaarmaking van Belange in Ander Entiteite, effektiewe datum 1 Januarie 2013

IFRS 13 Billike Waardemeting, effektiewe datum 1 Januarie 2013

Die standaard moet vir jaarlikse periodes geïmplementeer word wat op of na die effektiewe datum begin

Die Direkteur is van mening dat die impak van die toepassing van die standaard soos volg sal wees:

- IAS 24 Wysigings tot IAS 24 - Openbaarmaking van Verwante Partye

Die gewysigde standaard is effektief vir jaarlikse periodes wat op of na 1 Januarie 2011 begin. Dit het die definisie van 'n verwante party verduidelik om die identifisering van sodanige verhoudings te vereenvoudig en om inkonsekwentheid in die uitvoering daarvan uit te skakel. Die hersiene standaard stel 'n gedeeltelike kwytskelding van bekendmakingsvereistes vir regeringsverwante entiteite in. Die Groep verwag geen impak op sy finansiële posisie of prestasie nie. Vroeë toepassing word toegelaat vir die gedeeltelike kwytskelding vir regeringsverwante entiteite of vir die hele standaard.

- IFRS 9 Klassifisering en Meting van Finansiële Instrumente

Die nuwe standaard bevat nuwe vereistes vir die klassifisering en meting van finansiële bates. Die nuwe standaard vorm deel van 'n drieledige projek om IAS 39 Finansiële Instrumente: Erkenning en Meting te vervang. Die Groep beplan om die standaard toe te pas slegs wanneer die ander gedeeltes van die projek beskikbaar is sodat die Groep dit terselfdertyd kan toepas. Die Groep is besig om die impak op die finansiële state te evalueer. Die volgende is die hoofeenskappe van die standaard:

Met die aanvanklike erkenning word alle finansiële bates (insluitend hibriede kontrakte met 'n finansiële-bategasheer) teen billike waarde gemeet.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

The new standard introduces new requirements for classifying and measuring financial assets. The new standard forms part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement. The group plans to adopt the standard only once the other parts of the project are available to enable the group to adopt them simultaneously. The group is in the process of evaluating the impact on the financial statements. The following are the main features of the standard:

Debt instruments

For subsequent measurement, financial assets that are debt instruments are classified at amortised cost or fair value on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Debt instruments may be subsequently measured at amortised cost if:

- The asset is held within a business model whose objective is to hold the assets to collect the contractual cash flows and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of a principal and interest on the principal outstanding.

All other debt instruments are subsequently measured at fair value.

Equity investments

All financial assets that are equity investments are measured at fair value either through Other Comprehensive Income (OCI) or profit or loss. This is an irrevocable choice the entity makes by instrument unless the equity investments are held for trading, in which case they must be measured at fair value through profit or loss.

- IFRIC 14 Amendments to IFRIC 14 - Prepayments of a Minimum Funding Requirement

The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the financial statements of the Group.

- IFRS 7 Financial Instruments: Disclosure - Transfer of Financial Assets

The amendments improve the disclosure requirements for derecognition of financial assets. Users of financial statements are expected to evaluate the risk exposures relating to transferred financial assets and the effect of the risks on an entity's financial position, particularly those that involve securitisation of financial assets. The Group, however, expects no impact from the adoption of the amendments on its financial position or performance.

Die nuwe standaard bevat nuwe vereistes vir die klassifisering en meting van finansiële bates. Die nuwe standaard vorm deel van 'n drieledige projek om IAS 39 Finansiële Instrumente: Erkenning en Meting te vervang. Die Groep beplan om die standaard toe te pas slegs wanneer die ander gedeeltes van die projek beskikbaar is sodat die Groep dit terselfdertyd kan toepas. Die Groep is besig om die impak op die finansiële state te evalueer. Die volgende is die hoof eienskappe van die standaard:

Skuldinstrumente

Vir latere meting word finansiële bates wat skuldinstrumente is teen geamortiseerde koste of billike waarde op grond van albei geklassifiseer:

- Die entiteit se besigheidsmodel vir die bestuur van finansiële bates en
- Die kontraktuele kontantvloeie-eienskappe van die finansiële bate.

Skuldinstrumente kan later teen geamortiseerde koste gemeet word indien:

- Die bate in 'n besigheidsmodel gehou word waarvan die doelstelling is om die bates te hou ten einde die kontraktuele kontantvloeie in te samel en
- Die kontraktuele bepalinge van die finansiële bate gee, op spesifieke datums, aanleiding tot kontantvloeie wat uitsluitlik betaling van 'n hoofbate en uitstaande rente op 'n hoofbate is.

Alle ander skuldinstrumente word daarna teen billike waarde gemeet.

Ekwiteitsbeleggings

Alle finansiële bates wat ekwiteitsinstrumente is word teen billike waarde of deur Ander Omvattende Inkomste (OCI) of wins of verlies gemeet. Dit is 'n onherroeplike keuse wat die entiteit per dokument maak behalwe indien die ekwiteitsbeleggings vir handel gehou word, in watter geval hulle teen billike waarde deur wins of verlies gemeet moet word.

- IFRIC 14 Wysigings tot IFRIC 14 - Voorafbetaling van 'n Minimum Befondsingsvereiste

Die wysiging tot IFRIC 14 is effektief vir jaarlikse periodes wat op of na 1 Januarie 2011 met terugwerkende toepassing begin. Die wysiging bied riglyne vir die assessering van die verhaalbare bedrag van 'n netto pensioenbate. Die wysiging stel 'n entiteit in staat om die voorafbetaling van 'n minimum befondsingsvereiste as 'n bate te behandel. Daar word gemeen dat die wysiging geen impak op die finansiële state van die Groep het nie.

- IFRS 7 Finansiële Instrumente: Openbaarmaking - Oordrag van Finansiële Bates

Die wysigings verbeter die openbaarmakingsvereistes vir die ontkenning van finansiële bates. Daar word van gebruikers van finansiële state verwag om die risikoblootstelling ten opsigte van finansiële bates wat oorgedra is en die effek van die risiko's op 'n entiteit se finansiële posisie te evalueer, veral die wat sekuritisering van finansiële bates insluit. Die Groep verwag egter geen impak van die toepassing van die wysigings op sy finansiële posisie of prestasie nie.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

- IAS 12 Amendments to IAS 12 - Deferred Tax: Recovery of Underlying Assets

The amendment to IAS 12 Income Taxes was issued in December 2010. The amendment provides a practical solution to the problem of determining whether assets measured using the fair value model in IAS 40 Investment Property are recovered through use or through sale. The amendment is effective for annual periods beginning on or after 1 July 2011, with earlier application permitted. The amendment is deemed to have no impact on the financial statements of the Group.

- IFRS 10 Consolidated Financial Statements

IFRS 10 Consolidated Financial Statements establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation-Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements.

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

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

- IFRS 11 Joint Arrangements

IFRS 11 Joint Arrangements provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.

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

- IFRS 12 Disclosure of Interest in Other Entities

IFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

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

- IFRS 13 Fair Value Measurement

IFRS 13 Fair Value Measurement establishes a single source of guidance under IFRS for all fair value measurement that will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and disclosure requirements for use across IFRSs. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS.

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

- IAS 12 Wysigings tot IAS 12 - Uitgestelde Belasting: Verhaling van Onderliggende Bates

Die wysiging tot IAS 12 Inkomstebelasting is in Desember 2010 uitgereik. Die wysiging bied 'n praktiese oplossing vir die probleem om vas te stel of bates wat deur middel van die billikewaardemodel in IAS 40 Beleggingseiendom gemeet is, deur gebruik of verkoop verhaal is. Die wysiging is effektief vir jaarperiodes wat op of na 1 Julie 2011 begin, met vroeër toepassing toegelaat. Daar word gemeen dat die wysiging geen impak op die finansiële state van die Groep het nie.

- IFRS 10 Gekonsolideerde Finansiële State

IFRS 10 Gekonsolideerde Finansiële State lê beginsels neer vir die bekendmaking en voorbereiding van gekonsolideerde finansiële state wanneer 'n entiteit een of meer ander entiteite beheer.

IFRS 10 vervang die konsolideringsvereistes in SIC-12 Konsolidering - Spesiale doel Entiteite en IAS 27 Gekonsolideerde en Afsonderlike Finansiële State.

IFRS 10 bou voort op bestaande beginsels deur die konsep van beheer as die bepalende faktor te identifiseer wanneer 'n entiteit by die gekonsolideerde finansiële state van die houermaatskappy ingesluit moet word. Die standaard bied verdere riglyne om te help met die bepaling van beheer wanneer dit moeilik is om vas te stel.

Die Groep is besig om die impak op die finansiële state te evalueer.

- IFRS 11 Gesamentlike Reëlings

IFRS 11 Gesamentlike Reëlings maak voorsiening vir 'n meer realistiese voorstelling van gesamentlike reëlings deur te fokus op die regte en pligte van die reëling, eerder as op die regsform daarvan (soos tans die geval is). Die standaard spreek inkonsekwentheid in die verslagdoening van gesamentlike reëlings aan deur 'n enkele metode te vereis vir die teboekstelling van belange in entiteite wat gesamentlik beheer word.

Die Groep is besig om die impak op die finansiële state te evalueer.

- IFRS 12 Openbaarmaking van Belange in Ander Entiteite

IFRS 12 Openbaarmaking van Belange in Ander Entiteite is 'n nuwe en omvattende standaard oor die openbaarmakingsvereistes vir alle vorme van belange in ander entiteite, insluitend filiaalmaatskappye, gesamentlike reëlings, geassosieerde maatskappye en ongekonsolideerde gestruktureerde entiteite.

Die Groep is besig om die impak op die finansiële state te evalueer.

- IFRS 13 Meting van Billike Waarde

IFRS 13 Meting van Billike Waarde lê 'n enkele bron van leiding onder IFRS neer vir alle billikewaarde-meting wat konsekwentheid sal verbeter en kompleksiteit sal verminder deur vir die eerste keer 'n presiese definisie van billike waarde en openbaarmakingsvereistes te bied wat in alle IFRS'e gebruik kan word. IFRS 13 verander nie wanneer 'n entiteit billike waarde moet gebruik nie, maar bied eerder riglyne oor hoe om billike waarde onder IFRS te meet wanneer billike waarde deur IFRS vereis of toegelaat word.

Die Groep is besig om die impak op die finansiële state te evalueer.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

2.3 Significant accounting judgements and estimates

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

Judgements

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

Estimates and assumptions

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

Property, plant and equipment

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

Impairment of non-financial assets

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

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

Share-based payments

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

Cash-settled transactions

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

2.3 Beduidende rekeningkundige beoordelings en ramings

Die voorbereiding van die Groep se finansiële state vereis van Bestuur om menings, skattings en aannames te maak wat die gerapporteerde bedrae van inkomste, uitgawes, bates en laste en die openbaarmaking van voorwaardelike aanspreeklikheid op die verslaggewingsdatum kan beïnvloed. Onsekerhede oor hierdie aannames en skattings kan egter 'n materiële aanpassing in die drawaardes van die geaffekteerde bate of las in die toekoms tot gevolg hê.

Beoordelings

Met die toepassing van die Groep se rekeningkundige beleid het Bestuur sekere beoordelings gemaak wat 'n beduidende uitwerking kan hê op die bedrae wat in die finansiële state erken word. Sulke beoordelings word in die toepaslike aantekeninge tot die finansiële state geopenbaar.

Ramings en aannames

Die belangrikste aannames wat die toekoms betref en ander belangrike bronne van ramingsonsekerheid op die verslagdoeningsdatum wat 'n betekenisvolle risiko inhou dat dit in die volgende finansiële jaar wesentliche aanpassing van die drawaardes van bates en laste kan veroorsaak, word hieronder bespreek:

Eiendom, aanleg en toerusting

Die drawaarde van eiendom, aanleg en toerusting word gebaseer op Bestuur se ramings van die bruikbare lewe en reswaardes. Sulke ramings is afhanklik van produklewensiklusse en van evaluering deur ingenieurs- en ander spesialispersoneel.

Waardedaling van nie-finansiële bates

Die Groep bepaal met elke verslaggewingsdatum of daar enige tekens van waardedaling ten opsigte van enige nie-finansiële bates is. Klandisiewaarde en ander onbepaalbare-lewensduur ontasbare bates word jaarliks en op ander tye wanneer daar aanwysers is, getoets vir waardedaling. Ander nie-finansiële bates word vir waardedaling getoets wanneer daar tekens is dat die drawaardes nie verhaalbaar mag wees nie.

Wanneer waarde-in-gebruik-berekening gedoen word, moet Bestuur die verwagte toekomstige kontantvloei van die bate of kontantgenererende eenheid bepaal en 'n gepaste koers van verdiskontering beraam om die huidige waarde van die kontantvloei te bereken.

Aandeelgebaseerde betalings

Die Groep meet die koste van ekwiteitvereffende transaksies met werknemers met verwysing na die billike waarde van die ekwiteitinstrumente op die datum wat hulle toegestaan is. Om billike waarde te skat, vereis dat die mees gepaste waardasiemodel vir die toestaan van ekwiteit bepaal word, wat afhang van die bepalinge en voorwaardes daarvan. Dit vereis ook dat die mees gepaste insette tot die waardasiemodel bepaal moet word en dat aannames daarvoor gemaak word.

Kontantvereffende transaksies

Die koste van kontantvereffende transaksies word aanvanklik op die kennisgewingsdatum teen redelike waarde gemeet, deur gebruikmaking van 'n aangepaste weergawe van die Hull-White Trinomial Lattice model, inagnemend die terme en voorwaardes waarop die instrumente toegeken is. Die redelike waarde word afgeskryf oor die periode tot en met vestiging met erkenning van die ooreenkomstige las. Die las word op elke verslagdoeningsdatum hermeet tot en met die vereffeningsdatum, met veranderinge in redelike waarde teen wins of verlies erken.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

Deferred taxation assets

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

Income tax expense

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

Long service bonus provision and defined benefit-pension plan

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

2.4 Summary of significant accounting policies

(a) Financial instruments

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

Measurement

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

Derecognition

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

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

Uitgestelde belastingbates

Uitgestelde belastingbates word erken vir alle ongebruikte belastingverliese tot die mate dat dit waarskynlik is dat belasbare wins beskikbaar sal wees waarteen die verliese gebruik kan word. Betekenisvolle Bestuursoordeel word vereis om die bedrag van uitgestelde belastingbates te bepaal wat so erken kan word, gebaseer op die waarskynlike tydsberekening en vlak van toekomstige belasbare winste saam met toekomstige belastingbeplanningstrategieë.

Inkomstebelastinguitgawe

Belasting is 'n saak van interpretasie en onderhewig aan veranderings. Die Groep maak van belastingkundiges gebruik om oor alle belasting-aangeleenthede te adviseer. Ramings van normale maatskappybelasting en KWB word gegrond op hierdie advies en Bestuur se interpretasie daarvan.

Langdiensbonusvoorsiening en omskrewevordele-pensioenplan

Die koste van langdiensbonusvoorsiening en die omskrewevordele-pensioenplan is bepaal met behulp van aktuariële waardasies. Die aktuariële waardasie behels die aannames oor verdiskonteringskoerse, verwagte opbrengskoerse op bates, toekomstige salarisverhogings, sterftesyfers en toekomstige pensioenverhogings. Weens die langtermyn-aard van hierdie planne is sulke ramings onderhewig aan wesenlike onsekerheid.

2.4 Opsomming van beduidende rekeningkundige beleid

(a) Finansiële instrumente

'n Finansiële instrument is enige kontrak wat 'n finansiële bate vir een entiteit en 'n finansiële las of ekwiteitsinstrument vir 'n ander entiteit tot gevolg het. Finansiële bates sluit veral in kontant en kontantekwivalente, handelsdebiteure en ander lenings en debiteure, asook afgeleide en nie-afgeleide finansiële bates gehou vir verhandeling. Oor die algemeen ondersteun finansiële laste eise vir terugbetaling in kontant of 'n ander finansiële bate. Meer spesifiek sluit dit rentedraende lenings en verpligtinge, handelskrediteure, verpligtinge aan banke, bruikhuurverpligtinge en afgeleide finansiële laste in.

Meting

Finansiële instrumente word gewoonlik aangedui die oomblik wanneer die Groep 'n party word ingevolge die kontraktuele regulasies van die finansiële instrumente. Oor die algemeen word finansiële bates en finansiële laste teen mekaar afgespeel en die nettobedrag word in die staat van finansiële posisie aangedui, wanneer, en slegs wanneer, die entiteit 'n wetlik afdwingbare reg het om die erkende bedrae teen mekaar af te speel en van plan is om dit af te los op 'n netto basis of om die bate te realiseer en die aanspreeklikheid terselfdertyd af te los.

Ont erkenning

'n Finansiële bate (of, waar van toepassing, 'n gedeelte van 'n finansiële bate of 'n gedeelte van 'n groep eenderse finansiële bates) word nie erken nie, wanneer:

- die regte om kontantvloeï van die bate te ontvang, verval het
- die Groep die reg behou om kontantvloeï te ontvang van die bate, maar 'n aanspreeklikheid aanvaar het om dit ten volle te betaal aan 'n derde party sonder wesenlike vertraging ingevolge 'n "deurgang"-reëling of
- die Groep sy reg om kontantvloeï van die bate te ontvang oorgedra het en óf (a) al die risiko en opbrengs van die bate wesenlik oorgedra het, óf (b) nie al die risiko en opbrengs van die bate wesenlik oorgedra het nie, maar beheer oor die bate oorgedra het.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

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

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

Impairment of financial assets

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

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss.

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

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

Available-for-sale financial investments

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

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

Wanneer die Groep sy reg om kontantvloeï van 'n bate te ontvang, oorgedra het en nie die risiko's en opbrengste daarvan in hoofsaak oorgedra of behou het nie en ook nie die beheer oor die bate oorgedra het nie, word die bate erken tot die mate van die Groep se volgehoue betrokkenheid by die bate. Volgehoue betrokkenheid in die vorm van 'n waarborg oor die bate wat oorgedra is, word gemeet teen die laagste van die oorspronklike drawaarde van die bate en die maksimum bedrag vergoeding wat van die Groep verwag kan word om te betaal.

'n Finansiële las word onterken wanneer die verpligting onder die las opgehef word, gekanselleer word of verval. Wanneer 'n bestaande finansiële las vervang word met 'n ander een van dieselfde uitleners op wesenlike verskillende voorwaardes, of die voorwaardes van die bestaande las word wesenlik verander, word so 'n vervanging of verandering hanteer as 'n onterkenning van die oorspronklike las en die erkenning van 'n nuwe las en die verskil tussen die onderskeie drawaardes word in wins of verlies erken.

Waardedaling van finansiële bates

Die Groep bepaal met elke verslagdoeningsdatum of daar by 'n finansiële bate of groep finansiële bates waardedaling plaasgevind het.

Bates gedra teen geamortiseerde koste

Indien daar objektiewe bewys is dat daar 'n waardedalingsverlies plaasgevind het op bates gedra teen geamortiseerde koste, word die verlies gemeet as die verskil tussen die bate se drawaarde en die huidige waarde van geskatte toekomstige kontantvloeï (waarby toekomstige verwagte kredietverliese wat nog nie opgeloop het nie, uitgesluit is), verdiskonteer teen die finansiële bate se oorspronklike effektiewe rentekoers. Die drawaarde van die bate word verminder deur gebruik te maak van 'n toelaagrekening. Die bedrag van die verlies word erken in wins of verlies.

Indien die bedrag van die waardedaling in 'n daaropvolgende tydperk verminder en die vermindering kan objektief gekoppel word aan 'n gebeurtenis wat na die waardedaling plaasgevind het, word die voorheen aangetekende waardedalingsverlies teruggedra tot die mate wat die drawaarde van die bate nie sy geamortiseerde koste op die datum van terugskrywing oorskry nie. Enige gevolglike terugskrywing van 'n waardedalingsverlies word erken in wins of verlies.

Met betrekking tot handelsdebiteure word voorsiening vir waardedaling gemaak wanneer daar objektiewe bewys is (soos die waarskynlikheid van insolvensie of wesenlike finansiële moeilikhede van die debiteur) dat die Groep nie die volle bedrag betaalbaar onder die oorspronklike bepalinge van die faktuur sal kan invorder nie. Die drawaarde van die debiteur word verminder deur die gebruik van 'n toelaagrekening. Skuld waarby waardedaling plaasgevind het, word nie erken wanneer dit as oninbaar beskou word nie.

Beleggings beskikbaar-vir-verkoop

Vir beskikbaar-vir-verkoop beleggings oorweeg die Groep op elke verslagdoeningsdatum of daar objektiewe getuienis is dat 'n belegging of 'n groep beleggings se waarde gedaal het.

Wanneer daar waardedaling van 'n bate beskikbaar-vir-verkoop plaasvind, word 'n bedrag gelykstaande aan die verskil tussen sy koste (netto van enige kapitaaldelging en amortisasie) en sy huidige billike waarde, minus enige waardedaling voorheen erken in wins of verlies, oorgeplaas van ander omvattende inkomste na wins of verlies. Terugskrywings met betrekking tot ekwiteitsinstrumente as beskikbaar-vir-verkoop geklassifiseer word nie erken in wins of verlies nie. Terugskrywings van waardedalingsverliese op skuldinstrumente word teruggedra tot wins of verlies indien die vermeerdering in billike waarde objektief gekoppel kan word aan 'n gebeurtenis wat plaasgevind het nadat die waardedalingsverlies aangedui is in wins of verlies.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

(a)(i) Financial assets

Investments and other financial assets

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

Financial assets at fair value through profit or loss

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

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

Loans and accounts receivables

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

Available-for-sale financial investments

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

Fair value

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

(a)(i) Finansiële bates

Beleggings en ander finansiële bates

Wanneer finansiële bates aanvanklik erken word, word dit teen billike waarde gemeet plus, in die geval van beleggings nie teen billike waarde deur wins of verlies nie, regstreeks toeskryfbare transaksiekoste. Die Groep bepaal die klassifikasie van sy finansiële bates na aanvanklike erkenning en hersien hierdie aanduiding teen elke finansiële jaareinde waar toegelaat en toepaslik. Alle "gewone manier"-aankope en -verkope van finansiële bates word op die verhandelingsdatum erken, naamlik die datum waarop die regte en verpligtinge van eienaarskap na die Groep oorgaan. "Gewone manier"-aankope en -verkope is aankope of verkope van finansiële bates wat vereis dat die bates gelewer word binne die tydskedule wat algemeen deur regulasie of konvensie in die mark bepaal word.

Finansiële bates erken teen billike waarde deur wins of verlies

Finansiële bates teen billike waarde deur wins of verlies sluit in finansiële bates gehou vir verhandeling en finansiële bates by aanvanklike aanduiding aangetoon as teen billike waarde deur wins of verlies.

Finansiële bates word geklassifiseer as gehou-vir-verhandeling indien dit verkry is met die doel om in die nabye toekoms verkoop te word. Afgeleide instrumente word geklassifiseer as gehou-vir-verhandeling behalwe as dit aangewys word as doeltreffende verskansingsinstrumente of 'n finansiële waarborgkontrak. Winste en verliese op finansiële bates wat gehou word vir verhandeling word in wins of verlies erken.

Lenings en rekeninge ontvangbaar

Lenings en rekeninge ontvangbaar is nie-afgeleide finansiële bates met vaste betaalbare betalings wat nie in 'n aktiewe mark gekwoteer word nie. Na aanvanklike erkenning word lenings en ontvangstes teen geamortiseerde koste erken deur gebruikmaking van die effektiewe rente-metode min enige aanpassing vir waardedaling. Geamortiseerde koste word bereken met inagneming van enige diskonto of premie met verkryging en sluit fooie en transaksiekoste in wat 'n onafskeidbare deel uitmaak van die effektiewe rentekoers. Winste en verliese word in wins of verlies aangedui wanneer die lenings en ontvangstes ondergaan of vir waardedaling verminder word, asook deur die amortisasieproses.

Beleggings beskikbaar-vir-verkoop

Finansiële bates wat beskikbaar is om verkoop te word, is die nie-afgeleide finansiële bates wat as te koop aangetoon word of wat nie in een van die drie voorafgaande kategorieë geklassifiseer is nie. Na aanvanklike meting word finansiële bates wat vir verkoop beskikbaar is, gemeet teen billike waarde met ongerealiseerde winste of verliese direk in ander omvattende inkomste erken totdat die belegging ondergaan word, óf dit bepaal word dat waardedalings gerealiseer het, word die opgelope wins of verlies wat voorheen in ekwiteit erken is, in wins of verlies erken.

Billike waarde

Die billike waarde van beleggings wat aktief in georganiseerde finansiële markte verhandel word, word bepaal deur verwysings na gekwoteerde markaanlooppryse aan die einde van die sakedag op die verslagdoeningsdatum. Vir beleggings waar daar nie 'n aktiewe mark is nie, word billike waarde bepaal deur waardasietegnieke te gebruik. Dit sluit in onlangse arm-lengte-transaksies, verwysing na die huidige markwaarde van ander instrumente wat wesenlik eenders is, verdiskonteerde kontantvloei-ontledings en ander waardasiemodelle.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

Amortised cost

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

Cash and cash equivalents

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

(a)(ii) Financial liabilities

Trade and other payables

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

Interest-bearing loans and borrowings

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

(b) Financial statements of foreign operations

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

Foreign currency transactions

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

Derivative financial instruments

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

Geamortiseerde koste

Lenings en debiteure word gemeet teen geamortiseerde koste. Dit word bereken deur die effektiwerente-metode te gebruik min enige voorsiening vir waardedaling. Die berekening neem enige premie of diskonto op die verkryging in ag en sluit transaksiekoste en koste wat deel is van die effektiewe rentekoers in.

Kontant en kontantekwivalente

Kontant- en kontantekwivalente bestaan uit kontant voorhande, kontant in banke, korttermyndeposito's en hoogs likiede beleggings.

(a)(ii) Finansiële laste

Handels- en ander krediteure

Handelskrediteure is nie-rentedraend en word getoon teen die oorspronklike faktuurbedrag.

Rentedraende lenings en verpligtinge

Alle lenings en finansiële laste word aanvanklik erken teen die billike waarde min regstreeks toeskryfbare transaksiekoste. Na aanvanklike erkenning word rentedraende lenings teen die geamortiseerde koste gemeet deur die effektiwerente-metode te gebruik. Winste en verliese word in wins of verlies erken wanneer die laste onterken word, asook deur die amortisasieproses. Leningskoste word deur wins of verlies afgeskryf soos dit aangegaan word.

(b) Finansiële state van buitelandse ondernemings

Die bates en laste van buitelandse ondernemings, wat positiewe klandisiewaarde en billike waardeaanpassings by konsolidasie insluit, word in rand omgeskakel teen wisselkoerse wat op die verslagdoeningsdatum geld. Die inkomste en uitgawes van buitelandse ondernemings word in rand omgesit teen wisselkoerse wat by benadering dieselfde is as die wisselkoerse op die datum van die transaksie.

Transaksies in buitelandse valuta

Transaksies in buitelandse valuta word omgeskakel teen die heersende wisselkoers op die datum van die transaksie. Monetêre bates en laste in buitelandse valuta word op die verslagdoeningsdatum in rand omgesit teen die heersende wisselkoers op daardie datum. Valutaverskille by omskakeling word in wins of verlies erken. Nie-monetêre bates en laste wat ingevolge historiese koste in buitelandse valuta gemeet word, word teen die wisselkoers op die datum van die transaksie omgeskakel.

Afgeleide finansiële instrumente

Die Groep gebruik afgeleide finansiële instrumente om sy blootstelling aan wissel- en rentekoersrisiko's wat uit bedryfs-, finansierings- en beleggingsaktiwiteite voortspuit te verskans. In ooreenstemming met die Groep se tesouriebeleid word geen afgeleide finansiële instrumente vir handelsdoeleindes gehou of uitgereik nie. Afgeleide finansiële instrumente word aanvanklik teen billike waarde hermeet. Na aanvanklike erkenning word afgeleide finansiële instrumente teen billike waarde erken. Die wins of verlies by die hermeting van billike waarde word onmiddellik in wins of verlies erken. Die billike waarde van valutatermykontrakte is die gekwoteerde prys op die verslagdoeningsdatum, naamlik die huidige waarde van die gekwoteerde termynprys vir kontrakte met 'n ooreenstemmende termynprofiel. Die verandering in die billike waarde van die verskanste item word in wins of verlies erken. Die verandering in die billike waarde van die verskansingsinstrument toeskryfbaar aan die verskanste risiko word aangeteken as deel van die drawaarde van die verskansingsinstrument en word ook in wins of verlies erken.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

(c) Property, plant and equipment

Owned assets

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

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

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

Leases

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

Group as a lessee

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

Group as a lessor

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

(c) Eiendom, aanleg en toerusting

Eie bates

Aanleg en toerusting word teen kosprys getoon, met uitsluiting van die koste van daaglikse versiening, min opgehoopte depresiasie en opgehoopte waardedaling. Die koste sluit die vervangingskoste van 'n deel van die aanleg en toerusting in wanneer sodanige koste aangegaan word en indien daar aan die erkenningskriteria voldoen word. Met elke belangrike versiening en/of inspeksie word die koste daarvan in die drabedrag van aanleg en toerusting erken as 'n vervanging indien daar aan die erkenningskriteria voldoen word. Alle geboue word teen kosprys min opgehoopte depresiasie en opgehoopte waardedaling gemeet.

Drawaardes van aanleg en toerusting word vir waardedaling hersien wanneer gebeure of veranderinge in omstandighede daarop dui dat die drawaarde moontlik nie verhaalbaar is nie. 'n Waardedalingsverlies word in wins of verlies erken wanneer die bate se drawaarde sy verhaalbare waarde oorskry. 'n Item van eiendom, aanleg en toerusting word onterken wanneer dit vervreem word of wanneer geen toekomstige ekonomiese voordele uit die gebruik of vervreemding daarvan verwag word nie.

Enige wins of verlies by die onterkenning van die bate (bereken as die verskil tussen die netto wegdoeningsopbrengs en die drabedrag van die bate) word in wins of verlies aangetoon in die jaar waarin die bate onterken word. Die bate se reswaardes, nuttige lewensduur en depresiasiemetodes word teen elke finansiële jaareinde hersien en vooruitwerkend aangepas indien nodig.

Huurkontrakte

Om te bepaal of 'n ooreenkoms 'n huurkontrak is of insluit, moet die wese van die ooreenkoms met aanvangsdatum ondersoek word en bepaal word of die nakoming van die ooreenkoms afhanklik is van die gebruik van 'n spesifieke bate of bates en of die ooreenkoms 'n reg oordra om die bates te gebruik.

Groep as huurder

Finansiële bruikhuurkontrakte wat in hoofsaak al die risiko's en voordele wat met eienaarskap van die gehuurde item gepaardgaan aan die Groep oordra, word by die ontstaan van die kontrak gekapitaliseer teen die billike waarde van die gehuurde bate of, indien laer, teen die huidige waarde van die minimum bruikhuurbetalings. Bruikhuurbetalings word verdeel tussen finansieringskoste en die vermindering van die bruikhuurlas om 'n konstante rentekoers op die oorblywende saldo van die las te bewerkstellig. Finansieringskoste word regstreeks teen inkomste verreken. Gekapitaliseerde gehuurde bates word oor die kortste van die geraamde nuttige lewensduur van die bate of die bruikhuurtermyn gedeprimeer indien geen sekerheid bestaan dat die Groep aan die einde van die bruikhuurtermyn eienaarskap sal verkry nie. Bedryfshuurbetalings word as 'n uitgawe in wins of verlies erken en volgens die reguitlynmetode oor die huurtermyn verreken.

Groep as verhuurder

Huurkontrakte waar die Groep in hoofsaak al die risiko's en voordele van eienaarskap van die bate behou, word as bedryfshuurkontrakte geklassifiseer. Aanvanklike direkte koste wat met die onderhandeling van bedryfshuurkontrakte aangegaan word, word by die drabedrag van die verhuurde bate gevoeg en op dieselfde basis as huurinkomste oor die huurtydperk erken.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

Depreciation

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

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

(d) Investment properties

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

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

(e) Intangible assets

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

Depresiasie

Depresiasie word erken in wins of verlies op 'n reguitlyn-basis oor die geraamde nuttige lewensduur van elke deel van 'n item van eiendom, aanleg en toerusting. Geen depresiasie word op grond voorsien nie. Die geraamde nuttige lewensduur is soos volg:

- Geboue: 10 tot 50 jaar
- Aanleg: 3 tot 30 jaar
- Meubels en toerusting: 3 tot 15 jaar
- Voertuie: 5 tot 20 jaar

(d) Beleggingseiendomme

Beleggingseiendomme word gehou met die doel om huurinkomste te genereer of vir kapitaalgroei, of albei. Beleggingseiendomme word aanvanklik teen kosprys getoon, met insluiting van transaksiekoste. Beleggingseiendomme word later teen kosprys min opgehoopte depresiasie en opgehoopte waardedaling erken. Dit word getoets vir waardedaling indien daar 'n indikasie van waardedaling is. Die beraamde verwagte lewensduur van beleggingseiendomme is 10 to 50 jaar en word met die reguitlyn-metode gedepresieer. Die drabedrag sluit die koste in om deel van 'n beleggingseiendom te vervang wanneer sodanige koste aangegaan word indien daar aan die erkenningskriteria voldoen word en sluit die koste van daaglikse instandhouding van 'n beleggingseiendom uit. 'n Beleggingseiendom word onterken wanneer dit weggedoen of permanent van gebruik onttrek word en geen toekomstige ekonomiese voordeel uit die wegdoening daarvan verwag word nie.

Enige winste of verliese by die onttrekking of wegdoening van 'n beleggingseiendom word in wins of verlies erken in die jaar van die onttrekking of wegdoening. Oorplasinge na beleggingseiendomme vind plaas wanneer, en slegs wanneer, daar 'n verandering in gebruik is, soos aangedui deur die beëindiging van eienaarskapsverhoudings, die begin van bedryfshuurkontrakte met 'n ander party, konstruksie of ontwikkeling. Oorplasinge uit beleggingseiendomme vind plaas wanneer, en slegs wanneer, daar 'n verandering in gebruik is, soos aangedui deur die aanvang van eienaarskapsverhoudings of die begin van ontwikkeling met die oog op verkoop.

(e) Ontasbare bates

Ontasbare bates wat afsonderlik bekom word, word by aanvanklike erkenning teen kosprys erken. Die koste van ontasbare bates wat in 'n besigheidskombinasie verkry word, is die billike waarde daarvan op die datum van aankoop. Na aanvanklike erkenning word ontasbare bates gedra teen kosprys min enige opgehoopte amortisasie en opgehoopte waardedalingsverliese. Intern gegenereerde ontasbare bates, word nie gekapitaliseer nie en besteding word in wins of verlies erken in die jaar waarin die besteding aangegaan word. Die nuttige lewensduur van ontasbare bates word óf as beperk, óf as onbeperk aangeslaan. Ontasbare bates met 'n beperkte lewensduur word oor die nuttige ekonomiese lewensduur geamortiseer en vir waardedaling getoets wanneer 'n aanduiding bestaan dat waardedaling voorkom. Die tydperk en metode van amortisasie vir 'n ontasbare bate met 'n beperkte nuttige lewensduur word minstens teen elke finansiële jaareinde hersien.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

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

Trademarks, patents and software licences

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

Research and development cost

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

Goodwill

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

(f) Inventories

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

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

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

Veranderinge in die verwagte nuttige lewensduur of die verwagte verbruikspatroon van die toekomstige ekonomiese voordele wat in die bate beliggaam is, word verantwoord deur die amortisasietydperk of -metode, soos toepaslik, te verander en as veranderinge in rekeningkundige ramings te hanteer. Die amortisasie-uitgawe op ontasbare bates met 'n beperkte lewensduur word in wins of verlies erken in die uitgawekategorie wat met die funksie van die ontasbare bate ooreenstem. Ontasbare bates met 'n onbeperkte nuttige lewensduur word jaarliks vir waardedaling getoets, óf individueel, óf op die kontantgenererende eenheidsvlak. Sodanige ontasbare bates word nie geamortiseer nie. Die nuttige lewensduur van 'n ontasbare bate met 'n onbeperkte lewensduur word jaarliks hersien om te bepaal of die onbeperkte lewensduur steeds geldig is. Indien nie, word die nuttige lewensduur vooruitwendig van onbeperk na beperk verander.

Handelsmerke, patente en programmatuurlisensies

Handelsmerke, patente en programmatuurlisensies word by aanvanklike erkenning teen kosprys gemeet. Na aanvanklike erkenning word dit volgens die reguitlynmetode oor 'n tydperk van vyf tot 15 jaar geamortiseer. Waardedalingstoets word jaarliks uitgevoer, of meer dikwels indien 'n aanduiding van waardedaling voorkom. Winste of verliese wat uit die onderkenning van 'n ontasbare bate voortspruit, word gemeet as die verskil tussen die netto wegdoeningsopbrengs en die drawaarde van die bate en word in wins of verlies erken wanneer die bate onderken word.

Navorsings- en ontwikkelingskoste

Navorsings- en ontwikkelingskoste word in wins of verlies erken soos dit aangegaan word.

Klandisiewaarde

Klandisiewaarde wat in 'n besigheidsamevoeging verkry is, word aanvanklik teen kosprys gemeet, naamlik die oormaat van die koste van die besigheidsamevoeging oor die Groep se belang in die netto billike waarde van die identifiseerbare bates, laste en voorwaardelike aanspreeklikheid. Na aanvanklike erkenning word klandisiewaarde gemeet teen kosprys min enige opgehoopde waardedalingsverliese. Klandisiewaarde word jaarliks vir waardedaling hersien, of meer dikwels indien gebeure of veranderinge in omstandighede daarop dui dat 'n daling van die drawaarde voorkom. Waardedalingsverliese kan nie in toekomstige periodes teruggeskryf word nie.

(f) Voorrade

Vorrade word gewaardeer teen die laagste van kosprys en netto realiseerbare waarde. Die koste om elke produk in sy huidige toestand by sy huidige plek te kry, word soos volg in berekening gebring:

- Grondstowwe: aankoopkoste volgens die eerste-in-eerste-uit-metode
- Klaarprodukte en onvoltooide werk: koste van direkte materiale en arbeid en 'n deel van vervaardigingsbokoste, gegrond op normale bedryfsvermoë maar met uitsluiting van finansieringskoste.

Netto realiseerbare waarde is die geraamde verkoopprijs in die gewone gang van sake, min geraamde koste van voltooiing en die geraamde koste benodig om die verkoop af te handel.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

(g) Impairment of non-financial assets

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

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

(h) Redeemable cumulative preference shares

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

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

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

(i) Treasury shares

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

(g) Waardedaling van nie-finansiële bates

Die Groep bepaal op elke verslagdoeningsdatum of 'n aanduiding bestaan dat 'n bate se waarde gedaal het. As enige sodanige aanduiding voorkom, of wanneer jaarlikse toetse vir waardedaling van 'n bate verlang word, maak die Groep 'n raming van die bate se verhaalbare waarde. Die verhaalbare waarde van 'n bate is die hoogste van die bate of kontantgenererende eenheid se billike waarde min verkoopskoste en sy gebruikswaarde, en dit word vir 'n individuele bate bepaal tensy die bate nie 'n invloei van kontant genereer wat grootliks onafhanklik is van dié van ander bates of groep bates nie. Wanneer die drawaarde van 'n bate sy verhaalbare waarde oorskry, word die waarde van die bate verlaag tot die verhaalbare waarde. Wanneer die gebruikswaarde bepaal word, word die geraamde toekomstige kontantvloei tot huidige waarde verdiskonteer teen 'n voorbelasting-diskontokoers wat huidige markbepalings van die tydwaarde van geld en die risiko's kenmerkend van die bate weerspieël. Waardedalingsverliese van voortgesette bedrywighede word in wins of verlies erken in die uitgawekategorieë wat met die funksie van die verswakte bate ooreenstem.

Vir bates benewens klandisiewaarde, word 'n evaluering op elke verslagdoeningsdatum gemaak om te bepaal of enige voorheen erkende waardedalings moontlik nie meer bestaan nie of intussen verminder het. Indien sodanige aanduiding voorkom, word die verhaalbare bedrag geraam. 'n Voorheen erkende waardedaling word teruggeskryf slegs as daar 'n verandering was in die ramings wat gebruik is om die bate se verhaalbare bedrag te bepaal sedert die erkenning van die vorige waardedaling. Indien wel, word die drabedrag van die bate vermeerder tot die verhaalbare bedrag. Die verhoogde bedrag kan nie die drabedrag oorskry wat bepaal sou gewees het, na aftrekking van depresiasie, indien geen waardedaling van die bate in vorige jare erken is nie. Sodanige terugskrywings word in wins of verlies erken. Na so 'n terugskrywing word die depresiasiekoste in toekomstige periodes aangepas om die bate se hersiene drabedrag, min enige reswaarde, sistematies oor die oorblywende nuttige lewensduur van die bate toe te pas.

(h) Aflosbare kumulatiewe voorkeuraandeel

Die komponent van die kumulatiewe voorkeuraandeel wat kenmerke van 'n las toon, word as 'n las in die staat van finansiële posisie erken. Die ooreenstemmende dividende op hierdie aandele word as 'n rente-uitgawe in wins of verlies verreken. By uitreiking van die kumulatiewe voorkeuraandeel word die billike waarde van die laskomponent met behulp van koste van kapitaal bepaal, en hierdie bedrag word as 'n langtermynlas op die geamortiseerde kostebasis gedra totdat dit by omskepping of aflissing uitgewis word.

Die oorblywende bedrag na aftrekking van die skuldkomponent word erken en is ingesluit in aandeelhouersekuiteit netto van transaksiekoste. Die drabedrag van die ekwiteitskomponent word nie weer in daaropvolgende jare hermeet nie.

Transaksiekoste word toegedeel tussen die laste- en ekwiteitskomponente van die omskepbare voorkeuraandeel, gegrond op die toewysing van opbrengste tot die laste- en ekwiteitskomponente wanneer die instrumente aanvanklik erken word.

(i) Tesourie-aandele

Aandele in die Maatskappy wat deur die Groep gehou word, word as tesourie-aandele geklassifiseer. By konsolidasie word hierdie aandele as 'n aftrekking van die aantal uitgereikte aandele beskou en die kosprys van die aandele word afgetrek van die aandeelkapitaal en aandeelpremie in die staat van finansiële posisie. Geen wins of verlies word erken in die staat van omvattende inkomste by die aankoop, verkoop, uitreiking of kansellering van die Groep se eie ekwiteitsinstrumente nie. Dividende ontvang op tesourie-aandele word by konsolidasie uitgeskakel.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

(j) Provisions

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

(k) Retirement benefits

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

Defined-benefit fund

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

Defined-contribution funds

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

Medical aid

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

(l) Revenue recognition

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

Sales of products

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

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

Services rendered

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

(j) Voorsienings

'n Voorsiening word erken wanneer die Groep 'n huidige verpligting het (regs- of konstruktief) as gevolg van 'n gebeurtenis in die verlede, wat waarskynlik 'n uitvloe van ekonomiese hulpbronne sal veroorsaak om die verpligting te vereffen, en indien 'n betroubare raming gemaak kan word van die bedrag wat nodig is om die verpligting af te los.

(k) Aftreevoordele

Dit is die Groep se beleid om vir pensioenverpligtinge te voorsien deur betalings te maak aan afsonderlike fondse wat onafhanklik van die Groep staan en bydraes word in wins of verlies verreken. Surplusse word nie te boek gestel nie, aangesien dit aan die lede van die fonds toeval.

Omskrewevoordelefonds

Die Groep se verpligting ten opsigte van omskrewevoordele-pensioenskemas word afsonderlik vir elke plan bereken deur ramings te maak van die waarde van die toekomstige voordeel wat werknemers in die huidige en vorige tydperke vir hulle dienste verdien het. Hierdie voordeel word verdiskonteer om die huidige waarde te bepaal en die billike waarde van enige bates in die plan word afgetrek. Die aktuariële geprojekteerde eenheidskrediet-metode word vir aktuariële waardasies gebruik. Wanneer die voordele van 'n plan verbeter word, word die deel van die groter voordeel wat verband hou met diens deur werknemers in die verlede as 'n uitgawe in wins of verlies erken op 'n reguitlyn-basis oor die gemiddelde tydperk verreken totdat die voordele gevestig raak. Tot die mate dat die voordele onmiddellik vestig, word die uitgawe onmiddellik in wins of verlies erken.

Omskrewebydraefondse

Verpligtinge vir bydraes aan omskrewebydraepensioen- en voorsorgskemas word as 'n uitgawe erken in wins of verlies soos dit aangegaan word.

Mediese fonds

Die verpligting vir gesondheidsorg na aftrede is die uitsluitlike verantwoordelikheid van die afgetrede werknemer. Die Groep het gevolglik geen verpligting of aanspreeklikheid in hierdie verband nie.

(l) Erkenning van inkomste

Inkomste word erken tot die mate dat dit waarskynlik is dat die ekonomiese voordele na die Groep sal vloei en dat die inkomste betroubaar gemeet kan word. Inkomste word teen billike waarde gemeet, na inagneming van vertroulike afslag; distribusie, verkope en bemakingsdienste gelewer; kontrakvervaardiging en huurinkomste. Daar moet ook aan die volgende spesifieke erkenningskriteria voldoen word voordat inkomste erken word:

Verkoop van produkte

Gefaktureerde produkverkope word erken as omset, uitgesluit belasting op toegevoegde waarde.

Inkomste word erken wanneer die beduidende regte en verpligtinge van eienaarskap van die goedere na die koper oorgaan. Inkomste sluit gefaktureerde bruto verkope van produkte min afslag en voorsienings vir produkteise in.

Dienste gelewer

Inkomste vir dienste gelewer word erken op stadium van voltooiing van die diens.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

Finance income

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

Dividends received

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

Rental income

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

(m) Cost of sales

Cost of sales consists of the following:

- cost of raw milk, ingredients and packaging
- milk collection cost
- manufacturing direct and indirect costs
- primary distribution costs
- charges against sales.

(n) Finance costs

Finance costs are recognised as an expense when incurred.

(o) Taxes

Current taxation

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

Deferred taxation

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

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

Finansieringsinkomste

Inkomste word erken soos rente toeval (die effektiewe rentekoers word gebruik – dit is die koers wat die toekomstige beraamde kontantontvangstes presies verdiskonteer deur die verwagte lewe van die finansiële instrument, na die netto drawaarde van die finansiële bate). Die Groep deponeer surplusfondse by finansiële instellings en tree nie as 'n verskaffer van finansiering aan derde partye op nie. Rente-inkomste word as finansieringsinkomste erken.

Dividende ontvang

Dividende word erken wanneer die reg om betaling te ontvang, gevestig is.

Huurinkomste

Huurinkomste uit beleggingseiendom word in wins of verlies erken op 'n reguitlyn-basis oor die termyn van die huurkontrak. Huuraansporings wat toegestaan word, word as 'n geïntegreerde deel van die huurinkomste erken. Die huurinkomste op eiendomme maak nie deel uit van die Groep se kernbesigheid nie. Inkomste in hierdie verband word as ander bedryfsinkomste erken.

(m) Koste van verkope

Bestaan uit die volgende:

- koste van rou melk, bestanddele en verpakking
- melkwinningskoste
- direkte- en indirekte produksiekoste
- primêre verspreidingskoste
- verhalings teen verkope.

(n) Finansieringskoste

Finansieringskoste word as 'n uitgawe erken wanneer dit aangegaan word.

(o) Belasting

Lopende belasting

Lopende belastingbates en -laste vir die huidige en vorige tydperke word gemeet aan die bedrag wat na verwagting van die belastingowerheid verhaal of aan die owerheid betaal sal word. Die belastingkoerse en -wette wat vir die berekening van die bedrag gebruik word, is dié wat bepaal of wesenlik bepaal word op die verslagdoeningsdatum.

Uitgestelde belasting

Die drawaarde van uitgestelde belastingbates word verreken op elke verslagdoeningsdatum en verminder tot die mate dat dit nie meer waarskynlik is dat voldoende belasbare inkomste beskikbaar sal wees om al die, of 'n gedeelte van, die uitgestelde belastingbate te benut nie. Onterkende uitgestelde belastingbates word heroorweeg op elke verslagdoeningsdatum en word erken tot die mate dat dit waarskynlik raak dat toekomstige belasbare inkomste voldoende sal wees om die uitgestelde belastingbate te benut.

Uitgestelde belastingbates en uitgestelde belastinglaste word verreken indien 'n regsgeldige afdwingbare reg bestaan om lopende belastingbates teen lopende belastingverpligtinge te verreken en die uitgestelde belasting hou verband met dieselfde belastingentiteit en dieselfde belastingowerheid. Uitgestelde belasting is gegrond op heersende belastingkoerse. IFRS bepaal dat die belastingkoerse wat na verwagting sal geld in die jaar waarin die bate gerealiseer of die las afgelos word, gegrond op die belastingkoerse en belastingwette wat op die verslagdoeningsdatum geld of sulke koerse en/of toekomstige wetswysigings wat reeds bekend is en na alle waarskynlikheid geïmplementeer sal word, toegepas word.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

Value-added taxation

Revenues, expenses, assets and liabilities are recognised net of the amount of value-added taxation, except:

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

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

Secondary taxation on companies

Secondary taxation on companies is recognised if one of the following events occurs:

- Dividends are declared whether regular or preferences or
- Events have occurred which result in a deemed dividend.

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

(p) Segment reporting

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

(q) Share-based compensation

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

Equity-settled share-based compensation plan

The fair value of the employee services received in exchange for the shares granted is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value on the grant date of the shares granted, excluding the impact of any non-market vesting conditions.

Non-market vesting conditions are included in assumptions about the number of shares that are expected to become exercisable. This recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. At each reporting date the entity revises its estimates of the number of shares that are expected to become exercisable.

Cash-settled share-based compensation plan

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

Belasting op toegevoegde waarde

Inkomste, uitgawes, bates en laste word erken netto van die belasting op toegevoegde waardebedrag, behalwe:

- Waar die BTW op die aankoop van bates of dienste aangegaan nie van die belastingowerheid verhaalbaar is nie, word die BTW erken as deel van die aankoopkoste van die bate of as deel van die uitgawe-item, soos toepaslik en
- Rekeninge ontvangbaar en betaalbaar wat aangedui word met die BTW-bedrag ingesluit.

Die netto bedrag BTW verhaalbaar van of betaalbaar aan die belastingowerheid is ingesluit as deel van rekeninge ontvangbaar of betaalbaar in die staat van finansiële posisie.

Sekondêre belasting op maatskappye

Sekondêre belasting op maatskappye word erken wanneer een van die onderstaande gebeurtenisse ontstaan:

- Gewone- of voorkeurdividende verklaar is of
- Gebeurtenisse plaasvind wat 'n geagte dividend tot gevolg het.

SBM word bereken teen die koers wat vasgestel is deur die belastingowerheid en die uitgawe word as deel van die belasting-uitgawe in wins of verlies erken.

(p) Segmentverslagdoening

Die bedryfsegmente is gebaseer op die Groep se bestuur en interne verslagdoeningstruktuur. Intersegmentele pryse word op 'n arm-lengte-basis bepaal. Segmentresultate, bates en laste sluit items in wat regstreeks aan 'n segment toegewys kan word asook die wat op 'n redelike basis toegewys kan word.

(q) Aandeelgebaseerde vergoeding

Die Groep bedryf 'n ekwiteitsvereffende, sowel as 'n kontantvereffende aandeelgebaseerde vergoedingsplan.

Ekwiteitsvereffende aandeelgebaseerde vergoedingsplan

Die billike waarde van die werknemerdienste wat in ruil vir die toegekende aandele ontvang word, word as 'n uitgawe erken. Die totale bedrag wat oor die vestigingstydperk as uitgawe te boek gestel sal word, word bepaal deur verwysing na die billike waarde op die toekenningsdatum van die aandele wat toegeken is, met uitsondering van die uitwerking van enige nie-markverwante vestigingsvoorwaardes.

Nie-markverwante vestigingsvoorwaardes is ingesluit in die aannames oor die aantal aandele wat na verwagting uitgeoefen sal word. Dit erken die uitwerking van die hersiening van oorspronklike ramings, indien enige, in wins of verlies en 'n ooreenstemmende aanpassing van ekwiteit oor die oorblywende vestigingstydperk. Op elke verslagdoeningsdatum hersien die entiteit sy ramings van die aantal aandele wat na verwagting opgeneem sal word.

Kontantvereffende aandeelgebaseerde vergoedingsplan

Die koste van kontantvereffende transaksies word aanvanklik op die kennisgewingdatum teen billike waarde gemeet, deur gebruikmaking van 'n aangepaste weergawe van die Hull-White Trinominal Lattice model, inagnemend die terme en voorwaardes waarop die instrumente toegeken is. Die billike waarde word afgeskryf oor die periode tot en met vestiging met erkenning van die ooreenkomstige las. Die las word op elke verslagdoeningsdatum hermeet tot en met die vereffeningsdatum, met veranderinge in billike waarde in wins of verlies erken.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

(r) Borrowing costs

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

(s) Comparative figures

Where account balances were adjusted for the purpose of improved disclosure, the comparative figures have been restated accordingly.

(r) Leenkoste

Leningskoste wat regstreeks toegewys word aan die aankoop, konstruksie of produksie van 'n bate wat noodwendig 'n aansienlike tyd neem voordat dit gereed is vir gebruik of verkoop, word as deel van die koste van die onderskeie bates gekapitaliseer. Alle ander leningskoste word afgeskryf in die tydperk waarin hulle aangegaan word. Leningskoste bestaan uit rente en ander kostes wat 'n onderneming aangaan ten opsigte van die leen van fondse. Die Groep het leningskoste vir alle toepaslike bates gekapitaliseer indien daar op of voor 1 Julie 2009 met konstruksie begin is.

(s) Vergelykende syfers

Waar rekeningbalanse aangepas is om verbeterde openbaarmaking daar te stel, word die vergelykende syfers dienoreenkomstig hersaamgestel.

3 Definitions

3.1 Dividend per ordinary share

Dividend paid to ordinary shareholders, divided by the weighted average number of ordinary shares in issue at the end of the year.

3.2 Equity dividend per preference share

Ordinary dividend paid to preference shareholders, divided by the weighted average number of preference shares in issue at the end of the year.

Preference dividend recognised as interest per preference share

Preference dividend paid, divided by the weighted average number of preference shares in issue at the end of the year.

3.3 Earnings and diluted earnings per share

Earnings per ordinary share

Profit attributable to ordinary shareholders, based on ordinary dividend rights, divided by the weighted average number of ordinary shares net of the weighted average number of treasury shares in issue at the end of the year.

Diluted earnings per ordinary share

Profit attributable to ordinary shareholders, based on ordinary dividend rights, divided by the weighted average number of ordinary shares, adjusted for options issued, net of the weighted average number of treasury shares at the end of the year, adjusted for options issued.

3.4 Net assets

Total assets less total liabilities.

3.5 Cash flow

Cash flow from operating activities.

3.6 Cash flow per share

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

3.7 Net asset turnover

Turnover divided by average net assets less average cash on hand.

3 Definisies

3.1 Dividend per gewone aandeel

Dividend betaal aan gewone aandeelhouders, gedeel deur die geweegde gemiddelde aantal gewone aandele uitgereik aan die einde van die jaar.

3.2 Ekwiteitsdividend per voorkeuraandeel

Gewone dividend betaal aan voorkeuraandeelhouders, gedeel deur die geweegde gemiddelde aantal voorkeuraandele uitgereik aan die einde van die jaar.

Voorkeurdividend as rente erken per voorkeuraandeel

Voorkeurdividend betaal, gedeel deur die geweegde gemiddelde aantal voorkeuraandele uitgereik aan die einde van die jaar.

3.3 Verdienste en verwaterde verdienste per aandeel

Verdienste per gewone aandeel

Wins toeskryfbaar aan gewone aandeelhouders, gebaseer op gewone dividendregte, gedeel deur die geweegde gemiddelde aantal gewone aandele netto van die geweegde gemiddelde tesourie-aandele uitgereik aan die einde van die jaar.

Verwaterde verdienste per gewone aandeel

Wins toeskryfbaar aan gewone aandeelhouders, gebaseer op gewone dividendregte, gedeel deur die geweegde gemiddelde aantal gewone aandele, aangepas vir opsies uitgereik, netto van die geweegde gemiddelde tesourie-aandele aan die einde van die jaar, aangepas vir uitgereikte opsies.

3.4 Netto bates

Totale bates min totale laste.

3.5 Kontantvloei

Kontantvloei uit bedryfsaktiwiteite.

3.6 Kontantvloei per aandeel

Kontantvloei gedeel deur die geweegde gemiddelde aantal gewone aandele uitgereik aan die einde van die jaar.

3.7 Netto bate-omset

Omset gedeel deur gemiddelde netto bates min gemiddelde kontant voorhande.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

3.8 Return on net assets

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

3.9 Return on shareholders' funds

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

3.10 Gearing percentage

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

3.11 Current ratio

Current assets divided by current liabilities.

3.12 Activities pertaining to cash flow

Operating activities

All transactions and other events that are not investing or financing activities.

Financing activities

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

Investing activities

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

3.13 Cash and cash equivalents

Cash on hand and in current bank accounts.

3.14 Restructuring cost

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

3.8 Opbrengs op netto bates

Bedryfswins as 'n persentasie van gemiddelde bates, minus gemiddelde bedryfslaste uitgesluit lopende rentedraende lenings en verpligtinge.

3.9 Opbrengs op aandeelhoudersfondse

Wins toeskryfbaar aan gewone aandeelhouders as 'n persentasie van gemiddelde aandeelhouerfondse, voor minderheidsbelang.

3.10 Hefboompersentasie

Rentedraende lenings en verpligtinge, verminder met kontantfondse, as 'n persentasie van totale aandeelhoudersbelang, ingesluit minderheidsbelang.

3.11 Bedryfsverhouding

Bedryfsbates gedeel deur bedryfslaste.

3.12 Aktiwiteite ten opsigte van kontantvloei

Bedryfsaktiwiteite

Alle transaksies en gebeure wat nie beleggings- of finansierings-aktiwiteite is nie.

Finansieringsaktiwiteite

Aktiwiteite wat veranderinge in die grootte en samestelling van die kapitaalstrukture van die Groep tot gevolg het. Dit sluit ekwiteit en skuld in wat nie onder die definisie van kontant en kontantekwivalente val nie.

Beleggingsaktiwiteite

Aktiwiteite met betrekking tot die verkryging, hou en vervreemding van langtermynbates.

3.13 Kontant en kontantekwivalente

Kontant voorhande en in lopende bankrekeninge.

3.14 Herstruktureringse koste

Herstruktureringse koste behels kostes aangegaan om sodoende prosesse in die Groep in lyn te bring met mekaar.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

3.15 Abbreviations

The following abbreviations are used in the financial statements

Company names

Clover Beverages Limited:
Clover Beverages

Clover Botswana (Pty) Limited
(incorporated in Botswana):
Clover Botswana

Clover Capital (Pty) Limited:
Clover Capital

Clover Fonterra Ingredients (Pty) Limited:
CFI/Clover Fonterra

Clover Industries Limited:
CIL

Clover Industries Limited and subsidiaries:
The Group/Clover

Clover Industries Limited Stabilisation Trust:
CIL Stabilisation Trust changed to:
Clover Milk Producers Trust

Clover Manhattan (Pty) Limited:
Clover Manhattan

Clover Manhattan Unincorporated Joint Venture:
Clover Manhattan J.V.

Clover S.A. (Pty) Limited:
Clover SA

Clover Swaziland (Pty) Limited
(incorporated in Swaziland):
Clover Swaziland

Clover Zambia Limited (incorporated in Zambia):
Clover Zambia

Compagnie Gervais Danone:
Danone Group/Danone

Danone Southern Africa (Pty) Limited
(formerly Danone Clover (Pty) Limited):
Danone Clover/Danone SA

Fonterra Limited:
Fonterra

Hosken Consolidated Investments Limited:
HCI

3.15 Afkortings

Die volgende afkortings word in die finansiële state gebruik

Maatskappyname

Clover Beverages Bpk:
Clover Beverages

Clover Botswana (Edms) Bpk
(geïnkorporeer in Botswana):
Clover Botswana

Clover Capital (Edms) Bpk:
Clover Capital

Clover Fonterra Ingredients (Edms) Bpk:
CFI/Clover Fonterra

Clover Industries Bpk:
CIL

Clover Industries Bpk en filiale:
Die Groep/Clover

Clover Industries Bpk Stabilisation Trust:
CIL Stabilisation Trust verander na:
Clover Milk Producers Trust

Clover Manhattan (Edms) Bpk:
Clover Manhattan

Clover Manhattan Ongeïnkorporeerde Gesamentlike Onderneming:
Clover Manhattan G.O.

Clover S.A. (Edms) Bpk:
Clover SA

Clover Swaziland (Edms) Bpk
(geïnkorporeer in Swaziland):
Clover Swaziland

Clover Zambia Bpk (geïnkorporeer in Zambië):
Clover Zambia

Compagnie Gervais Danone:
Danone Groep/Danone

Danone Southern Africa (Edms) Bpk
(voorheen Danone Clover (Edms) Bpk):
Danone Clover/Danone SA

Fonterra Bpk:
Fonterra

Hosken Consolidated Investments Bpk:
HCI

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

Other

Branded Consumer Goods:
BCG

Broad-based Black Economic Empowerment:
BBBEE

Capital Gains Tax:
CGT

Depreciated Replacement Cost:
DRC

International Accounting Standards:
IAS

International Financial Reporting Standards:
IFRS

Johannesburg Stock Exchange:
JSE

Margin on Material:
MOM

Net Current Replacement Cost:
NCRC

Nomination Committee:
Nomco

Property, plant and equipment:
PP&E

Rand Merchant Bank:
RMB

Remuneration Committee:
Remco

Share appreciation rights:
SAR

Ander

Handelsmerk-verbruikersprodukte:
HVP

Breedgebaseerde Swart Ekonomiese Bemagtiging:
BBBEE

Kapitaalwinsbelasting:
KWB

Gedepresieerde Vervangingskoste:
DVK

Internasionale Rekeningkundige Standaarde:
IAS

Internasionale Finansiële Verslagdoeningstandaarde:
IFRS

Johannesburgse Effektebeurs:
JSE

Marge op Materiaal:
MOM

Netto Huidige Vervangingskoste:
NHVK

Nominasiekomitee:
Nomco

Eiendom, aanleg en toerusting:
EA&T

Rand Merchant Bank:
RMB

Vergoedingskomitee:
Remco

Aandeelgroei regte:
AGR

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		
for the year ended 30 June 2011	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
4 Interest in joint ventures Clover Industries indirectly holds a 50,1% interest in Clover SA Manhattan through Clover SA. Clover also formed a unincorporated joint venture, Clover Manhattan J.V. which is involved in the manufacture, marketing and distribution of ice tea. Clover Industries indirectly holds a 51% interest in Clover Fonterra through Clover SA. Clover Fonterra is involved in the marketing and distribution of dairy-related products.			4 Belang in gesamentlike ondernemings Clover Industires hou indirek deur Clover SA 'n 50,1% aandeel in Clover Manhattan. Clover het 'n on-ingekorporeerde gesamentlike onderneming, Clover Manhattan, gestig wat betrokke is by die vervaardiging, bemarking en verspreiding van ystee. Clover Industries besit indirek deur Clover SA 'n 51% aandeel in Clover Fonterra. Clover Fonterra is betrokke by die bemarking en verspreiding van suiwelverwante produkte.
4.1 Interest in joint ventures The Group's share of the assets, liabilities, income and expenses of the jointly controlled entities at 30 June 2011 which are proportionally consolidated in the consolidated financial statements, is as follows: Clover Manhattan Share of the joint venture's statement of financial position Current assets 12 958 6 792 Current liabilities 10 719 5 753 Share of joint venture's revenue and profit Revenue 31 507 27 501 Cost of sales (20 989) (18 123) Sales, marketing, distribution and administrative expenses (8 995) (7 717) Other operating costs 155 (218) Profit before tax 1 678 1 443 Income tax expense (449) (404) Profit for the year 1 229 1 039 Capital commitments Capital commitments authorised and contracted for – – Capital commitments authorised but not contracted for – –			4.1 Belang in gesamentlike onderneming Die Groep se deel van die bates, laste, inkomste en uitgawes van die gesamentlik beheerde entiteite op 30 Junie 2011 wat proporsioneel gekonsolideer is in die gekonsolideerde finansiële state, is as volg: Clover Manhattan Gedeelte van gesamentlike onderneming se staat van finansiële posisie Bedryfsbates Bedryfslaste Gesamentlike onderneming se gedeelte van inkomste en wins Inkomste Koste van verkope Verkoops-, bemarkings-, verspreidings- en administratiewe uitgawes Ander bedryfsuitgawes Wins voor belasting Inkomstebelastinguitgawe Wins vir die jaar Kapitaalverpligtinge Kapitaalverpligtinge goedgekeur en gekontrakteer Kapitaalverpligtinge goedgekeur, maar nie gekontrakteer nie

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		
for the year ended 30 June 2011	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
Clover Fonterra			Clover Fonterra
Share of joint venture's statement of financial position			Gedeelte van gesamentlike onderneming se staat van finansiële posisie
Current assets	43 199	29 854	Bedryfsbates
Non-current assets	294	223	Nie-bedryfsbates
Current liabilities	27 276	15 180	Bedryfslaste
Non-current liabilities	–	2 093	Nie-bedryfslaste
Share of joint venture's revenue and profit			Gesamentlike onderneming se gedeelte van inkomste en wins
Revenue	87 632	59 177	Inkomste
Cost of sales	(69 851)	(39 825)	Koste van verkope
Sales, marketing, distribution and administrative expenses	(8 362)	(10 036)	Verkoops-, bemarkings-, verspreidings- en administratiewe uitgawes
Other operating income/(expenses)	67	(103)	Ander bedryfsinkomste/(bedryfsuitgawes)
Finance income	119	295	Finansieringsinkomste
Profit before taxation	9 605	9 508	Wins voor belasting
Income tax expense	(3 012)	(3 148)	Inkomstebelastinguitgawe
Profit for the year	6 593	6 360	Wins vir die jaar
Capital commitments			Kapitaalverpligtinge
Capital commitments authorised and contracted for	–	–	Kapitaalverpligtinge goedgekeur en gekontrakteer
Capital commitments authorised but not contracted for	–	–	Kapitaalverpligtinge goedgekeur, maar nie gekontrakteer nie

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

5 Segment reporting

Segment information is presented in respect of the Group's operating segments. The operating segments are based on the Group's management and internal reporting structure. During the current year reportable segments were changed from reporting operating entities to product groups. The comparative year was restated accordingly. Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The following tables present information of the Group's operating segments for the year ended 30 June 2011 and 2010 respectively.

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

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

Operating segments

The Group comprises the following main operating segments:

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

5 Segmentverslagdoening

Segmentinligting word met betrekking tot die Groep se bedryfsegmente aangebied. Die bedryfsegmente is gegrond op die Groep se bestuur en interne verslagdoeningstruktuur. Gedurende die huidige jaar is verslagdoeningsegmente van verslagdoening-bedryfsentiteite na produkroepe verander. Die vergelykbare jaar is dienoooreenkomstig herstateer. Pryse tussen segmente word op 'n arm-lengte-basis bepaal. Segmentresultate sluit items in wat regstreeks aan segmente toegewys kan word asook items wat redelikerwys toegewys kan word.

Die volgende tabelle verskaf inligting oor die Groep se bedryfsegmente vir die jaar geëindig 30 Junie 2011 en 2010 onderskeidelik.

Die Groep se vervaardigings-, verspreidings- en ander bates is heeltemal geïntegreer tussen die verskillende bedryfsegmente asook die Groep se laste. Dit is nie prakties of koste-effektief om bates en laste aan verskillende bedryfsegmente toe te wys nie. Soortgelyk, en om dieselfde redes, kan vervaardigings-, verspreidings- en administratiewe koste ook nie prakties onderskei word tussen die verskillende bedryfsegmente nie. Bestuur monitor bedryfsegmentprestasie op die vlak van marge op materiale wat inkomste, grondstowwe en verpakkingskoste insluit en die segment-openbaring vind dus op hierdie vlak plaas.

Bates, laste en oorhoofse koste word op 'n groepsbasis bestuur en word dus nie aan bedryfsegmente toegewys nie. Groep bedrywighede buite Suid-Afrika is nie wesentlik nie en word dus nie afsonderlik openbaar gemaak nie.

Bedryfsegmente

Die Groep bestaan uit die volgende hoofbedryfsegmente:

- * Die suiwelprodukte segment is gefokus op die verskaffing van kwaliteit vloeibare suiwelprodukte aan die mark.
- * Die suiwel-gekonsentreerde produkte bestaan uit kaas, botter, kondensmelk en kleinhandel melkpoeiers.
- * Die ingrediënte bestaan uit grootmaat melkpoeiers, grootmaat botter, grootmaat kondensmelk, grootmaat verromer, kalfvoer-plaasvervangers, weipoeier en karringmelkpoeier.
- * Die nie-alkoholiese dranksegment fokus op die ontwikkeling en bemaking van nie-alkoholiese, waarde-toegevoegde handelsmerk drankprodukte.
- * Ander bestaan uit Clover Industries Bpk houermaatskappy en Lactolab (Edms) Bpk wat laboratoriumdienste verskaf.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

30 June 2011							30 Junie 2011
SEGMENTAL REPORT	Dairy fluids / Suivelvloeistowwe	Dairy concentrated products / Suivel gekonsentreerde produkte	Ingredients / Ingrediënte	Non-alcoholic beverages / Nie-alkoholiese drankies	Other / Ander	CIL Group / CIL Groep	SEGMENTVERSLAG
	R'000	R'000	R'000	R'000	R'000	R'000	
External revenue							Eksterne inkomste
Sale of products	2 959 585	922 306	332 258	1 287 553	8 734	5 510 436	Verkope van produkte
Sale of raw milk	386 070	–	–	–	–	386 070	Verkope van rou melk
Charges against sales	(55 975)	(15 036)	(25 808)	(9 396)	(613)	(106 828)	Heffings op verkope
Cost of material and packaging	(1 869 831)	(607 889)	(220 946)	(613 881)	(1 961)	(3 314 508)	Koste van materiaal en verpakking
Milk collection cost	(192 420)	(75 182)	(14 107)	(7 979)	–	(289 688)	Koste van melkinsameling
Margin on material	1 227 429	224 199	71 397	656 297	6 160	2 185 482	Marge op materiaal
Reconciliation of margin on material to Operating Profit							Rekonsiliasie van marge op materiaal na Bedryfswins
Margin on material						2 185 482	Marge op materiaal
Revenue from rendering of services						642 133	Inkomste van dienste gelewer
Rental income						3 682	Huurinkomste
Direct and indirect manufacturing cost						(709 760)	Direkte en indirekte vervaardigingskoste
Primary distribution cost						(380 539)	Primêre verspreidingskoste
Gross profit						1 740 998	Bruto wins
Net other costs						(1 405 083)	Netto ander koste
Restructuring cost						(16 907)	Herstruktureringkoste
Operating profit						319 008	Bedryfswins
Net financing cost						(37 440)	Netto finansieringskoste
Tax expense						(97 534)	Belastinguitgawe
Depreciation						(98 345)	Waardevermindering
Assets and liabilities							Bates en laste
Assets						3 545 488	Bates
Liabilities						1 793 693	Laste

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

30 June 2010	Dairy fluids / Suivelvloeistowwe	Dairy concentrated products / Suiwel gekonsentreerde produkte	Ingredients / Ingrediënte	Non-alcoholic beverages / Nie-alkoholiese drankies	Other / Ander	CIL Group / CIL Groep	30 Junie 2010
SEGMENTAL REPORT							SEGMENTVERSLAG
	R'000	R'000	R'000	R'000	R'000	R'000	
External revenue							Eksterne inkomste
Sale of products	2 764 688	954 014	304 668	1 180 858	9 006	5 213 234	Verkope van produkte
Sale of raw milk	362 198	–	–	–	–	362 198	Verkope van rou melk
Charges against sales	(48 147)	(12 923)	(20 397)	(11 963)	(626)	(94 056)	Heffings op verkope
Cost of material and packaging	(1 774 486)	(608 754)	(198 854)	(532 102)	(2 358)	(3 116 554)	Koste van materiaal en verpakking
Milk collection cost	(170 406)	(73 631)	(17 738)	(6 913)	–	(268 688)	Koste van melkinsameling
Margin on material	1 133 847	258 706	67 679	629 880	6 022	2 096 134	Marge op materiaal
Reconciliation of margin on material to Operating Profit							Rekonsiliasie van marge op materiaal na Bedryfswins
Margin on material						2 096 134	Marge op materiaal
Revenue from rendering of services						583 073	Inkomste van dienste gelewer
Rental income						2 978	Huurinkomste
Direct and indirect manufacturing cost						(669 861)	Direkte en indirekte vervaardigingskoste
Primary distribution cost						(345 278)	Primêre verspreidingskoste
Gross profit						1 667 046	Bruto wins
Net other costs						(1 296 300)	Netto ander koste
Profit from sale of Danon Clover						337 682	Wins met verkoop van Danone Clover
Restructuring cost						(149 458)	Herstruktureringkoste
Operating profit						558 970	Bedryfswins
Net financing cost						(63 518)	Netto finansieringskoste
Tax expense						(191 662)	Belastinguitgawe
Depreciation						(97 752)	Waardevermindering
Assets and liabilities							Bates en laste
Assets						2 932 103	Bates
Liabilities						1 855 636	Laste

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
6 Income and expenses					6 Inkomste en uitgawes
6.1 Cost of sales					6.1 Koste van verkope
Charges against sales	(106 828)	(94 056)			Verhalings teen verkope
Cost of raw materials	(2 645 565)	(2 481 150)			Koste van grondstowwe
Packaging costs	(668 943)	(635 404)			Verpakkingskoste
Milk collection cost	(289 688)	(268 688)			Melkwinningkoste
Manufacturing direct and indirect cost	(709 760)	(669 861)			Direkte en indirekte vervaardigingskoste
Primary distribution cost	(380 539)	(345 278)			Primêre verspreidingskoste
Total cost of sales	(4 801 323)	(4 494 437)			Totale koste van verkope
Included in cost of sales are operating expenses as indicated below:					Ingesluit in koste van verkope is die volgende bedryfsuitgawes:
Depreciation, impairment and amortisation					Depresiasie, waardedaling en amortisasie
– Depreciation of property, plant and equipment	60 188	60 071			– Depresiasie van eiendom, aanleg en toerusting
– Amortisation and impairment of trademarks, patents and licences	3 660	3 082			– Amortisasie en waardedaling van handelsmerke, patente en lisensies
Total depreciation, impairment and amortisation included in cost of sales	63 848	63 153			Totale depresiasie, waardedaling en amortisasie ingesluit in koste van verkope
Total inventories, raw material and finished product written off or provided for included in cost of sales	9 936	12 346			Totale voorrade, grondstowwe en klaarprodukte afgeskryf of voorsien ingesluit in koste van verkope

* During the first six months of the prior year raw milk sales to Danone Clover, an associated company at the time, were set off against cost of sales. To facilitate comparability to the current year that period's sales are now shown as revenue and the cost of sales and revenue figures were regrouped accordingly. It has no effect on profits. The allocation of certain costs within the categories of cost of sales has been revised during the current year and the comparative figures were regrouped accordingly. It has no effect on profits.

* Gedurende die eerste ses maande van die jaar is die verkope van rou melk aan Danone Clover, 'n geassosieerde maatskappy in daardie tyd, teen die koste van verkope verreken. Om vergelykbaarheid met die huidige jaar te vergemaklik word daardie tydperk se verkope nou as inkomste getoon en die syfers van die koste van verkope is dienoreenkomstig hergroepeer. Dit het geen effek op die winste nie. Die allokasie van sekere kostes in die koste van verkope kategorieë is hersien gedurende die jaar en die vergelykende syfers is dienoreenkomstig hergroepeer. Dit het geen effek op die winste nie.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
6.2 Other operating income					6.2 Ander bedryfsinkomste
Impairment loss on trade receivables reversed	707	4 309			Waardedalings verlies op handelsdebiteure teruggeskryf
Fees for the cession of milk rights			38 391	36 018	Foioe vir die sessie van melkregte
Profit on sale of property, plant and equipment	4 255	49 011	–	8	Wins met verkope van eiendom, aanleg en toerusting
Scrap sales	1 992	3 204			Skrootverkope
Sundry	7 020	3 530	781	348	Diverse
Total other operating income	13 974	60 054	39 172	36 374	Totale ander bedryfsinkomste
6.3 Other operating expenses					6.3 Ander bedryfsuitgawes
Foreign exchange loss	(1 258)	(2 005)	(3)	–	Verlies op buitelandse valuta
Handling fees	397	(2 305)			Hanteerkoste
Provision: consumable stock obsolescence	(1 034)	(1 395)			Voorsiening: Verouderde verbruikersvoorraad
Sundry	(715)	(1 947)			Diverse
Total other operating expenses	(2 610)	(7 652)	(3)	–	Totale ander bedryfsuitgawes
Sundry income and expenses consist of immaterial items.					Diverse inkomste en uitgawes bestaan uit nie-wesenlike items.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
6.4 Operating profit					6.4 Bedryfswins
Operating profit before finance income/ (cost) has been determined after taking into account the following expenses:					Bedryfswins voor finansieringsinkomste/ (koste) is bepaal met inagneming van die volgende uitgawes:
Other expenses					Ander uitgawes
Development expenses	8 001	7 226			Ontwikkelingskoste
Rentals					Huuruitgawes
– land and buildings	15 079	18 093			– grond en geboue
– equipment	21 943	22 825			– toerusting
– vehicles	302 063	295 327			– voertuie
– machines	15 138	21 609			– masjiene
– other	912	3 087			– ander
Direct operating expenses of investment properties					Direkte bedryfsuitgawes van beleggingseiendomme
– maintenance	30	54			– instandhouding
Total other expenses	363 166	368 221			Totale ander uitgawes
Personnel expenses					Personeeluitgawes
– wages, salaries, bonuses and car allowances	1 013 605	963 822	19	1 698	– lone, salarisse, bonusse en motortoelaes
– company contributions	17 142	16 626			– maatskappybydraes
– pension contributions	60 602	59 098			– pensioenbydraes
– medical aid fund contributions	22 288	21 136			– mediese fondse bydraes
– other personnel expenses	44 066	37 722			– ander personeeluitgawes
Total personnel expenses	1 157 703	1 098 404	19	1 698	Totale personeeluitgawes
Auditors' remuneration					Ouditeursvergoeding
– audit fees current year	8 879	8 508	1 530	1 590	– ouditgelde huidige jaar
– prior year under provision	263	1 064			– vorige jaar onder voorsiening
– other fees	1 210	630			– ander fooie
Total auditors' remuneration	10 352	10 202	1 530	1 590	Totale ouditeursvergoeding
Included in other fees is R1 210 250 that relates to professional services rendered with the listing. Of this amount R335 124 was capitalised against share premium and R875 126 was expensed.					Ingesluit in ander fooie is R1 210 250 wat verband hou met professionele dienste verskaf met die notering. Hiervan is R335 124 gekapitaliseer teen aandeelpremie en R875 126 is as uitgawe te boek gestel.
Depreciation and amortisation					Depresiasie en amortisasie
Depreciation of property, plant and equipment	29 401	29 383	11	14	Depresiasie van eiendom, aanleg en toerusting
Depreciation of investment properties	49	48			Depresiasie van beleggingseiendomme
Amortisation and impairment of trademarks, patents and licences	4 949	5 168			Amortisasie en waardedaling van handelsmerke, patente en lisensies
Total depreciation and amortisation included in selling, distribution and administrative expense	34 399	34 599	11	14	Totale depresiasie en amortisasie ingesluit in verkoops-, distribusie- en administratiewe uitgawes

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
6.5 Finance income					6.5 Finansieringsinkomste
Bank interest	2 475	1 782	555	254	Bankrente
Interest received on call deposits	15 707	22 567	–	2 383	Rente ontvang op daggelddeposito's
Inter-company	–	–	–	4 516	Inter-maatskappy
Other	6 443	3 004	6 069	606	Ander
Total finance income	24 625	27 353	6 624	7 759	Totale finansieringsinkomste
6.6 Finance cost					6.6 Finansieringskoste
Bank loans and overdrafts	(3 839)	(14 837)	–	–	Banklenings en -oortrekkings
Debtor's securitisation	(35 870)	(48 084)	–	–	Debiteure versekering
Preference dividends transferred to finance cost	(21 359)	(22 290)	(21 359)	(20 425)	Voorkeurdividende oorgedra na finansieringskoste
Inter-company	–	–	(11 195)	(4 012)	Inter-maatskappy
Other	(997)	(5 660)	(389)	–	Ander
Total finance cost	(62 065)	(90 871)	(32 943)	(24 437)	Totale finansieringskoste
6.7 Restructuring cost					6.7 Herstruktureringstekoste
Restructuring cost has been determined after taking into account the following expenses:					Herstruktureringstekoste is bepaal na inagneming van die volgende uitgawes:
- Retrenchment cost	(6 628)	(84 978)	–	(27)	- Afleggingskoste
- Option fee paid to HCI on capital restructuring	–	(11 400)	–	(11 400)	- Opsiegelde aan HCI betaal met kapitaalherstrukturering
- Legal and professional service cost associated with the listing	(8 499)	–	(8 499)	–	- Regs- en professionele koste met betrekking tot notering
- Legal and professional service cost associated with the capital restructuring	–	(5 300)	–	(5 300)	- Regs- en professionele koste met betrekking tot herstrukturering
- SAR bonuses paid to Executives on capital restructuring	–	(37 048)	–	–	- AGR bonusse betaal aan Uitvoerende Bestuur met kapitaalherstrukturering
- Carrying value written off	(1 780)	(10 732)	–	–	- Drawaarde afgeskryf
	(16 907)	(149 458)	(8 499)	(16 727)	

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
7 Taxes					7 Belasting
7.1 The major components of the tax expense are:					7.1 Die hoofkomponente van die belastinguitgawe is:
Local income tax					Plaaslike inkomstebelasting
Current income tax					Lopende inkomstebelasting
– current year	(49 028)	(46 572)	(10 527)	(7 963)	– huidige jaar
– previous year	3 161	(86)	3 161	–	– vorige jaar
Deferred tax					Uitgestelde belasting
– current year	(43 361)	(90 090)	(74)	(1 607)	– huidige jaar
– previous year	–	(1 590)	–	–	– vorige jaar
Secondary taxation on companies					Sekondêre belasting op maatskappye
– current year	(8 272)	(53 324)	(7 698)	(52 555)	– huidige jaar
Foreign taxation					Buitelandse belasting
Current income tax					Lopende inkomstebelasting
– current year	(2 305)	–	–	–	– huidige jaar
– previous year	–	–	–	–	– vorige jaar
Deferred taxation					Uitgestelde belasting
– current year	2 271	–	–	–	– huidige jaar
Total tax expense	(97 534)	(191 662)	(15 138)	(62 125)	Totale belastinguitgawe
Estimated taxation losses available for reduction of future taxable income	195 083	322 198	–	–	Geraamde belastingsverliese beskikbaar vir vermindering van toekomstige belasbare inkomste
7.2 Reconciliation of tax rate	%	%	%	%	7.2 Rekonsiliasie van belastingkoers
Standard income tax rate	28,0	28,0	28,0	28,0	Standaard inkomstebelastingkoers
Adjusted for:					Aangepas vir:
Non-deductible expenses/exempt income	4,7	(0,6)	(25,7)	(23,0)	Nie-aftrekbare uitgawes/vrygestelde inkomste
Deferred tax on STC credits	–	0,1	–	–	Uitgestelde belasting op SBM-krediete
Secondary taxation on companies – paid	2,9	10,8	1,6	27,3	Sekondêre belasting op maatskappye – betaal
Other	(0,9)	0,4	(0,5)	–	Ander
Effective tax rate	34,7	38,7	3,4	32,3	Effektiewe belastingkoers

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
8 Discontinued operations The Group's interest in Danone Clover, an associated company, was sold to Compagnie Gervais Danone effective from 1 January 2010. The associate represented the Group's interest in yoghurt and long life custard. The investment was classified as an asset held for sale and as a discontinued operation in 2010. The results of the associate are presented below: Statement of comprehensive income Share of profit of associated company net of taxation Profit attributable to equity holders of the parent company Non-controlling interest Profit for the period/year from a discontinued operation As an associate of the Group, the assets and liabilities of Danone Clover were not recognised in the Group's consolidated financial statements. Earnings per ordinary share Basic and diluted, from discontinued operation The comparative earnings per share from discontinued operations has been adjusted for the 2 for 1 share split					8 Beëindigende bedrywighede Die Groep se belange in Danone Clover, 'n geassosieerde, is aan Compagnie Gervais Danone verkoop, effektief vanaf 1 Januarie 2010. Die geassosieerde verteenwoordig die Groep se belange in jogurt en langlewewia. Die belegging was as 'n bate gehou vir-verkoop en as 'n beëindigende bedryf geklassifiseer in 2010. Die resultate van die geassosieerde word hieronder aangebied: Staat van omvattende inkomste Aandeel van wins van geassosieerde maatskappy netto van belasting Wins toeskryfbaar aan ekwiteitshouers van die houermaatskappy Nie-beherende belang Wins vir die tydperk/jaar van 'n beëindigende bedryf As 'n geassosieerde van die Groep, is die bates en laste van Danone Clover nie in die Groep se gekonsolideerde finansiële state erken nie. Verdiens te per gewone aandeel Basies en verwater, van beëindigende bedryf Die vergelykende verdiens te per aandeel van beëindigende bedrywighede is aangepas vir die 2 tot 1 verdeling.
	–	32 123			
	–	32 123			
	–	–			
	–	32 123			
	Cents per share/Sent per aandeel	Cents per share/Sent per aandeel			
	–	20,8			

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

		Group/Groep		Company/Maatskappy	
for the year ended 30 June 2011		2011	2010	2011	2010
		vir die jaar geëindig 30 Junie 2011			
9	Earnings and headline earnings per share				
		Number of shares/ Aantal aandele	Number of shares/ Aantal aandele		
9.1	Diluted weighted average number of ordinary shares				
	Weighted average number of issued ordinary shares	153 882 447	172 604 540		
	Less: treasury shares	–	(18 009 099)		
	Weighted average number of issued ordinary shares	153 882 447	154 595 442		
	Increase in number of shares as a result of unexercised share appreciation rights	11 008 072	–		
	Diluted weighted average number of ordinary shares	164 890 519	154 595 442		
	The comparative weighted and diluted weighted average number of shares have been adjusted for the 2 for 1 share split				
9.2	Profit for the year from continuing and discontinued operations	R'000	R'000		
	Profit for the year from continuing operations	179 588	298 696		
	Profit for the year from discontinued operations	–	32 123		
	Profit for the year attributable to equity holders of the parent company	179 588	330 819		
9.3	Earnings per share				
		Cents per share/Sent per aandeel	Cents per share/Sent per aandeel		
	BASIC				
	From continuing operations	116,7	193,2		
	From discontinued operations	0,0	20,8		
	Attributable to equity holders of the parent	116,7	214,0		
	DILUTED				
	From continuing operations	108,9	193,2		
	From discontinued operations	0,0	20,8		
	Attributable to equity holders of the parent	108,9	214,0		
	The comparative basic and diluted earnings per share have been adjusted to take into consideration the 2 for 1 share split				
9	Verdienste en wesensverdienste per aandeel				
9.1	Verwaterde geweeëde gemiddelde aantal gewone aandele				
	Geweeëde gemiddelde uitgereikte gewone aandele				
	Min: tesourie-aandele				
	Geweeëde gemiddelde uitgereikte gewone aandele				
	Toename in aantal aandele as gevolg van onuitgeoefende aandeelgroei regte				
	Verwaterde geweeëde gemiddelde aantal gewone aandele				
	Die vergelykende geweeëde en verwaterde geweeëde gemiddelde aantal aandele is aangepas vir die 2 tot 1 verdeling				
9.2	Wins vir die jaar toeskryfbaar aan voorgesette en beëindigende bedrywighede				
	Wins vir die jaar van voortgesette bedrywighede				
	Wins vir die jaar van beëindigende bedrywighede				
	Wins vir die jaar toeskryfbaar aan ekwiteitshouers van die houermaatskappy				
9.3	Verdienste per aandeel				
	BASIES				
	Van voortgesette bedrywighede				
	Van beëindigende bedrywighede				
	Toeskryfbaar aan ekwiteitshouers van die houermaatskappy				
	VERWATERDE				
	Van voortgesette bedrywighede				
	Van beëindigende bedrywighede				
	Toeskryfbaar aan ekwiteitshouers van die houermaatskappy				
	Die vergelykende basiese en verwaterde verdienste per aandeel is aangepas om die 2 tot 1 verdeling in ag te neem				

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
9.4					9.4
Headline earnings per share					Wesensverdienste per aandeel
Headline earnings attributable to equity holders of the parent company					Wesensverdienste toeskryfbaar aan ekwiteitshouers van die houermaatskappy
Profit for the year attributable to equity holders of the parent company	179 588	330 819			Wins vir die jaar toeskryfbaar aan ekwiteitshouers van die houermaatskappy
Gross remeasurements excluded from headline earnings					Bruto aanpassings uitgesluit van wesensverdienste
Profit on sale and scrapping of property, plant and equipment	(7 277)	908			Wins met verkoop en skrapping van eiendom, aanleg en toerusting
Non-controlling interest in profit on sale and scrapping of property, plant and equipment	1 324	–			Nie-beherende gedeelte van wins met verkoop en skrapping van eiendom, aanleg en toerusting
Profit on sale of Boksburg factory	–	(50 818)			Wins met verkoop van Boksburg-fabriek
Profit on sale of Danone Clover	–	(337 682)			Wins met verkoop van Danone Clover
Impairment of plant and equipment	1 780	11 546			Waardedaling van aanleg en toerusting
Taxation effects of remeasurements					Belastingeffek van aanpassings
Profit on sale and scrapping of property, plant and equipment	509	(254)			Wins met verkoop en skrapping van eiendom, aanleg en toerusting
Non-controlling interest in profit on sale and scrapping of property, plant and equipment	(259)	–			Nie-beherende gedeelte van wins met verkoop en skrapping van eiendom, aanleg en toerusting
Profit on sale of Boksburg factory	–	(5 386)			Wins met verkoop van Boksburg-fabriek
Profit on sale of Danone Clover	–	105 220			Wins met verkoop van Danone Clover
Impairment of plant and equipment	(498)	(3 233)			Waardedaling van aanleg en toerusting
Headline earnings attributable to equity holders of the parent company	175 167	51 120			Wesensverdienste toeskryfbaar aan ekwiteitshouers van die houermaatskappy
Discontinued operations	–	(32 123)			Beëindigende bedrywighede
Headline earnings from continuing operations	175 167	18 997			Wesensverdienste uit voortgesette bedrywighede
Headline earnings per share	Cents per share/Sent per aandeel	Cents per share/Sent per aandeel			Wesensverdienste per aandeel
BASIC					BASIES
From continuing operations	113,8	12,3			Van voortgesette bedrywighede
From discontinued operations	0,0	20,8			Van beëindigende bedrywighede
Attributable to equity holders of the parent	113,8	33,1			Toeskryfbaar aan ekwiteitshouers van die houermaatskappy
DILUTED					VERWATERDE
From continuing operations	106,2	12,3			Van voortgesette bedrywighede
From discontinued operations	0,0	20,8			Van beëindigende bedrywighede
Attributable to equity holders of the parent	106,2	33,1			Toeskryfbaar aan ekwiteitshouers van die houermaatskappy
The comparative basic and diluted earnings have been adjusted to take into consideration the 2 for 1 split					Die vergelykende basiese en verwaterde verdienstes is aangepas om die 2 vir 1 verdeling in ag te neem.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011	2010	2011	2010	vir die jaar geëindig 30 Junie 2011
10 Assets of disposal group classified as held-for-sale	R'000	R'000	R'000	R'000	10 Bates van verkope-groep geklassifiseer as gehou-vir-verkoop
Net book value at the beginning of the year	1 979	52 393	4	4	Netto boekwaarde aan die begin van die jaar
Impairment	–	(1 013)			Waardedaling
Transfer to assets classified as held-for-sale	445	4 339			Oordrag na bates geklassifiseer as gehou-vir-verkoop
Disposals	(1 484)	(53 740)	(4)	–	Wegdoenings
Carrying value	940	1 979	–	4	Drawaarde
Certain properties are classified as held-for-sale following the decision of the Group's Management to sell certain properties no longer required for Group operations.					Sekere eiendomme word geklassifiseer as bates gehou-vir-verkoop na die besluit van die Groep se Bestuur om hierdie grond en geboue te verkoop omrede sodanige eiendomme nie meer benodig word vir die Groep nie.
Sales are expected to be realised within the next six months. The value of the properties is estimated at R1,2 million (2010: R3,7 million). The fair value of the disposal group exceeds the carrying value.					Daar word verwag dat die verkope binne ses maande sal realiseer. Die waarde van die eiendomme word op R1,2 miljoen (2010: R3,7 miljoen) geraam. Die billike waarde van die verkoopsgroep oorskry die drawaarde.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
11 Property, plant and equipment					11 Eiendom, aanleg en toerusting
11.1 Freehold land and buildings					11.1 Vrypaggrond en geboue
Cost					Kosprys
Balance at the beginning of the year	423 079	420 275	679	681	Saldo aan die begin van die jaar
Additions capitalised	51 107	7 795			Toevoegings gekapitaliseer
Transfer to assets classified as held-for-sale	(1 090)	(4 989)			Oordrag na bates geklassifiseer as gehou-vir-verkoop
Disposals	–	(2)	–	(2)	Wegdoenings
Impairment	(478)	–			Waardedaling
Balance at the end of the year	472 618	423 079	679	679	Saldo aan die einde van die jaar
Accumulated depreciation					Opgehoopte depresiasie
Balance at the beginning of the year	(140 043)	(128 392)	(11)	(11)	Saldo aan die begin van die jaar
Depreciation for the year	(14 387)	(13 826)	(1)	–	Depresiasie vir die jaar
Transfer to assets classified as held-for-sale	657	2 175			Oordrag na bates geklassifiseer as gehou-vir-verkoop
Balance at the end of the year	(153 773)	(140 043)	(12)	(11)	Saldo aan die einde van die jaar
Carrying amounts					Drawaardes
Balance at the beginning of the year	283 036	291 883	668	670	Saldo aan die begin van die jaar
Balance at the end of the year	318 845	283 036	667	668	Saldo aan die einde van die jaar
11.2 Leasehold properties					11.2 Huurpageiendomme
Cost					Kosprys
Balance at the beginning of the year	8 194	8 888			Saldo aan die begin van die jaar
Additions capitalised	13 396	–			Toevoegings gekapitaliseer
Disposals	(631)	–			Wegdoenings
Foreign exchange differences	(232)	(694)			Buitelandse valuta verskille
Balance at the end of the year	20 727	8 194			Saldo aan die einde van die jaar
Accumulated depreciation					Opgehoopte depresiasie
Balance at the beginning of the year	(1 632)	(1 560)			Saldo aan die begin van die jaar
Depreciation for the year	(343)	(194)			Depresiasie vir die jaar
Disposals	241	–			Wegdoenings
Foreign exchange differences	46	122			Buitelandse valuta verskille
Balance at the end of the year	(1 688)	(1 632)			Saldo aan die einde van die jaar
Carrying amounts					Drawaardes
Balance at the beginning of the year	6 562	7 328			Saldo aan die begin van die jaar
Balance at the end of the year	19 039	6 562			Saldo aan die einde van die jaar

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
11.3 Plant, equipment and vehicles					11.3 Aanleg, toerusting en voertuie
Cost					Kosprys
Balance at the beginning of the year	1 028 404	998 049	65	65	Saldo aan die begin van die jaar
Additions capitalised	114 380	88 729			Toevoegings gekapitaliseer
Transfer to assets classified as held-for-sale	(43)	(5 478)			Oordrag na bates geklassifiseer as gehou-vir-verkoop
Disposals	(31 897)	(52 550)			Wegdoenings
Foreign exchange differences	(294)	(546)			Buitelandse valuta verskille
Impairment	–	200			Waardedaling
Balance at the end of the year	1 110 550	1 028 404	65	65	Saldo aan die einde van die jaar
Accumulated depreciation					Opgehoopde depresiasie
Balance at the beginning of the year	(454 258)	(414 521)	(55)	(42)	Saldo aan die begin van die jaar
Depreciation for the year	(74 957)	(75 433)	(10)	(13)	Depresiasie vir die jaar
Transfer to assets classified as held-for-sale	31	3 953			Oordrag na bates geklassifiseer as gehou-vir-verkoop
Disposals	25 911	31 486			Wegdoenings
Foreign exchange differences	99	257			Buitelandse valuta verskille
Balance at the end of the year	(503 174)	(454 258)	(65)	(55)	Saldo aan die einde van die jaar
Carrying amounts					Drawaardes
Balance at the beginning of the year	574 146	583 528	10	23	Saldo aan die begin van die jaar
Balance at the end of the year	607 376	574 146	–	10	Saldo aan die einde van die jaar

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
11.4 Total property, plant and equipment					11.4 Totale eiendom, aanleg en toerusting
Cost					Kosprys
Balance at the beginning of the year	1 459 677	1 427 212	744	746	Saldo aan die begin van die jaar
Additions capitalised	178 883	96 524			Toevoegings gekapitaliseer
Transfer to assets classified as held-for-sale	(1 133)	(10 467)			Oordrag na bates geklassifiseer as gehou-vir-verkoop
Disposals	(32 528)	(52 552)	–	(2)	Wegdoenings
Foreign exchange differences	(526)	(1 240)			Buitelandse valuta verskille
Impairment	(478)	200			Waardedaling
Balance at the end of the year	1 603 895	1 459 677	744	744	Saldo aan die einde van die jaar
Accumulated depreciation					Opgehoopde depresiasie
Balance at the beginning of the year	(595 933)	(544 473)	(66)	(53)	Saldo aan die begin van die jaar
Depreciation for the year	(89 687)	(89 453)	(11)	(13)	Depresiasie vir die jaar
Transfer to assets classified as held-for-sale	688	6 128			Oordrag na bates geklassifiseer as gehou-vir-verkoop
Disposals	26 152	31 486			Wegdoenings
Foreign exchange differences	145	379			Buitelandse valuta verskille
Balance at the end of the year	(658 635)	(595 933)	(77)	(66)	Saldo aan die einde van die jaar
Capital work-in-progress					Onvoltooide kapitaalwerke
Balance at the beginning of the year	50 669	49 039			Saldo aan die begin van die jaar
Foreign exchange differences	(1 286)	(98)			Buitelandse valuta verskille
Additions: current year	197 529	98 089			Toevoegings: huidige jaar
Amounts capitalised	(178 883)	(96 524)			Bedrae gekapitaliseer
Deconsolidation of Danone Clover	–	163			Dekonsolidasie van Danone Clover
Balance at the end of the year	68 029	50 669			Saldo aan die einde van die jaar
Total property, plant and equipment including work-in-progress					Totale eiendom, aanleg en toerusting ingesluit onvoltooide kapitaalwerke
Carrying amounts					Drawaardes
Total property, plant and equipment at the beginning of the year	914 413	931 778	678	693	Totale eiendom, aanleg en toerusting aan die begin van die jaar
Total property, plant and equipment at the end of the year	1 013 289	914 413	667	678	Totale eiendom, aanleg en toerusting aan die einde van die jaar

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
The estimated fair value of property, plant and equipment at 30 June 2011 is R1 973,1 million (2010: R1 916,6 million). During the year under review the Group has written off or impaired plant and equipment to the value of R Nil (2010: R10,9 million). The fair value of property, plant and equipment has been determined based on valuations performed by 'The Property Partnership', an accredited independent valuer, as at 30 June 2011 and 30 June 2010 for the current and previous years respectively. 'The Property Partnership' is an industry specialist in valuing property, plant and equipment. The fair value has been determined as follows: Land and buildings: This category has either been assessed on a capitalised rental income basis or, where specialised facilities are involved, by way of a depreciated replacement cost basis. Plant and machinery: This category has been assessed on a Net Current Replacement Cost/Depreciated Replacement Cost basis. Registers containing details of land are available for inspection at the registered office. The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2011 was R23,9 million (2010: R26,6 million). Additions during the year were Nil (2010: R19,6 million) of plant and equipment held under finance lease and hire purchase agreements. Leased assets and assets bought under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.					Die beraamde billike waarde van eiendom, aanleg en toerusting op 30 Junie 2011 is R1 973,1 miljoen (2010: R1 916,6 miljoen). Gedurende die jaar onder oorsig het die Groep aanleg of toerusting afgeskryf ter waarde van R Nul (2010: R10,9 miljoen). Die billike waarde van eiendom, aanleg en toerusting is gebaseer op die waardasies gedoen deur 'The Property Partnership', 'n geakkrediteerde onafhanklike waardeerder, op 30 Junie 2011 en 30 Junie 2010 vir onderskeidelik die huidige en die vorige finansiële jare. 'The Property Partnership' is 'n bedryfsspesialis in die waardasie van eiendom, aanleg en toerusting. Die billike waarde is soos volg bepaal: Grond en geboue: Hierdie kategorie is of deur die gekapitaliseerde huurinkomste-basis bepaal of, waar spesialisfasiliteite betrokke is, deur middel van die gedepreseeerde vervangingskoste-basis bepaal. Aanleg en masjinerie: Hierdie kategorie is deur middel van die Netto Huidige Vervangingskoste/Gedepreseeerde Vervangingskoste-basis bepaal. Registers wat besonderhede aangaande grond bevat, is vir inspeksie by die geregistreerde kantoor beskikbaar. Die drawaarde van aanleg en toerusting ingevolge finansiële bruikhuurkontrakte en huurkoopkontrakte op 30 Junie 2011 gehou, was R23,9 miljoen (2010: R26,6 miljoen). Toevoegings gedurende die jaar in bruikhuur- en huurkoopkontrakte vir aanleg en toerusting was Nul (2010: R19,6 miljoen). Gehuurde bates en bates aangekoop met huurkoopkontrakte word as sekuriteit verpand teen die verwante bruikhuur- en huurkoopverpligtinge.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
12 Investment properties					12 Beleggingseiendomme
Cost					Kosprys
Balance at the beginning of the year	2 379	2 542			Saldo aan die begin van die jaar
Additions capitalised	–	(163)			Toevoegings gekapitaliseer
Balance at the end of the year	2 379	2 379			Saldo aan die einde van die jaar
Accumulated depreciation					Opgehoopde depresiasie
Balance at the beginning of the year	(1 369)	(1 321)			Saldo aan die begin van die jaar
Depreciation for the year	(49)	(48)			Depresiasie vir die jaar
Balance at the end of the year	(1 418)	(1 369)			Saldo aan die einde van die jaar
Carrying amounts					Drawaardes
Balance at the beginning of the year	1 010	1 221			Saldo aan die begin van die jaar
Balance at the end of the year	961	1 010			Saldo aan die einde van die jaar
The fair value for these properties is R5,4 million (2010: R6,4 million).					Die billike waarde van hierdie eiendomme is R5,4 miljoen (2010: R6,4 miljoen).
The fair value of investment properties has been determined based on valuations performed by The Property Partnership, an accredited independent valuer, for the current and previous years. The Property Partnership is an industry specialist in valuing investment properties. The fair value has been determined as follows:					Die billike waarde van beleggingseiendom is gebaseer op die waardasies gedoen deur "The Property Partnership", 'n geakkrediteerde onafhanklike waardeerder, vir die huidige sowel as die vorige finansiële jare. "The Property Partnership" is 'n bedryfspesialis in die waardasie van beleggingseiendom. Die billike waarde is soos volg bepaal:
Land and buildings: This category has either been assessed on a capitalised rental income basis or, where specialised facilities are involved, by way of a Depreciated Replacement Cost basis.					Grond en geboue: Hierdie kategorie is of deur die gekapitaliseerde huurinkomstebasis bepaal of waar spesialisfasiliteite betrokke is deur middel van die Gedeprisieerde Vervangingskoste-basis.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
13 Intangible assets					13 Ontasbare bates
13.1 Goodwill					13.1 Klandisiewaarde
Cost					Kosprys
Balance at the beginning of the year	255 398	255 398			Saldo aan die begin van die jaar
Acquisitions	49 387	–			Verkrygings
Balance at the end of the year	304 785	255 398			Saldo aan die einde van die jaar
Impairment losses					Waardedalingsverliese
Balance at the beginning of the year	(1 311)	(1 311)			Saldo aan die begin van die jaar
Balance at the end of the year	(1 311)	(1 311)			Saldo aan die einde van die jaar
Carrying amounts					Drawaardes
Balance at the beginning of the year	254 087	254 087			Saldo aan die begin van die jaar
Balance at the end of the year	303 474	254 087			Saldo aan die einde van die jaar
13.2 Trademarks, patents and software licences					13.2 Handelsmerke, patente en programmatuurlisensies
Cost					Kosprys
Balance at the beginning of the year	64 790	60 281			Saldo aan die begin van die jaar
Acquisitions	13 778	4 844			Verkrygings
Disposals	(299)	(335)			Wegdoenings
Balance at the end of the year	78 269	64 790			Saldo aan die einde van die jaar
Accumulated amortisation					Opgehoopde amortisasie
Balance at the beginning of the year	(32 500)	(25 367)			Saldo aan die begin van die jaar
Amortisation for the year	(8 131)	(7 438)			Amortisasie vir die jaar
Disposals	288	305			Wegdoenings
Balance at the end of the year	(40 343)	(32 500)			Saldo aan die einde van die jaar
Carrying amounts					Drawaardes
Balance at the beginning of the year	32 290	34 914			Saldo aan die begin van die jaar
Balance at the end of the year	37 926	32 290			Saldo aan die einde van die jaar

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
13.3 Total intangible assets					13.3 Totale ontasbare bates
Cost					Kosprys
Balance at the beginning of the year	320 188	315 679			Saldo aan die begin van die jaar
Acquisitions	63 165	4 844			Verkrygings
Disposals	(299)	(335)			Wegdoenings
Balance at the end of the year	383 054	320 188			Saldo aan die einde van die jaar
Accumulated amortisation					Opgehoopde amortisasie
Balance at the beginning of the year	(33 811)	(26 678)			Saldo aan die begin van die jaar
Amortisation for the year	(8 131)	(7 438)			Amortisasie vir die jaar
Disposals	288	305			Wegdoenings
Balance at the end of the year	(41 654)	(33 811)			Saldo aan die einde van die jaar
Carrying amounts					Drawaardes
Balance at the beginning of the year	286 377	289 001			Saldo aan die begin van die jaar
Balance at the end of the year	341 400	286 377			Saldo aan die einde van die jaar
Capital work-in-progress					Onvoltooide kapitaalwerke
Balance at the beginning of the year	683	–			Saldo aan die begin van die jaar
Additions: current year	18 797	5 527			Toevoegings: huidige jaar
Amounts capitalised	(13 778)	(4 844)			Bedrae gekapitaliseer
Balance at the end of the year	5 702	683			Saldo aan die einde van die jaar
Carrying amount					Drawaarde
Total intangible assets at the beginning of the year	287 060	289 001			Totale ontasbare bates aan die begin van die jaar
Total intangible assets at the end of the year	347 102	287 060			Totale ontasbare bates aan die einde van die jaar

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
13.4 Impairment testing of goodwill An impairment test is done annually at the Group's financial year-end on goodwill acquired through business combinations. The present value of future cash flows generated by the businesses is estimated for a five-year period and is based on: Current net profits before tax, projected forward for average growth of 7% and adjusted for non-cash items; an effective tax rate of 28%; required capital expenditure; movements in working capital; and a discount rate equal to the weighted average cost of capital of the business. Goodwill has been allocated to the following cash generating units for purposes of the impairment review: – Clover dairy business – Clover beverage business					13.4 Waardedalingtoetsing van klandisiewaarde 'n Waardedalingstoets word jaarliks gedoen op die Groep se jaareinde vir klandisiewaarde bekom deur middel van besigheidsamevoegings. Die huidige waarde van toekomstige kontantvloeie gegenereer deur die besigheid word geskat vir 'n vyfjaar-periode en gebaseer op: Huidige netto winste voor belasting, vooruit geprojekteer vir gemiddelde groei van 7% en aangepas vir nie-kontantitems; 'n effektiewe belastingkoers van 28%; vereiste kapitaalbesteding; beweging in bedryfskapitaal; en 'n diskontokoers gelyk aan die geweegde gemiddelde koste van kapitaal van die onderneming. Klandisiewaarde is na die volgende kontantgenererende eenhede geallokeer met die doel om waardedaling te oorweeg: – Clover-suiwelbesigheid – Clover-dranksbesigheid
14 Deferred taxation Balance at the beginning of the year Movements during the year Balance at the end of the year The balance is constituted as follows: Deferred tax assets Bad debts provision Provision: credit notes Consumable stores Long-service bonus Property, plant and equipment Leave pay provision Share-based payments In-plant building Leases Provision: rentals, straight-line adjustment Provisions Assessed loss carried forward Other Total deferred tax assets					14 Uitgestelde belasting Saldo aan die begin van die jaar Bewegings gedurende die jaar Saldo aan die einde van die jaar Die saldo bestaan uit: Uitgestelde belastingbates Voorsiening vir slegte skulde Voorsiening vir kredietnotas Verbruiksvoorraad Langdiensbonus Eiendom, aanleg en toerusting Verlofgeldvoorsiening Aandeelgebaseerde betalings Gebou binne aanleg Hure Voorsiening: huurgeld, reguitlyn-aanpassing Voorsienings Aangeslane verlies oorgedra Ander Totale uitgestelde belastingbates
	25 387	25 387			
	277 143	227 756			
	12 377	104 057	165	1 772	
	(41 132)	(91 680)	(77)	(1 607)	
	(28 755)	12 377	88	165	
	1 502	1 745	82	159	
	2 304	2 386			
	1 920	1 756			
	8 983	8 484			
	6	6	6	6	
	11 142	10 019			
	3 134	205			
	964	1 142			
	–	1 677			
	–	2 586			
	4 421	3 121			
	55 830	90 215			
	3 522	1 352			
	93 728	124 694	88	165	

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
Deferred tax liabilities					Uitgestelde belastingverpligtinge
Property, plant and equipment	(120 323)	(109 498)			Eiendom, aanleg en toerusting
Prepayments	(2 142)	(918)			Vooruitbetalings
Provision: rentals, straightline adjustments	(138)	(2 126)			Voorsienings: huurgeld, reguitlyn aanpassings
Other	120	225			Ander
Total deferred tax liabilities	(122 483)	(112 317)	–	–	Totale uitgestelde belastingverpligtinge
Net deferred tax asset	(28 755)	12 377	88	165	Netto uitgestelde belastingbate
Reflected in the statement of financial position as follows:					Soos volg in die staat van finansiële posisie weerspieël:
Deferred tax assets	3 262	18 740	88	165	Uitgestelde belastingbates
Deferred tax liabilities	(32 017)	(6 363)			Uitgestelde belastingverpligtinge
Net deferred tax asset	(28 755)	12 377	88	165	Netto uitgestelde belastingbate
In assessing the availability of sufficient future taxable profit for utilisation against unused tax losses, cognisance was taken of the Group's vision, goals and strategies. The Board is of the opinion that future taxable profits would be adequate to utilise the unused tax losses.					By die evaluering van voldoende toekomstige belasbare winste vir aanwending teen onbenutte belastingverliese, is kennis geneem van die Groep se visie, doelwitte en strategieë. Die Direksie is van mening dat toekomstige belasbare winste toereikend sal wees om die ongebruikte belastingverliese te benut.
The statement of financial position disclosure for deferred tax assets is the total amount for all Group Companies with net deferred tax assets. Likewise the deferred tax liability represents the total of all Companies with net deferred tax liabilities. Note 14 however groups all deferred tax assets and liabilities in the Group, irrespective of the net position of individual Group companies.					Die uitgestelde belastingbate in die staat van finansiële posisie is die totale bedrag van alle Groepmaatskappye wat netto uitgestelde belastingbates het. Soortgelyk is die uitgestelde belastinglas die totaal van alle Groepmaatskappye met netto uitgestelde belastinglaste. Aantekening 14 groepeer egter alle uitgestelde belastingbates en laste in die Groep, ongeag die netto posisie van die individuele Groepmaatskappye.
The asset and liability totals per this Note will therefore not agree to the statement of financial position disclosure although the net amount corresponds.					Die totale bates en laste in hierdie Aantekeninge stem dus nie ooreen met die staat van finansiële posisie bedrae nie, alhoewel die netto bedrag dieselfde is.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
15 Inventories					15 Voorraad
Delivery agreements	5 800	5 909			Leweringsooreenkomste
Raw materials	76 374	72 253			Grondstowwe
Work-in-progress	43 033	71 192			Werk in proses
Consumable stores	46 678	43 982			Verbruiksvoorraad
Finished goods	288 362	272 658			Klaarprodukte
Total inventories	460 247	465 994			Totale voorraad
The amount of the write-down of inventories recognised as an expense is R9,9 million (2010: R12,3 million). This expense is included in the cost of sales line item as a cost of inventories.					Die bedrag van die waardedaling van voorrade wat as 'n uitgawe erken word, is R9,9 miljoen (2010: R12,3 miljoen). Hierdie uitgawe is ingesluit in die koste van verkope-lyntem as 'n voorraadkoste.
16 Trade and other receivables					16 Handels- en ander debiteure
Trade receivables	754 049	695 883			Handelsdebiteure
Other receivables and advance payments	55 383	48 909	1 188	1 875	Ander debiteure en vooruitbetalings
Loans to Executive Directors and other Executives	66 772	73 529	66 772	73 529	Lenings aan Uitvoerende Direkteure en Uitvoerende Bestuurslede
Intercompany loan: Clover SA			469 450	–	Intermaatskappylening: Clover SA
Loan: CIL Share Purchase Plan Trust			1 438	42 109	Lening: CIL Share Purchase Plan Trust
Loan: Clover Milk Producer Trust			462	1 195	Lening: Clover Milk Producer Trust
Allowance for impairment	(1 325)	(2 198)	(317)	(570)	Toelae vir waardedaling
Credit note accrual	(8 404)	(8 660)			Kredietnotavoorsiening
Total trade and other receivables	866 475	807 463	538 993	118 138	Totale handels- en ander debiteure
The loans to Directors and Senior Personnel were made to finance ordinary shares in CIL issued to them on 31 May 2010. The terms of the loans are as follows: they will bear interest at 90% of the prime rate of Absa Bank, interest will be capitalised on a monthly basis, repayable by management on the sale of the ordinary shares or within two months of leaving the employ of Clover or within six months in the case of death. All proceeds of the ordinary shares are ceded to CIL as security for the loans in addition to all proceeds on the Clover Industries preference shares held by them.					Die lenings aan Direkteure en Senior Personeel is toegestaan vir die finansiering van gewone aandele in CIL aan hulle uitgereik op 31 Mei 2010. Die terme van die lening is soos volg: die lening sal rente dra teen 90% van die primakoers van Absa bank, rente sal maandeliks gekapitaliseer word, terugbetaalbaar deur bestuur as hulle gewone aandele verkoop of binne twee maande nadat hulle die diens van Clover verlaat, of binne ses maande in geval van dood. Alle inkomste van die gewone aandele is aan CIL gesedeer as sekuriteit vir die lenings sowel as al die inkomste van die Clover Industries voorkeuraandele deur hulle gehou.
Clover SA securitised its trade debtors, excluding debtors generated from export sales, through a special-purpose entity, Clover Capital. Clover Capital was consolidated into the results of the Group.					Clover SA het sy handelsdebiteure, uitgesluit debiteure wat uit uitvoerverkope gegeneer is, deur 'n spesialedoelentiteit, Clover Capital, versekureer. Clover Capital is by die resultate van die Groep gekonsolideer.
The payment terms for accounts receivable are 30 days after the end of the month in which the goods were delivered.					Die betalingsvoorwaardes vir rekeninge ontvangbaar is 30 dae na die maandeinde waarin die goedere afgelewer is.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
17 Cash and short-term deposits Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for periods varying between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. At 30 June 2011, the Group had available R240 million (2010: R214 million) of unutilised committed borrowing facilities in respect of which all conditions precedent had been met. The Group has an additional R75 million facility available that is currently put in a shadow facility. For the purpose of the consolidated cash flow statements, cash and short-term deposits comprise the following: Cash at bank and on hand On hand Outstanding deposits Call loans and money market investments Cash in banks Total cash and short-term deposits					17 Kontant en korttermyndeposito's Kontant in die bank verdien rente teen veranderlike koerse gegrond op daaglikse depositokoerse. Korttermyndeposito's word gemaak vir tydperke van tussen een dag en drie maande, na gelang van die onmiddellike kontantbehoefte van die Groep, en verdien rente teen die onderskeidelike korttermyn-depositokoerse. Op 30 Junie 2011 het die Groep oor onbenutte verbode leengeriewe van R240 miljoen (2010: R214 miljoen) beskik waarop alle opskortende voorwaardes nagekom is. Die Groep het 'n addisionele R75 miljoen fasiliteit beskikbaar wat tans in 'n skaduwee fasiliteit is. Vir doeleindes van die gekonsolideerde kontantvloei-state word kontant en korttermyndeposito's soos volg saam-gestel: Kontant in banke en voorhande Voorhande Uitstaande deposito's Daglenings en geldmarkbeleggings Kontant in banke Totale kontant- en korttermyndeposito's
	221	259			
	30 569	63 874			
	533 689	8 259			
	259 733	356 882	2 232	97	
	824 212	429 274	2 232	97	

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011	2010	2011	2010	vir die jaar geëindig 30 Junie 2011
	Number of shares/Aantal aandele	Number of shares/Aantal aandele	Number of shares/Aantal aandele	Number of shares/Aantal aandele	
18 Share capital and share premium					18 Aandelekapitaal en aandelepremie
18.1 Ordinary shares					18.1 Gewone aandele
<i>Authorised</i>					<i>Gemagtig</i>
2 billion (2010:100 million) ordinary shares with a par value of 5 cents (2010: 10 cents) each					2 miljard (2010:100 miljoen) gewone aandele met 'n pari-waarde van 5 sent (2010:10 sent) elk
<i>Share capital issued</i>					<i>Aandelekapitaal uitgereik</i>
Number of ordinary shares issued					Aantal gewone aandele uitgereik
Ordinary shares in issue at the beginning of the year	61 924 981	88 485 311	61 924 981	88 485 311	Gewone aandele in uitreiking aan die begin van die jaar
<i>2 for 1 Share split:</i>					<i>2 vir 1 Aandeelverdeling</i>
At 4 November 2010	61 924 981	–	61 924 981	–	Op 4 November 2010
<i>Issued during the year:</i>					<i>Aandele uitgereik gedurende die jaar</i>
At 31 May 2010	–	9 350 000	–	9 350 000	Op 31 Mei 2010
At 4 November 2010	500 000	–	500 000	–	Op 4 November 2010
At 14 December 2010	47 619 048	–	47 619 048	–	Op 14 Desember 2010
At 14 January 2011	7 142 857	–	7 142 857	–	Op 14 Januarie 2011
<i>Bought back during the year:</i>					<i>Teruggekoop gedurende die jaar:</i>
At 31 May 2010	–	(35 910 330)	–	(35 910 330)	Op 31 Mei 2010
Ordinary shares in issue at the end of the year	179 111 867	61 924 981	179 111 867	61 924 981	Gewone aandele in uitreiking aan die einde van die jaar
	R'000	R'000	R'000	R'000	
Ordinary share capital					Gewone aandelekapitaal
179,1 million (2010: 61,9 million) ordinary shares of 5 cents (2010: 10 cents) each	8 955	6 192	8 955	6 192	179,1 miljoen (2010 : 61,9 miljoen) gewone aandele van 5 sent (2010: 10 sent) elk
Ordinary share premium					Gewone aandelepremie
Ordinary share premium on 179,1 million (2010: 61,9 million) ordinary shares	689 442	114 870	689 442	114 870	Gewone aandelepremie op 179,1 miljoen (2010 : 61,9 miljoen) gewone aandele.
Share issue cost	(14 807)	–	(14 807)	–	Uitreikingskoste van aandele
Total ordinary share capital and ordinary share premium	683 590	121 062	683 590	121 062	Totale gewone aandelekapitaal en gewone aandelepremie

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011	2010	2011	2010	vir die jaar geëindig 30 Junie 2011
18.2	Number of shares/ Aantal aandeel	Number of shares/ Aantal aandeel	Number of shares/ Aantal aandeel	Number of shares/ Aantal aandeel	18.2
Preference shares					Voorkeuraandeel
<i>Authorised</i>					<i>Gemagtig</i>
100 million redeemable cumulative preference shares with a par value of 10 cents each					100 miljoen aflosbare kumulatiewe voorkeuraandeel met 'n pariwaarde van 10 sent elk
<i>Share capital issued</i>					<i>Aandelekapitaal uitgereik</i>
Number of preference shares issued					Aantal voorkeuraandeel uitgereik
Preference shares in issue at the beginning of the year	89 442 022	86 492 589	89 442 022	86 492 589	Gewone aandeel in uitreiking aan die begin van die jaar
<i>Issued during the year:</i>					<i>Aandeel uitgereik gedurende die jaar</i>
At 28 October 2009	–	2 949 433	–	2 949 433	Op 28 Oktober 2009
Preference shares in issue at the end of the year	89 442 022	89 442 022	89 442 022	89 442 022	Gewone aandeel in uitreiking aan die einde van die jaar
	R'000	R'000	R'000	R'000	
Preference share capital					Voorkeuraandelekapitaal
89,4 million (2010: 89,4 million) preference shares at 10 cents each	8 944	8 944	8 944	8 944	89,4 miljoen (2010: 89,4 miljoen) voorkeuraandeel van 10 sent elk
Preference share premium					Voorkeuraandelepremie
Premium on 89,4 million preference shares (2010 : 89,4 million).	251 146	251 146	251 146	251 146	Premie op 89,4 miljoen voorkeuraandeel (2010: 89,4 miljoen).
Share issue cost	(230)	(230)	(230)	(230)	Koste van aandeel uitgereik
Total preference share capital and premium	259 860	259 860	259 860	259 860	Totale voorkeuraandelekapitaal en -premie
Holders of preference shares are entitled to a preference dividend payable on a quarterly basis, calculated over the dividend period at 90% of Absa's prime rate multiplied by the subscription price of the preference share. The preference shares are redeemable on 02 June 2013. Preference shares have no voting rights.					Voorkeuraandeelhouders is geregtig op 'n voorkeurdividend, bereken oor die dividendtydperk teen 90% van Absa se primakoers vermenigvuldig met die subskripsieprys van die voorkeuraandeel, betaalbaar op 'n kwartaallikse basis. Die voorkeuraandeel is aflosbaar op 02 Junie 2013. Voorkeuraandeel het geen stemreg nie.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
18.3 Total issued ordinary and preference share capital					18.3 Totale uitgereikte gewone- en voorkeuraandelekapitaal
Total issued ordinary and preference share capital	17 899	15 136	17 899	15 136	Totale uitgereikte gewone- en voorkeuraandelekapitaal
Debt portion of preference share capital	(8 944)	(8 944)	(8 944)	(8 944)	Skuldkomponent van voorkeuraandelekapitaal
Total ordinary share capital	8 955	6 192	8 955	6 192	Totale gewone aandelekapitaal
Total ordinary and preference share premium	925 551	365 786	925 551	365 786	Totale gewone en voorkeuraandelepremie
Total debt portion of preference share premium	(250 438)	(250 438)	(250 438)	(250 438)	Totale skuldkomponent van voorkeuraandelepremie
Total share premium net of debt portion	675 113	115 348	675 113	115 348	Totale aandelepremie netto van skuldkomponent
The total redeemable preference share capital and share premium are reflected as debt					Die totale uitgereikte aflosbare voorkeuraandelekapitaal en -premie word as skuld erken
Shares were issued as follows during the year					Aandele is soos volg gedurende die jaar uitgereik
Ordinary shares:					Gewone aandele:
Ordinary shares of 5 cents (2010: 10 cents) each	2 763	935	2 763	935	Gewone aandele van 5 sent (2010: 10 sent) elk
Ordinary share premium of R4,62 per share	2 310	–	2 310	–	Gewone aandelepremie van R4,62 per aandeel
Ordinary share premium of R10,45 (2010: R4,62 after adjusting for 2 for 1 share split) per share	572 262	86 394	572 262	86 394	Gewone aandelepremie van R10,45 (2010: R4,62 na aanpassing vir onderverdeling) per aandeel
Total ordinary share capital raised during the year	577 335	87 329	577 335	87 329	Totale gewone aandelekapitaal ontvang gedurende die jaar
Preference shares:					Voorkeuraandele:
Preference shares of 10 cents each	–	295	–	295	Voorkeuraandele van 10 sent elk
Preference share premium of R3,04 cents per share	–	8 967	–	8 967	Voorkeuraandelepremie van R3,04 sent per aandeel
Total preference share capital raised during the year	–	9 262	–	9 262	Totale voorkeuraandelekapitaal ontvang gedurende die jaar
Total ordinary and preference share capital raised during the year	–	96 591	–	96 591	Totale gewone- en voorkeuraandelekapitaal ontvang gedurende die jaar
Shares were redeemed as follows during the year					Aandele is soos volg gedurende die jaar verminder
Ordinary shares:					Gewone aandele:
Repurchase from HCI					Teruggekoop van HCI
Ordinary shares of 10 cents each	–	(3 088)	–	(3 088)	Gewone aandele van 10 sent elk
Ordinary share premium	–	(337 363)	–	(337 363)	Gewone aandelepremie
	–	(340 451)	–	(340 451)	
Repurchase from CIL Stabilisation Trust					Teruggekoop van CIL Stabilisasie Trust
Ordinary shares of 10 cents each	–	(504)	–	(504)	Gewone aandele van 10 sent elk
	–	(504)	–	(504)	

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
18.4 Debt portion of preference share capital					18.4 Skuldkomponent van voorkeuraandelekapitaal
Debt portion of preference shares	(259 382)	(259 382)	(259 382)	(259 382)	Skuldkomponent van voorkeuraandele
19 Other reserves					19 Ander reserwes
Share-based payments reserve	41 291	30 099	14 094	2 170	Aandeelgebaseerde betalingsreserwe
Other capital reserves	218 466	218 466			Ander kapitaalreserwes
	259 757	248 565	14 094	2 170	
Foreign currency translation reserve	(6 973)	(6 377)			Buitelandse valuta reserwe
Total at the end of the year	252 784	242 188	14 094	2 170	Totaal aan die einde van die jaar
20 Retained earnings					20 Behoue verdienste
Retained profit at the end of the year	805 499	684 631	(83 510)	(468 165)	Behoue wins aan die einde van die jaar
21 Interest-bearing loans and borrowings					21 Rentedraende lenings en verpligtinge
21.1 Secured liabilities					21.1 Versekerde verpligtinge
(a) Secured by securitisation of trade debtors (Refer to Note 16). Repayable as follows: Third tranche: R155 million (2010: R155 million) maturity: 14 December 2011, fixed interest rate: 10,3% (2010: 10,0%). Fourth tranche: R150 million (2010: R150 million) maturity: 31 March 2013, fixed interest rate: 13,025% (2010: 13,0%).	305 000	305 956			(a) Verseker deur 'n versekering van handelsdebiteure (Verwys na Aantekening 16). Terugbetaalbaar soos volg: Derde ooreenkoms: R155 miljoen (2010: R155 miljoen): aflosdatum: 14 Desember 2011, vaste rentekoers: 10,3% (2010: 10,0%). Vierde ooreenkoms R150 miljoen, aflosdatum: 31 Maart 2013, vaste rentekoers: 13,025% (2010: 13,0%).
(b) Secured by plant and equipment with a book value of R32,9 million (2010: R42,5 million). Repayable in monthly instalments. Payments due within the next year are R7,5 million (2010: R13 million). Variable interest rate portion: 8,05% – 10,5% (2010: 7,8% – 11,3%). Maturity: between December 2011 and March 2016. Fixed interest rate portion 9,6% and 11,45% (2010: 9,6% and 11,5%).	31 007	40 092			(b) Verseker deur aanleg en toerusting met 'n boekwaarde van R32,9 miljoen (2010: R42,5 miljoen). Terugbetaalbaar in maandelikse paaiemente. Terugbetalings in die eerskomende jaar is: R7,5 miljoen (2010: R13 miljoen). Veranderlike rentekoers gedeelte: 8,05% – 10,5% (2010: 7,8% – 11,3%). Aflosdatums: tussen Desember 2011 and Maart 2016. Vaste rentekoers gedeelte 9,6% en 11,45% (2010: 9,6% en 11,5%).
(c) Investec – Revolving credit Secured by plant and equipment with a book value of R99 million (2010: R106,1 million). Variable interest rate: 9,75% – 8,25% (2010: 9,5% – 8,5%). Maturity: 30 September 2013. This facility has effective 23 December 2010 been converted to a call loan facility, however, with the above securities still in place.	–	1 000			(c) Investec – Herhalende krediet Verseker deur aanleg en toerusting met 'n boekwaarde van R99 miljoen (2010: R106,1 miljoen). Veranderlike rentekoers: 9,75% – 8,25% (2010: 9,5% – 8,5%). Aflosdatum: 30 September 2013. Hierdie fasiliteit is effektief op 23 Desember 2010 in 'n daggeldlening omskep, maar met die bogenoemde versekering steeds van toepassing.
Total secured liabilities	336 007	347 048			Totale versekerde verpligtinge

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
21.2 Unsecured liabilities					21.2 Onversekerde verpligtinge
(a) Debt portion of preference share capital:					(a) Skuldkomponent van voorkeuraandelekapitaal:
Clover Industries	259 382	259 382	259 382	259 382	Clover Industries
(b) Bank overdraft Repayable on demand. The full outstanding amount is repayable within one year. Variable interest rate: 10,5% – 9% (2010: 11,0% – 10,0%).	8 095	46 521	–	44 427	(b) Bankoortrekkings Terugbetaalbaar op aanvraag. Die volle uitstaande bedrag is terugbetaalbaar binne een jaar. Veranderlike rentekoers: 10,5% – 9% (2010: 11,0% – 10,0%).
(c) Call loans Variable interest rate: 8,51% – 6,2% (2010: 9,3% – 9,4%).	3 178	6 500			(c) Daggeld Veranderlike rentekoers: 8,51% – 6,2% (2010: 9,3% – 9,4%).
Total unsecured liabilities	270 655	312 403	259 382	303 809	Totale onversekerde verpligtinge
Total secured and unsecured liabilities	606 662	659 451	259 382	303 809	Totale versekerde en onversekerde verpligtinge
Current portion transferred to current liabilities:					Bedryfsgedeelte oorgedra na bedryfslaste:
– Secured liabilities	162 555	13 926			– Versekerde verpligtinge
– Unsecured liabilities	11 274	53 021	–	44 427	– Onversekerde verpligtinge
Total current portion transferred to current liabilities	173 829	66 947	–	44 427	Totale bedryfsgedeelte oorgedra na bedryfslaste
Total non-current interest-bearing borrowings	432 833	592 504	259 382	259 382	Totale nie-bedryfsrentedraende lenings
Total current and non-current interest-bearing loans and borrowings	606 662	659 451	259 382	303 809	Totale bedryfs- en nie-bedryfsrentedraende lenings en verpligtinge

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011	2010	2011	2010	vir die jaar geëindig 30 Junie 2011
22 Provisions					22 Voorsienings
22.1 Long-service bonus					22.1 Langdiensbonus
The projected-credit method is used for the calculation of the long-service bonus provision. Payments are recognised as utilisations.					Die geprojekteerde kredietmetode word vir die berekening van die langdiensbonusvoorsiening gebruik. Betalings word as aanwendings erken.
The determination of the long-service bonus is based on the following assumptions:					Die bepaling van die langdiensbonus is gegrond op die volgende aannames:
Active members	6 174	5 982			Aktiewe lede
Salary escalation ratio	7,5%	7,4%			Salarisverhogingskoers
Discounting rate	9,0%	9,4%			Afslagkoers
Normal retirement age	65	65			Normale aftree-ouderdom
	R'000	R'000	R'000	R'000	
Balance at the beginning of the year	30 295	37 382			Saldo aan die begin van die jaar
Amounts provided	10 551	3 735			Bedrae voorsien
Amounts utilised	(8 750)	(10 822)			Bedrae aangewend
Total long-service bonus provision	32 096	30 295			Totale langdiensbonusvoorsiening
Refer to Note 33 for further detail on the long-service bonus provision.					Verwys na Aantekening 33 vir verdere inligting oor die langdiensbonusvoorsiening.
22.2 Leave pay					22.2 Verlofgeld
A provision for leave pay is recognised for the number of days leave due to employees at 30 June, valued at a rate per day based on the basic salary of each employee at 30 June. Leave payments are recognised as utilisations.					'n Voorsiening vir verlofgeld word erken vir die aantal dae verlof verskuldig aan werknemers op 30 Junie, gewaardeer teen 'n daaglikse tarief gegrond op die basiese salaris van elke werknemer op 30 Junie. Verlofbetalings word as aanwendings erken.
Balance at the beginning of the year	36 512	39 631			Saldo aan die begin van die jaar
Amounts provided	8 585	7 148			Bedrae voorsien
Amounts utilised	(4 615)	(10 267)			Bedrae aangewend
Total leave pay provision	40 482	36 512			Totale verlofuitbetalingsvoorsiening
22.3 Total provisions					22.3 Totale voorsienings
Non-current portion	62 526	50 357			Nie-bedryfsgedeelte
Current portion transferred to current liabilities	10 052	16 450			Bedryfsgedeelte oorgedra na bedryfslaste
Total non-current and current provisions	72 578	66 807			Totale nie-bedryfs- en bedryfsvoorsienings

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
23 Trade and other payables					23 Handels- en ander krediteure
Trade payables	906 224	913 602	1 312	880	Handelskrediteure
Other payables	135 330	185 992	1 429	7 423	Ander krediteure
Interest payable	3 887	13 835	3 887	13 835	Rente betaalbaar
Payable to joint ventures	36 752	8 218	–	–	Betaalbaar aan gesamentlike ondernemings
Inter company loan Clover SA	–	–	214	461 182	Tussenmaatskappylening Clover SA
Total trade and other payables	1 082 193	1 121 647	6 842	483 320	Totale handels- en ander krediteure
Non-current portion transferred to non-current liabilities	13 357	6 320			Nie-bedryfsgedeelte oorgedra na nie-bedryfslaste
Current portion	1 068 836	1 115 327	6 842	483 320	Bedryfsgedeelte
Total trade and other payables	1 082 193	1 121 647	6 842	483 320	Totale handels- en ander krediteure
The terms for trade payables range from 7 days after date of invoice to 45 days after month-end. Interest is payable on a monthly basis. Payables to joint ventures range from 30 days to 45 days after the end of the month in which the transaction took place.					Die terme vir handelskrediteure wissel van 7 dae na datum van faktuur tot 45 dae na maandeinde. Rente is betaalbaar op 'n maandelikse basis. Betalings aan gesamentlike ondernemings wissel van 30 dae tot 45 dae wat volg op die maand waarin die transaksie plaasgevind het.
24 Dividends declared					24 Dividende verklaar
Dividends paid to preference shareholders are recognised as finance cost (Refer to Note 6.6).					Dividende betaalbaar aan voorkeuraandeelhouders word as finansieringskoste erken (Verwys na Aantekening 6.6).
During the year equity dividends were declared as follows:					Gedurende die jaar is ekwiteitsdividende soos volg verklaar:
To ordinary shareholders	58 720	–	58 720	–	Aan gewone aandeelhouders
To preference shareholders	–	370 030	–	370 030	Aan voorkeuraandeelhouders
Total dividends declared	58 720	370 030	58 720	370 030	Totale dividende verklaar
	Cents per share/Sent per aandeel	Cents per share/Sent per aandeel	Cents per share/Sent per aandeel	Cents per share/Sent per aandeel	
To ordinary shareholders	43,0	0,0	43,0	0,0	Aan gewone aandeelhouders
To preference shareholders	0,0	413,7	0,0	413,7	Aan voorkeuraandeelhouders

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
	R'000	R'000	R'000	R'000	
25 Notes to the statements of cash flows					25 Aantekeninge by die staat van kontantvloei
25.1 Tax paid					25.1 Belasting betaal
Amount unpaid at the beginning of the year	(1 368)	(3 510)	(3 143)	(3 000)	Bedrag verskuldig aan die begin van die jaar
Taxation charged in income statement, excluding deferred taxation	(54 139)	(99 982)	(15 064)	(60 518)	Belasting gehef in die inkomstestaat, uitgestelde belasting uitgesluit
Deconsolidation of Danone Clover	–	–			Dekonsolidasie van Danone Clover
Amount due at the end of the year	243	1 368	(237)	3 143	Bedrag verskuldig aan die einde van die jaar
Total tax paid	(55 264)	(102 124)	(18 444)	(60 375)	Totale belasting betaal

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
26 Pensions and other post-employment benefit plans 26.1 Defined-benefit fund The fund is a defined-benefit fund and an actuarial valuation of the pension fund was done on 1 July 2011. The actuarial method used in determining the cost of the retirement benefits is the same as those used in previous calculations. The assumptions regarding deaths, interest rates, salary increases, retirements, resignations and administration cost were all based on generally accepted standards for the industry. The fair value of the assets of the fund of R12,95 million (2010: R10,64 million), exceeded the actuarial present value of promised retirement benefits of R6,68 million (2010: R8,65 million). The surplus has not been accounted for, as it accrues to the members of the fund. The Group policy is to fund any deficit in accordance with the Pension Fund Act of 1956 and published regulations issued by the Registrar of Financial Services from time to time. The fund is subject to the same Act which requires an actuarial valuation every three years. Number of members on 1 July 2011: 8 (1 July 2010: 8). The fund closed for new entrants on 1 July 1994.					26 Pensioen- en ander voordele na aftrede 26.1 Vastevoordelefonds Die pensioenfonds is 'n vastevoordelefonds en is op 1 Julie 2011 gewaardeer. Dieselfde aktuariële metode as vir vorige waardasies is vir die waardebeoordeling van die aftreevoordele gebruik. Die aannames ten opsigte van sterftes, rentekoerse, salarisverhogings, aftredes, bedankings en administrasiekoste is gegrond op algemeen aanvaarde standaarde in die bedryf. Die billike waarde van die bates van die fonds, R12,95 miljoen (2010: R10,64 miljoen), oorskry die huidige aktuariële waarde van beloofde aftreevoordele van R6,68 miljoen (2010: R8,65 miljoen). Die surplus is nie te boek gestel nie, aangesien dit aan die lede van die fonds toeval. Dit is die Groep se beleid om enige tekorte te finansier in ooreenstemming met die Pensioenfondswet van 1956 en regulasies wat van tyd tot tyd deur die Registrateur van Finansiële Dienste gepubliseer word. Die fonds is onderworpe aan dieselfde Wet wat 'n driejaarlikse aktuariële waardasie vereis. Getal lede op 1 Julie 2011: 8 (1 Julie 2010: 8). Die fonds het op 1 Julie 1994 vir nuwe toetreders gesluit.
26.2 Defined-contribution funds 26.2.1 Clover SA pension fund This is a defined-contribution fund. The value of this fund determines the benefits which accrue to members. The Group has no obligation other than its normal contributions. Number of members on 30 June 2011: 982 (30 June 2010: 1 193).					26.2 Vastebydraefondse 26.2.1 Clover SA-pensioenfonds Hierdie fonds is 'n vastebydraefonds. Die waarde van die fonds bepaal die voordele wat aan werknemers betaalbaar is. Bo en behalwe die normale bydraes is daar geen verdere verpligting op die Groep nie. Getal lede op 30 Junie 2011: 982 (30 Junie 2010: 1 193).
26.2.2 Clover SA provident fund This is a defined-contribution fund. The value of the fund determines the benefits which accrue to members. The Group has no obligation other than its normal contributions. Number of members on 30 June 2011: 5 266 (2010: 5 313).					26.2.2 Clover SA-voorsorgfonds Hierdie fonds is 'n vastebydraefonds. Die waarde van die fonds bepaal die voordele wat aan werknemers betaalbaar is. Bo en behalwe die normale bydraes is daar geen verdere verpligting op die Groep nie. Getal lede op 30 Junie 2011: 5 266 (2010: 5 313).
26.3 Amounts recognised in the income statement Contributions for the Group for the current year: Defined-benefit fund Pension fund Provident fund Total contributions recognised in income statement	106 24 614 35 881 60 601	104 25 496 33 498 59 098			Bydraes vir die Groep vir die huidige jaar: Vastevoordelefonds Pensioenfonds Voorsorgfonds Totale bydraes in die inkomtestaat erken

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
27 Commitments and contingencies					27 Verpligtinge en aanspreeklikheid
27.1 Commitments					27.1 Verpligtinge
27.1.1 Operating lease commitments – Group as lessee					27.1.1 Bedryfshuurverpligtinge – Groep as huurder
The Group entered into an outsourcing agreement whereby the Group is provided with distribution and milk collection vehicles. The Group also entered into commercial leases on motor vehicles and machinery. These leases have an average life of between three and ten years, with renewal options included on some of the contracts. There are no restrictions placed upon the lessee by entering into these lease contracts.					Die Groep het hom verbind tot 'n uitkontrakteringsooreenkoms waarvolgens die Groep van verspreiding- en melkwinnings-voertuie voorsien word. Die Groep het ook bedryfshuurooreenkomste vir die huur van motorvoertuie en masjiene aangegaan. Hierdie ooreenkomste het 'n gemiddelde lewensduur van drie tot tien jaar, met hernuwingsopsies op sekere kontrakte. Daar is geen beperkings op die huurder geplaas met die aangaan van hierdie huurooreenkomste nie.
Future minimum lease payments are as follows:					Toekomstige minimum huurbetalings is soos volg:
Within one year	248 147	247 409			Binne een jaar
After one year but not more than five years	426 739	628 484			Na een jaar, maar binne vyf jaar
More than five years	34 943	253			Langer as vyf jaar
Total lease payments payable	709 829	876 146			Totale huurbetalings betaalbaar
27.1.2 Operating lease commitments – Group as lessor					27.1.2 Bedryfshuurverpligtinge – Groep as verhuurder
The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's surplus offices and manufacturing buildings. These non-cancellable leases have remaining terms of between one and six years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.					Die Groep het verhuuringskontrakte op sy beleggingseiendomsportefeulje aangegaan, wat bestaan uit die Groep se ongebruikte kantore en vervaardigingsgeboue. Hierdie nie-kanselleerbare verhuuringskontrakte het oorblywende termyne van tussen een en ses jaar. Alle kontrakte bevat 'n klousule wat opwaartse aanpassings van die huurbedrae jaarliks moontlik maak na gelang van heersende marktoestande.
Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2011 are as follows:					Toekomstige minimum huurbedrae ontvangbaar volgens nie-kanselleerbare bedryfshuurooreenkomste op 30 Junie 2011 is soos volg:
Within one year	2 950	2 331			Binne een jaar
After one year, but not more than five years	7 695	6 144			Na een jaar, maar binne vyf jaar
More than five years	–	–			Langer as vyf jaar
Total minimum lease payments	10 645	8 475			Totale minimum huurbetalings

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Group/Groep		
for the year ended 30 June 2011	2011		2010		vir die jaar geëindig 30 Junie 2011
	Minimum payments/ Minimum betalings	Present value of payments/ Huidige waarde van betalings	Minimum payments/ Minimum betalings	Present value of payments/ Huidige waarde van betalings	
	R'000		R'000		
27.1.3 Finance leases and hire purchase agreements The Group has finance leases and hire purchase contracts for various items of plant, machinery and vehicles. These leases have no terms of renewal, purchase options or escalation clauses. Future minimum lease payments with the present value of the net minimum lease payments are as follows: Within one year After one year but not more than five years Total minimum lease payments Less: amounts representing finance charges Present value of minimum lease payments					27.1.3 Finansiële bruikhuurkontrakte en huurkoopoporeenkomste Die Groep het finansiële bruikhuur- en huurkoopkontrakte vir verskeie items van aanleg, toerusting en voertuie. Hierdie hure het geen hernuwingstermyne, aankoopopsies of eskalasieklousules nie. Toekomstige minimum huurbetalings met die huidige waarde van die minimum huurbetalings is soos volg: Binne een jaar Na een jaar, maar binne vyf jaar Totale minimum huurbetalings Min: bedrae wat finansieringskoste verteenwoordig Huidige waarde van minimum huurbetalings
	9 968	7 555	16 219	12 969	
	26 310	23 451	32 481	27 122	
	36 278	31 006	48 700	40 091	
	(5 271)	–	(8 609)	–	
	31 007	31 006	40 091	40 091	

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

	Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011	2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
27.1.4 Capital commitments					27.1.4 Kapitaalverpligtinge
Capital expenditure authorised and contracted for	53 474	24 573			Bedrae goedgekeur en gekontrakteer
Capital expenditure authorised but not contracted for	577 817	23 472			Bedrae goedgekeur, maar nie gekontrakteer nie
Total capital commitments	631 291	48 045			Totale kapitaalverpligtinge
Commitments will be spent within the next three to four years. The capital expenditure will be funded from Group funds.					Verpligtinge sal deur die loop van die volgende drie tot vier jaar bestee word. Die kapitaalbesteding sal uit Groepfondse befonds word.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011		2011 R'000	2010 R'000		vir die jaar geëindig 30 Junie 2011
28 Related party disclosure Transactions with related parties are made at market prices. Outstanding balances at the year-end are unsecured. No interest is paid on current accounts. Interest is payable on borrowings by the holding company from subsidiary companies at prime. Where the holding company lends money to subsidiary companies interest is charged at prime plus 1%. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2010, the Group has recorded an impairment of receivables relating to amounts owed by Clover Zambia for R4,0 million. No impairment was recorded for other related parties (2010: R Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.					28 Openbaarmaking van verwante partye Transakies met verwante partye word teen markpryse gedoen. Uitsaande balanse op jaareinde is onversekureer. Geen rente word betaal op die lopende rekeninge nie. Rente teen prima is betaalbaar op lenings aan die houermaatskappy van die filiaalmaatskappye. Waar die houermaatskappy lenings toegestaan het aan die filiaalmaatskappy is rente teen prima plus 1% gehef. Daar is geen waarborge aangevra of gelewer vir verwante partye-balanse ontvangbaar of betaalbaar nie. Vir die jaar geëindig 30 Junie 2010 het die Groep 'n waardedalingverlies vir Clover Zambia te boek gestel ten opsigte van balanse ontvangbaar van Clover Zambia vir R4,0 miljoen. Geen waardedalingverliese is vir ander verwante partye te boek gestel nie (2010: R Nul). Oorweging word elke jaareinde hieraan geskenk deur die finansiële posisies en markte waarin die verwante partye hul aktiwiteite bedryf te ondersoek.
28.1 With regard to operating activities with subsidiaries, associated companies and joint ventures, the following transactions took place during the year:					28.1 Ten opsigte van bedryfsaktiwiteite met filiale, geassosieerde maatskappye en gesamentlike ondernemings het die volgende transaksies gedurende die jaar plaasgevind:
(a) Fees earned by CIL for services rendered to Group Companies					(a) Dienstegelde verdien deur CIL van Groepmaatskappye
Clover SA		38 391	36 018		Clover SA
Total fees earned by CIL for services rendered to Group Companies		38 391	36 018		Totale gelde verdien deur CIL vir dienste gelewer aan Groepmaatskappye
(b) Fees earned by Clover SA for services rendered to Group Companies					(b) Gelde verdien deur Clover SA vir dienste gelewer aan Groepmaatskappye
Clover Beverages		414 459	398 806		Clover Beverages
Clover Botswana		817	10 483		Clover Botswana
Clover Fonterra		4 793	4 677		Clover Fonterra
Total fees earned by Clover SA for services rendered to Group Companies		420 069	413 966		Totale gelde verdien deur Clover SA vir dienste gelewer aan Groepmaatskappye
(c) Finance income received by CIL from Group Companies					(c) Finansieringsinkomste ontvang deur CIL vanaf Groepmaatskappye
Clover SA		–	2 249		Clover SA
Total finance income received by CIL from Group Companies		–	2 249		Totale finansieringsinkomste ontvang deur CIL vanaf Groepmaatskappye
(d) Finance income received by Clover Beverages from Group Companies					(d) Finansieringsinkomste ontvang deur Clover Beverages vanaf Groepmaatskappye
Clover SA		7 543	5 736		Clover SA
Total finance income received by Clover Beverages from Group Companies		7 543	5 736		Totale finansieringsinkomste deur Clover Beverages ontvang vanaf Groepmaatskappye

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011		2011 R'000	2010 R'000		vir die jaar geëindig 30 Junie 2011
(e) Finance income received by Clover SA from Group Companies					(e) Finansieringsinkomste ontvang deur Clover SA vanaf Groepmaatskappye
CIL		11 195	4 012		CIL
Clover Zambia		–	214		Clover Zambië
Clover West Africa		–	1		Clover Wes-Afrika
Clover Beverages		–	24		Clover Beverages
Clover Swaziland		–	330		Clover Swaziland
Clover Namibia		117	–		Clover Namibië
Total finance income received by Clover SA from Group Companies		11 312	4 581		Totale finansieringsinkomste ontvang deur Clover SA vanaf Groepmaatskappye
(f) Amounts owing by Clover SA to Group Companies					(f) Bedrae verskuldig deur Clover SA aan Groepmaatskappye
Clover Beverages		–	186 124		Clover Beverages
Clover Beverages – amounts on call loan		–	136 475		Clover Beverages – bedrae verskuldig terugbetaalbaar op aanvraag
Clover Industries		464 249	–		Clover Industries
Clover Fonterra		13 498	13 307		Clover Fonterra
Lactolab		107	70		Lactolab
Clover Botswana		110	27		Clover Botswana
Clover Manhattan		14 544	–		Clover Manhattan
Total amounts owing by Clover SA to Group Companies		492 508	336 003		Totale bedrae verskuldig deur Clover SA aan Groepmaatskappye
(g) Amounts due to Clover SA from Group Companies					(g) Bedrae verskuldig aan Clover SA van Groepmaatskappye
Clover Capital		627 437	579 374		Clover Capital
Clover Industries		–	461 012		Clover Industries
Clover West Africa		7 846	5 352		Clover Wes-Afrika
Clover Zambia		4 458	5 500		Clover Zambië
Lactolab		161	62		Lactolab
Clover Beverages		–	27 973		Clover Beverages
Clover Swaziland		164	3 459		Clover Swaziland
Clover Fonterra		3 339	5 811		Clover Fonterra
Clover Botswana		31 565	18 746		Clover Botswana
Clover Namibia		10 359	–		Clover Namibië
Clover Manhattan		1 207	–		Clover Manhattan
Total amounts due to Clover SA from Group Companies		686 536	1 107 289		Totale bedrae verskuldig aan Clover SA van Groepmaatskappye

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011		2011 R'000	2010 R'000		vir die jaar geëindig 30 Junie 2011
(h) Amounts due to CIL from Group Companies					(h) Bedrae verskuldig aan CIL deur Groepmaatskappye
Clover SA		464 249	–		Clover SA
CIL Stabilisation Trust		461	4 398		CIL Stabilisation Trust
CIL Share Purchase Trust		1 438	22 911		CIL Share Purchase Plan Trust
Total amounts due to CIL from Group Companies		466 148	27 309		Totale bedrae verskuldig aan CIL van Groepmaatskappye
(i) Clover SA received the following dividends during the year from Group Companies:					(i) Clover SA het die volgende dividende gedurende die jaar ontvang van Groepmaatskappye:
Clover Fonterra Ingredients		3 180	4 861		Clover Fonterra Ingredients
Clover Beverages		339 123	18 369		Clover Beverages
Lactolab		756	945		Lactolab
Clover Swaziland		1 000	1 500		Clover Swaziland
Total dividends received by Clover SA from Group Companies		344 059	25 675		Totale dividende ontvang deur Clover SA van Groepmaatskappye
(j) CIL received the following dividends during the year from Group Companies					(j) CIL het die volgende dividende gedurende die jaar van Groepmaatskappye ontvang
Clover SA		461 012	195 000		Clover SA
Total dividends received by CIL from Group Companies		461 012	195 000		Totale dividende ontvang deur CIL van Groepmaatskappye
(k) Raw milk sales by Clover SA to associated company and its subsidiary		–	185 296		(k) Rou melk-verkope deur Clover SA aan geassosieerde maatskappye en filiaal
28.2 The following transactions regarding the securitisation of debtors took place during the year between Clover SA and Clover Capital:					28.2 Die volgende transaksie met betrekking tot die versekering van debiteure het gedurende die jaar plaasgevind tussen Clover SA en Clover Capital:
Net finance cost paid by Clover SA to Clover Capital		39 869	48 085		Netto finansieringskoste betaal deur Clover SA aan Clover Capital
Debtors sold to Clover Capital		8 240 320	7 783 661		Debiteure verkoop aan Clover Capital
Receipts from Clover Capital		(8 210 730)	(7 770 145)		Ontvangste van Clover Capital
28.3 With regard to business done with Directors and Senior Management, the following transactions took place:					28.3 Ten opsigte van sake gedoen met Direkteure en Uitvoerende Bestuurslede, het die volgende transaksies plaasgevind:
Milk purchased from the following Non-executive Directors by Clover SA					Melk aangekoop van die volgende Nie-uitvoerende Direkteure deur Clover SA
JAH Bredin		4 182	4 207		JAH Bredin
HPF Du Preez		4 837	4 608		HPF Du Preez
MG Elliott		3 387	3 678		MG Elliott
JC Hendriks		19 228	20 640		JC Hendriks
WI Büchner		16 616	15 141		WI Büchner
JW Lotz (Resigned 7 October 2010)		2 705	6 636		JW Lotz (Bedank 7 Oktober 2010)
FG Meyer (Resigned 7 October 2010)		858	3 092		FG Meyer (Bedank 7 Oktober 2010)
MG Mackenzie (Resigned 7 October 2010)		6 958	18 301		MG Mackenzie (Bedank 7 Oktober 2010)
VP Turner (Resigned 10 March 2011)		11 722	15 392		VP Turner (Bedank 10 Maart 2011)
NA Smith (Appointed 10 March 2011)		5 762	–		NA Smith (Aangestel 10 Maart 2011)
Total milk purchased from Non-executive Directors		76 255	91 695		Totale melk aangekoop van Nie-uitvoerende Direkteure

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

29 Financial instruments

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

29.1 Financial risk management

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

- credit risk
- liquidity risk
- market risk: foreign currency and interest rate risk.

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

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

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

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

(i) Credit risk management

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

29 Finansiële instrumente

Die Groeptesouriefunksie word nie as 'n winssentrum bedryf nie, maar verskaf finansiële dienste aan afdelings en Groepmaatskappye, koördineer toegang tot krediet en leningsfasiliteite en bestuur die finansiële risiko met betrekking tot die Groep se bedrywighede. Die Groep het ten doel om met die gebruik van finansiële instrumente die onsekerheid oor toekomstige kontantvloeï wat voortspruit uit beweging in wissel- en rentekoerse te verminder. Wissel- en rentekoersblootstelling word binne die goedgekeurde beleid en riglyne van die Direksie bestuur, wat die gebruik van afgeleide instrumente beperk tot die verskansing van spesifieke onderliggende wissel- en rentekoersblootstellings.

29.1 Finansiële risikobestuur

Die Groep het blootstelling aan die volgende risiko's uit die gebruik van finansiële instrumente:

- kredietrisiko
- likiditeitsrisiko
- markrisiko: buitelandse valuta en rentekoersrisiko.

Hierdie Aantekening verskaf inligting oor die Groep se blootstelling aan elk van bogemelde risiko's, die Groep se doelstellings, beleid en prosesse om risiko te meet en te bestuur en die Groep se bestuur van kapitaal. Verdere kwantitatiewe openbaarmaking is regdeur hierdie finansiële state ingesluit.

Die Direksie het oorkoepelende verantwoordelikheid vir die daarstel van en oorsig oor die Groep se risikobestuursraamwerk. Die Oudit-en Risikokomitee is verantwoordelik vir die ontwikkeling en monitering van die Groep se risikobestuursbeleid. Die Komitee doen gereeld verslag aan die Direksie oor sy werksaamhede.

Die Groep se risikobestuursbeleid is opgestel om risiko te identifiseer en te ontleed, om gepaste risikogrense en -beheer in te stel en om die risiko en nakoming van grense te monitor. Risikobestuursbeleid en -stelsels word gereeld hersien om veranderinge in marktoestande en die Groep se werksaamhede te weerspieël. Die Groep beoog om deur sy opleiding en bestuursriglyne en -prosedures 'n gedissiplineerde en opbouende beheeromgewing te ontwikkel waarin alle werknemers hul rolle en verpligtinge verstaan.

Die Oudit-en Risikokomitee word bygestaan in sy oorsigrol deur Clover Risikobestuur, bygestaan deur KPMG Services (Edms) Beperk. Risikobestuur onderneem beide gereelde en ad hoc-oorsigte van risikobestuurmaatreëls en -prosedures, en daar word oor die resultate aan die Komitee verslag gedoen.

(i) Kredietrisikobestuur

Kredietrisiko is die risiko van finansiële verlies vir die Groep as 'n klant of medeparty tot 'n finansiële instrument nalaat om sy kontraktuele verpligtinge na te kom en is hoofsaaklik afkomstig van die Groep se ontvangstes van klante en van beleggingsinstrumente.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

Credit risk primarily relates to potential exposure on bank and cash balances, investments and trade receivables. The Group limits its exposure arising from money market and derivative instruments by only dealing with well-established financial institutions of high credit standing. The Group is exposed to credit risk in the form of trade receivables. The maximum exposure is the carrying amount as disclosed in Note 29.5. Historically, Group bad debts have been negligible and the management of debtors payment terms have been very successful. Trade receivables comprise a large number of debtors, but with significant concentration in value on the country's major retail and wholesale chains, credit is extended in terms of the Group's credit policies. In the opinion of the Board there was no significant credit risk at year-end which had not been adequately provided for.

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

Municipalities

Other

2011	2010
R m	R m
5,35	5,68
8,39	8,27
13,74	13,95

Kredietrisiko verwys primêr na potensiële blootstelling op bank- en kontantsaldo's, beleggings en handelsrekeninge ontvangbaar. Die Groep beperk sy blootstelling op die geldmark- en afgeleide instrumente deur slegs met gevestigde finansiële instellings met hoë kredietgraderings sake te doen. Die Groep is blootgestel aan kredietrisiko in die vorm van handelsrekeninge ontvangbaar. Die maksimum blootstelling is die drawaarde soos in Aantekening 29.5 geopenbaar. Histories is slegte skuld in die Groep minimaal en die bestuur van debiteure-betalings baie suksesvol. Handelsrekeninge ontvangbaar bestaan uit 'n groot aantal rekeninge, maar met aansienlike konsentrasie in die waarde van die land se groot kleinhandel- en groothandelkettings, word krediet toegestaan ooreenkomstig die Groep se kredietbeleid. Die Direksie is van mening dat geen beduidende kredietrisiko op jaareinde bestaan waarvoor daar nie voldoende voorsien is nie.

Die Groep beperk sy blootstelling aan kredietrisiko deur slegs by hoog aangeskrewe finansiële instansies met hoë kredietgraderings te belê.

Munisipaliteite

Ander

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 67,1% (2010: 71,6%) of the Group's credit sales is attributable to sales transactions with the major national chain stores of good credit standing. However, geographically there is no concentration of credit risk.

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

A credit application, duly authorised, is required before any new account is opened. The original credit application is retained at branch level for safe keeping.

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

Die Groep se blootstelling aan kredietrisiko word hoofsaaklik beïnvloed deur die individuele eienskappe van elke klant. Die demografie van die Groep se klantebasis, insluitende die nie-betalingsrisiko van die bedryf en land waarin die klant bedrywig is, het minder invloed op kredietrisiko. Ongeveer 67,1% (2010: 71,6%) van die Groep se kredietverkope word toegeskryf aan verkoopstransaksies met kettlingwinkels met goeie kredietrekords. Geografies is daar egter geen konsentrasie van kredietrisiko nie.

Die verantwoordelikheid vir effektiewe kredietbestuur berus by die Hoof Finansiële Beampte. Die toestaan van krediet word beheer deur 'n beleid vir die goedkeuring en magtigingsvlakke vir nuwe kredietaansoeke en hersiening van kredietlimiete.

'n Kredietaansoek, behoorlik en volledig goedgekeur, word vereis voordat 'n nuwe rekening geopen word. Die oorspronklike kredietaansoek word by die tak in veilige bewaring gehou.

Die kredietbeleid vereis dat elke nuwe klant individueel ontleed word vir kredietwaardigheid voordat die Groep se standaardbetalings-, leweringsvoorwaardes en terme aangebied word. Enige afwyking van magtigingsvlakke moet in terme van die kredietbeleid goedgekeur word. Die hersiening sluit handelsverwysings, bankkodes en handelsgeskiedenis in. Bykomende inligting word verlang afhangende van die klant se profiel en die kredietperk wat verlang word, naamlik inligting oor Direkteure, finansiële state en 'n onlangse kredietburoverslag van die voornemende klant. Met uitsondering van die groot kettlingwinkels, waar kredietrisiko as laag geag word, word kredietlimiete vir elke klant bepaal wat die maksimum bedrag beskikbaar verteenwoordig.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

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

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

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

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

Foreign customers are managed by ensuring that all exports are paid for in cash up front or suitable guarantees must be provided for payment prior to shipping.

(ii) Liquidity risk management

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

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

The Group ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the Group maintains the lines of credit as can be viewed in Note 21.2.

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, preference shares, finance leases and hire purchase contracts. The Group's policy is that not more than 25% (2010: 25%) of long-term borrowings should mature in the next 12-month period. Due to the Group's strong cash position the extension of the R150 million tranche of debtors securitisation funding that matures in December 2011 is still under consideration. 28,7% (2010: 10,7%) of the Group's long-term debt will mature in less than one year at year-end based on the carrying value of borrowings reflected in the financial statements.

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

Die meeste van die Groep se kliente doen al vir baie jare sake met die Groep en die Groep het 'n bestendige klientebasis. Wanneer kliente-kredietrisiko gemoniteer word, word kliente volgens hul kredieteienskappe gegroepeer, insluitend of hulle kettingwinkels, algemene handelaars of groothandelaars is.

Met uitsluiting van die groot nasionale kettingwinkels, word addisionele krediet van kliente weerhou waar hulle in gebreke bly om hulle betalings na te kom.

Die Groep bepaal 'n toelaag vir waardedaling wat sy raming verteenwoordig van verliese wat opgeloop kan word ten opsigte van handels- en ander debiteure en beleggings. Die hoofkomponent van die toelaag is 'n spesifieke verlieskomponent wat verwys na individueel wesenlike blootstellings.

As 'n reël moet sekuriteit verkry word vir alle nuwe rekeninge, behalwe waar die Groep sy reg tersyde stel op grond van 'n lae risiko-evaluasie.

Buitelandse kliente word bestuur deur te verseker dat vir alle uitvoere kontant vooruitbetaal is of aanvaarbare waarborge moet gelever word vir betaling voor versending.

(ii) Likiditeitsrisikobestuur

Likiditeitsrisiko is die risiko dat die Groep nie in staat sal wees om sy verpligtinge na te kom soos wat dit betaalbaar word nie. Die Groep se benadering tot die bestuur van likiditeit is om sover moontlik te verseker dat dit altyd genoegsame likiditeit het om sy verpligtinge na te kom, onder beide normale en druk toestande.

Die Groep bestuur likiditeitsrisiko deur die monitering van werklike en begrote kontantvloei en die handhawing van voldoende leningsgeriewe.

Die Groep verseker dat hy genoeg kontant beskikbaar het om verwagte bedryfsverpligtinge na te kom, insluitend die diens van finansiële verpligtinge; dit sluit die potensiële impak van uitsonderlike omstandighede wat nie redelik voorsien kan word nie, soos natuurrampe, uit. Verder hou die Groep die kredietlyne soos uiteengesit in Aantekening 21.2.

Die Groep moniteer die risiko van 'n tekort aan kontant deur 'n herhalende likiditeitsbeplanningswerktuig. Dit oorweeg die termyn van beide sy finansiële beleggings en bates en geprojekteerde kontantvloei uit sy werksaamhede.

Die Groep se doelwit is om 'n balans te handhaaf tussen die deurlopendheid van befondsing en aanpasbaarheid deur die gebruik van bankoortrekkings, banklenings, voorkeuraandele, bruikhuurooreenkomste en huurkoopkontrakte. Die Groep se beleid is dat nie meer as 25% (2010: 25%) van die Groep se langtermynlenings oor die volgende 12 maande betaalbaar moet wees nie. Weens die Groep se sterk kontantposisie word die hernuwing van die R150 miljoen-gedeelte van die debiteure-sekuriteringbefondsing wat in Desember 2011 verval, steeds oorweeg. 28,7% (2010: 10,7%) van die Groep se langtermynskuld op jaareinde sal oor minder as een jaar betaalbaar wees, gegrond op die drawaarde van lenings weergegee in die finansiële state.

Handelskrediteure vorm 'n belangrike deel van die korttermynfinansiering van die Groep se bedryfskapitaalbehoefte. Versigtige bestuur en beheer van handelskrediteure word toegepas om te verseker dat daar maksimaal gebruik gemaak word van wat beskou word as rentevrye skuld.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

(iii) Market risk management

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

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

(iv) Foreign currency risk management

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

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

Foreign currency sensitivity

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

(iii) Markrisikobestuur

Markrisiko is die risiko dat veranderinge in markpryse soos buitelandse valutakoerse en rentekoerse die Groep se inkomste of die waarde van sy finansiële instrument-posisie sal beïnvloed. Die doel van doeltreffende markrisikobestuur is om blootstelling aan markrisiko te beheer en binne aanvaarbare perke te hou, terwyl die opbrengs geoptimaliseer word.

Die Groep koop en verkoop afgeleide instrumente in die normale gang van sake en gaan ook finansiële verpligtinge aan om die markrisiko te bestuur. Al sulke transaksies word uitgevoer binne die riglyne wat deur die Risikobestuur-beleid daargestel is.

(iv) Buitelandse valutarisikobestuur

Die Groep is blootgestel aan valutarisiko op verkope en aankope onderneem in ander valuta as Groep entiteite se funksionele valuta. Primêre valuta waaraan die Groep blootgestel word, is hoofsaaklik die Euro, VS Dollar, Botswana Pula en die Britse Pond. Sekere wisselkoers-blootstelling word verskans deur die gebruik van valutatermynkонтракте. Die Groep het sekere valutatermynkонтракте aangegaan wat nog nie betaalbaar is nie.

Die Groep verskans bedrae groter as R200 000 in 'n buitelandse geldeenheid. Die Groep gebruik valutatermynkонтракте om sy valutarisiko te verskans, meestal oor 'n termyn van minder as een jaar van die verslaggewingsdatum af. Indien nodig, word valutatermynkонтракте hernu met die verstryking daarvan.

Buitelandse valuta sensitiviteit

Die volgende tabel dui die sensitiviteit vir 'n redelik moontlike wisselkoers-verandering van die Euro, VS Dollar en die Pula. Die Groep se blootstelling aan buitelandse valuta verandering vir alle ander geldeenhede is nie beduidend nie.

	Change in rate/ Verandering in koers	Effect on profit before tax/ Invloed op wins voor belasting	Effect on equity/ Invloed op ekwiteit
		R'000	R'000
Forward exchange contracts open on reporting date			
Rand - strengthening	+30%		
Profit on Euro		743	
Profit on US Dollar		1 429	
Rand - weakening	-30%		
Loss on Euro		(743)	
Loss on US Dollar		(1 429)	
Foreign subsidiaries - equity			
Rand - strengthening	+10%		
Profit on Pula's			3 650
Rand - weakening	-10%		
Loss on Pula's			(2 986)

Valutatermynkонтракте oop op verslagdoeningsdatum

Rand - versterk

Wins op Euro

Wins op VS Dollar

Rand - verswak

Verlies op Euro

Verlies op VS Dollar

Buitelandse filiale - ekwiteit

Rand - versterk

Wins op Pula's

Rand - verswak

Verlies op Pula's

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

(v) Interest rate risk management

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

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

Fixed-rate instruments
Variable-rate instruments

Interest rate sensitivity

An increase/decrease of 100 basis points (2010: 100 basis points) in interest rates at the reporting date would have affected profit before taxation, by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the prior year.

Increase of 100 basis points

Decrease in profit before tax

Decrease of 100 basis points

Increase in profit before tax

2011 R'000	2010 R'000
306 914	574 484
299 748	84 967
606 662	659 451
2 997	850
2 997	850

(v) Rentekoersrisikobestuur

Die Groep is blootgestel aan rentekoersrisiko as gevolg van die veranderinge van rentekoerse in die mark wat 'n direkte impak het op die rentedraende lenings wat teen sowel vaste as veranderlike koerse geleen word. Die risiko word bestuur deur 'n toepaslike mengsel van vaste en veranderlike koerse te handhaaf.

Die rentekoersprofiel met betrekking tot die Groep se rentedraende verpligtinge is soos volg op verslagdoeningsdatum:

Vastekoersinstrumente
Veranderlike koersinstrumente

Rentekoerssensitiwiteit

'n Toename/afname van 100 basispunte (2010: 100 basispunte) in rentekoerse soos op verslagdoeningsdatum, sal die wins voor belasting as volg raak, met die bedrae soos onder aangetoon. Die ontleding neem aan dat alle ander veranderlikes konstant bly, veral rakende wisselkoersveranderings. Die ontleding is op dieselfde basis vir die vorige jaar opgestel.

Toename van 100 basispunte

Afname in wins voor belasting

Afname van 100 basispunte

Toename in wins voor belasting

29.2 Capital management

Capital consists of ordinary and preference share capital, as well as ordinary and preference share premium.

A combination of retained earnings, senior debt, preference shares, term asset finance, commodity finance and general banking facilities are used to fund the business. The bulk of the Group's debtors forms part of a securitisation programme. This programme came into effect during 2001. Senior debt raised by the programme currently amounts to R305 million (2010: R305 million). The securitisation provides access to senior debt equal to 74,5% (2010: 74,5%) of the debtors' book.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings. The Group's target is to achieve a return on shareholders' equity of at least 20% in the medium to long term. A return of 12,9% (2010: 26,6%) was achieved. In comparison the weighted average interest expense on interest-bearing borrowings was 9,8% (2010: 11,05%).

CIL was recapitalised during the financial year. Refer to Note 18 for further details.

29.2 Kapitaalbestuur

Kapitaal bestaan uit gewone- en voorkeuraandelekapitaal, asook gewone- en voorkeuraandelepremie.

'n Kombinasie van behoue winste, senior skuld, voorkeuraandele, termynbatesfinansiering, kommoditeitfinansiering en algemene bankfasiliteite word gebruik om die besigheid te finansier. Die grootste gedeelte van die Groep se debiteure vorm deel van die versekeringsprogram. Hierdie program het in werking getree gedurende 2001. Die senior skuld wat deur middel van die versekeringsprogram bekom is, staan tans op R305 miljoen (2010: R305 miljoen). Die versekeringsprogram voorsien toegang tot senior skuld gelykstaande aan 74,5% (2010: 74,5%) van die debiteureboek.

Die Direksie poog om 'n balans te handhaaf tussen die hoër opbrengste wat moontlik kan wees met hoër vlakke van lenings en die voordele en sekuriteit wat 'n gesonde kapitaalposisie bied. Die Groep se teiken is om 'n opbrengs op aandeelhouersekswiteit van ten minste 20% op die medium- tot langtermyn te behaal. 'n Opbrengs van 12,9% (2010: 26,6%) is behaal. In vergelyking was die geweegde gemiddelde rente-uitgawe op rentedraende lenings 9,8% (2010: 11,05%).

CIL is gedurende die jaar geherkapitaliseer. Verwys na Aantekening 18 vir besonderhede.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

29.3 Fair value		29.3 Billike waarde
The fair value of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:		Die billike waarde van finansiële bates en laste, saam met die drawaardes in die balansstaat getoon, is soos volg:
Financial assets		Finansiële bates
Loans and receivables	894 725	Lenings en debiteure
Derivatives used in hedging	750	Afgeleide instrumente vir verskansing
Cash and short-term deposits	824 212	Kontant- en korttermyndeposito's
Total financial assets	1 719 687	Totale finansiële bates
Financial liabilities		Finansiële laste
Loans, trade and other payables	1 688 854	Lenings, handels- en ander krediteure
Total financial liabilities	1 688 854	Totale finansiële laste
Financial assets		Finansiële bates
Loans and receivables	812 883	Lenings en debiteure
Derivatives used for hedging	750	Afgeleide instrumente vir verskansing
Cash and short-term deposits	429 274	Kontant- en korttermyndeposito's
Total financial assets	1 242 907	Totale finansiële bates
Financial liabilities		Finansiële laste
Loans, trade and other payables	1 774 778	Lenings, handels- en ander krediteure
Total financial liabilities	1 774 778	Totale finansiële laste
The carrying amount of these financial assets and liabilities is a reasonable approximation of fair value.		Die drawaarde van hierdie finansiële bates en laste is 'n redelike skatting van die billike waarde.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

29.4 Liquidity risk Maturity profile of financial instruments		29.4 Likiditeitsrisiko Termynverloopprofiel van finansiële instrumente
	Group/Groep 2011 0-6 months/ maande 6-12 months/ maande 1-2 years/ jaar 2-5 years/ jaar > 5 years/ jaar Total/Totaal R'000 R'000 R'000 R'000 R'000 R'000	
The maturity profile of the financial instruments is summarised as follows for the Group:		Die termynverloopprofiel van finansiële instrumente kan soos volg opgesom word vir die Groep:
Financial liabilities Secured loans Secured by securitisation of trade debtors Unsecured loans Bank overdrafts Trade and other payables Total financial liabilities	3 783 3 772 7 895 15 557 – 31 007 155 000 – 150 000 – – 305 000 – – 259 382 – – 259 382 11 273 – – – 11 273 1 053 605 15 232 8 622 4 735 – 1 082 194 1 223 661 19 004 425 899 20 292 – 1 688 856	Finansiële laste Versekerde verpligtinge Verseker deur die versekering van handelsdebiteure Onversekerde verpligtinge Bankoortrekking Handels- en ander krediteure Totale finansiële laste
	Group/Groep 2010 0-6 months/ maande 6-12 months/ maande 1-2 years/ jaar 2-5 years/ jaar > 5 years/ jaar Total/Totaal R'000 R'000 R'000 R'000 R'000 R'000	
Financial liabilities Secured loans Secured by securitisation of trade debtors Unsecured loans Bank overdrafts Trade and other payables Total financial liabilities	10 006 2 964 8 060 10 054 10 008 41 092 957 – 155 000 150 000 – 305 957 6 500 – – 259 382 – – 265 882 46 521 – – – 46 521 1 076 374 38 953 3 160 3 160 – 1 121 647 1 140 358 41 917 166 220 422 596 10 008 1 781 099	Finansiële laste Versekerde verpligtinge Verseker deur die versekering van handelsdebiteure Onversekerde verpligtinge Bankoortrekking Handels- en ander krediteure Totale finansiële laste

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

The maturity profile of the financial instruments is summarised as follows for the Company: Financial liabilities Unsecured loans Trade and other payables Total financial liabilities	Company/Maatskappy						Die termynverloopprofiel van finansiële instrumente kan soos volg opgesom word vir die Maatskappy: Finansiële laste Onversekerde verpligtinge Handels- en ander krediteure Totale finansiële laste
	2011						
	0-6 months/ maande	6-12 months/ maande	1-2 years/ jaar	2-5 years/ jaar	> 5 years/ jaar	Total/Totaal	
	R'000	R'000	R'000	R'000	R'000	R'000	
Company/Maatskappy							
2010							
0-6 months/ maande	6-12 months/ maande	1-2 years/ jaar	2-5 years/ jaar	> 5 years/ jaar	Total/Totaal		
R'000	R'000	R'000	R'000	R'000	R'000		

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

29.5 Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk.

Financial assets per class

Trade receivables

Other receivables

Cash and short-term deposits

Total financial assets

Group/Groep		Company/Maatskappy	
Carrying value/Drawaarde		Carrying value/Drawaarde	
2011 R'000	2010 R'000	2011 R'000	2010 R'000
754 049	695 883	–	–
141 426	117 750	538 993	118 138
824 212	429 274	2 232	97
1 719 687	1 242 907	541 225	118 235

Trade receivables

The maximum exposure to credit risk for trade receivables at the reporting date by customer type was as follows:

Retail chain stores

Wholesale chain stores

Industrial/Catering/General trade

Total

Group/Groep	
Carrying value/Drawaarde	
2011 R'000	2010 R'000
506 202	498 217
90 880	104 189
156 968	93 477
754 050	695 883

29.5 Kredietrisiko

Blootstelling aan kredietrisiko

Die drawaarde van finansiële bates verteenwoordig die maksimum blootstelling aan kredietrisiko.

Finansiële bates per kategorie

Handelsdebiteure

Ander debiteure

Kontant- en korttermyndeposito's

Totale finansiële bates

Handelsdebiteure

Die maksimum blootstelling aan kredietrisiko van handelsdebiteure soos op die verslagdoeningsdatum per kliëntesoort is soos volg uiteengesit:

Kettingwinkels

Groothandelaars

Industrieel/Spyseniering/Algemene handel

Totaal

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

	Group/Groep		
	Gross/Bruto	Gross/Bruto	
	2011 R'000	2010 R'000	
The ageing of trade receivables at the reporting date is as follows:			Die ouderdom van handelsdebiteure soos op verslaggewingsdatum is soos volg:
Neither past due nor impaired	728 037	659 585	Nie agterstallig geen waardedaling
Past due, but not impaired 0 – 30 days	22 670	29 737	Agterstallig geen waardedaling 0 – 30 dae
Past due, but not impaired 31 – 120 days	2 281	3 055	Agterstallig geen waardedaling 31 – 120 dae
Past due, but not impaired 120 days	1 063	3 506	Agterstallig geen waardedaling 120 dae
Total	754 051	695 883	Totaal
	Group/Groep		
	2011 R'000	2010 R'000	
	2011 R'000	2010 R'000	
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:			Die beweging in die voorsiening vir waardedalings met betrekking tot handelsdebiteure gedurende die jaar was soos volg:
Balance at the beginning of the year	2 198	8 708	Saldo aan die begin van die jaar
Decreases in impairments	(4 313)	(4 227)	Afnames in waardedalings
Impairment loss reversed/(written off)	3 441	(2 283)	Waardedalingsverlies teruggedraai/(afgeskryf)
Balance at the end of the year	1 326	2 198	Saldo aan die einde van die jaar
The allowance accounts in respect of trade receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.			Die waardedalingsrekeninge ten opsigte van handelsdebiteure word gebruik om waardedalings te boek te stel tensy die Groep tevrede is dat geen verhaling van uitstaande bedrae moontlik is nie. In die stadium wanneer die bedrag nie-verhaalbaar geag word, word die bedrag direk afgeskryf teen die finansiële bate.
The impairment loss written off relates to customers defaulting on payments and being handed over to lawyers for recovery.			Die waardedalingsverlies afgeskryf hou verband met debiteure wat in gebreke bly met betalings en aan prokureurs oorhandig word vir invordering.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

		Group/Groep		Company/Maatskappy			
		2011 R'000	2010 R'000	2011 R'000	2010 R'000		
30 Investments						30 Beleggings	
Investment in subsidiary company						Belegging in filiaal-maatskappy	
Clover SA				326 735	326 735	Clover SA	
Total investment in subsidiary				326 735	326 735	Totale belegging in filiaal	
Other investments						Ander beleggings	
Share based payment investment in Clover SA				11 924	–	Aandeelgebaseerde betalingsbelegging in Clover SA	
Total other investments				11 924	–	Totale ander beleggings	

Subsidiary, joint venture and associated company/Filiaalmaatskappye, gesamentlike onderneming en geassosieerde maatskappy				Effective interest in capital/ Effektiewe belang in kapitaal		Investment in subsidiaries and joint ventures/ Belegging in filiale en gesamentlike ondernemings		Profit/(loss) after taxation/ Wins/(verlies) na belasting	
				2011	2010	2011	2010	2011	2010
Name of company/ Naam van maatskappy	Country of incorporation/ Land waar geïnkorporeer	Nature of business	Aard van besigheid	%	%	R'000	R'000	R'000	R'000
Clover SA	South Africa/Suid-Afrika	Dairy manufacturing, distribution, sales	Suiwelvervaardiging, -verspreiding en -verkope	100	100	326 735	326 735	449 654	870 917
Clover Beverages	South Africa/Suid-Afrika	Marketing of non-alcoholic beverage products	Bemarking van nie-alkoholiese drankies	100	94,8	–	282 037	88 909	84 797
Clover Botswana	Botswana	Dairy manufacturing, distribution, sales	Suiwelvervaardiging, -verspreiding en -verkope	70	70	3 893	3 893	3 159	(49)
Clover Manhattan #	South Africa/Suid-Afrika	Distribution and sales of ice tea	Verspreiding en verkope van ystee	50,1	50,1	3 034	3 034	1 229	1 039
Clover Swaziland	Swaziland	Distribution and sales of dairy products in Swaziland	Suiwelverspreiding en -verkope in Swaziland	100	100	1	1	2 483	1 252
Lactolab	South Africa/Suid-Afrika	Testing of dairy products	Toets van suiwelprodukte	52	52	–	–	1 239	1 392
Clover Capital	South Africa/Suid-Afrika	Finance	Finansiering	100	100	91 000	91 000	–	–
Clover Zambia	Zambia/Zambië	Dairy manufacturing and sales	Suiwelvervaardiging en -verkope	100	100	3	3	–	(2 468)
Clover Fonterra #	South Africa/Suid-Afrika	Marketing, selling and distribution of dairy and related ingredient products	Bemarking, verkope en verspreiding van suiwel- en verwante ingrediëntprodukte	51	51	3 060	3 060	6 593	6 360
Clover West Africa	Nigeria/Nigerië	Marketing of non-alcoholic beverage products	Bemarking van nie-alkoholiese drankies	55	55	243	–	(6 239)	–

Joint venture/Gesamentlike onderneming

@ A number of dormant companies is under the process of deregistration/'n Aantal dormante maatskappye ondergaan tans deregistrasie

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

		Group/Groep		Company/Maatskappy			
		2011 R'000	2010 R'000	2011 R'000	2010 R'000		
31	Share-based payments					31	Aandeelgebaseerde betalings
31.1	Cash-settled share purchase scheme					31.1	Kontant-vereffende aandeelaankoop-skema
	Total short-term portion provided as current liabilities (Phantom B)						Totale korttermyngedeelte voorsien as bedryfslaste ("Phantom B")
	Provision at the beginning of the year	–	985				Voorsiening aan die begin van die jaar
	Utilised during the year	–	(985)				Gebruik gedurende die jaar
	Balance at the end of the year	–	–				Saldo aan die einde van die jaar
	Total long term share-based payment provided as a non-current liability (Phantom A)						Totale langtermyn aandeelgebaseerde betaling voorsien as nie bedryfslaste ("Phantom A")
	Provision at the beginning of the year	–	130				Voorsiening aan die begin van die jaar
	Provided during the year	–	36 918				Voorsien gedurende die jaar
	Paid to Executives during the year	–	(37 048)				Betaal aan Uitvoerende Bestuurslede gedurende die jaar
	Balance at the end of the year	–	–				Saldo aan die einde van die jaar

The cash-settled Long Term Incentive Plan, named Phantom B was rescinded in October 2009.

Die langtermyn Aansporingskemas, genoem "Phantom B" is in Oktober 2009 herroep.

On 21 November 2008 the Company approved a cash-settled Long Term Incentive Plan, named Phantom A, for Senior Executives of the Group. The Plan involved the issuance of share appreciation rights to Executives that originally vested over a period of five years. Executives could choose to exercise SAR that vested which will entitle them to a cash payment equal to the increase in the CIL preference share price over the issue price of the SAR. SAR were issued at the volume-weighted average price that CIL preference shares traded over the counter during the 60 trading days preceding the issue date. With the capital restructuring on 31 May 2010 the SAR vested and an amount equal to the difference between R8,17 and the average strike price being R4,60 was paid in cash to the Executives, amounting to R37,1 million.

Op 21 November 2008 het die Maatskappy 'n langtermyn Aansporingskema, genoem "Phantom A" goedgekeur vir senior uitvoerende personeel van die Groep. Die Skema behels die uitreiking van aandeelgroei regte aan uitvoerende personeel wat onmiddellik en oor 'n tydperk van vyf jaar na uitreiking vestig. Die uitvoerende personeel kon kies om AGR wat gevestig het uit te oefen wat hulle geregtig maak op 'n kontantbetaling gelykstaande aan die verhoging in CIL voorkeuraandeelpryse teenoor die uitreikprys. AGR word toegeken teen die volume-gewegde gemiddelde prys waarteen CIL voorkeuraandeel oordie-toonbank verhandel het in die 60 verhandelingsdae voor die toekenningsdatum. Met die herstruktureing op 31 Mei 2010 het die AGR gevestig. 'n Bedrag gelyk aan die verskil tussen R8,17 en die uitoefenprys van R4,60 is in kontant aan die uitvoerende beaamptes uitbetaal, in die bedrag van R37,1 miljoen.

		Share appreciation rights/Aandeelgroei regte				
Description/ Beskrywing	Grant date/ Toekenningsdatum	Weighted average remaining contractual life (years)/Gewegde gemiddelde oorblywende kontraktoel termyn (jare)	Grant price (Rand)/ Toekenningsprys (Rand)	SAR granted/AGR toegeken	Weighted average fair value per right (cents)/Gewegde gemiddelde billike waarde per reg (sent)	Vesting period/ Vestigingstydperk
Phantom A	21 November 2008	0	R 4,80	8 996 806	357	31 May 2010 / 31 Mei 2010
	1 July 2009 / 1 Julie 2009	0	R 3,37	1 401 751	357	31 May 2010 / 31 Mei 2010

31.2 Equity-settled share purchase scheme (Preference shares in CIL)

On 28 October 2009, 1 050 567 ungranted preference shares together with 2 949 433 newly issued preference shares in CIL were granted to Executive Directors of the company at the issue price of R3,14 per preference share. The exercise price of R3,14 was equal to the market price of the shares on the date of the grant. Details of shares granted and vested in terms of the scheme are as follows:

31.2 Ekwiteitgebaseerde aandeelaankoop-skema (Voorkeuraandeel in CIL)

Op 28 Oktober 2009, is 1 050 567 onuitgereikte voorkeuraandeel en 2 949 433 onlangs uitgereikte voorkeuraandeel in CIL aan die Uitvoerende Direkteure van die maatskappy toegewys teen 'n uitgifteprys van R3,14 per voorkeuraandeel. Die uitoefenprys van R3,14 is gelyk aan die markprys van die aandeel op datum van toekenning. Besonderhede van die aandeel wat ingevolge die skema toegeken en gevestig het, is soos volg:

Shares granted and vested/ Aandeel toegeken en gevestig	Shares to be granted/ Aandeel vir toekenning	Grant date/ Toekenningsdatum	Grant price/ Toekenningsprys	Fair value at vesting date/ Billike waarde op vestigingsdatum
4 000 000	–	28/10/2009	R3,14	R3,14

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

		Group/Groep		Company/Maatskappy		
for the year ended 30 June 2011		2011 R'000	2010 R'000	2011 R'000	2010 R'000	vir die jaar geëindig 30 Junie 2011
31.3 Equity-settled share purchase scheme - Clover Share Appreciation Rights Plan (2010) (Ordinary shares in CIL) On 31 May 2010 the ordinary and preference shareholders approved the Clover Share Appreciation Rights Plan (2010) as well as the placement of 8 million (before the 2 for 1 split) unissued ordinary shares under the control of the Directors to fulfil the company's potential future obligations in terms of the plan. The salient features of the scheme are as follows: The Company's obligations in terms of this plan can at the election of the Remuneration Committee be settled in cash or by the issue of ordinary shares. New SAR was issued at the fair market value of ordinary shares on the date of issue and will vest in equal tranches on the expiry of 3, 4 and 5 years from the date of the issue thereof. The SAR granted are expensed over their vesting period in terms of IFRS 2. The estimated fair value of these SAR was calculated using the Hull-White Trinomial Lattice valuation model. The following inputs were used for the calculation of the fair value: Initial allocation - Expected volatility of 30,3%, risk free rate of 8,90% and a dividend yield of 2,34%. Second allocation - Expected volatility of 14,9%, risk free rate of 8,90% and a dividend yield of 2,34%.						31.3 Ekwiteitsvereffende aandeelaankoopskema - Clover Share Appreciation Rights Plan (2010) (Gewone aandele in CIL) Op 31 Mei 2010 het die houters van gewone- en voorkeuraandele die Clover Share Appreciation Rights Plan (2010) asook die plasing van 8 miljoen (voor die 2 vir 1 verdeling) onuitgereikte gewone aandele onder die beheer van die Direkteure goedgekeur om aan die maatskappy se toekomstige verpligtinge ten opsigte van die plan uitvoering te gee. Die hoofeienskappe van die skema is soos volg: Die Maatskappy se verpligtinge ten opsigte van hierdie plan kan volgens die Vergoedingskomitee se voorkeur in kontant of met die uitreiking van gewone aandele afgehandel word. Nuwe AGR is teen die billike markwaarde van gewone aandele op die datum van uitreiking uitgereik en sal in gelyke dele vestig op vervaldatums van 3, 4 en 5 jaar na die datum van uitreiking. Die AGR wat toegestaan is word in terme van IFRS 2 oor die vestigingstydperk bekostig. Die beraamde billike waarde van hierdie AGR is met behulp van die Hull-White Trinomial Lattice-waardasiemodel bereken. Die volgende insette is vir die berekening van die billike waarde gebruik: Aanvanklike toewysing – Verwagte ongestadigheid van 30,3%, risikovrye koers van 8,90% en 'n dividendopbrengs van 2,34%. Tweede toewysing – Verwagte ongestadigheid van 14,9%, risikovrye koers van 8,90% en 'n dividendopbrengs van 2,34%.
		Share appreciation rights/Aandeelgroeieregte				
Description/ Beskrywing	Grant date/ Toekenningsdatum	Weighted average remaining contractual life (years)/Geweeegde gemiddelde oorblywende kontraktuele termyn (jare)	Grant price (Rand)/ Toekenningsprys (Rand)	SAR granted/AGR Toegeken	Weighted average fair value per right (cents)/Geweeegde gemiddelde billike waarde per reg (sent)	Vesting period/ Vestigingstydperk
Clover's Share Appreciation Rights Plan (2010) - Initial allocation / Clover se Aandeelgroeieregteplan (2010) - Aanvanklike toewysing	31 May 2010 / 31 Mei 2010	* Till employment terminates / Tot diens beëindig word	R4,67	15 500 000	R2,11	One third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015 / Een derde op 31 Mei 2013, 'n verdere derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015
Clover's Share Appreciation Rights Plan (2010) - Second allocation / Clover se Aandeelgroeieregteplan (2010) - Tweede toewysing	18 August 2010 / 18 Augustus 2010	* Till employment terminates / Tot diens beëindig word	R0,00	2 000 000	R4,31	One third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013 / Een derde op 18 Augustus 2011, 'n derde op 18 Augustus 2012, en 'n finale derde op 18 Augustus 2013.
		Group/Groep		Company/Maatskappy		
		2011 R'000	2010 R'000	2011 R'000	2010 R'000	
Provision against income						Voorsiening teen inkomste
Share based payment reserve		11 192	733			Aandeelgebaseerde betalingsreserwe

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

32 Directors' remuneration and interests

32 Direksie se vergoeding en belange

32.1 Directors' remuneration

32.1 Direksie se vergoeding

	2011							
	Basic salary / Basiese salaris	Fees for services as Director / Fooie vir dienste as Direkteur	Car allowance / Voertuigtoelaag	Bonus / Bonus	Retirement and medical contributions / Aftrede en mediese bydraes	Other benefits* / Ander voordele*	Total / Totaal	Share appreciation rights exercised / Aandeelgroei regte uitgeoefen
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Executive Directors / Uitvoerende Direkteure								
JH Vorster	3 100		864	5 148	800		9 912	
HB Roode	2 358		655	3 264	582		6 859	
LJ Botha	1 850		536	2 561	449		5 396	
CP Lerm (Dr)	1 840		533	2 546	460		5 379	
Total remuneration of Executive Directors / Totale vergoeding van Uitvoerende Direkteure	9 148	–	2 588	13 519	2 291	–	27 546	–
Non-executive Directors / Nie-uitvoerende Direkteure								
JAH Bredin		1 084				112	1 196	
HPF du Preez		466				77	543	
WI Büchner		187				55	242	
MG Elliot		176				109	285	
JC Hendriks (Dr)		186				66	252	
VP Turner		137				67	204	
TA Wixley		475				3	478	
JW Lotz		88				13	101	
MG Mackenzie		78				14	92	
FG Meyer		88				31	119	
DK Smith		339				70	409	
SF Booysen (Dr)		170				2	172	
NP Mageza		132				2	134	
JNS Du Plessis (Adv)		140				31	171	
NA Smith		39				8	47	
Total remuneration of Non-executive Directors / Totale vergoeding van Nie-uitvoerende Direkteure	–	3 785	–	–	–	660	4 445	–
Total Directors' remuneration / Totale vergoeding van Direksie	9 148	3 785	2 588	13 519	2 291	660	31 991	–
Other Executives (prescribed officers) / Ander Uitvoerende Bestuurslede (voorgeskrewe beamptes)								
H Lubbe	1 370		410	1 896	348		4 024	
JHF Botes (Dr)	1 370		410	1 896	190		3 866	
A Schoeman (Retired 31 December 2010 / Afgetree 31 Desember 2010)	693		203	852	105		1 853	
Total remuneration of other Executives / Totale vergoeding van ander Uitvoerende Bestuurslede	3 433	–	1 023	4 644	643	–	9 743	–

* Travel and accommodation expenses, fees paid for directorships held in subsidiaries / *Reis- en verblyfkostes, fooie betaal vir direkteurskappe in filiaalmaatskappye bekleë

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011								
vir die jaar geëindig 30 Junie 2011								
	2010							
	Basic salary / Basiese salaris	Fees for services as Director / Fooie vir dienste as Direkteur	Car allowance / Voertuigtoelaag	Bonus / Bonus	Retirement and medical contributions / Aftrede en mediese bydraes	Other benefits / Ander voordele	Total / Totaal	Share appreciation rights exercised / Aandeelgroei regte uitgeoefen
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Executive Directors / Uitvoerende Direkteure								
JH Vorster	2 844		797	6 299	432		10 372	
HB Roode	2 164		614	3 994	336		7 108	
LJ Botha	1 697		488	3 133	262		5 580	
CP Lerm (Dr)	1 688		486	3 115	307		5 596	
Total remuneration of Executive Directors / Totale vergoeding van Uitvoerende Direkteure	8 393	–	2 385	16 541	1 337	–	28 656	–
Non-executive Directors / Nie-uitvoerende Direkteure								
JAH Bredin		826				* 84	910	
HPF du Preez		491				* 71	562	
WI Büchner		193				* 48	241	
MG Elliot		174				* 109	283	
JC Hendriks (Dr)		212				* 65	277	
VP Turner		174				* 90	264	
TA Wixley		346				* –	346	
JW Lotz		165				* 44	209	
MG Mackenzie		174				* 41	215	
FG Meyer		174				* 108	282	
DK Smith		499				* 88	587	
MA Golding		126				* –	126	
VE Mphande		117				* –	117	
JA Copelyn		274				* –	274	
Total remuneration of Non-executive Directors / Totale vergoeding van Nie-uitvoerende Direkteure	–	3 945	–	–	–	748	4 693	–
Total Directors' remuneration / Totale vergoeding van Direksie	8 393	3 945	2 385	16 541	1 337	748	33 349	–
Other Executives (prescribed officers) / Ander Uitvoerende Bestuurslede (voorgeskrewe beamptes)								
H Lubbe	1 257		370	2 320	224		4 171	
JHF Botes (Dr)	1 181		349	2 320	165		4 015	
A Schoeman	1 259		370	2 113	206	** 4 886	8 814	
Total remuneration of other Executives / Totale vergoeding van ander Uitvoerende Bestuurslede	3 697	–	1 089	6 753	595	4 886	17 000	–
* Travel and accommodation expenses, fees paid for directorships held in subsidiaries / * Reis- en verblyfkostes, fooie betaal vir direkteurskappe in filiaalmaatskappye beklee								
** Early retirement package paid / ** Vroeë aftrede-pakket betaal								

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011							vir die jaar geëindig 30 Junie 2011
32.2 Interest of Directors and other Executives in share appreciation rights				32.2 Belang van Direkteure en ander Uitvoerende Bestuurslede in aandeelgroeiregte			
	Number of rights as at 30 June 2010 / Aandeelregte soos op 30 Junie 2010	Share appreciation rights granted during the year / Aandeelgroeiregte toegeken gedurende die jaar	Cancelled / Gekanselleer Number of right exercised during the year / Aandeel regte uitgeoefen gedurende die jaar	Number of rights as at 30 June 2011 / Aandeelregte soos op 30 Junie 2011	Share price on date exercised / Aandeelprys op datum van uitoefen	Grant price / Toekenningsprys	Date from which exercisable / Datum van wanneer uitoefenbaar
JH Vorster	4 587 200			4 587 200		R 4,67	One third on 31 May 2013, a third on 31 May 2014 and final third on 31 May 2015 / Een derde op 31 Mei 2013, 'n derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015
		800 000		800 000		R Nil	One third on 19 August 2011, a third on 19 August 2012 and final third on 19 August 2013 / Een derde op 19 Augustus 2011, 'n derde op 19 Augustus 2012 en 'n finale derde op 19 Augustus 2013
HB Roode	2 616 762			2 616 762		R 4,67	One third on 31 May 2013, a third on 31 May 2014 and final third on 31 May 2015 / Een derde op 31 Mei 2013, 'n derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015
		400 000		400 000		R Nil	One third on 19 August 2011, a third on 19 August 2012 and final third on 19 August 2013 / Een derde op 19 Augustus 2011, 'n derde op 19 Augustus 2012 en 'n finale derde op 19 Augustus 2013
CP Lerm (Dr)	2 454 758			2 454 758		R 4,67	One third on 31 May 2013, a third on 31 May 2014 and final third on 31 May 2015 / Een derde op 31 Mei 2013, 'n derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015
		133 336		133 336		R Nil	One third on 19 August 2011, a third on 19 August 2012 and final third on 19 August 2013 / Een derde op 19 Augustus 2011, 'n derde op 19 Augustus 2012 en 'n finale derde op 19 Augustus 2013
LJ Botha	2 443 140			2 443 140		R 4,67	One third on 31 May 2013, a third on 31 May 2014 and final third on 31 May 2015 / Een derde op 31 Mei 2013, 'n derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015
		400 000		400 000		R Nil	One third on 19 August 2011, a third on 19 August 2012 and final third on 19 August 2013 / Een derde op 19 Augustus 2013, 'n derde op 19 Augustus 2014 en 'n finale derde op 19 Augustus 2015
Total Executive Directors / Totaal Uitvoerende Direkteure	12 101 860	1 733 336	–	13 835 196			
Other Executives (prescribed officers) / Ander Uitvoerende Bestuurslede (voorgeskrewe beamptes)							
H Lubbe	2 027 236			2 027 236		R 4,67	One third on 31 May 2013, a third on 31 May 2014 and final third on 31 May 2015 / Een derde op 31 Mei 2013, 'n derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015
		133 332		133 332		R Nil	One third on 19 August 2011, a third on 19 August 2012 and final third on 19 August 2013 / Een derde op 19 Augustus 2011, 'n derde op 19 Augustus 2012 en 'n finale derde op 19 Augustus 2013
JHF Botes (Dr)	1 870 904		(500 000)	1 370 904		R 4,67	One third on 31 May 2013, a third on 31 May 2014 and final third on 31 May 2015 / Een derde op 31 Mei 2013, 'n derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015
		133 332		133 332		R Nil	One third on 19 August 2011, a third on 19 August 2012 and final third on 19 August 2013 / Een derde op 19 Augustus 2011, 'n derde op 19 Augustus 2012 en 'n finale derde op 19 Augustus 2013
Total other Executives / Totaal ander Uitvoerende Bestuurslede	3 898 140	266 664	(500 000)	3 664 804			
Total / Totaal	16 000 000	2 000 000	(500 000)	17 500 000			
The prior year share appreciation rights were adjusted for the 2 for 1 share split. / Die vorige jaar se aandeelgroeiregte is vir die 2 tot 1 verdeling aangepas.							

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

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

32.3 Belang van Direkteure en ander Uitvoerende Bestuurslede van die Maatskappy in gewone aandeelkapitaal

	Number of shares at 30 June / Aantal aandeel soos op 30 Junie					
	2011			2010		
	Direct / Direk	Indirect / Indirek	Associates / Geas-sosieerdes	Direct / Direk	Indirect / Indirek	Associates / Geas-sosieerdes
Executive Directors / Uitvoerende Direkteure						
JH Vorster	7 505 496	–	352 215	7 211 000	–	–
HB Roode	5 388 276	–	–	5 193 800	–	–
CP Lerm (Dr)	3 309 341	–	–	3 300 770	–	–
LJ Botha	2 542 049	–	–	2 494 430	–	–
	18 745 162	–	352 215	18 200 000	–	–
Non-executive Directors Nie-uitvoerende Direkteure						
JAH Bredin*	411 265	–	–	363 646	–	–
HPF du Preez*	364 634	–	–	364 634	–	–
WI Büchner*	–	480 400	1 461 564	–	480 400	1 461 564
MG Elliot*	241 689	–	–	239 854	–	–
JC Hendriks (Dr)*	1 242 892	–	–	1 372 892	–	–
TA Wixley	47 619	–	–	–	–	–
VP Turner (Resigned 10 March 2011)	–	–	–	–	1 096 058	–
JW Lotz (Resigned 7 October 2010)	–	–	–	308 704	–	–
MG Mackenzie (Resigned 7 October 2010)	–	–	–	–	397 244	1 544 720
FG Meyer (Resigned 7 October 2010)	–	–	–	117 318	–	–
NA Smith (Appointed 10 March 2011)	–	1 306 586	–	–	–	–
	2 308 099	1 786 986	1 461 564	2 767 048	1 973 702	3 006 284
Total Directors' interest in ordinary share capital / Totale Direkteursbelange in gewone aandeelkapitaal	21 053 261	1 786 986	1 813 779	20 967 048	1 973 702	3 006 284
Other Executives (prescribed officers) / Ander Uitvoerende Bestuurslede (voorgeskrewe beamptes)						
H Lubbe	523 810	–	–	500 000	–	–
JHF Botes (Dr)	547 619	–	–	–	–	–
Total interest of other Executives in ordinary share capital / Totale belange van ander Uitvoerende Bestuurslede in gewone aandeelkapitaal	1 071 429	–	–	500 000	–	–

The prior year's shares were adjusted for the 2 for 1 share split. / Die vorige jaar se aandeel is vir die 2 tot 1 aandeelverdeling aangepas.

* These Directors are trustees of the Clover Milk Producer Trust that holds 20 996 284 ordinary shares in the Company. / *Hierdie Direkteure is trustees van die Clover Milk Producer Trust wat 20 996 284 gewone aandeel in die Maatskappy besit.

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011

vir die jaar geëindig 30 Junie 2011

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

32.4 Belang van Direkteure en ander Uitvoerende Bestuurslede van die maatskappy in voorkeuraandelekapitaal

	Number of shares at 30 June / Aantal aandele soos op 30 Junie					
	2011			2010		
	Direct / Direk	Indirect / Indirek	Associates / Geas-sosieerdes	Direct / Direk	Indirect / Indirek	Associates / Geas-sosieerdes
Executive Directors Uitvoerende Direkteure						
JH Vorster	3 696 232	–	–	5 115 232	–	–
HB Roode	4 341 514	–	–	4 691 514	–	–
CP Lerm (Dr)	1 650 385	–	–	1 650 385	–	–
LJ Botha	–	–	–	1 247 215	–	–
	9 688 131	–	–	12 704 346	–	–
Non-executive Directors Nie-uitvoerende Direkteure						
JAH Bredin	–	–	40 000	–	–	201 095
WI Büchner	90 609	–	–	90 609	–	–
MG Elliot	88 065	–	–	88 065	–	–
JC Hendriks (Dr)	–	361 625	–	–	361 625	–
NA Smith (Appointed 10 March 2011)	–	358 562	–	–	–	–
	178 674	720 187	40 000	178 674	361 625	201 095
Total Directors interest in preference share capital Totale Direkteursbelange in voorkeuraandelekapitaal	9 866 805	720 187	40 000	12 883 020	361 625	201 095
Other Executives (prescribed officers) / Ander Uitvoerende Bestuurslede (voorgeskrewe beampies)						
H Lubbe	–	–	–	250 000	–	–
Total interest of other Executives in preference share capital / Totale belange van ander Uitvoerende Bestuurslede in voorkeuraandelekapitaal	–	–	–	250 000	–	–

32.5 Loans to Executive Directors and other Executives

32.5 Lenings aan Uitvoerende Direkteure en ander Uitvoerende Bestuurslede

	Loans as at 30 June / Lenings soos op 30 Junie	
	2011	2010
Executive Director / Uitvoerende Direkteur		
JH Vorster	R26 509 496	R28 381 859
HB Roode	R19 176 720	R20 382 114
CP Lerm (Dr)	R12 037 292	R12 905 961
LJ Botha	R5 635 941	R9 983 832
Other Executives / Ander Uitvoerende Bestuurslede		
H Lubbe	R1 000 606	R1 875 664
JHF Botes (Dr)	R2 411 574	–
Total / Totaal	R66 771 629	R73 529 430

* Refer to Note 16 for more details around the terms of the loans.

* Verwys na Aantekening 16 vir meer inligting rondom die bepalings van die lenings.

32.6 Employment contracts for Executives

Subsequent to the 2011 financial year-end all Executives entered into new employment contracts whereby the notice period for termination of the contract was amended from 1 (one) month to 6 (six) months.

32.6 Dienskontrakte van Uitvoerende Bestuurslede

Na die 2011 finansiële jaareinde het alle Uitvoerende Bestuurslede nuwe dienskontrakte aangegaan waarvolgens die kennis tydperk vir die beëindiging van die kontrak van 1 (een) maand na 6 (ses) maande gewysig is.

notes to the consolidated financial statements/
aantekeningen tot die gekonsolideerde finansiële state

for the year ended 30 June 2011		vir die jaar geëindig 30 Junie 2011	
33 Long-service bonus			33 Langdiensbonus
33.1 Introduction			33.1 Inleiding
The Group rewards employees with long service by remunerating them with a lump sum after a specific number of service years. Assumptions and valuation methods are as follows:			Die Groep vergoed werknemers met lang diens deur hulle te beloon met 'n enkelbedrag na 'n spesifieke aantal jare diens. Die aannames en waardasiemetodes is soos volg:
33.2 Background			33.2 Agtergrond
The long-service bonuses which employees receive differ between employees whose employment date was before 1 January 2001 and employees whose employment date was after 1 January 2001. The benefit is as follows:			Die langdiensbonusse wat werknemers ontvang, verskil tussen werknemers wie se indiensnemingsdatum voor 1 Januarie 2001 en werknemers wie se indiensnemingsdatum na 1 Januarie 2001 is. Die voordele is soos volg:
Employees with an employment date before 1 January 2001 Employees receive a bonus of three times their monthly basic salary after 15 years service and one time their monthly basic salary every five years thereafter.			Werknemers met 'n indiensnemingsdatum voor 1 Januarie 2001 Werknemers ontvang 'n bonus gelykstaande aan drie keer hul maandelikse salaris vir elke 15 jaar diens en een keer hul maand se salaris vir elke vyf jaar daarna.
Employees with an employment date after 1 January 2001 Employees receive a bonus of 10% of their monthly basic salary after 10 years' service, 15% after 15 years' service, 20% after 20 years' service, 25% after 25 years' service, etc.			Werknemers met 'n indiensnemingsdatum na 1 Januarie 2001 Werknemers ontvang 'n bonus van 10% van hul maandelikse salaris na 10 jaar diens, 15% na 15 jaar diens, 20% na 20 jaar diens, 25% na 25 jaar diens, ens.
33.3 Valuation method			33.3 Waardasiemetode
The projected unit credit method is used in the calculations. The values of the past service liabilities and the future service liabilities are given separately. The past service liability is the value of the accumulated liability as at the calculation date in respect of service already rendered. The future service liability is the value of the liability from service after the calculation date until the next date the employee is entitled to receive a bonus payment. The total liability is evenly distributed over the period since service inception until the date when the benefit is payable.			Die geprojekteerde eenheid-kredietmetode word gebruik in die berekening. Die waardes van die opgelope diensverpligting en die toekomstige diensverpligting word apart getoon. Die opgelope diensverpligting is die waarde van die opgelope verpligting soos op die berekeningsdatum in verband met dienste alreeds gelewer. Die toekomstige diensverpligting is die waarde van die verpligting van die diens na die berekening tot die volgende datum waarop die werknemer geregtig raak op 'n bonus. Die totale verpligting word eweredig versprei oor die tydperk van indiensneming tot die datum waarop die voordeel betaalbaar is.
	2011	2010	
	R'000	R'000	
33.4 Valuation results			33.4 Waardasieresultate
Past service liability			Gevestigde diensverpligting
The total past service liability in respect of long-service bonuses is set out as follows:			Die totale gevestigde diensverpligting met betrekking tot langdiens-bonusse word hieronder uiteengesit:
Employees with employment date before 01/01/2001	31 340	29 835	Werknemers met 'n indiensnemingsdatum voor 01/01/2001
Employees with employment date after 01/01/2001	873	592	Werknemers met 'n indiensnemingsdatum na 01/01/2001
Total past service liability	32 213	30 427	Totale gevestigde diensverpligting

notes to the consolidated financial statements/ aantekeninge tot die gekonsolideerde finansiële state

for the year ended 30 June 2011		vir die jaar geëindig 30 Junie 2011	
	2011	2010	
The valuation results as at 30 June 2011 are based on best estimate assumptions. The valuation is very sensitive to the real return rate assumed. For every 1% variance in the assumed rate of return, the liability varies by approximately R1 million. The results as at 30 June 2010 are based on the previous best estimates. The figures do not agree with the provisions as per the Group statements as the full liability for the joint venture has been included in the valuation results.			Die waardasieresultate op 30 Junie 2011 is gebaseer op die beste geskatte aannames. Die waardasie is baie sensitief vir verandering in die reële opbrengskoers aanvaar. Vir elke 1% beweging in die aanvaarde opbrengskoers verander die verpligting by benadering met R1 miljoen. Die resultate soos op 30 Junie 2010 is volgens die vorige beste skatting. Die syfers stem nie ooreen met die voorsienings in die Groep se state nie op grond daarvan dat die volle verpligting vir die gesamentlike onderneming in die waardasieresultate ingesluit is.
	%	%	
33.5 Past service liability build-up The build-up of the total past service liability for the past year, using the best estimate assumptions are as follows: a) The following discount rate per annum was used for the calculation of interest cost b) The following salary escalation rate per annum and merit increases were used c) For current service cost an assumption is made that there are no withdrawals during the financial year d) For benefits paid it is assumed that all benefits were paid as estimated by Clover.	9,4 7,4	9,4 7,4	33.5 Gevestigde diensverpligting-oploping Die oploping van die totale gevestigde verpligting vir die afgelope jaar, deur gebruik te maak van die beste geskatte aannames is soos volg: a) Die volgende diskontokoers per jaar is gebruik vir die berekening van rentekoste b) Die volgende salarisverhogings per jaar en meriete-verhogings is gebruik c) Vir huidige dienskoers is aanvaar dat daar geen onttrekkings gedurende die finansiële jaar was nie d) Vir voordele betaal word aanvaar dat alles betaal is soos geskat deur Clover.
	R'000	R'000	
The increase in the past service liability is summarised as follows: Past service liability build-up Opening balance Effect of Danone exclusion	30 427 – 30 427	40 179 (2 676) 37 503	Die toename in die gevestigde diensverpligting is soos volg saamgevat: Gevestigde diensverpligting-oploping Openingsbalans Effek van Danone uitlating
Plus: Interest cost Current service cost Less: Benefits paid Actuarial loss/(gain)	2 944 1 761 (8 817) 5 898	3 159 2 217 (4 392) (8 060)	Plus: Rentekoste Huidige dienskoers Minus: Voordele betaal Aktuariële verlies/(wins)
Closing balance	32 213	30 427	Sluitingsbalans