



---

**NU-WORLD HOLDINGS LIMITED**

Integrated Annual Report

2023

# OUR BRANDS

aiwa

ultimum

TELEFUNKEN

JVC

Sunbeam

CONTI

AVRPE  
BE SAFE

ideal

iDEAS  
BY NU-WORLD

Vegas

GOLDAIR

prima  
ONE&ONLY

Palsonic

neoniQ

FENICI

MAGIC LINE

NU-TEC

# TABLE OF CONTENTS

## About Nu-World

Nu-World Holdings Brands	IFC
About this report	2
Financial highlights	3
Group structure	4
Board of directors	6
10-year review	8
Statistical information	9

## Performance Review

Chairman's review	10
Combined chief executive officer's and group financial director's report	12
Value added statement	15
Share performance information	15
Segmental information	16

## Corporate Responsibility

Remuneration report	17
Corporate governance and performance	19
Application of principles in King IV code	25
Risk management	31

## Social & Environmental Responsibility

Sustainability report	33
-----------------------	----

## Financial Statements

Directors' responsibility for, and approval of the annual financial statements	37
Certificate of the Company Secretary	38
Report of the Directors	38
Independent Auditor's Report	40
Report of the Audit Committee	44
Statement of financial position	45
Statement of profit or loss and other comprehensive income	46
Statement of changes in equity	47
Statement of cash flows	48
Notes to the financial statements	49

## Shareholder Information

Analysis of subsidiaries	84
Analysis of shareholders	85
Notice of Annual General Meeting	86
Form of proxy	91
Notes to the form of proxy	92
Directorate and administration	93



# ABOUT THIS REPORT

*“The objective of this integrated report is to provide stakeholders with continuous insight into the Group’s performance and the way in which it manages its business. In this report, business reporting focuses on the Group’s strategy and its ability to create long-term sustainable value.”*

In compiling this report the Group was guided by the principles of integrated reporting, which in turn address the needs of its various stakeholders. The integrated report should provide an understanding of the Group’s strategy, its business model and its major impact across economic, social and environmental areas. It should also provide insight into how the Group’s business is managed. Aligned with its business strategy, it describes the material issues of the Group and shows the approach to addressing these in support of a common strategy.

Aspects of social and environmental sustainability have been part of the Group’s strategy and business practices for many years. Continuous progress is being made on the monitoring and reporting of data relevant and material to these matters.

## Scope and boundary

The scope of the report includes all operating subsidiaries and covers the reporting period 1 September 2022 to 31 August 2023.

The audited Annual Financial Statements were approved on 25 October 2023. This integrated report was approved for distribution on or prior to 29 November 2023 and includes reference to significant events subsequent to year-end, up to the approval date.

All references to NWHL, the Group, the company, the business, our and we, refer to Nu-World Holdings Limited and its underlying subsidiaries. These subsidiaries include all businesses in the local South African and International operations. For more detailed information on the Group, refer to our integrated report which is also available at [www.nuworld.co.za](http://www.nuworld.co.za).

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). All financial information is contained in the integrated report.

Management has applied the principles of King IV on integrated reporting and the consultation draft of the International Integrated Reporting Framework in the preparation of this report.

As the concepts and practices of integrated reporting develop, management will aim to enhance disclosures and application as deemed appropriate.

The principle of materiality has been applied in determining the content and extent of disclosure in the integrated report.

## Forward-looking information

This integrated report contains certain forward-looking statements which relate to the financial position and results of the operations of the Group. These statements are solely based on the view and considerations of the directors. These statements, by nature, involve risk and uncertainty, relate to events and depend on circumstances that may occur in the future.

Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global, national, economic and market conditions, including interest and foreign exchange rates, gross and operating margins achieved, competitive conditions and regulatory factors. These forward-looking statements have not been reviewed or reported on by the Group’s external auditors.

## External assurance

Assurance as to the contents of the integrated report was considered throughout the process. The Board, assisted by the Audit Committee, is ultimately responsible for overseeing the integrity of the integrated report. This was achieved through setting up appropriate teams and structures to undertake the reporting process and the review and approval of the integrated report by the Audit Committee.

## Application of principles in King IV code

NWHL is aware of and complies with all regulations relative to its operations. The Board aims to apply the best practice recommendations as set out in the King Report, in a manner that reflects the stature, market position and size of the Group.

A detailed list of the Group’s application of King IV principles is detailed on pages 25 to 30 of this integrated annual report.

## Approval of the integrated report

The Board acknowledges its responsibility to ensure the integrity of the integrated report. The Directors confirm they have reviewed the content of the integrated report and believe it addresses the material issues and is a fair presentation of the integrated performance of the Group.

An electronic version of this report is available online at [www.nuworld.co.za](http://www.nuworld.co.za).

A printed copy of the Annual Financial Statements is available on request from:

The Company Secretary

P O Box 8964,  
Johannesburg,  
2000

Email: [bhaikney@nuworld.co.za](mailto:bhaikney@nuworld.co.za)

# FINANCIAL HIGHLIGHTS

---

Revenue

**R1 901,9  
million**

Headline earnings

**R70,6  
million**

Dividend per share

**125,3  
cents**

Net asset value per share

**7 179,9  
cents**

# GROUP STRUCTURE



LOCAL

OFF-SHORE



**100%** Nu-World Property Investments  
Proprietary Limited



**100%** Nu-World Industries  
Proprietary Limited



**100%** Nu-World Global Investments  
Proprietary Limited



**100%** Conti Industries  
Proprietary Limited



**100%** Conti Marketing  
Proprietary Limited



**49%** Lefase Logistics  
Proprietary Limited



**100%** Lefase Lesotho Manufacturing  
Proprietary Limited



**100%** Nu-World  
Do Brasil LTDA



**100%** Nu-World Industries  
Middle East DMCC



**100%** Nu-World  
Global Limited



**68,1%** Yale Prima  
Proprietary Limited



**100%** Yale Appliance Group  
Proprietary Limited



## BOARD OF DIRECTORS



### **M S Goldberg (71)**

Executive chairman  
BCom MBA (Wits)

Executive chairman responsible for the Group's overall performance and well-being. He plays an active role in the formulation of Group strategies, in the formulation and implementation of growth strategies, and in determining the future direction of the Group. Appointed to the Board in 1986, listed the Group in 1987 and appointed chairman of the Group in 2001. Has 44 years' experience in manufacturing and the appliance industry.

### **J A Goldberg (68)**

Managing director/Chief executive officer  
BSc Eng (Wits)

Managing director responsible for developing and implementing the Group's marketing and sales strategies. Intimately involved in all operational aspects of the Group and in sourcing new products and markets. Appointed to the Board in 1986. Has 44 years' experience in manufacturing and the appliance industry.

### **G R Hindle (63)**

Group financial director  
BAcc (Wits) CA(SA)

Financial director joined the Group in 1992. Responsibilities include all financial aspects of the business including information systems, administrative and treasury functions. Appointed to the Board in 1993. Has 38 years' experience in financial management and information system technology in the manufacturing and electronic environment.



**J M Judin (77)**

Lead independent non-executive director

Dip Law (Wits)

Currently the senior partner of the Johannesburg-based law firm, Judin Combrinck Incorporated. Appointed to the Board in 1989. Michael is a director of the American Chamber of Commerce in South Africa and chairs their Advisory Board. He is also the Co-Chairman of the American Bar and Chair of the Advisory Board of the Hospice Association. He is the Chairman of the Conscious Leadership Academy, a member of the King Committee and a part of the task team that wrote King IV.

**D Piaray (56)**

Independent non-executive director

DChem. Eng (Natal) BCom (Unisa) MBA (Wits)

Currently the Group chief executive officer of Xeon Logistics Proprietary Limited. Appointed to the Board in 2002 and holds positions as executive and non-executive director for several listed and non-listed companies.

**F J Davidson (58)**

Independent non-executive director

BAcc (Wits) CA(SA)

Over the past 30 years he has acquired diverse business experience at an executive level, both as an employee and business owner. He continues to act as facilitator and consultant to various individuals and businesses, utilising his considerable business network and expertise. Appointed to the Board in 2016.

**R Kinross (82)**

Independent non-executive director

BAcc (Unisa) CA(SA)

Served as a financial director in the retail industry for a number of years before becoming a senior partner at Tuffias Sandberg KSi. Retired from audit practice in 2009 having reached mandatory retirement age. Appointed to the Board in 2009 and is currently a consultant to several medium-sized family businesses.

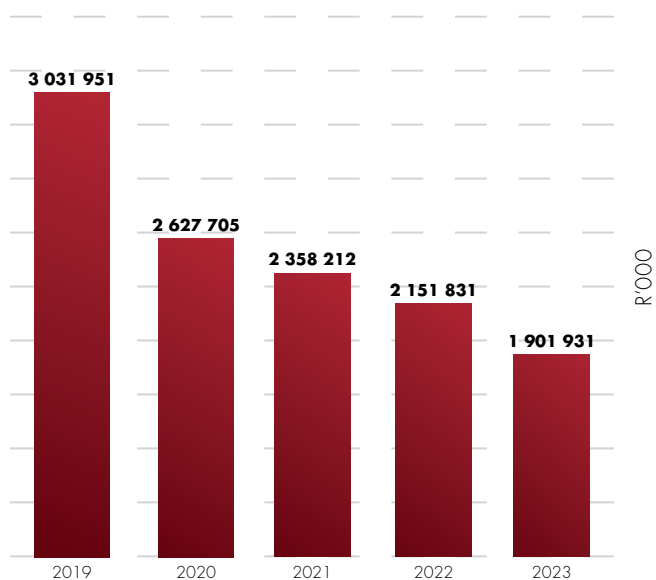
# 10-YEAR REVIEW

	2023 R'000	2022 R'000	2021 R'000	2020 R'000	2019 R'000	2018 R'000	2017 R'000	2016 R'000	2015 R'000	2014 R'000
<b>Statement of comprehensive income</b>										
Revenue	1 901 931	2 151 831	2 358 212	2 627 705	3 031 951	3 004 227	2 948 025	2 590 416	2 159 240	2 108 072
Operating income	95 331	113 377	201 374	187 763	223 491	269 746	237 434	113 277	131 150	109 237
Finance costs	6 950	9 022	10 315	19 234	15 472	28 667	18 235	14 683	7 180	4 356
Income before taxation	88 381	104 355	191 059	168 529	208 019	241 079	219 199	98 594	123 970	104 881
Taxation	17 426	19 525	49 105	42 072	46 795	54 915	48 702	18 985	33 457	26 256
Profit for the year	70 955	84 830	141 954	126 457	161 224	186 164	170 497	79 609	90 513	78 625
Share of profit from associate	32	193	140	63	129	107	82	36	41	13
<b>Net income for the year</b>	<b>70 987</b>	<b>85 023</b>	<b>142 094</b>	<b>126 520</b>	<b>161 353</b>	<b>186 271</b>	<b>170 579</b>	<b>79 645</b>	<b>90 554</b>	<b>78 638</b>
Attributable to:										
Non-controlling interests	409	205	1 130	(6 216)	(1 919)	859	4 887	(22 483)	(1 990)	3 475
Owners of the parent	70 578	84 818	140 964	132 736	163 272	185 412	165 692	102 128	92 544	75 163
<b>Net income for the year</b>	<b>70 987</b>	<b>85 023</b>	<b>142 094</b>	<b>126 520</b>	<b>161 353</b>	<b>186 271</b>	<b>170 579</b>	<b>79 645</b>	<b>90 554</b>	<b>78 638</b>
<b>Statement of financial position</b>										
Goodwill and intangible assets	63 045	62 471	60 709	62 710	63 138	63 766	63 228	64 463	61 684	62 584
Property, plant and equipment	61 902	76 619	75 409	80 658	22 656	22 455	23 189	25 120	33 088	34 482
Deferred taxation	17 923	23 737	29 828	31 101	23 199	20 701	18 368	22 195	3 301	9 731
Other non-current assets	933	900	707	567	503	375	267	13 292	26 646	107
Current assets	1 614 046	1 484 896	1 499 361	1 482 992	1 604 719	1 467 317	1 251 880	1 087 720	1 099 451	940 265
<b>Total assets</b>	<b>1 757 849</b>	<b>1 648 623</b>	<b>1 666 014</b>	<b>1 658 028</b>	<b>1 714 215</b>	<b>1 574 614</b>	<b>1 356 932</b>	<b>1 212 790</b>	<b>1 224 170</b>	<b>1 047 169</b>
Total equity	1 535 950	1 451 236	1 354 894	1 315 144	1 225 385	1 131 599	997 606	911 710	842 317	757 713
Interest bearing debt	58 004	75 238	73 868	80 186	192 605	133 120	59 263	71 017	128 873	37 648
Interest free liabilities	163 895	122 149	237 252	262 698	296 225	309 895	300 063	230 063	252 980	251 808
<b>Total equity and liabilities</b>	<b>1 757 849</b>	<b>1 648 623</b>	<b>1 666 014</b>	<b>1 658 028</b>	<b>1 714 215</b>	<b>1 574 614</b>	<b>1 356 932</b>	<b>1 212 790</b>	<b>1 224 170</b>	<b>1 047 169</b>
<b>Performance indicators</b>										
<b>Profitability</b>										
Return on total assets	5,6%	6,7%	11,4%	10,4%	13,6%	18,4%	18,5%	9,1%	11,7%	11,3%
Gross margin	14,6%	17,0%	19,1%	22,8%	20,9%	22,5%	21,2%	20,6%	19,0%	19,4%
Operating margin	5,0%	5,3%	8,9%	7,1%	7,4%	9,0%	8,1%	4,4%	6,1%	5,2%
<b>Debt leverage</b>										
Gearing ratio	3,8%	5,2%	5,5%	0,2%	15,7%	11,8%	(5,5%)	(1,1%)	4,6%	3,1%
Borrowing cost cover (times)	53,6	29,3	42,3	15,4	14,4	9,4	13,0	13,7	18,3	25,0
<b>Shareholders returns</b>										
Earnings per share (cents)	329,9	394,3	655,2	617,0	756,7	869,0	779,2	488,4	430,1	351,6
Headline earnings per share (cents)	329,8	394,1	650,6	635,5	756,1	869,5	780,0	451,9	428,6	351,1
Distribution per share (cents)	125,3	149,8	249,0	195,4	288,4	327,5	292,7	180,4	163,5	110,6
Distribution cover (times)	2,5	2,5	2,5	3,0	2,5	2,5	2,5	2,5	2,5	3,0
Net asset value per share (cents)	7 179,9	6 745,7	6 297,9	6 113,1	5 695,9	5 235,2	4 674,6	4 286,6	4 029,1	3 548,2
Effective tax rate	19,7%	18,7%	25,7%	25,0%	22,5%	22,8%	22,2%	19,3%	27,0%	25,0%
<b>Share statistics</b>										
Total shares in issue	22 526	22 646	22 646	22 646	22 646	22 646	22 646	22 646	22 646	22 646
Shares in issue (net of treasury shares)	21 392	21 513	21 513	21 513	21 513	21 615	21 341	21 267	20 906	21 354
Weighted average shares in issue	21 392	21 513	21 513	21 513	21 577	21 336	21 263	20 910	21 519	21 377
<b>Employee statistics</b>										
Number of employees	302	334	350	395	401	384	370	381	376	353
Paid to employees	103 725	103 661	111 140	106 426	108 380	98 037	92 959	93 832	87 234	84 062
Employee cost to revenue	5,5%	4,8%	4,7%	4,1%	3,6%	3,3%	3,1%	3,6%	4,0%	4,0%

## STATISTICAL INFORMATION

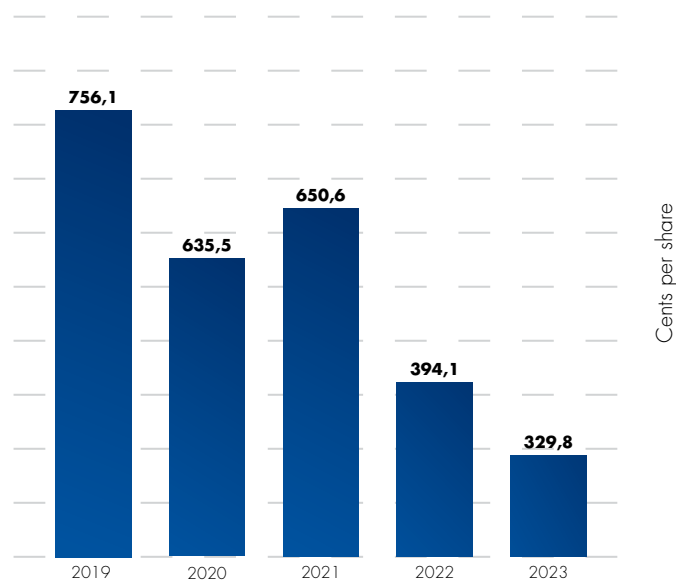
### Revenue

Rand thousand: 2019 – 2023



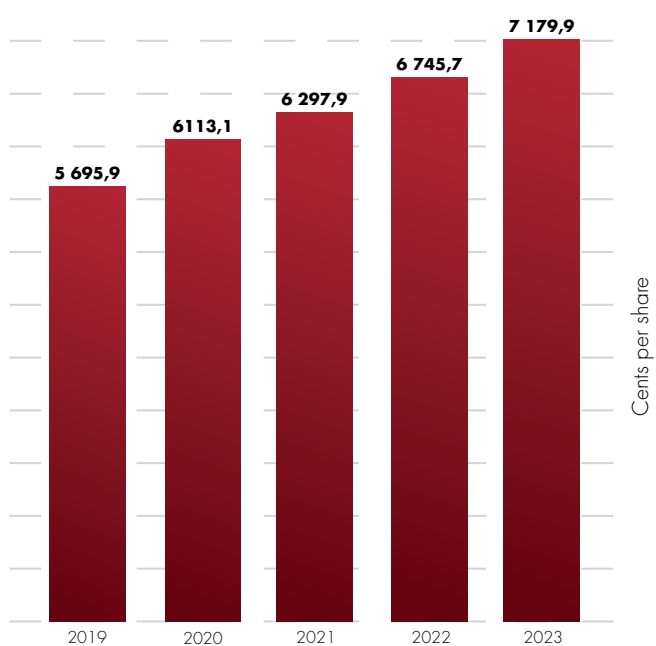
### Headline earnings per share

Cents per share: 2019 – 2023



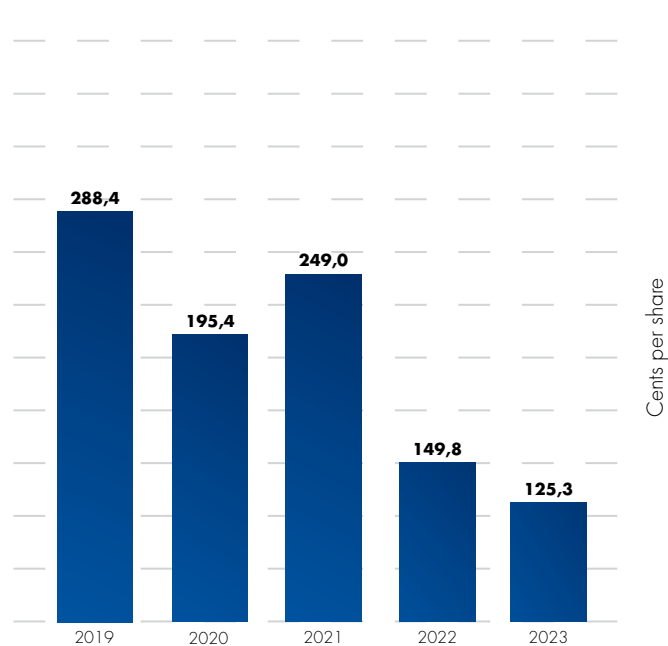
### Net asset value per share

Cents per share: 2019 – 2023



### Distribution per share

Cents per share: 2019 – 2023



## CHAIRMAN'S REVIEW



The financial year to 31 August 2023 has seen increasing difficulties for South Africans. Consumers are under inflationary pressures on multiple fronts. As interest rates have increased in an effort to curtail the rate of inflation, the increasing cost of basic living expenses, food, fuel, together with increasing interest rates of loans and mortgage repayments have pushed many households to the wall. Salaries and wages have not matched the rising cost of living such that more and more house holders are getting poorer and applying for social grants. Many companies have been forced to retrench skilled employees adding to the country's already overburdened number of the unemployed. The Social Relief and Distress grant of R350.00 per month for unemployed SA citizens affords limited relief, but this is not enough. South Africa's economic growth is forecast to remain subdued between 0,7% and 0,9% this year, while the rate of unemployment remains at a record high of 7,9 million.

Despite the challenges presented by the external environment, local and global, the Group has continued to remain profitable albeit at decreased levels. This is a testament to the Group's tenacity and its entrepreneurial spirit. Nu-World has extended its broad range of products by including a Conti range of bikes, a line-up of power generation units, as well as a range of electrical vehicles. During the past year, the Group managed to generate cash to the amount of R 230,6m and increase the NAV value by 6,4% to 7 179,9 cents. The current share price at the time of writing is 2 610,0 cents. This indicates that the share is trading at a discount to NAV of 63,7%. Attributable income for the year was R 70,6m compared to the previous year of R 84,8m indicating a fall of 16,8%. In South Africa the second half of the financial year proved to be substantially better than the first. Moreover, while food price inflation has eased considerably it remains subject to upside risk including Ukraine's ability to ship grain, India banning the export of its rice, and closer to home the outbreak of avian flu. Our offshore subsidiaries generated revenues of R642,9m and attributable earnings of R38,6m.

The past three years have brought additional challenges over and above the challenges we face on a daily basis. Firstly COVID-19, then the Russian / Ukraine war and now in 2023 the Israeli / Gaza war. These events have spread economic ripples around the world. The South African economy faces hurdles of its own. Load-shedding is the single biggest issue facing the broad economy and is a major impediment to macro-economic growth. Government's inability to rectify the endemic problems in Eskom, Transnet and other SOE'S, has created enormous damage in all sectors of the economy. Apart from the country's extraordinary level of debt which was highlighted in the midterm budget, the only way that the government can possibly pull the country out of this crisis is by partnering with the private sector.

### Skills development

We have trained 16 students in the 2023 financial year in Wholesale and Retail operations to NQF Level 2. Students are being trained with specific skillsets such as artisan skills including, welding, construction, plumbing, basic electrical knowledge as well as managerial and entrepreneurial skills. We provide support for students with notebooks and airtime. All students are designated black school leaver matriculants. Students must attend lectures five days a week. In addition we provide bursaries to staff members for further study, in disciplines including Credit and Business management. We continue with the ongoing mandatory training programs for Health and Safety, First Aid, and Firefighting.


### Information Technology Security - Cyber Crime Prevention

Nu-World continues to implement the latest technologies with respect to firewall appliances and cyber security software, assisting in the prevention of malware, ransomware and cyber-attacks. Firewall intrusion prevention, scans for anomalies to prevent Denial of Service, Zero Day and spoofing attacks. All servers are configured to update automatically, with the latest security and cumulative updates, and are deployed in lockdown mode, preventing any unauthorised software from executing. Endpoints are protected comprehensively, AI, behavioural analysis and other state of the art technologies, stop threats before they can escalate. Network access is secured via strong passwords and multi factor authentication, remote access connections are made via secure encrypted VPN connections, and geo fenced to known locations. USB flash drive access is restricted, and Wi-Fi access is centrally controlled and segregated from the main network, preventing connected devices from accessing the Nu-World server platform.

## Environment, sustainability and governance

Good governance practices are fundamental to creating, protecting and sustaining shareholder value. The focus of managing the risks facing the Group is based on identifying, assessing, mitigating, managing and monitoring all known forms of identifiable risks. The Group has always endeavoured to apply the highest standard of ethical conduct in dealing with all stakeholders, customers and suppliers. The Group's social and ethics committee, is a statutory committee prescribed by the Companies Act. The board of directors and executive management recognise that this policy protects and enhances the Group's reputation as an ethical, profitable and responsible entity - it continues its success in retaining a loyal workforce and sustainable customer base. We at Nu-World are conscious of our own responsibility to recycle what we can and to reduce our carbon footprint. The Nu-World Group remains committed to best customer service, the achievement of acceptable operating margins, effective working capital management, and ongoing and sustainable value creation for our shareholders. The year ahead will be a challenge for all of us but we have the energy and commitment to work as effectively as we can to ensure that we achieve our goals and deliver on our promises to our shareholders and customers.

My thanks to our executive directors and management who continue to work tirelessly to provide sustainable growth for the Group. My thanks to our many staff members for your significant on-going contribution. A word of gratitude to our board of directors for your support, guidance and advice. We appreciate the on-going support and special relationships that we share with our customers and we will continue to provide customers with the latest leading-edge design products at competitive pricing.



**M S GOLDBERG**  
Executive Chairman

25 October 2023

# COMBINED CHIEF EXECUTIVE OFFICER'S AND GROUP FINANCIAL DIRECTOR'S REPORT



## GROUP FINANCIAL RESULTS

	2023 R'000	2022 R'000
A summary is as follows:		
Revenue	1 901 931	2 151 831
Operating profit	78 352	110 911
Finance income	16 979	2 466
Finance costs	6 950	9 022
Profit before tax	88 381	104 355
Income tax expense	(17 426)	(19 525)
Profit after tax	70 955	84 830
Share of profit attributable to associate	32	193
Profit for the year	70 987	85 023
Non-controlling interest	(409)	(205)
Profit attributable to owners of the Company	70 578	84 818
Basic earnings per share (cents)	329,9	394,3
Attributable income	70 578	84 818
Headline earnings	70 559	84 794
Earnings per share (cents)	329,9	394,3
Dividend per share (cents)	125,3	149,8
Headline earnings per share (cents)	329,8	394,1

## Corporate information

Nu-World is a company incorporated and domiciled in South Africa with subsidiaries in Australia, Brazil, Dubai and Hong Kong. The main business of Nu-World and its subsidiaries includes the importing, assembling, marketing and distribution of branded consumer goods.

The Board presents the Nu-World summary results for the twelve months ended 31 August 2023.

The Group's results to 31 August 2023 were disappointing due to a severely distressed South African economy and slowly recovering Global economy.

In SA, revenue decreased by 23,1% compared to the prior year due to a combination of weak volume growth, subdued selling price inflation and reduced consumer discretionary expenditure, although H2 2023 showed a remarkable improvement in profitability.

Offshore operations increased revenue by 25,0%, although impacted to some extent by the stronger USD, the increase was primarily attributed to better penetration in the markets we trade in.

## Operating review

### South Africa

General business conditions were challenging with consumer goods, sales volumes and profitability remaining under pressure for the entire FY 2023. The South African businesses performed well in H2 2023, showing a significant increase in after tax profits amounting to R18,5 million compared to comparative period.

The South African economy remains under pressure due to infrastructure challenges in the utilities, as well as high inflation. The resultant issues have weighed negatively on consumer's disposable income. This in turn, has limited discretionary spending. High interest rates and high inflation has added to the negativity of consumers with less funds available for discretionary spending.

Sales came under pressure in the year under review, due to the issues mentioned previously.

Management introduced new categories to assist with improving overall performance. These new categories started to gain traction in the latter part of H2 2023. These initiatives, in addition to cost cutting, resulted in an improvement in profitability for H2 2023.

The new categories include –

- Portable power stations under the brand "Conti Energy"
- Complete solar power system

Traditional categories started to show some improvement towards the end of H2 2023.

Unfortunately, the seasonal winter category was disappointing due to the warmer weather.

## Offshore operations

### Australia

Yale Prima managed to increase its topline sales substantially, in addition to improving its profitability by increasing margins and reducing operating costs and expenditure. New personnel have joined and are assisting the existing management team drive the company positively forward. The Australian operation is pushing to further widen its customer base and enter into new markets.

### Other offshore markets

The Group is on an expansion program to increase existing markets and to firm up on new opportunities. Additional experienced personnel have been put in place during H2 2023, and positive results are already coming through. Travel and in-person meetings with customers is now possible, and this assists in understanding the markets and giving the required support.

## Financial performance

### Statement of comprehensive income

Group revenue decreased by 11,6% to R 1 901,9 million (August 2022 – R 2 151,8 million).

Attributable income to equity holders of the company decreased by 16,8% to R 70,6 million (August 2022 – R 84,8 million).

The decreased profitability arose from reduced gross margins and operating expenditure pressures.

### Statement of financial position

The balance sheet remains strong with total equity increasing by 5,8% to R 1 536,0 million (August 2022 – R 1 451,2 million).

Inventory levels of R 472,8 million decreased by 26,6% from August 2022 (R 644,3 million).

Directors and management remain focused on improving working capital management and stock turn rates. The Group managed to liquidate slower moving stock lines in the current year.

Trade and other receivable of R 536,3 million increased by 25,3% from prior year (August 2022 – R 428,2 million) mainly due to the increase in offshore trade debtors.

Net asset value per share has increased by 6,4% to 7 179,9 cents (August 2022 – 6 745,7 cents).

## Board of directors

There were no changes during the year under review.

## Corporate activities

There were no corporate activities during the year under review.

## Environmental, social and governance aspects

The Group complies with the Code on Corporate Governance Practices and Conduct as contained in the King IV Report on Corporate Governance. Nu-World is committed to transparent and integrated reporting in the spirit of King IV and the Global Reporting Initiative (GRI). Nu-World continues its community support and corporate social investment.



# COMBINED CHIEF EXECUTIVE OFFICERS AND GROUP FINANCIAL DIRECTORS REPORT (Continued)

## Annual report and notice of annual general meeting (AGM)

The 2023 Integrated Annual report and the notice of AGM will be mailed on or prior to 29 November 2023 to those shareholders that are registered on the share register on Friday, 17 November 2023. The Annual General Meeting will take place at 10h00 on Wednesday, 7 February 2024, at the registered office of the Company. The last date to trade in order to be eligible to participate in and vote at the AGM will be Tuesday, 23 January 2024 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the AGM will be Friday, 26 January 2024.

## Declaration of final dividend

Notice is hereby given that a final gross dividend of 125,3 cents per share was declared on 26 October 2023, payable to shareholders recorded in the register of Nu-World at the close of business on the record date appearing below. The dividend is payable out of cash reserves.

Dividends have been declared out of profits available for distribution.

Local Dividends Withholding Tax rate is 20%.

The gross dividend amount is 125,3 cents per ordinary share.

The net cash dividend amount is therefore 100,24 cents per ordinary share.

The Company has 22 525 541 ordinary shares in issue as at the declaration.

The Company's income tax reference number is 9100/085/71/2.

The salient dates pertaining to the final dividend are as follows:

Declaration announcement:	Thursday, 26 October 2023
Last date to trade	
"cum" dividend	Monday, 11 December 2023
Date trading commences	
"ex" dividend	Tuesday, 12 December 2023
Record date	Thursday, 14 December 2023
Date of payment	Monday, 18 December 2023

Ordinary share certificates may not be dematerialised or rematerialised between Tuesday, 12 December 2023 and Thursday, 14 December 2023, both days inclusive.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 18 December 2023.

## Prospects

Consumer demand is expected to remain constrained and trading conditions challenging. The focus of management is to grow both local and offshore market share in the consumer electronics and branded consumer durables. This, coupled with the expanded offshore territories in which the Group trades, should increase the contribution from these businesses in future years.

## Subsequent events

No events material to the understanding of this report have occurred during the period between 31 August 2023 and the date of this report.

On behalf of the board of directors



**J A GOLDBERG**  
Chief Executive Officer



**G R HINDLE**  
Group Financial Director

## VALUE ADDED STATEMENT

	2023		2022	
	R'000	%	R'000	%
REVENUE	1 901 931	100,00	2 151 831	100,00
Cost of materials, services and expenses	1 567 232	(82,40)	1 698 855	(78,95)
VALUE ADDED FROM TRADING OPERATIONS	334 699	17,60	452 976	21,05
Interest paid	(6 950)	(0,37)	(9 022)	(0,42)
TOTAL VALUE ADDED	327 749	17,23	443 954	20,63
Allocated as follows:				
Employees				
Salaries, wages, commission and other benefits	103 725	5,45	103 661	4,82
Government				
Normal taxation on companies	17 314	0,91	19 781	0,92
Employee tax	17 444	0,92	17 501	0,81
Providers of capital				
Non-controlling interest	409	0,02	205	0,01
Dividends	33 924	1,78	56 386	2,62
Total wealth distributed	172 816	9,08	197 534	9,18
Re-investment in the group				
Depreciation and amortisation	21 438	1,13	19 927	0,93
Retained for future growth	133 495	7,02	226 493	10,52
Re-investment in the group	327 749	17,23	443 954	20,63

## SHARE PERFORMANCE INFORMATION

12 months trade 12 months trade  
31 August 2023 31 August 2022

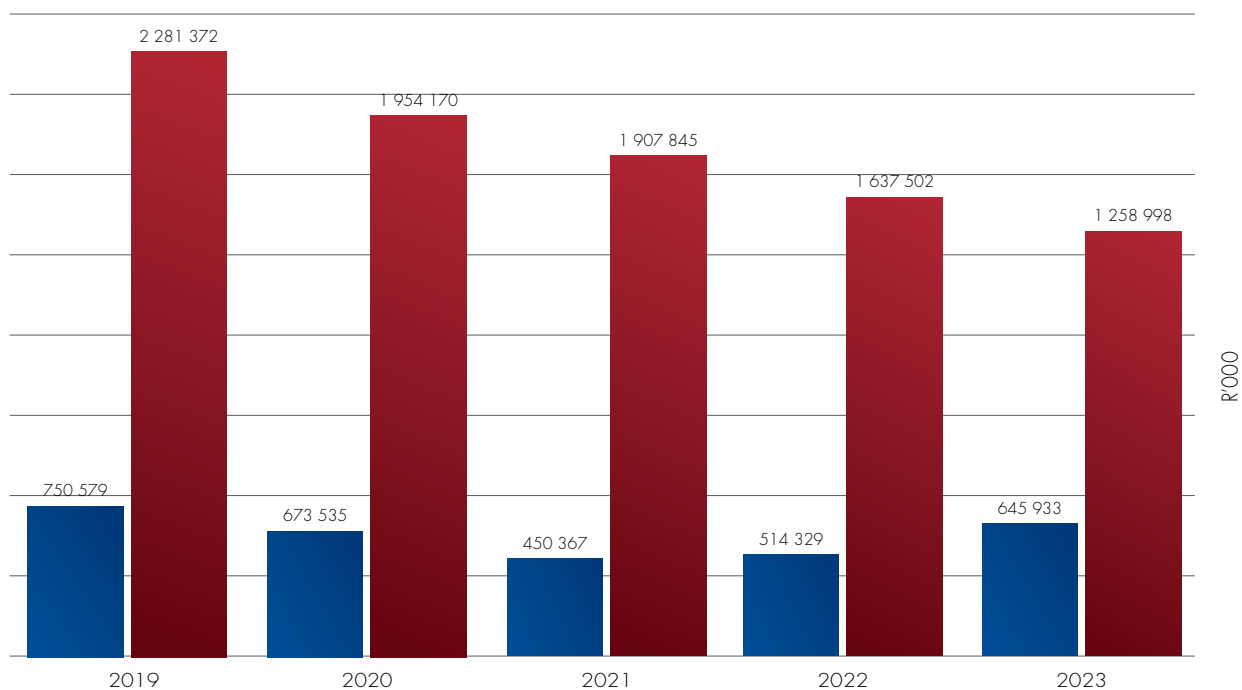
### STOCK EXCHANGE PERFORMANCE

Market price per share (cents)		
- at year end	2 800	2 788
- highest	2 800	3 500
- lowest	2 149	2 603
Number of shares traded (000)	576	2 258
Number of shares in issue (000)	22 526	22 646
Volume traded as a percentage of total shares in issue (%)	2,5%	10,0%

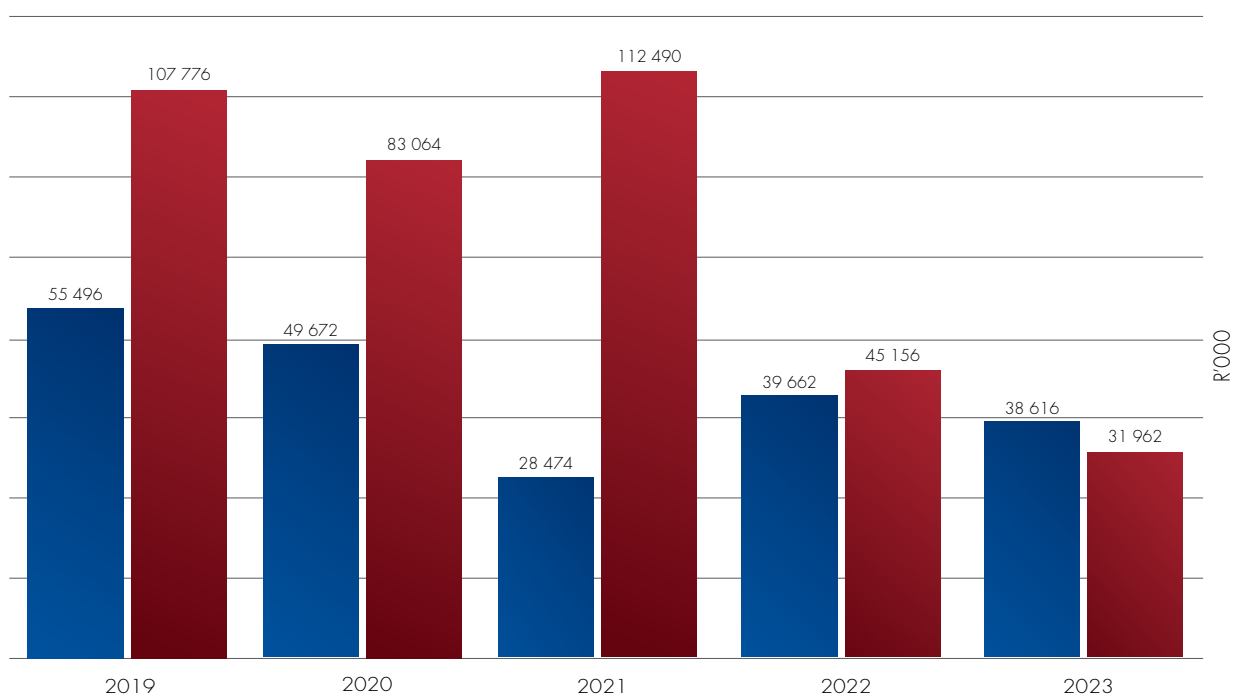


## SEGMENTAL INFORMATION

Local vs Offshore - Revenue



Local vs Offshore - Attributable Earnings



# REMUNERATION REPORT

## Strategy and objectives

Our remuneration policies support a culture of effective corporate governance while encouraging innovation and entrepreneurial spirit to ensure the long-term sustainability of the business. In addition, they serve as a guideline for the effective governance of remuneration within the Group as a whole. The remuneration philosophy seeks to set criteria that will boost output as well as performance and thereby create long-term stakeholder value.

NWHL remuneration policy dictates that all employees are fairly rewarded for their individual and joint contributions in the execution of the NWHL business strategy and delivery of the Group's operating and financial performance. NWHL remuneration philosophy is to remunerate all employees in a competitive manner to attract, motivate and retain individuals with the necessary skills and acumen.

NWHL is an international business with revenue earned in many countries. As a result, NWHL competes for skills and talent in a global marketplace and its approach to remuneration needs to be flexible and competitive in all of the countries where it operates.

Due to the Group's international structure, the Remuneration Committee has established Group subcommittees with standard terms of reference which are in line with the overseeing committees terms of reference. These Committees are responsible for all employee remuneration matters at subsidiary level.

## Executive Directors' remuneration

Executive directors receive a remuneration package based on total cost-to-company, including basic remuneration, retirement, medical and other benefits. They, like other employees, also qualify for short and long-term incentives.

An element of executives remuneration is performance related. A substantial portion of short-term performance incentives of the executive directors and senior management is directly linked to challenging annual Group performance targets. The balance of these incentives is specifically measured against individual performance objectives which are aligned with the Group's strategic priorities. The targets for long-term incentives are guided by reference to industry and market benchmarked performance targets. Such benchmarks are determined annually by measuring operational performance against those of peer Group companies (in comparable industries and markets) in local currencies.

Refer to note 24 on page 71 for details on the remuneration earned by executive directors for the year ended 31 August 2023.

## Non-executive directors' remuneration

The Board, in reviewing non-executive directors' fees, makes recommendations to shareholders in light of, firstly, fees payable to non-executive directors of comparable companies and, secondly, the importance attached to the retention and attraction of high-calibre individuals as non-executive directors. Remuneration is reviewed annually, with reference to competitors and peer companies. Independent advice is also acquired from specialist human resources consultants.

This remuneration is not linked to the Company's share price or performance. Levels of fees are also set by reference to the responsibilities assumed by the non-executive directors in chairing or participation in its committees. The Group does not provide pension or medical benefits to non-executive directors. To avoid a conflict of interest, the Remuneration Committee, which consists entirely of independent non-executive directors, takes no part in the determination of non-executive directors' fees or in the recommendation to the Board and shareholders. Non-executive directors do not qualify for shares in terms of the Group's share incentive scheme. The Board annually recommends remuneration of non-executive directors for approval by shareholders in advance.

Refer to note 24 on page 71 for details on the fees earned by non-executive directors for the year ended 31 August 2023.

## Senior management and employee remuneration

Remuneration for middle and junior management is governed and controlled by senior management and the Human Resource departments. A robust remuneration review process is in place which is aligned with business strategy. Employee development is encouraged through processes such as performance appraisals, counselling and career development programs.

Remuneration and other benefits in respect of employees who are subject to bargaining council or other authorities determination are set through a process of collective bargaining with the major labour unions active in the various countries in which the Group operates.

# REMUNERATION REPORT (Continued)

## Remuneration policy

The remuneration policy aims to follow the recommendations of King IV and is based on the following principles:

- Remuneration practices are aligned with corporate strategy.
- Total rewards are set at levels that are competitive and relative within the specific market and industry. Incentive-based awards are earned through achieving demanding performance measures and targets with due regard for the sustainable well-being of all stakeholders over the short, medium and long-term.
- Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle.
- The design of long-term incentives is prudent and does not expose stakeholders to a position where the sustainability of the Group is placed at risk.

## Elements of remuneration

The four elements of remuneration consist of a base salary, benefits, annual incentive bonus and long-term incentives. The committee seeks to ensure an appropriate balance between the fixed and performance-related elements of remuneration and between those aspects of the package linked to short-term financial performance and those aspects linked to longer-term sustainable stakeholder value creation. A further consideration is the need to attract and retain critical skills in the Group. The Remuneration Committee considers each element of remuneration relative to the market and takes into account the performance of the Company and the individual executive or senior manager in determining its quantum.

## Base salary

The fixed element of remuneration is referred to as a base salary. Its purpose is to provide a competitive level of remuneration for each level of manager or employee. The base salary is subject to annual review. It is set to be competitive at the median level with reference to market practice in companies comparable in size, market sector, business complexity and international scope. Company performance, individual performance and changes in responsibilities are also taken into consideration when determining annual base salaries. In determining the salaries of the executive management, the committee takes into consideration inflation, agreed union and bargaining council increases, and the increased scale of business and corporate activity undertaken during the year.

## Benefits

Benefits provide security for employees and their families and include membership of retirement funds and medical aid schemes, to which contributions are made by employees and the employer Company.

## Annual bonus

An annual short-term incentive plan provides managers and employees with incentives to achieve the Company's short and medium-term goals. The annual incentive is based upon the achievement of Group and/or individual subsidiary financial, strategic and personal performance objectives agreed by the Remuneration Committee.

The bonus plan is not contractual and the Remuneration Committee retains the discretion to make adjustments to bonuses earned at the end of the financial year, taking into account both Company performance and the overall and specific contribution of individuals to meeting the Group's objectives.

## Long-term share-based incentives (LTIs)

LTIs are awarded with the primary aim of retaining key staff members and aligning performance with the interests of investors and stakeholders.

The allocation and target criteria are at the discretion of the Remuneration Committee which comprises only of independent non-executive directors.

The allocation of LTIs is based on the following key eligibility criteria:

- Involving individuals who are key to driving the Group's business strategy.
- Retention of key talent/scarcie skills.
- Talent management strategy and succession plans.

Furthermore, scheme rules and the application thereof are evaluated annually to ensure compliance with legislative and regulatory requirements. The targets for long-term incentives are set with reference to industry and market benchmark performance.

For more details on the Group's share-based payment scheme refer to note 26 on page 72.

## Service contracts

Executives contracts are generally subject to terms and conditions of employment in the local jurisdiction and there are no executive directors with a notice period of more than one year. In addition, no executive director's service contract includes predetermined compensation as a result of termination of service.

Non-executive directors are subject to regulations on appointment and rotation in terms of the Company's memorandum of incorporation and the South African Companies Act 71 of 2008.

# CORPORATE GOVERNANCE AND PERFORMANCE

## Endorsement

The Company's Board of Directors (the Board) is committed to ensuring that the Group is governed appropriately. The Board recognises the responsibility of the Group to conduct its affairs with prudence, transparency, accountability, fairness and in a socially responsible manner. The Group complies in all material respects with the principles of the Code of Corporate Practices and Conduct as recommended in the King Report on Corporate Governance in South Africa 2017, as well as with the spirit and form of the obligations that exist in terms of the Listings Requirements of the JSE Limited. Specifically, the directors report the following:

In terms of the King Report on Governance for South Africa, 2017 (King IV), the Board needs to consider the interests of the Company and shareholders, taking into account the concerns and issues of its wider stakeholders, including suppliers, customers, employees and the environment. The Group is committed to conduct the business in accordance with sound corporate governance practices, understands the importance of balancing long-term social, environmental and economic interests, whilst achieving sustainable returns for its shareholders. One of the key principles in King IV is establishing a unitary board which reflects a balance of power, with no individuals yielding unfettered power on the Board.

The Board has noted the new recommendations contained in the King IV report, and will ensure that appropriate reporting principles are applied.

A detailed list of the Groups application of King IV principles can be viewed on page 25.

## Board of Directors

### Chairman of the Board of Directors

The roles of the Chairman and the Chief Executive Officer are separate. The Chairman, M S Goldberg, an executive director of the Board since 1986, was appointed as Chairman on 1 September 2001. The Chairman is responsible for ensuring the effectiveness of governance practices within the Group.

Particular areas of responsibility for the Chairman include guidance regarding strategic planning, Group economic empowerment, corporate relations, and advice on local and overseas acquisitions.

The Chairman's duties are governed by a formal Board, and this is reviewed from time to time when appropriate.

### Composition of the Board

The Board of Directors is comprised of three executive directors and four non-executive directors chosen for their achievements, business acumen and skills.

The Board considers J M Judin, D Piaray, R Kinross and F J Davidson to be independent non-executive directors as defined in King IV and the Companies Act.

All directors bring independent judgement to the issues of performance, strategy and resources including key appointments of directors and staff and standards of conduct within the Group.

The Board recognises the need for more independent directors and continues to seek further non-executive directors with the aim of obtaining a majority of non-executive directors.

### Changes to the Board during the year

No new directors were appointed to the Board of Directors during the year.

### Role and responsibilities of the Board

The Board is the focal point for corporate governance. It is responsible to shareholders and stakeholders for sustainable performance of the Company. In directing the Group, the Board exercises leadership, integrity and judgement based on fairness, accountability, responsibility and transparency, directed to achieve the ongoing prosperity of the Group.

The Board approves operational, investment plans and strategies and empowers executive management to implement these plans and strategies. There is a clear division between the responsibilities of the Board and management.

Structured management succession planning, for purposes of identifying, developing and advancing future leaders in the Group, is an important element in the management process.

The Board remains accountable for the overall success of the approved strategies, based on values, objectives and stakeholder requirements, and for the process and policy to ensure the integrity of risk management and internal control. The Board is also responsible for ensuring that it complies with all relevant laws, regulations and codes of best business practice.

### Duties of Directors

The Companies Act places certain duties on directors and stipulates that they should apply the necessary care and skill in fulfilling their duties. To ensure that this is achieved, best practice principles, as contained in the King IV Report on Corporate Governance for South Africa, are applied.

The Board is responsible for formulating the Company's communication policy and ensuring that spokespersons adhere to it. This responsibility includes clear, transparent, balanced, truthful and timeous communication to shareholders and relevant stakeholders.

In terms of the respective directors' charters, the directors are of the opinion that the Board and the subcommittees have discharged all their responsibilities.

The Board meets four times annually and more frequently if circumstances or decisions require.

# CORPORATE GOVERNANCE AND PERFORMANCE (Continued)

Directors declare their interests in contracts and other appointments at all board meetings. Meetings are conducted in accordance with formal agendas, ensuring that all substantive matters are properly addressed. Subcommittees have been appointed while ad hoc subcommittees are created as and when required. The chairman of the relevant subcommittee sets the agenda for each meeting in consultation with the Group chairman and Group Chief Executive Officer. Any director may request that additional matters be added to the agenda. Board packs are circulated to the directors in advance of the meetings. The non-executive directors take responsibility for ensuring that the chairman reviews all matters requiring the Board's attention. The Board ensures that there is an appropriate balance of power and authority in its make-up, so that no one individual or block of individuals can dominate its decision-making process. All directors are entitled to seek independent professional advice concerning the affairs of the Group, at the Company's expense.

## Board Committees

The Board has established several non-executive board committees which support the Board of Directors with regard to certain functions, and in which non-executive directors play an active and pivotal role. All Committees operate under Board approved terms of reference, which were reviewed and updated during the period under review to align them further with best practice and to take into consideration the recommendations set out in King IV and all the requirements of the Companies Act. All Board Committees, except the Executive Committee, are chaired by a non-executive director who attends the Annual General Meeting in order to respond to shareholder queries.

With the exception of the Audit Committee and Social and Ethics Committee, membership of each committee is reviewed regularly by the Group Chairman and adjusted accordingly. The chairmen of the Committees are elected by the members of each committee, unless sound reasons cause the Committees and the Board to determine otherwise.

## Audit Committee

Subject to shareholder approval and taking into account the recommendations of the Nomination Committee, the Board is responsible for filling vacancies on the Audit Committee. The Board elects the Chairman of the Committee. As the Audit Committee is a statutory committee under the Companies Act 71 of 2008, as amended (the Companies Act), and in terms of the recommendations set out in King IV, shareholders will be requested to elect the members of the committee at the Annual General Meeting to be held on 7 February 2024. Audit Committee members are kept up to date with the developments affecting the skill set required for committee membership. The committee and/or individual members are permitted to consult with specialists in any related field, subject to Board approval.

## Diversity and Composition of the Board

In an on-going endeavour to maintain the highest corporate governance standards and in line with the recommendations of the JSE Limited, the Group adopted a race and gender equality policy on the 23 April 2018. The Board of Directors, with guidance from the Nomination Committee, have considered and applied the policy of race and gender diversity in the nomination and appointment of directors. Currently the composition of the Board is adequate. If circumstances change, any new appointees will be selected based on the underlying requirement to introduce gender and race diversity. The Group undertakes to continually ensure that representation at board level remains optimal by identifying candidates with a diverse collection of skills, expertise and experience to allow the Board to effectively lead the business and strategy of the Group, as required.

The actual board composition and voluntary targets set are as follows:

	Race	Gender
Actual	14% B-BBEE representation	0% female representation
Target	25% B-BBEE representation	12% female representation

The Audit Committee consists of four independent non-executive directors, R Kinross (Chairman), D Piaray, J M Judin and F J Davidson. G R Hindle and company executives attend meetings by invitation.

The Audit Committee monitors proposed changes in accounting policy and all published financial information, reviews the external audit function and discusses the accounting implications of major transactions prior to Board approval.

The Audit Committee meets regularly with the Group's external auditors to review accounting controls, disclosure requirements, corporate governance practices, as well as auditing and financial matters and reports to the Board of Directors on its findings.

The Audit Committee performs the following specific activities:

- Approve the external auditor's terms of engagement, audit approach and audit fees;
- Ensures the independence of the external auditor;
- Approve external auditor's appointment for the ensuing financial year;
- Pre-approve all fees paid to the external auditor for non-audit service;
- Consider and set mandatory term limits on the period the lead partner of the external auditors may serve the Company;
- Review risk areas of the Company's operations to be covered in the scope of external audits;



**Board Committees (Continued)**

- Reviewing half-year and Annual Financial Statements before submission to the Board focusing on *inter alia*;
  - any changes in accounting policies and practices.
  - major judgemental areas.
  - significant adjustments arising from the audit.
  - the going concern statement.
  - compliance with stock exchange and statutory requirements.
  - reliability and accuracy of the financial information provided by management to other users of financial information.
  - satisfying itself regarding the experience and expertise of the financial director.
  - satisfying itself that the external auditors are accredited in terms of the JSE list of accredited auditors.
  - discussing any problems and reservations arising from the year-end audit and any related matters that the external auditors may wish to discuss.
- Satisfies itself of the expertise, resources and experience of the companies finance functions;
- Oversees and approves the company's integrated report;
- Ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities; and
- Ensures that appropriate financial reporting procedures exist and are working, which include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information to effectively prepare and report on the financial statements.
- Integral component of risk management process.

The Audit Committee chairman and its members confirm their review and approval of the above-mentioned activities.

**Attendance at Audit Committee meetings for the period 1 September 2022 – 31 August 2023:**

		Attended	Eligible to attend
R Kinross	Chairman	2	3
J M Judin	Member	3	3
D Piaray	Member	1	3
F J Davidson	Member	3	3
G R Hindle	By invitation	3	3
B H Haikney	By invitation	3	3

**Risk Management Committee**

Risk Management Committee forms an integral component of the Group's governance framework and enables management to limit the impact of business, industry and general risks and protect the interests of all stakeholders.

The Board retains accountability for risk management. The Risk Committee ensures the Group has adequate risk management and internal control procedures in place.

The focus of the Risk Management Committee is on identifying, assessing, managing and monitoring material forms of risk, encompassing strategic performance, trading, investment and operational risks. The Committee consists of four non-executive directors; J M Judin (Chairman), D Piaray, R Kinross and F J Davidson with executive directors attending each meeting, being M S Goldberg, J A Goldberg and G R Hindle, as well as the company secretary, B H Haikney. The Committee meets regularly and is responsible for monitoring key risk areas for which a comprehensive Group risk matrix has been developed, addressing the general business risks, trading conditions, succession planning, credit risk, exchange rate exposure, IT risk, insurable losses, interest rate and liquidity risks.

**Attendance at Risk Management Committee meetings for the period 1 September 2022 – 31 August 2023:**

		Attended	Eligible to attend
J M Judin	Chairman	2	2
D Piaray	Member	1	2
R Kinross	Member	2	2
F J Davidson	Member	2	2
G R Hindle	By invitation	2	2
B H Haikney	By invitation	2	2

# CORPORATE GOVERNANCE AND PERFORMANCE (Continued)

## Social and Ethics Committee

The Social and Ethics Committee is constituted as a committee of the Board of NVWL, in terms of Section 72(4) of the Companies Act no 71 of 2008 read with regulation 43 of the Companies Regulations, 2012. The committee comprised Messrs J M Judin (Chairman), R Kinross, D Piaray, F J Davidson, G R Hindle and B H Haikney.

The Committee's mandate, and main functions, are as follows:

- To monitor the Group's activities having regard to any relevant legislation, other legal requirements or existing codes of best practice, relating to:
  - Employment Equity Act.
  - Broad Based Black Economic Empowerment Act.
  - Good corporate citizenship, environment, health and public safety, to include the impact of the Group's activities and of its products and services.
  - Consumer relationships, and compliance with consumer protection laws.
  - Labour and employment.
- Raising matters of concern and importance within its mandate to the attention of the Board.
- Reporting to the shareholders of the Group at the Annual General Meeting.

### Attendance at Social and Ethics Committee for the period 1 September 2022 – 31 August 2023:

		Attended	Eligible to attend
J M Judin	Chairman	2	2
D Piaray	Member	1	2
R Kinross	Member	2	2
F J Davidson	Member	2	2
G R Hindle	Member	2	2
B H Haikney	Member	2	2

## Remuneration Committee

The Remuneration Committee (Remco) comprised Messrs D Piaray (Chairman), J M Judin, R Kinross and F J Davidson. All members are independent non-executive directors, and the committee has satisfied its responsibilities in compliance with its written terms of reference during the year.

### Attendance at Remuneration Committee meetings for the period 1 September 2022 – 31 August 2023:

		Attended	Eligible to attend
D Piaray	Chairman	0	2
J M Judin	Member	2	2
R Kinross	Member	2	2
F J Davidson	Member	2	2
G R Hindle	By invitation	2	2
B H Haikney	By invitation	2	2

The financial director and the company secretary attend all meetings of the Committee by invitation, unless deemed inappropriate by the Committee.

Remuneration Policies are implemented by the Remuneration Committee with the objective of:

- Motivating sustainable value creation and superior performance.
- Informing stakeholders of remuneration practices and governance processes.
- Complying with all applicable legislative requirements.

The Board carries ultimate responsibility for the Remuneration Policy. The Remuneration Committee operates in accordance with Board approved terms of reference.

In terms of King IV recommendations, the Remuneration Policy is submitted to shareholders for their non-binding vote.

The Remuneration Committee has the responsibility to:

- Determine and approve the Group's general remuneration policy and philosophy, to be presented at each Annual General Meeting for a non-binding advisory vote by shareholders.
- Review and approve the remuneration packages of senior executives annually, including incentive schemes and increases or adjustments, ensuring they are appropriate, and in line with the remuneration policy.
- Review the recommendations of management on fee proposals for the chairman of the Board and the non-executive directors and determines, in conjunction with the Board, the final proposed remuneration.
- Agree the criteria to be adopted for bonus incentives and share option allocations.
- Awards long-term incentives for executive directors and other qualifying members of senior management.
- Appraise the performance of the chief executive officer annually.
- Approve the appointments and promotions of key executives.
- Review incidents (if any) of unethical behaviour by senior managers or executives.
- Review the Remuneration Committees charter annually and recommend amendments thereto as required.
- Approve amendments to the Nu-World share-based incentive plan, after consultation with shareholders and the JSE Limited.
- Fulfil delegated responsibilities on Nu-World share based incentive plans, e.g. appointing trustees and compliance officers, if required.
- Undertake an annual assessment of the effectiveness of the Committee, reporting these findings to the Board and the Committee.
- Review the charters of the Group's significant subsidiaries' remuneration committees annually, and their annual assessment of compliance with these charters to establish if the Nu-World Remuneration Committee can rely on the work of the subsidiary companies' Remuneration Committees.
- Evaluate the remuneration policies in relation to the requirements of good corporate governance.
- Prepare an annual remuneration report for inclusion in the Company's Integrated Annual Report.

### Remuneration Committee (Continued)

The Remuneration Committee and divisional subcommittees are supported by established human resource departments at group and subsidiary level responsible for implementation and management of human resource and remuneration strategies, policies and practices.

Key considerations undertaken during the year:

- A review of the pay structures for managerial employees.
- A review of the effectiveness of the share incentive scheme as a long-term incentive plan.
- Annual bonus and incentive scheme awards and the approval of performance targets.
- The range of base salary increases.
- Investigations into an alternate specific long-term incentive scheme for key management and personal.

### Share Trust

The Group Share Option Scheme, which was approved by the shareholders a number of years ago, is managed by a Share Trust Fund. The trustees of the trust fund are as follows:

J M Judin	Chairman	Non-executive director
D Piaray	Trustee	Non-executive director
R Kinross	Trustee	Non-executive director

The main function of the Share Trust Committee is to award share options on recommendation of Remco to employee participants in terms of the trust deed, and to manage the share option scheme accordingly.

Remco utilises the share option scheme as the basis for long-term incentives to retain key employees, and reward deserving employees on a merit basis.

### Nomination Committee

The Nomination Committee is an independent Committee. There is no formal meeting schedule because it will meet as and when required, but this Committee meets at least twice a year.

The members of the Committee are Messrs J M Judin (Chairman), D Piaray, R Kinross and F J Davidson. All members are independent non-executive directors in terms of the King IV report. The financial director and the company secretary attend meetings by invitation when appropriate.

The appointment of executive and non-executive directors is a transparent and formal procedure governed by the Nomination Committee's terms of reference. Special emphasis is placed on the development of diverse leadership representation of all race groups. Specific areas of responsibility include:

- Ensuring a balance of skills at board level.
- Succession planning of executive management.
- Nomination of members to serve on subcommittees.

The desire for additional board members requires that the Nomination Committee identify and evaluate suitable candidates to the Board. The composition of the various subcommittees were reviewed, and appointments recommended to the Board for approval.

## Management Committees

### Executive Committee

The Executive Committee comprises the executive directors, namely, M S Goldberg (Chairman), J A Goldberg, G R Hindle and other senior managers. The Committee monitors the operations of the Group giving monthly operational feedback on administrative, treasury and operational issues in order to keep abreast of economic and business trends. The Committee meets regularly.

#### Attendance at Executive Committee meetings for the period 1 September 2022 – 31 August 2023:

		Attended	Eligible to attend
M S Goldberg	Chairman	3	3
J A Goldberg	Member	3	3
G R Hindle	Member	3	3
B H Haikney	Member	3	3

### Information Technology Steering Committee

The Information Technology Steering Committee comprises G R Hindle (Chairman), B H Haikney, R Kellock, J Grant and supported by senior management as and when required. The Committee meets regularly and ensures that Group strategic business needs and core objects are met. In addition, the Committee is tasked to keep up with ongoing technological changes in order to provide management with accurate and meaningful data to run the Group effectively.

A Group information technology disaster recovery plan is in place and is tested regularly to ensure systems continuity at all times.

#### Attendance at Information Technology Steering Committee meetings for the period 1 September 2022 – 31 August 2023:

		Attended	Eligible to attend
G R Hindle	Chairman	2	2
B H Haikney	Member	2	2
J Grant	Member	2	2
R Kellock	Member	2	2

## Other corporate governance issues

### Internal audit

NWHL does not believe it necessary to appoint separate internal auditors.

### Internal control

The directors and management are responsible to maintain effective systems of internal control. These systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of the Group's assets and to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

# CORPORATE GOVERNANCE AND PERFORMANCE (Continued)

## Other corporate governance issues (Continued)

Close day-to-day control of operations and procedures are maintained and monitored by senior management, producing monthly performance reports and management accounts for review by management, executive committee and the Board.

No significant internal control problems have come to the attention of the directors to indicate that a material breakdown in the controls within the Group has occurred.

## Materiality and approval framework

Issues of a material or strategic nature, which can impact on the reputation and performance of the Group, are referred to the Board. Other issues, as mandated by the Board, are dealt with at executive management level.

The minutes of all the committee meetings are circulated to the members of the Board. Issues that require the Board's attention or a Board resolution are highlighted and included as agenda items for the next Board meeting.

## Financial statements

The directors are responsible for ensuring that Group companies maintain adequate accounting records, and for reporting on the financial position of the Group at all levels to meet this responsibility. The external auditors are responsible for independently auditing and reporting on these financial statements in conformity with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa. The Group's auditors have confirmed that the financial information is in accordance with the underlying audited financial records of the Company and its subsidiaries.

## Company, secretarial and professional advice

To enable the Board to function effectively, all directors have full and timely access to all information that may be relevant to the proper discharge of their duties and obligations. This includes information such as agenda items for board meetings, corporate announcements, investor communications and any other developments, which may affect NWHL or its operations. The office of the Group company secretary is responsible for facilitating this access.

The Group company secretary is responsible for the functions specified in section 88 of the Companies Act of 2008 (as amended) (the Act). All meetings of shareholders, directors and Board subcommittees are properly recorded as per the requirements of section 24 of the Act. The appointment and removal of the Group company secretary would be a matter for the Board as a whole.

The Board has considered and is satisfied that the company secretary has the necessary competence, qualifications and experience and regularly ensures that there is an arm's length relationship between the company secretary and Board of directors. The company secretary, Mr B H Haikney, is required to ensure that the minutes of all shareholders' meetings, directors' meetings and minutes of any committee of the directors are properly recorded.

The directors have unlimited access to the services of the company secretary who is responsible to the Board for ensuring that proper corporate governance principles are adhered to. Board orientation and training are done when appropriate.

## Dealing in securities

In accordance with the Listings Requirements of the JSE, NWHL has adopted a code of conduct for insider trading. During the closed period, directors and designated senior employees are prohibited from dealing in the Company's securities. Directors may only deal in the Company's securities outside the closed period, with the authorisation of the Group chairman and/or the Group chief executive officer. The closed period lasts from the end of the financial reporting period until the publication of financial results for that period. Additional closed periods may be declared from time to time if circumstances warrant.

## Stakeholder communication

NWHL is committed to transparent, timeous and consistent communications with stakeholders and aims to present in all its communications, a balanced and logical assessment of the Group's position. The Group encourages stakeholder attendance at general meetings and, where appropriate, provides full and comprehensive explanations of the effect of resolutions to be proposed at these meetings.

Company announcements are released on SENS and posted on the Company's website. Further results' announcements are posted to shareholders. The chairman and Board are available to answer queries from stakeholders at all times and wherever possible, the Group chief executive officer or Group financial director will engage with the financial media to ensure accurate reporting. Communications with institutional shareholders and investment analysts is maintained through bi-annual presentations of financial results, one-on-one visits, trading statements and press announcements of interim and annual results.

## Fraud and illegal acts

NWHL does not engage in or accept or condone the engaging in of any illegal acts in the conduct of its business. The directors' policy is to actively pursue and prosecute the perpetrators of fraudulent or other illegal activities, should they become aware of any such acts.

## Legal/arbitration

There are no pending or threatened legal or arbitration proceedings which had or may have a material effect on the financial position of the Company or the Group.

## Compliance with the Companies Act

NWHL has complied with the Companies Act, particularly with reference to the incorporation provisions as set out in the Companies Act and has operated in conformity with NWHL's Memorandum of Incorporation during the period under review.

## Going concern

The directors confirm, giving due cognisance to the Group's current financial position and cash flows, that the Group is a going concern and accordingly will continue adopting the going concern basis in preparing the Annual Financial Statements.

# APPLICATION OF PRINCIPLES IN KING IV CODE

## Leadership, ethics and corporate citizenship

### Leadership

#### Principle 1: The Board should lead ethically and effectively

Nu-World Holdings Limited's board of directors (the Board) exercises effective leadership, adhering to the duties of a director. The directors have the necessary competence and act ethically in discharging their responsibility to provide strategic direction and control of the Company as provided for in the Board charter and the Nu-World Holdings Limited Memorandum of Incorporation (MOI).

The Board is committed to driving the strategy and Nu-World's operations, based on an ethical foundation, to support a sustainable business, acting in the best interest of the Company, taking into account Nu-World's short and long-term impact on the economy, society, environment and its stakeholders as well as considering risks and oversees and monitors implementation and execution by management, ensuring accountability for the Company's performance.

The Board exercises control through the governance framework of the Company which includes detailed reporting to the Board and its Committees, Board reserved decision-making authority and a system of assurances on internal controls.

### Organisational ethics

#### Principle 2: The Board should govern the ethics of the company in a way that supports the establishment of an ethical culture

The Board determines and sets the tone of Nu-World's values, including principles of ethical business practice, human rights considerations and the requirements of being a responsible corporate citizen and, through the Social and Ethics Committee, who approves Nu-World's code of ethics, based on responsibility, honesty, fairness and respect.

Management has been delegated the responsibility for implementation and execution of the Code of Ethics ("the Code") and the Board, with the assistance of the Social and Ethics Committee, exercises ongoing oversight of the management of ethics, monitoring Nu-World's activities with regard to ethics and ensuring it is integrated in the operations of the Company. The Code guides interaction with all stakeholders of the Group, including employees, and addresses the key ethical risks of the Company.

### Responsible corporate citizenship

#### Principle 3: The Board should ensure that the company is and is seen to be a responsible corporate citizen

In accordance with its role of overseeing the Company's conduct as a good corporate citizen, the Board approves the strategy and priorities of the business, including Nu-World's material matters and, more specifically, those related to sustainability. Through stakeholder engagement and collaboration, Nu-World has committed to understanding and being responsive to the interests and expectations of stakeholders and to partnering with them in finding lasting solutions to sustainability challenges.

The Board, with the support of the Social and Ethics Committee and the Group Executive Committee, oversees and monitors how the operations and activities of the Company affect its status as a responsible corporate citizen.

## Strategy, performance and reporting

### Strategy and performance

#### Principle 4: The Board should appreciate that the company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

The Board informs and approves Nu-World's strategy which is aligned with the purpose of the Company, the value drivers of its business and the legitimate expectations of its stakeholders and is aimed at ensuring sustainability; and which takes into account the top risks facing the Group. The Board oversees and monitors, with the support of its Committees, the implementation and execution by management of the policies and priorities and ensures that the Company accounts for its performance by, amongst others, reporting and disclosure.

### Reporting

#### Principle 5: The Board should ensure that reports issued by the company enable stakeholders to make informed assessments of the company's performance, and its short, medium and long-term prospects

The Board, through the Audit Committee, ensures that the necessary controls are in place to verify and safeguard the integrity of the annual reports and any other disclosures. The Company complies with all required disclosures. Reporting frameworks and materiality are approved by the Audit Committee to ensure compliance with legal requirements and relevance to stakeholders.

The Audit Committee oversees the integrated reporting process and reviews the audited financial statements.

# APPLICATION OF PRINCIPLES IN KING IV CODE (Continued)

## Governing structures and delegation

### Primary role and responsibilities of the Board

#### Principle 6: The Board should serve as the focal point and custodian of corporate governance in the company

The Board has an approved charter which it reviews annually. The charter sets out its governance responsibilities, including the role, responsibilities, membership requirements and procedural conduct. Through the Nomination Committee, the Board implements and monitors the governance practices within the Group.

The Board, as well as any director or Committee may obtain independent, external professional advice at Nu-World's expense concerning matters within the scope of their duties and the directors may request documentation from and set up meetings with management as and when required.

An appropriate governance framework and the necessary policies and processes are in place to ensure all entities in the Nu-World Group adhere to essential Group requirements and minimum governance standards. As a direct or indirect shareholder, the Company exercises its rights and is involved in the decision-making of its subsidiaries on material matters. Subsidiaries have adopted the governance framework as appropriate and have aligned it to their MOIs and shareholders' agreements as may be required.

### Composition of the Board

#### Principle 7: The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The capacity of each director is categorised as defined in the JSE Listings Requirements, also taking into consideration King IV and other factors as outlined in the Board charter. The Board comprises a majority of independent non-executive directors. A detailed review of the independence and performance of independent non-executive directors is undertaken by the Board with the support of the Nomination Committee.

As of 29 November 2023, there are three executive directors on the Board namely the Chairman, Chief Executive Officer and the Group Financial Director. When considering appointment or re-election of directors, the Board, with the support of the Nomination Committee, gives consideration to the knowledge, skills and resources required for conducting the business as well as considering its size, diversity and demographics to ensure its effectiveness.

There is a clear distinction drawn between the roles of the CEO and the Chairman and these positions are occupied by separate individuals. All non-executive directors have been determined by the Board to be independent directors. In accordance with King IV, a lead independent director has been appointed to deal with any perceived issues flowing from the limited area of potential non-independence or conflict of interests.

The Board adopted a policy on the promotion of gender diversity at board level, which was incorporated into its Board charter. The process for appointment and election of directors is set out in the Company's MOI. The Nomination Committee assists with the process of identifying suitable candidates to be proposed for appointment to the Board and election by the shareholders, taking into consideration the annual review of the Board's effectiveness, which includes, amongst others, its composition. All facets of diversity, having regard to the Board's gender diversity policy, are considered in determining the optimal composition of the Board, which should be balanced appropriately and enable the Board to discharge its duties and responsibilities effectively.

Newly appointed directors are inducted in Nu-World's business, board matters, their duties and governance responsibilities as directors under the guidance of the Company Secretary, in accordance with each director's specific needs. The succession plan of directors is reviewed annually by the Nomination Committee and includes the identification, mentorship and development of future candidates.

### Committees of the Board

#### Principle 8: The Board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties

Committees have been established to assist the Board in discharging its responsibilities. The Committees of the Board comprise the Audit, Risk, Nomination, Remuneration and Social and Ethics Committee.

The Committees are appropriately constituted and members are appointed by the Board, with the exception of the Audit Committee whose members are nominated by the Board and elected by shareholders. The Nomination Committee reviews the composition of Board committees and makes recommendations to the Board with regard to their composition, including appointment of the chairman of each committee, taking into account factors such as diversity and skills and the need to create an even spread of power and authority.

External advisors, executive directors and members of management attend Committee meetings by invitation. The Committees play an important role in enhancing high standards of governance and achieving increased effectiveness within the Group. Formal terms of reference are established and approved for each Committee, which are reviewed annually. The terms of reference of the Committees form part of the Board charter.

A delegation by the Board of its responsibilities to a Committee will not by or of itself constitute a discharge of the Board's accountability and the Board applies its collective mind to the information, opinions, recommendations, reports and statements presented by the chairman of a Committee.



### Audit Committee

The Board has an Audit Committee comprising of independent directors only and its independence and effectiveness is reviewed on an annual basis. The Audit Committee is constituted as a statutory committee of Nu-World Holdings Limited in respect of its statutory duties in terms of section 94(7) of the Companies Act and a committee of the Board in respect of all other duties assigned to it by the Board.

The Committee performs the functions as set out in the Companies Act. Adequate processes and structures have been implemented to assist the Committee in providing oversight and ensuring the integrity of financial reporting, internal control and other governance matters relating to subsidiaries.

The Audit Committee consists of four independent, non-executive directors. The Chairman of the Board is not a member of the Committee. Members of the Committee are elected by shareholders. All Committee members are financially literate and have extensive Audit Committee experience.

The Committee provides independent oversight of, among others, the effectiveness of the Company's assurance services, with particular focus on combined assurance arrangements, including external assurance service providers, audit and the finance function and the integrity of the AFS and, to the extent delegated by the Board, other external reports issued by the Company. The Committee also considers annually, and satisfies itself of the appropriateness of the expertise and experience of the CFO and the finance function.

### Committee responsible for nomination of members of the Board

The Board has delegated oversight of, amongst others, the following to the Nomination Committee (i) the process for nominating, electing and appointing members of the Board, (ii) succession planning of directors and (iii) evaluation of the performance of the Board and its Committees.

### Committee responsible for remuneration

The Remuneration Committee is responsible for overseeing remuneration. All members of the Committee are independent, non-executive directors.

### Committee responsible for social and ethics matters

The Social and Ethics Committee is responsible to oversee and report on ethics, responsible corporate citizenship, sustainable development and stakeholder relationships. It is also responsible to execute on the statutory duties set out in the Companies Act. All members of the Committee are independent, non-executive directors.

### Evaluations of the performance of the Board governing body

**Principle 9: The Board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness**

The Nomination Committee evaluates the effectiveness and performance of the Board, its Committees and the individual directors. The Chairman of the Board, through the Committee and assisted by the Company Secretary, leads the evaluation process.

The Board is satisfied that the evaluation process is improving the Board's performance and effectiveness.

The Board, with the support of the Nomination Committee determines the number of external directorships and other positions a director may hold, taking into consideration the relative size and complexity of the other organisation. Annually the Nomination Committee considers other commitments of directors and whether the director has sufficient time to fulfil the responsibilities as a director to ensure they can still execute their job effectively and is free from conflicts that cannot be managed satisfactorily. Should the Committee be of the view that a director is over-committed or has an unmanageable conflict, the Chairman will meet with that director to discuss the resolution of the matter to the satisfaction of the Committee.

The role of the Chairman is formalised and an assessment of the Chairman's ability to add value and his performance against what is expected of his role and function is conducted by the Board. The lead independent non-executive director is responsible for ensuring that the performance of the Chairman is regularly evaluated. The Board and the Nomination Committee are responsible for succession planning for the position of the Chairman.

The performance of the Board, its Committees and the directors are disclosed in the integrated report. The role and responsibilities of the Board, its Committees, the Chairman and the directors are outlined in the Board charter.



# APPLICATION OF PRINCIPLES IN KING IV CODE (Continued)

## Appointment and delegation to management

**Principle 10:** The Board should ensure that the appointment of, and delegation to management, contribute to role clarity and the effective exercise of authority and responsibilities

### Executive Committee

The Chief Executive Officer (CEO) was appointed by the directors on recommendation of the Nomination Committee.

The role and function of the CEO is specified in the Board charter and the performance of the CEO is evaluated by the Board against the criteria specified.

The Board appoints members of the Executive Committee upon recommendation of the CEO and the Nomination Committee and, with the assistance of the Nomination Committee, is responsible for ensuring that succession plans are in place for the position of CEO and other members of the Executive Committee.

The Board approves and regularly reviews the framework and top level delegation of authority in terms of which matters are delegated to the CEO. The CEO is the highest executive decision-making authority of the Group and is delegated with authority from the Board for the successful implementation of the Group strategy and the overall management and performance of the Group, consistent with the primary aim of enhancing long-term shareholder value.

The CEO is not a member of the Remuneration, Audit or Nomination Committees, but attends any meeting, or part thereof, by invitation if needed to contribute pertinent insights and information.

The CEO and the Board will agree on whether the CEO may take up additional professional positions, including membership on other governing bodies outside Nu-World. Time constraints and potential conflicts of interests will be considered and balanced against the opportunity for professional development.

The Board evaluates the performance of the CEO annually against agreed performance measures and targets.

### The Company Secretary

The Company Secretary is duly appointed by the Board in accordance with the Companies Act and is not a director of the Company. The Board considers the competence, qualifications and experience of the Company Secretary annually and is satisfied that he is competent and has the appropriate qualifications and experience to serve as the Company Secretary.

The Company Secretary has a direct channel of communication to the Chairman, while maintaining an arm's-length relationship with the Board and the directors as far as reasonably possible. The role and responsibilities of the Company Secretary are described in the Board charter.

## Governance functional areas

### Risk governance

**Principle 11:** The Board should govern risk in a way that supports the company in setting and achieving its strategic objectives

The Board has direct responsibility for the governance of risk and approves Nu-World's risk policy that gives effect to its set direction on risk. Nu-World re-affirms that it is committed to effective risk management in pursuit of its strategic objectives, with the ultimate aim to grow value sustainably for all stakeholders by embedding risk management into key decision-making processes. The Board also approves Nu-World's Group top risk profile and financial risk appetite and tolerance levels, ensuring that risks are managed within these levels and considers the risk environment from time to time, as deemed appropriate and based on materiality and changes in the external and internal environments.

To support the Board in ensuring effective risk management oversight, the Board Committees are responsible for ensuring the effective monitoring of relevant Group top risks, in compliance with Nu-World's Risk Management (ERM) framework and risk policy, within the ambit of each Committee's scope. In monitoring and providing oversight on Nu-World's risk, each Committee will consider potential risks and/or opportunities as appropriate.

The Board is provided with assurance that Nu-World's approved ERM framework, process and methodology remain in accordance with best practice and good governance requirements. Nu-World's approach to increasing the probability of anticipating unpredictable risks includes regular monitoring of key developments in the external and internal environment, as well as identifying and monitoring developments associated with risks on its "watch-list" (emerging risks). At a Group level, Nu-World is implementing actions to strengthen its business continuity capabilities including Group crisis management.

Risks are considered at a Group level through the management of Group risks that may potentially impact on Nu-World's ability to achieve its strategic objectives.

### Technology and information governance

**Principle 12: The Board should govern technology and information in a way that supports the company setting and achieving its strategic objectives**

The Board is ultimately accountable for the governance of information and technology management.

The Information Management (IM) function is accountable for the operational governance of IM, which includes IT, in the Nu-World Group.

Assurance is provided that the IM controls in place are effective, information management risks are addressed and the return on major IT investments, aligned to Nu-World's strategy. External auditors perform assessments as part of their audit of IM-related controls. All significant IM related audit findings are reported to the Audit Committee and the Board and managed accordingly.

The IM risk management framework is aligned to the Group risk management framework, including third-party management and disaster recovery measures. All technology solutions impacting financial reporting are part of the external auditing scope.

Measures to ensure compliance to all relevant laws, information security and the protection of personal information are in place.

### Compliance governance

**Principle 13: The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen**

Nu-World's policy requires all Group companies and their directors and employees to comply with all applicable laws. Legal compliance systems and processes are in place and are continuously improved to mitigate the risk of non-compliance with the laws in the various jurisdictions in which Nu-World does business and also to ensure appropriate responses to changes and developments in the regulatory environment.

The Nomination Committee receives regular reports on compliance matters and oversees the Group's legal compliance programme. To the extent that legal and regulatory matters have an impact on the financial statements, reports are presented to the Audit Committee. Specific areas of law have been identified as key Group legal compliance risk areas and risk mitigation and control steps have been identified for each of these areas.

Competition law, anti-bribery and anti-corruption laws, sanction laws and safety, health and environmental laws, have been identified as key Group legal compliance risk areas, and enjoy management focus.

### Remuneration governance

**Principle 14: The Board should ensure that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term**

Nu-World's Remuneration Committee is tasked by the Board to independently approve and oversee the implementation of a remuneration policy that will encourage the achievement of Nu-World's strategy and grow stakeholder value sustainably.

The remuneration policy aims to enable the attraction and retention of skilled resources and results in rewards aligned with shareholder interests. The policy is designed to achieve the following objectives:

- To attract, motivate, reward and retain human capital;
- To promote the achievement of strategic objectives in a manner which is aligned with the Company's approach to risk management; and
- To promote positive outcomes aligned with short, medium and long term objectives, an ethical culture and responsible corporate citizenship.

In line with the recommended practices in King IV, both the remuneration policy and the implementation report will be tabled for separate non-binding advisory votes by the shareholders at the AGM in February 2024.

# APPLICATION OF PRINCIPLES IN KING IV CODE (Continued)

## Assurance

**Principle 15:** The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the company's external reports

The Audit Committee is responsible for the quality and integrity of Nu-World's integrated reporting. The Board, with the support of the Audit Committee, satisfies itself that the combined assurance model is effective and sufficiently robust for the Board to be able to place reliance on the combined assurance underlying the statements that the Board makes concerning the integrity of the Company's external reports.

Based on the results of the review of Nu-World's systems of internal control and risk management, including the design, implementation and effectiveness of internal financial controls, and considering information and explanations provided by management and discussions with the external auditor on the results of the external audit, the Audit Committee concluded that Nu-World's systems of internal control and risk management are effective.

The Group maintains a system of internal financial control that is designed to provide assurances on the maintenance of proper accounting records and the reliability of financial information used within the business and for publication. The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

A combined assurance approach has been implemented that assists in addressing control over the key risks facing the Group. Such risks and their mitigating controls are identified and controlled by management, within a risk framework determined by the Board.

The Risk Committee is responsible for amongst others, assisting the Board and management in maintaining an effective internal control environment, ensuring the integration of assurance provided and monitoring the adequacy and effectiveness of combined assurance over Nu-World's risk management process.

The Audit Committee has been delegated the responsibility for overseeing that assurance services are executed in line with the charter, which includes activities that support the achievement of an effective internal control environment, which in turn supports the integrity of information.

The Committee also assesses whether the necessary arrangements are in place to ensure that adequate skills and resources are in place and that assurance services are supplemented as required by specialist, and as applicable, external services.

## Stakeholder relationships

### Stakeholders

**Principle 16:** In the execution of its governance role and responsibilities, the Board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the company over time

Nu-World strives to ensure a systematic and integrated approach to stakeholder engagement across the Group, facilitated through engagement programmes aimed at a more systematic and integrated approach to stakeholder engagement across the Group to enable increased assurance to the Board that all stakeholder issues have been identified, prioritised and appropriately addressed.

The Board, through the Social and Ethics Committee, considers issues around stakeholder perceptions. The Committee has oversight of stakeholder engagement and management. Through regular reporting by management to the Social and Ethics Committee and the Chairman of that Committee to the Board, the Board is equipped with the necessary information to enable it to take the legitimate interests and expectations of stakeholders into account in its decision-making.

It is a business imperative that Nu-World understands and is responsive to the needs and interests of our key stakeholder groups which includes: employees and their representatives; government and regulators; shareholders; the communities around our operations; suppliers and customers; and business partners. The individual stakeholders within these groups are highly diverse, with sometimes competing interests. Nu-World is therefore constantly seeking to improve the way in which it engages with its stakeholders to effectively respond to this complexity and diversity.

Interaction with stakeholders happens during the normal course of business at multiple levels across the Nu-World Group and Nu-World strives to resolve disputes with its stakeholders effectively and expeditiously.

To ensure the company communicates with its smaller shareholders and those stakeholders who lack access to electronic media, the Company publishes and reports on details of its corporate actions and performance (including its interim and final financial results) in the main South African daily newspapers. The Company also publishes its most recent financial and operational performance and provides recent historical information, including its annual reports, on its website. The CEO and the Group Financial Director conduct regular presentations on the Group's performance and strategy to analysts and institutional investors.

# RISK MANAGEMENT

The Board is responsible for ensuring that an effective risk management programme is implemented and maintained throughout the Group.

This responsibility is discharged through the Risk and Compliance Committee which oversees the risk management process and reports to the Board on its effectiveness and the effectiveness of mitigation measures implemented where possible.

The Risk and Compliance Committee is responsible for:

- managing and co-ordinating the risk management process;
- developing frameworks, methodologies and policies related to the risk management effort;
- co-ordinating the regular risk sub-committee meetings and formal updating of divisional and corporate risk registers and risk mitigation plans;
- maintaining corporate risk and risk control information;
- ensuring that all relevant risk areas are considered including those emanating from the services of external providers and contractors;
- risk analysis and reporting to the Board; and
- ensuring appropriate alignment between the Group's risk management process, its business and corporate planning process, and budgeting process.

Executive and divisional management are accountable and required to support the risk management endeavour by identifying risk events, assessing their potential impact and likelihood, and implementing mitigation plans.

The below summary provides a context for understanding the most critical risks facing the Group:

Risks	Risk mitigation
<b>1. Market risk</b> <p>The economic environment and downturn remains a challenge for the Group. The effect of geopolitical events and high global inflation will likely result in slow economic growth.</p>	<ul style="list-style-type: none"> <li>• Increased focus on profitable areas of the business.</li> <li>• Strict working capital management.</li> <li>• Exploring new markets for our products.</li> <li>• Introduction of new divisions in both the local and offshore markets.</li> </ul>
<b>2. Liquidity risk</b> <p>Liquidity risk arises when the Group, despite being solvent, cannot maintain or generate sufficient cash resources to meet payment obligations as they fall due, or can only do so at materially disadvantageous terms.</p>	<ul style="list-style-type: none"> <li>• The Group's liquidity management framework is designed to measure and manage liquidity positions in such a way as to ensure that payment obligations can be met at all times, under both normal and considerably stressed conditions.</li> </ul>
<b>3. Information technology risk</b> <p>Information technology risk is defined as the risk of accidental or intentional unauthorised use, modification, disclosure or destruction of information resources, resulting in compromised confidentiality, integrity or availability of information.</p>	<ul style="list-style-type: none"> <li>• Regular reporting to the Group's Board in relation to IT projects underway, proposals for capital expenditure, IT governance and alignment with the strategy.</li> <li>• Continuous drive towards application improvements, implementation of new technologies.</li> <li>• Ongoing training and awareness strategies to educate staff of the methodologies and effects of cyber-crime.</li> <li>• Implementation of additional network, application and infrastructure security features to counter cyber threats.</li> </ul>

# RISK MANAGEMENT (Continued)

Risks	Risk mitigation
<b>4. Human resource risk</b> <p>Intellectual capital resides substantially in the knowledge of employees, hence skills retention and succession planning remain a constant challenge.</p>	<ul style="list-style-type: none"> <li>• Senior management incentive schemes designed to retain key personnel.</li> <li>• Succession plan in place for a number of senior management positions.</li> <li>• Multi-skilling of staff.</li> <li>• Promotion of existing staff to provide opportunities for advancement and growth.</li> <li>• Re-evaluation of packages to ensure they are market related.</li> <li>• A continuous review of employee training and development.</li> </ul>
<b>5. Legal risk</b> <p>Compliance with the JSE Listings Requirements and all legislative and regulations require the Group to constantly adapt to keep abreast of the latest changes.</p>	<ul style="list-style-type: none"> <li>• Training and awareness is continuously assessed and provided across the Group. Policies and procedures are updated to adapt to all new regulations and legislative requirements.</li> </ul>
<b>6. Customer/supplier risk</b> <p>Loss of significant customer/supplier.</p>	<ul style="list-style-type: none"> <li>• Reducing reliance on a few significant customers over time.</li> <li>• Re-establishing and nurturing relationships to ensure continuity.</li> <li>• Developing alternate suppliers.</li> </ul>
<b>7. Foreign exchange risk</b> <p>Significant volumes of imports impact the Group's exposure to exchange rate fluctuations.</p>	<ul style="list-style-type: none"> <li>• Constantly and actively monitor foreign currency exposure positions.</li> <li>• Ensure forward cover is arranged as a hedge against adverse exchange rate fluctuations in terms of approved, predefined limits.</li> </ul>

# SUSTAINABILITY REPORT

## Introduction

In pursuit of this sustainability objective, the Group embraces the philosophy of the King IV Report. The Board has approved this report and mandated the Social and Ethics Committee to take responsibility for the key sustainability issues contained in this report. The Group's Audit Committee has final oversight of the Integrated Annual Report.

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 its stakeholders.

NWHL aims to provide a balanced assessment of the Group's strategic position and performance to enable all stakeholders to properly assess its ability to continue creating value sustainability into the future. As part of this, the Board has embraced integrated reporting, seeking to provide financial and non-financial information applicable to a range of stakeholders. The Board has mandated the Company's management to ensure implementation of sustainability principles and periodically report on progress and the reasons for non-compliance, where applicable.

## Scope of report

This report covers the economic, social and environmental performance of NWHL for the year from 1 September 2022 to 31 August 2023 and is intended to provide this information to a wide range of stakeholders with an interest in its performance. These include existing and prospective shareholders and investment analysts, government (local, provincial and national), industry organisations, trade unions, employees and their families, communities in the vicinity of our operations, contractors, suppliers, customers, business partners and the media.

## NWHL commitment to all employees

Employees are the cornerstone of the Group and employee wellness and development is recognised as key factors that contribute to maintaining and building a sustainable business. Business practices are based on the values of trust, respect, commitment and loyalty. Driven from the top, management aims to create an environment where people are encouraged to act in a responsible way, work hard, build friendships and be part of a working family. The Group employs individuals with passion, who are skilled in their fields, who can contribute in meaningful ways and who can identify with the Group's values. Throughout the Group there are systems in place to incentivise, retain, and manage employees, promoting the necessary climate for positive and active employee participation, whilst benefiting the Group, its shareholders and the individuals.

## Broad-based black economic empowerment (B-BBEE)

NWHL endorses the B-BBEE strategy of the Department of Trade and Industry which supports the policy of the South African government towards an "integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of previously disadvantaged individuals that manage, own and control the country's economy, and significant decreases in income inequalities".

The major South African wholly owned subsidiary, Nu-World Industries (Pty) Ltd, has attained a level 5 accreditation in 2023. The Group will endeavour to improve on this level of accreditation.

NWHL will proceed with B-BBEE activities as and when appropriate, to ensure that the changes made and initiatives taken are sustainable, viable, and will be beneficial to our shareholders. Transformation will involve a systematic process and is not considered a short-term event.

The Group's B-BBEE subcommittee, duly constituted in 2003, has and continues to address the transformation challenges by focusing on each element separately.

# SUSTAINABILITY REPORT (Continued)

## Employment equity

The Group commits itself to non-discrimination and employment equity, whilst maintaining its commitment to quality and service excellence.

The Group encourages all its employees to undergo appropriate training and development in order to enable them to give of their best and also to realise their full potential in the work situation. The Group believes in the policy of promotion from within, in accordance with selection procedures and criteria, and such promotion is non-discriminatory and based on merit.

In the implementation of the Group's employment equity strategy the Group submitted its fifteenth Employment Equity Plan to the department of labour. The Group is positively committed to this process, which is consistent with its philosophy in respect of employee development.

A share incentive scheme has been established to provide an incentive to employees to remain in the service of the Group and increase the proprietary interest in the Group's success. Other mechanisms have also been put in place by the Remuneration Committee and sanctioned by the Board which incentivise, motivate and empower management to express dynamic entrepreneurial skills.

The employee/employer relationship is governed by the customary human resource policies, which are reviewed on a regular basis, i.e. safety, health, training and development, etc.

## Ownership

Ownership represents the greatest challenge to the Group. The Board of Directors is continually in pursuit and negotiating with various parties in an attempt to find suitable partners that would be of benefit to all stakeholders.

## Management control

The Board is in the process of identifying candidates who will add value to the Board and increase the black representation of the Board.

## Skills development

Skills development is viewed as a strategic and business imperative. The Group recognises that diversity will enable management to use differing skills, expertise and cultures to enhance our ability to provide proper employee succession and deliver sustained growth of the Group into the future. Skills development, is considered of key importance and initiatives are currently under way to formalise both internal and external training and development programs. The Nu-World School of Excellence, having been established in 2013, now actively educates selected employees as well as unemployed individuals.

## Preferential procurement

With regard to preferential procurement it should be noted that most of the Company's procurement spend is in product and components from international suppliers, and therefore our local spend is comparatively small. Nevertheless, we seek to place our local spend with black empowered and/or black-owned companies wherever possible. We also encourage the development of black-owned SMMEs by, *inter alia*, procuring services from them and assist whenever possible to allow key local suppliers to transform their business to achieve B-BBEE status.

## Enterprise and supplier development

NWHL has participated successfully in enterprise development and will continue to identify new opportunities in the future.

## Socio-economic development

NWHL has contributed in excess of 1% of net profit after tax towards socio-economic development, elements of which are included in the corporate social investment review.

## Environment

The Group acknowledges the importance of the communities who may be affected by its operations and the safe guarding of the environment is considered in the normal business decision making processes.

The Group is conscious of the fact that in carrying out its activities there is a potential risk of environmental damage. An effort has therefore been made to educate all employees in best practice so as to avoid causing long-term damage to the environment or atmospheric pollution through the inappropriate use of plant and equipment.

NWHL is committed to ensuring that its environmental management systems comply with legislation and attempts to promote the long term philosophy of continuous environmental improvement.

The Company promotes the enhancement of the quality and safety of the environment through education that develops the knowledge, awareness, attitudes, values and skills that will enable its employees to make a valuable contribution towards maintaining and improving the quality of the environment both in the work place and in the community.



## Social investment

As the Company's head office and main operations are based on the outskirts of Alexandra in Sandton, the Group's socio-economic development programs are mainly centred around development programs for the youth, elderly, woman and people with disabilities, living within the Alexandra community. The programs vary from community training, encouraging the skills development of the unemployed; support to the Alexander Police force, clinic and old age home; support for development programs for sport in the area; and programs focusing on conservation, education and waste management.

More specifically, the main beneficiaries of NWHL's Socio-Economic Development Initiatives during the 2023 financial year were as follows:

- Tswelopele Frail Care Centre, assist with upliftment and improving the lives of the marginalized, destitute, older persons and people living with disabilities.
- Kids Haven – Bryanston, Child and Youth Care Centre with prevention and after care programmes in the community.
- United Cerebral Palsy Association of SA, assist with sustainable growth, preparation of food for residents and serving the unique needs of people with disabilities.
- TAG – The Animal Guardians, assist with the care and treatments they provide to animals in the underprivileged areas and to educate those on the basics of taking care of their pets.
- The Breast Health Foundation, providing sustainable growth, specifically with the purpose to assist with education, support and navigation of breast cancer patients in the public sector.
- Oliver's Village, providing social training services at their village to uplift and educate the rural communities.
- Autism South Africa, assist with parent empowerment of autistic children in rural, under-resourced areas across Africa.
- St. Laurence's Children's Haven, donations used to assist homeless children with a home, education and general well-being daily needs.
- Abraham Kriel Bamabani, providing shelter, physical care, rehabilitation and skills development for beneficiaries that had been subjected to trauma, abuse, molestation, poverty, neglect and unemployment. This is done via residential care, community services and educational programmes.
- Rays of Hope (ECD Centre in Alexandra), providing counselling, food parcels and place of refuge to the Alex Community - especially ones affected by Gender Based Violence.
- Baby Moses Children's Sanctuary, the organisation's main activities are to care for abused, abandoned and orphaned children of all ages.

## Occupational health and safety

Overall responsibility for health and safety across the Group rests with the NWHL board. The Board is supported by human resource managers, health and safety managers as well as occupational health and safety representatives. Health and safety committees are in place to ensure that the guidelines that are set at Group level are complied with. These guidelines require that, as a minimum, all operations adhere to the legislation, regulations and codes of practice and industry standards of each country in which we operate.

The Group is continually in the process of developing and implementing a health and safety management system to improve its occupational health and safety management, in its drive to reduce the risks of/to its operations and services.

Due to regular safety, health and environment committee meetings and inspections by safety and health representatives, the Board is satisfied that all non-conformances and risks are addressed and managed as required by the safety standards and Occupational and Safety legislation.

NWHL has a HIV/AIDS wellness policy to address and manage the potential impact of HIV/AIDS on the Group's activities. In recognising the seriousness of the HIV/AIDS pandemic, NWHL has over recent years intensified its drive to minimise the number of its employees who are infected by HIV and to prolong the lives of those who are already living with AIDS.

The Company has created an environment in which employees have access to information about HIV/AIDS in the workplace.

The Company has implemented an intensive communication programme about NWHL's improved support and care system, which is aimed at:

- Improved levels of awareness and knowledge relating to HIV/AIDS at a general level.
- Enhanced management preparedness.
- Greater coverage of Nu-World's HIV/AIDS programme with regard to visibility, language adaptation and relevance.
- Increased uptake of voluntary testing activity.

# ANNUAL FINANCIAL STATEMENTS

Directors' responsibility for, and approval of the annual financial statements	37
Certificate of the Company Secretary	38
Report of the Directors	38
Independent Auditor's Report	40
Report of the Audit Committee	44
Statement of financial position	45
Statement of profit or loss and other comprehensive income	46
Statement of changes in equity	47
Statement of cash flows	48
Notes to the financial statements	49

# DIRECTORS' RESPONSIBILITY FOR, AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

The Annual Financial Statements, set out on pages 45 to 82, were prepared by management in conformity with, International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Council, the Companies Act of South Africa and the Listing Requirements of the JSE Limited and the Memorandum of Incorporation of the Company. They have been approved by the Board of Directors and have been signed on their behalf by the undermentioned directors.

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements present fairly the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Council, the Companies Act of South Africa and the Listing Requirements of the JSE Limited.

To fulfil its responsibilities, the Board of Directors has developed and continues to maintain a system of internal controls. These controls are based on established policies and procedures, are implemented by trained skilled personnel with an appropriate segregation of duties and are closely monitored by the Board of Directors.

We believe the controls in use are adequate to provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

Each of the directors' whose names are stated below, hereby confirm that:

- The Annual Financial Statements set out on pages 45 to 82, fairly presents in all material aspects of the financial position, financial performance and cash flows of Nu-World Holdings Limited, in terms of IFRS;
- To the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- Internal financial controls have been put in place to ensure that the material information relating to Nu-World Holdings Limited, and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the Group;
- The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving directors.

After conducting appropriate procedures the directors are satisfied that the Group will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the Annual Financial Statements.

The Board of Directors are primarily responsible for the financial affairs of the Group. The auditors are responsible for independently auditing and reporting on the Group's Annual Financial Statements.

The Audit Committee is comprised of four non-executive directors and meets bi-annually with the auditors. The auditors have free access to this committee.

The Financial Statements have been examined by the Group's auditors and their report is presented on pages 40 to 43. The auditors are appointed each year based on recommendation by the Audit Committee.



**J A GOLDBERG**  
Chief Executive Officer

25 October 2023



**G R HINDLE**  
Group Financial Director

25 October 2023

## CERTIFICATE OF THE COMPANY SECRETARY

I certify, in accordance with Section 88(2) of the Companies Act No. 71 of 2008 (as amended) that the Company has lodged with the Registrar all such returns as are required by a public company in terms of this Act, for the year ended 31 August 2023. Furthermore, all such returns are true, correct and up to date.



**B H HAIKNEY**  
Company Secretary

Wynberg

25 October 2023

## REPORT OF THE DIRECTORS

### NATURE OF BUSINESS

The Company is a holding Company listed on the JSE. Its subsidiaries import and export a diversified range of Electrical Appliances, Consumer Electronics and Branded Consumer Durables.

The results and state of affairs of the Group are reflected in the attached financial statements and commentary thereon is provided in the managing director's review.

### SHARE CAPITAL

#### Authorised share capital

The authorised share capital of the Company comprises 30 000 000 ordinary shares of 1 cent each and 20 000 000 "N" ordinary shares of 0,1 cent each. There were no changes in the authorised share capital during the year under review.

#### Issued share capital

During the year the Company bought back 120 924 of its issued share capital.

#### Unissued share capital

The unissued shares are under the control of the directors.

#### The Nu-World Share Incentive Trust

The Nu-World Share Incentive Trust ("the trust") was established in March 1993. In terms of the trust deed, the aggregate number of ordinary shares in the capital of the Company, which may be made available for purposes of the trust, shall not exceed 10% of the Company's issued share capital. The trust requires a minimum of two trustees. The current trustees are Messrs R Kinross, D Piaray and J M Judin. No trustee is a beneficiary of the trust. There was no repurchase of shares during the period under review.

Refer to note 26 in the attached financial statements for further details.

### TRADING STATEMENT

The Company has selected earnings per share and headline earnings per share as the key performance metrics for trading statement purposes.

### DIVIDEND

The Board has resolved to declare a dividend to shareholders of 125,3 cents per share.

### DIRECTORS

The composition of the board of directors during the year under review was as follows:

M S Goldberg (executive chairman), J A Goldberg (chief executive officer), G R Hindle, J M Judin, D Piaray, R Kinross and F J Davidson.

In terms of the Memorandum of Incorporation at least one third of the Directors are required to retire at the forthcoming Annual General Meeting, but being eligible, offer themselves for re-election.

## REPORT OF THE DIRECTORS (CONTINUED)

### SECRETARY

B H Haikney was the Company Secretary during the year under review.

Business and postal address:

The Secretary

682 Pretoria Main Road, Wynberg, Sandton, 2199

P O Box 8964, Johannesburg, 2000

### SUBSIDIARY COMPANIES

Details of your Company's investment in its subsidiaries are set out in appendix A on page 84 to the Annual Financial Statements.

### DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

The directors' interest, directly and indirectly, in the issued share capital of the Company at the yearend represented 8,97%.

### THE DIRECTORS' INTERESTS IN THE ISSUED SHARE CAPITAL OF THE COMPANY WAS AS FOLLOWS:

Name	Direct beneficial No.	Indirect beneficial No.	Total 2023 No.	Total 2022 No.
<b>Executive</b>				
M S Goldberg	384 439	437 000	821 439	821 439
J A Goldberg	1 138 879		1 138 879	1 138 879
G R Hindle	12 477		12 477	12 477
<b>Non executive</b>				
R Kinross	22 500		22 500	22 500
D Piray				
J M Judin		26 039	26 039	26 039
F J Davidson				

There has been no change in the above holdings between 31 August 2023 and the date of approval of the financial statements.

### DIRECTORS' REMUNERATION

Name	Directors' fees R'000	Basic salary R'000	Performance bonus R'000	Other allowances R'000	Total 2023 R'000	Total 2022 R'000
<b>Executive</b>						
M S Goldberg		3 272		400	3 672	3 672
J A Goldberg		5 573		717	6 290	6 290
G R Hindle		2 278		722	3 000	2 997
<b>Non executive</b>						
R Kinross	300				300	300
D Piray	300				300	300
J M Judin	350				350	350
F J Davidson	300				300	300
	1 250	11 123	-	1 839	14 212	14 209

### EVENTS AFTER REPORTING DATE

No material facts or circumstances have occurred between 31 August 2023 and the date of these financial statements.

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of Nu-World Holdings Limited

### Opinion

We have audited the consolidated financial statements of Nu-World Holdings Limited and its subsidiaries (the Group), set out on pages 45 to 82 which comprise the consolidated statement of financial position as at 31 August 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nu-World Holdings Limited and its subsidiaries as at 31 August 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matter	How our audit addressed the key audit matter
<p>Completeness and Valuation of inventories and goods in transit (Refer to note 7 in the consolidated financial statements)</p> <p>Inventories and goods in transit comprise material balances in the consolidated financial statements. Inventories being R472,7 million and goods in transit R80,6 million. The inventory held by the group is imported, resulting in the significant goods in transit balances. Inventories are valued at the lower of cost or net realisable values. Due to the nature of the inventories management is required to apply significant judgement in assessing if inventories are valued appropriately and in writing down the inventory to net realisable value where appropriate.</p>	<p>In considering the completeness of the goods in transit balances, independent confirmations were obtained from the group's shipping agents. Testing was then performed on the valuation of the goods in transit balance to confirm that this was in line with the group's accounting policies.</p> <p>In considering the appropriateness of management's judgement and estimation in terms of determining if inventories are valued at the lower of cost and net realisable value, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Attended the year-end inventory counts for material warehouses, noting the condition of inventories at year-end.</li> <li>• Assessing the reasonableness of the write downs of inventories with reference to the nature of the inventory and the slow-moving inventory reports.</li> <li>• Performing detailed testing on inventory being sold at higher than its cost.</li> <li>• Holding discussions with management with respect to the nature of the inventories and the method applied in writing inventory down to net realisable value.</li> </ul>
<p>Valuation of intangible assets (comprising of goodwill and indefinite useful life trademarks)</p> <p>As disclosed in note 4, the consolidated financial statements include goodwill of R34,4 million and indefinite useful life trademarks of R28,6 million. These assets have been recognised in the consolidated statement of financial position as a consequence of acquisitions made by the Group.</p> <p>As required by IAS 36 Impairment of Assets, the directors conduct impairment tests to assess recoverability of the carrying value of goodwill and indefinite useful life trademarks.</p> <p>This is performed using discounted cash flow models which involve a number of judgements. These include among others:</p> <ul style="list-style-type: none"> <li>• Revenue growth;</li> <li>• Operating margins; and</li> <li>• The discount rates applied to the projected future cash flows.</li> </ul> <p>The impairment testing of these assets is considered to be a key audit matter due to the value of the assets and the extent of judgement and estimation uncertainty required in performing these tests.</p>	<p>In considering the impairment testing of goodwill and indefinite useful life trademarks, we focused on the key judgements made by the directors.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Determining the lowest level of cash-generating unit by comparing the trademarks held to the revenue generated from these products;</li> <li>• Assessing the appropriateness of the discount rates used in performing the impairment test;</li> <li>• Subjecting the key assumptions to sensitivity analyses;</li> <li>• Analysing the future projected cash flows used in the models to determine whether they are reasonable and supportable; and</li> <li>• Determining the appropriateness of inputs used in the model.</li> </ul> <p>We found that the assumptions used by the directors were appropriate in the circumstances.</p>



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Nu-World Holdings Limited Integrated Report 2023", which includes the Audit Committee Report, the Directors Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, and other information included in the annual report, which we obtained prior to the date of this report. Other information does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that RSM South Africa Inc. has been the auditor of Nu-World Holdings Limited for nine years.

*RSM South Africa Inc.*

RSM South Africa Inc.  
Michael Steenkamp  
Chartered Accountant (SA)  
Registered Auditor  
Director

26 October 2023

Executive City  
Cnr. Cross Street and Charmaine Avenue  
President Ridge  
Randburg 2125

## REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 AUGUST 2023

The Board places strong emphasis on achieving the highest level of financial management, accounting and reporting to shareholders. The Audit Committee charter, which supports these principles, has been approved by the Board.

The Audit Committee, which comprises non-executive directors, reviews the scope of the audit and the accounting policies. The Audit Committee identifies key risk areas and evaluates exposure to significant risks and the appropriateness of internal controls.

The scope of the external audit and reliance on internal controls are discussed between the Audit Committee and the external auditors as part of the process of each audit. The external auditors have unrestricted access to the Audit Committee and its chairman.

The Audit Committee, with the auditors present, examines, reviews and discusses the audited Annual Financial Statements and reports to be issued to the public before being submitted to the Board for approval. The Board is provided with regular reports on the Committee's activities. The Committee recommends the appointment of external auditors, the level of fees payable and the level of non-audit services.

### Committee members

The following independent non-executive directors served on the Committee during the year:

R Kinross (Chairman)

J M Judin

D Piaray

F J Davidson

In line with King IV, the composition of the Audit Committee will be presented to the shareholders for approval at the Annual General Meeting.

### Appropriateness and experience of the Financial Director

The Committee has satisfied itself that Mr G R Hindle has the appropriate expertise and experience to meet the responsibilities of his appointment as Group Financial Director of the Group.

### External audit

RSM South Africa Inc., whose appointment was approved at the company's Annual General Meeting on 8 February 2023, were the external auditors of the Group for the 2023 financial year.

The external auditors provide an independent assessment of systems of internal financial control and express an independent opinion on the Annual Financial Statements. The external audit function offers reasonable, but not absolute assurance on the accuracy of financial disclosures.

Based on processes followed and assurances received, the Audit Committee has no concerns regarding the external auditors independence. In addition, the Committee confirms that its responsibility pursuant to paragraph 22.15 (h) of the JSE Limited Listings Requirements have been met.

The Committee has recommended, for approval at the Annual General Meeting, the re-appointment of RSM South Africa Inc. as external auditors for the 2024 financial year. The Committee has recommended Mr Eckard Bergh as the registered auditor responsible for the audit.

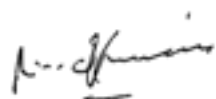
### Terms of reference

For the year under review the Committee is satisfied that it has met its responsibilities in accordance with its terms of reference, as fully set out in the integrated report.

### Annual financial statements

The Committee has recommended the Annual Financial Statements for approval to the 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 Audit Committee



R KINROSS

Audit Committee Chairman

25 October 2023

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 31 AUGUST 2023

	Note	2023 R'000	2022 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>173 118</b>	186 290
Property, plant and equipment	2	20 830	21 466
Right-of-use assets	3	41 072	55 153
Intangible assets	4	63 045	62 471
Investment in associate	5	933	900
Deferred tax	6	47 238	46 300
<b>Current assets</b>		<b>1 614 046</b>	1 484 896
Inventories	7	472 775	644 280
Stock in transit	7	80 661	74 155
Trade and other receivables	8	451 820	355 109
Prepayments	9	81 470	66 873
Other financial assets	10	3 054	6 212
Cash and bank balances		524 266	338 267
<b>Total assets</b>		<b>1 787 164</b>	1 671 186
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>1 544 970</b>	1 459 775
Issued share capital	11	16 389	19 481
Treasury share reserve	11	(42 435)	(42 435)
Foreign currency translation reserve	11	158 572	107 420
Retained earnings		1 403 424	1 366 770
Capital and reserves attributed to owners of the Company		1 535 950	1 451 236
Non-controlling interest		9 020	8 539
<b>Non-current liabilities</b>		<b>63 508</b>	74 540
Deferred tax	6	29 315	22 563
Lease liabilities	12	34 193	51 977
<b>Current liabilities</b>		<b>178 686</b>	136 871
Trade and other payables	13	141 054	99 295
Current tax liability		6 623	2 182
Lease liabilities	12	23 757	23 261
Provisions	14	7 198	12 133
Bank overdraft	15	54	
<b>Total equity and liabilities</b>		<b>1 787 164</b>	1 671 186

# CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 R'000	2022 R'000
Revenue	16	1 901 931	2 151 831
Cost of sales		1 567 232	1 698 855
<b>Gross profit</b>		<b>334 699</b>	452 976
Other income	17	90 367	9 702
Selling and distribution costs		191 243	192 146
Operating expenses		60 539	71 081
Administrative expenses		94 932	88 540
<b>Operating profit</b>	18	<b>78 352</b>	110 911
Bank interest received		16 979	2 466
Finance costs	19	6 950	9 022
<b>Profit before tax</b>		<b>88 381</b>	104 355
Income tax expense	20	(17 426)	(19 525)
		<b>70 955</b>	84 830
Share of profit attributable to associate		32	193
<b>Profit for the year</b>		<b>70 987</b>	85 023
Profit for the year attributable to:			
Non-controlling interest		409	205
Owners of the Company		70 578	84 818
		<b>70 987</b>	85 023
<b>Other comprehensive income</b>			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		51 224	68 664
Gains arising during the year		57 976	78 244
Related tax		(6 752)	(9 580)
<b>Other comprehensive income for the year, net of tax</b>		<b>51 224</b>	68 664
<b>Total comprehensive income for the year</b>		<b>122 211</b>	153 687
Total comprehensive income for the year attributable to:			
Non-controlling interest		481	955
Owners of the Company		121 730	152 732
		<b>122 211</b>	153 687
<b>Earnings per share</b>			
Basic earnings per share (cents)	21	329,9	394,3
Diluted basic earnings per share (cents)	21	329,9	394,3

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2023

	Attributable to owners of the Company						
	Issued share capital R'000	Treasury share reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
<b>Balance at 31 August 2021</b>	19 481	(42 435)	39 506	1 338 342	1 354 894	7 584	1 362 478
Total comprehensive income for the year			67 914	84 818	152 732	955	153 687
Dividend paid				(56 390)	(56 390)		(56 390)
<b>Balance at 31 August 2022</b>	19 481	(42 435)	107 420	1 366 770	1 451 236	8 539	1 459 775
Total comprehensive income for the year			<b>51 152</b>	<b>70 578</b>	<b>121 730</b>	<b>481</b>	<b>122 211</b>
Share repurchase	<b>(3 092)</b>				<b>(3 092)</b>		<b>(3 092)</b>
Dividend paid				<b>(33 924)</b>	<b>(33 924)</b>		<b>(33 924)</b>
<b>Balance at 31 August 2023</b>	<b>16 389</b>	<b>(42 435)</b>	<b>158 572</b>	<b>1 403 424</b>	<b>1 535 950</b>	<b>9 020</b>	<b>1 544 970</b>

# CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 R'000	2022 R'000
<b>Cash flows from operating activities</b>		<b>198 602</b>	(183 035)
Receipts from customers		<b>1 960 291</b>	2 065 497
Paid to suppliers and employees		<b>(1 729 738)</b>	(2 165 000)
<b>Cash generated from operations</b>	23.1	<b>230 553</b>	(99 503)
Bank interest received		<b>16 979</b>	2 466
Finance costs		<b>(2 133)</b>	(4 455)
Tax paid	23.2	<b>(12 873)</b>	(25 153)
Dividends paid	23.3	<b>(33 924)</b>	(56 390)
<b>Cash flows from investing activities</b>		<b>(1 762)</b>	(837)
Acquisition of property, plant and equipment		<b>(2 755)</b>	(981)
Proceeds on disposal of property, plant and equipment		<b>993</b>	144
<b>Cash flows from financing activities</b>		<b>(29 759)</b>	(23 463)
Repayment of lease liabilities		<b>(26 667)</b>	(23 463)
Acquisition of share capital		<b>(3 092)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>167 081</b>	(207 335)
Cash and cash equivalents at the beginning of the year		<b>338 267</b>	514 247
Effects of exchange rate changes on the balance of cash held in foreign currencies		<b>18 864</b>	31 355
<b>Cash and cash equivalents at the end of the year</b>		<b>524 212</b>	338 267



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2023

### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### 1.1. GENERAL INFORMATION

Nu-World Holdings Limited is a Company incorporated in South Africa.

The address of its registered office is 682 Pretoria Main Road, Wynberg, Sandton, 2199.

The principal business of the Company is a holding company listed on the JSE. Its subsidiaries import and export a diversified range of Electrical Appliances, Consumer Electronics and Branded Consumer Durables.

The consolidated financial statements have been presented in South African Rand, and all amounts have been rounded to the nearest thousand Rand.

#### 1.2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the IASB, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial pronouncements as issued by the Financial Reporting Council, the JSE Limited's Listing Requirements and the requirements of the Companies Act of South Africa.

#### 1.3. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis, unless stated otherwise.

#### 1.4. ACCOUNTING POLICIES

The consolidated financial statements incorporate the following principal accounting policies, which have been applied consistently to all periods presented in these consolidated financial statements unless stated otherwise.

##### 1.4.1. Standards, amendments and interpretations effective in 2023

Refer to note 34.

##### 1.4.2. Basis of consolidation

###### Subsidiaries and business combinations

Subsidiaries are entities controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income ('SPLOCI') from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 1.4.2. Basis of consolidation (Continued)

##### 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 losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Impairment losses on transactions are recognised immediately if the loss provides evidence of a reduction in the recoverable amount of current assets.

##### Non-controlling interest

Non-controlling interest represents the portion of profit or loss and the net identifiable 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 owner shareholders' equity.

##### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in OCI in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting, when applicable, the cost on initial recognition of an investment in an associate.

##### Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method and the Company's investment is accounted for at cost, less accumulated impairment losses.

Under the equity method, the investment in associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The SPLOCI reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the SPLOCI outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies into line with those of the Group.

#### 1.4.2. Basis of consolidation (Continued)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as "Share of profit attributable to associates" in the SPLOCI.

Upon loss of significant influence over the associate the Group measures and recognises any retained investment as its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### 1.4.3. Property, plant and equipment

Property, plant and equipment items are stated at cost less accumulated depreciation and accumulated impairment losses and are depreciated on the reducing balance basis to reduce their cost to their residual values over their estimated useful lives.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The estimated useful lives are:

Land	Infinite
Buildings	50 years
Motor vehicles	4 – 5 years
Plant and machinery	10 – 13 years
Office equipment and furniture	2 – 13 years
Leasehold improvements	3 – 40 years

Depreciation methods, residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount when the asset's carrying amount is greater than its estimated recoverable amount.

Profits and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

#### 1.4.4. Intangible assets

##### Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

The difference between the fair value of the consideration paid and the fair value of net tangible assets of subsidiaries at the date of acquisition is charged to goodwill arising on consolidation. Goodwill is not amortised, instead it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

If the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the Group shall:

- re-assess the identification and measurement of the identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- recognise immediately in profit or loss any excess remaining after that assessment.

##### Trademarks

The trademarks carried on the statement of financial position were acquired separately and are recognised as assets at their historical cost. Trademarks which are considered to be well-established growing brands and product lines for which there is no foreseeable limit to the period in which these assets are expected to generate cash flows, are classified as indefinite useful life assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 1.4.5. Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less any accumulated impairment losses.

#### 1.4.6. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on the weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses. Specific allowances are made for slow moving, obsolete and redundant inventories.

#### 1.4.7. Financial instruments

##### IFRS 9 Financial Instruments

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value Through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

##### Financial assets

The financial statements have the following financial assets:

- Trade and other receivables and cash and cash equivalents – classified at amortised cost

The Group recognises a loss allowance for expected credit losses on all financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective assets.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that asset is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of an asset. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on an asset that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of an asset being credit impaired at the reporting date or of an actual default occurring.

##### Financial liabilities

The financial liabilities of the Group, trade and other payables and bank overdraft are classified and measured at amortised cost.

##### Derivatives

Derivatives including forward exchange contracts are categorised as financial instruments at fair value through profit or loss. Purchases and settlements of derivative financial instruments are recognised on the trade date at cost and are subsequently measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of derivative financial instruments are recognised in profit or loss as other income or other expenses in the period in which they arise. The fair value of forward foreign exchange contracts is determined using exchange rates at the reporting date.

#### 1.4.8. Share capital and other reserves

##### Issued share capital

Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable issue costs.

##### Treasury shares

Treasury shares represent the shares in Nu-World Holdings Limited that are held by controlled entities. These shares are held at cost and treated as a deduction against Group reserves.

##### Share-based payment reserve

The share-based payment reserve represents the fair value of the share-based payment transactions entered into with employees.

#### 1.4.9. Foreign currencies

##### Foreign operations

The assets and liabilities of the consolidated foreign subsidiaries are translated into South African Rand at rates of exchange ruling at reporting date. The income and expenses are translated at the weighted average rate of exchange for the period as it approximates the exchange rates at the dates of the transactions. Aggregate profits or losses on the translation of the foreign subsidiaries are recognised in OCI and presented in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

##### Foreign currency transactions and balances

Transactions in foreign currencies are translated at the rate of exchange ruling on the transaction dates. Profits and losses on settlement of these amounts are included in profit or loss when they arise.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the rates of exchange ruling at the reporting date. Unrealised differences on monetary assets and liabilities are recognised in the SPLOCI in the period in which they occur, except when they relate to cash flow hedging activities in which case these profits and losses for the effective portion are recognised as other comprehensive income.

Non-monetary items carried at fair value, that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

#### 1.4.10. Share-based payments

The Group historically issued equity-settled share-based payments to certain employees. The equity-settled share-based payments were measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments was expensed over the vesting period, based on the Group's estimate of the shares that would have eventually vested and adjusted for the effect of non-market-based vesting conditions. Fair value had been calculated using the Black Scholes Model. The expected life used in the model had been adjusted, based on management's estimates for the effects of non-transferability, exercise restrictions and behavioural considerations. If modification to a scheme results in a non-beneficial modification, the share-based payment expense already recognised is not adjusted.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 1.4.11. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

##### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

##### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

#### 1.4.12. Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### Warranty provisions

Provision is made in respect of the Group's estimated liability on all products under warranty at reporting date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the Group's history of warranty claims.

Warranty provisions are determined with reference to historical sales, the average period of warranties granted and data available to estimate a return pattern which is likely to occur in the future periods. Allowance is made for the estimated amount to be recovered from inventory that may be salvageable in the future.

#### 1.4.13. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### 1.4.14. Significant judgements and sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

##### Impairment of trade debtors

The principles of expected credit loss (ECL) as per the requirements of IFRS 9 were applied which included considering forward-looking information based on economic and statistical significance for adjustment of historic loss rates.

##### Property, plant and equipment

Property, plant and equipment is depreciated on a reducing balance basis over its useful life to residual value. Depreciation methods, residual values and useful lives are based on management's best estimates and actual future outcomes may differ from these estimates.

##### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

##### Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves an exercise of significant judgement and estimates of the outcome of future events.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 1.4.14. Significant judgements and sources of estimation uncertainty (Continued)

##### Deferred tax assets

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

##### Share-based payments – equity

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.

##### 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 Group tax and Capital Gains Tax ("CGT") are based on the advice and management's interpretation thereof.

##### Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

##### 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.

##### Consolidated financial statements

The Group have the majority of the voting rights of the entities classified as subsidiaries. On that basis, it has been determined that there is power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

The Group have determined that there is no power over the investee's exposure to variable returns from its involvement with the investee or their ability to use its power over the investee to affect the amount of the investor's returns with respect to associates. On that basis, it has been determined that there is significant influence based on the voting rights and representation on the Board of Directors for the investees to be classified as associates.

#### 1.4.14. Significant judgements and sources of estimation uncertainty (Continued)

##### Impairment of trademarks

The Group annually tests whether trademarks with an indefinite useful life have suffered any impairment. When performing impairment testing, the recoverable amount is determined for the individual asset. If the asset does not generate cash flows that are largely independent from other assets or groups of assets then the recoverable amounts of cash-generating units that those assets belong to are determined based on discounted potential royalty savings.

##### Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is written down to their estimated realisable value when their cost may no longer be recoverable, such as when inventories are damaged or become wholly or partly obsolete or their selling prices have declined. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of write-downs to net realisable value include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and may materially affect the carrying amount of inventories at the reporting date. Refer to note 7 for impairments and the carrying value of inventories at net realisable value.

##### Warranty provisions

Provision is made in respect of the Group's estimated liability on all products and services under warranty at reporting date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the Group's history of warranty claims.

#### 1.4.15. Revenue

The Group's revenue arises primarily from the sale of goods being consumer electronics, hi-tech, small electrical appliances, white goods, liquor and furniture.

The primary customers of the Group are major retail chains and independent stores. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Products are often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The obligation for warranties have been determined not to be separate performance obligations and as such, a provision is raised at the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 1.4.16. Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgements and sources of estimation uncertainty section of these accounting policies.

#### Group as lessee

A lease liability and corresponding right-of-use asset is recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the Group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the Group is a lessee are presented in notes 3 and 12.

#### Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

#### 1.4.16. Leases (Continued)

##### Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The Group depreciated its right-of-use assets over the term of the lease.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

#### 1.4.17. Finance income

Finance income comprises interest income calculated using the effective interest rate method. Finance income is recognised in profit or loss in the period in which it is incurred.

Dividend income is recognised when the Group's rights to receive payment is established.

#### 1.4.18. Finance costs

Finance costs comprises interest paid and payable on borrowings, calculated using the effective interest rate method. Finance costs are recognised in profit or loss in the period in which they are incurred.

#### 1.4.19. Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay.

Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred. There is no legal obligation to provide benefits to employees on retirement.

##### Bonus provisions

Provision is made in respect of the Group's estimated liability on employee bonuses at reporting date. These bonuses are payable at the sole discretion of the managing director.

The amount of the provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 1.4.20. Earnings per share

##### Basic

Basic earnings per share has been calculated on the basis of net profit attributable to owners of the Group in relation to the weighted average number of shares in issue during the financial year.

##### Diluted

Diluted earnings per share is calculated adjusting the weighted average number of shares outstanding, which assumes conversion of all dilutive potential shares. The Group has only one category of dilutive potential shares: share options.

The calculation is performed for the share options to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscriptions rights attached to outstanding share options.

##### Headline earnings per share

The presentation of headline earnings per share as an alternative measure to earnings per share is required under the JSE Listings Requirements.

#### 1.4.21. Cost of sales

When inventories are sold, the carrying amount of these inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value is recognised as a reduction in the amount of the inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

---

	2023 R'000	2022 R'000					
2. PROPERTY, PLANT AND EQUIPMENT							
Cost							
Land	4 000	4 000					
Buildings	7 055	7 055					
Plant and machinery	12 738	12 721					
Motor vehicles	11 975	12 188					
Office equipment and furniture	11 476	11 365					
Leasehold improvements	4 472	4 906					
	51 716	52 235					
Accumulated depreciation and accumulated impairment losses							
Buildings	1 310	1 192					
Plant and machinery	7 480	7 537					
Motor vehicles	9 107	9 273					
Office equipment and furniture	8 918	8 664					
Leasehold improvements	4 071	4 103					
	30 886	30 769					
Net carrying amount							
Land	4 000	4 000					
Buildings	5 745	5 863					
Plant and machinery	5 258	5 184					
Motor vehicles	2 868	2 915					
Office equipment and furniture	2 558	2 701					
Leasehold improvements	401	803					
	20 830	21 466					
Movement summary							
	Land R'000	Buildings R'000	Plant and machinery R'000	Motor vehicles R'000	Office equipment and furniture R'000	Leasehold improvements R'000	Total R'000
2023							
Opening net carrying amount	4 000	5 863	5 184	2 915	2 701	803	21 466
Additions			1 137	951	667		2 755
Disposals			(335)	(206)	(114)	(339)	(994)
Depreciation		(118)	(728)	(792)	(696)	(63)	(2 397)
Closing net carrying amount	4 000	5 745	5 258	2 868	2 558	401	20 830

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 2. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land R'000	Buildings R'000	Plant and machinery R'000	Motor vehicles R'000	Office equipment and furniture R'000	Leasehold improvements R'000	Total R'000
<b>2022</b>							
Opening net carrying amount	4 000	5 982	5 761	3 554	3 121	822	23 240
Additions			213	302	402	64	981
Disposals				(19)	(91)		(110)
Depreciation		(119)	(790)	(922)	(731)	(83)	(2 645)
Closing net carrying amount	4 000	5 863	5 184	2 915	2 701	803	21 466
						<b>2023 R'000</b>	2022 R'000

#### 3. RIGHT-OF-USE ASSETS

The Group primarily leases warehousing and office buildings.

The escalation on these leases vary from 5% to 8% and the leases range in term from 2 to 5 years. Refer to note 12 for details of the corresponding lease liabilities and note 19 for related finance costs.

Details pertaining to leasing arrangements, where the Group is the lessee are presented below:

##### Buildings

Cost	<b>128 730</b>	102 713
Accumulated depreciation	<b>(87 658)</b>	(47 560)
	<b>41 072</b>	55 153
Carrying value at the beginning of the year	<b>55 153</b>	52 169
Depreciation	<b>(19 041)</b>	(17 282)
Additional lease	<b>8 602</b>	20 266
Lease cancellation	<b>(3 677)</b>	
Exchange rate translation difference	<b>35</b>	
Carrying amount at the end of the year	<b>41 072</b>	55 153



	2023 R'000	2022 R'000
<b>4. INTANGIBLE ASSETS</b>		
<b>Goodwill</b>		
Carrying amount at beginning of year	<b>33 860</b>	32 098
Exchange rate translation difference	<b>541</b>	1 762
Carrying amount at end of year	<b>34 401</b>	33 860
The carrying amount of goodwill is attributable to the following cash-generating unit: Consumer goods – direct wholesale business		
The recoverable amount of the cash-generating unit is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 10.5% per annum (2022: 10,5% per annum). Growth rate of 4.5% was used.		
Cash flow projections during the budgeted period are based on historical results adjusted for expected future growth throughout the budgeted period. These assumptions are a reflection of past experience in the operating market of the cash generating unit. The directors believe that any possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. If the estimated pre-tax discount rate applied to the discounted cash flows had been 1% less favourable than management's estimates, the Group would need to reduce the carrying value of the goodwill by R nil (2022: R nil).		
<b>Trademarks</b>		
Carrying amount at beginning of year	<b>28 611</b>	28 611
Reversal of Impairment during the year	<b>33</b>	
Carrying amount at end of year	<b>28 644</b>	28 611
	<b>63 045</b>	62 471
The carrying amount of intangible assets is attributable to the following cash generating unit: Consumer goods – direct wholesale business.		
The recoverable amount of the cash-generating unit is determined based on a value-in-use calculation which uses royalty savings covering a five-year period, with an annuity calculation thereafter and a discount rate of 10,03% per annum (2022: 10,03% per annum). Growth rate of 10% was used.		
Royalty savings projections during the budgeted period are based on historical results adjusted for expected future growth throughout the budgeted period. These assumptions are a reflection of past experience in the respective markets of these units. The directors believe that any possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. If the estimated growth in the actual cash flows had been 5% less favourable than management's estimates and the estimated pre-tax discount rate applied to the discounted cash flow had been 1% less favourable than management's estimates, the Group would need to reduce the carrying value of the trademarks by R nil (2022:R nil).		
Indefinite life trademarks are assessed as such, as management believes there is no foreseeable limit over which the group will continue to generate revenues from their continued use.		
Supporting this assumption is the fact that the trademarks held are established, well known, and can reasonably be expected to generate revenues beyond the Group's strategic planning horizon. In addition, the Group can continue to renew legal rights attached to such trademarks without significant costs, and intends to do so beyond the foreseeable future.		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

	2023 R'000	2022 R'000
<b>5. INVESTMENT IN ASSOCIATES</b>		
On 1 <sup>st</sup> September 2009 the Group acquired a 49% share of Lefase Logistics Proprietary Limited.		
Shares at cost	29	29
Equity-accounted share of profit or loss	904	871
	<b>933</b>	900
<b>6. DEFERRED TAX</b>		
Net deferred tax asset at the beginning of the year	(23 737)	(29 828)
<b>Recognised in profit or loss</b>		
Rate change	(268)	
Deferred tax income related to the origination and reversal of temporary differences	(1 322)	(255)
Exchange rate translation difference	652	(3 232)
<b>Recognised in other comprehensive income</b>		
Translation reserve	6 752	9 578
Net deferred tax asset at the end of the year	(17 923)	(23 737)
<b>Comprises:</b>		
<b>Asset</b>	(47 238)	(46 300)
Computed tax losses	(41 055)	(38 795)
Property, plant and equipment	1 563	1 729
Right-of-use assets	(4 555)	(5 620)
Provisions and accruals	(3 191)	(3 614)
<b>Liability</b>	29 315	22 563
Translation reserve	29 315	22 563
	(17 923)	(23 737)
<b>7. INVENTORIES</b>		
Finished goods	472 775	644 280
Stock in transit	80 661	74 155
	<b>553 436</b>	718 435
The amount of the write-down of inventories recognised in the cost of sales line item is R15,5 million (2022: write-down of R11,4 million).		
Cost of goods sold during the year amounted to R1 567,2 million (2022: R1 698,9 million).		

	2023 R'000	2022 R'000
<b>8. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	<b>519 688</b>	414 156
Provision for rebates and trade discounts	<b>(61 859)</b>	(55 033)
Others (aggregate of immaterial items)	<b>13 880</b>	10 408
Allowance for impairment – under IFRS 9 ECL model	<b>(19 889)</b>	(14 422)
Current	<b>451 820</b>	355 109
Set out below is the movement in the allowance for expected credit losses of trade receivables.		
As at beginning of the year	<b>14 422</b>	13 307
Allowance for losses	<b>5 071</b>	(542)
Debt written off	<b>(888)</b>	
Exchange differences	<b>1 284</b>	1 657
	<b>19 889</b>	14 422
In line with the Group's accounting policies, total accruals of R61,9 million (2022: R55,0 million) are held in respect of the Group's total trade receivables. These accruals relate to, inter alia, customer returns and claims.		
The Group has used the practical expedient allowed by IFRS 9 to measure Expected Credit Losses (ECL) using a provision matrix. The ECL calculation took forward-looking information and time value of money into account. The entity has considered balances 90 days past due to be in default and a historic recovery rate of 90% within a further 90 days was applied. Assumptions applied were that payments occurred on average midway through the month and that the prevailing prime rate of lending in South Africa is an appropriate discount rate. Forecast macroeconomic information considered included GDP, annual growth rate, inflation and employment rates. An ultimate loss rate of 2,43% (2022: 1,03%) for independents and 1,49% (2022: 1,64%) for major retailers was calculated as the proportion of trade debtors at inception that is lost.		
<b>9. PREPAYMENTS</b>		
Foreign suppliers	<b>80 763</b>	66 873
Other	<b>707</b>	
	<b>81 470</b>	66 873
<b>10. OTHER FINANCIAL ASSETS</b>		
<b>Financial instruments at fair value through profit or loss</b>		
Derivatives not designated as hedges:		
Foreign exchange contracts	<b>3 054</b>	6 212
Total current	<b>3 054</b>	6 212
Foreign exchange contracts are also disclosed in Note 28.2		

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

	2023 R'000	2022 R'000
<b>11. CAPITAL AND RESERVES</b>		
<b>11.1. Share capital</b>		
<b>Authorised</b>		
30 000 000 ordinary shares of 1 cent each	<b>300</b>	300
20 000 000 "N" ordinary shares of 0,1 cent each	<b>20</b>	20
	<b>320</b>	320
<b>Issued</b>		
22 525 541 (2022: 22 646 465) ordinary shares of 1 cent each	<b>225</b>	226
<b>Share premium</b>	<b>16 164</b>	19 255
	<b>16 389</b>	19 481
During the year the Company bought back 120 924 (2022: nil) of its issued share capital for a total consideration of R3,092 million (aggregate consideration of R25,57 per share).		
<b>11.2. Nature and purpose of reserves</b>		
<b>Treasury share reserve</b>		
The reserve for the Group's treasury shares comprises the cost of the Group's shares held by the Group. At 31 August 2023, the Group held 1 133 099 of the Group's shares (2022: 1 133 099).		
<b>Foreign currency translation reserve</b>		
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.		
<b>12. LEASE LIABILITIES</b>		
<b>Lease of warehouses and office buildings:</b>		
Non-current portion	<b>34 193</b>	51 977
Current portion	<b>23 757</b>	23 261
	<b>57 950</b>	75 238
<b>Maturity analysis</b>		
<b>Undiscounted contractual cash flows:</b>		
Payable within one year	<b>27 053</b>	27 613
Payable within two to five years	<b>36 655</b>	55 592
Payable thereafter		
	<b>63 708</b>	83 205
<b>13. TRADE AND OTHER PAYABLES</b>		
Trade payables	<b>80 794</b>	45 623
Accrued expenses	<b>26 036</b>	20 985
Value added tax	<b>11 062</b>	12 511
Others (aggregate of immaterial items)	<b>23 162</b>	20 176
	<b>141 054</b>	99 295
The directors consider the carrying amount of trade and other payables to approximate their fair value. The credit period of trade payables ranges between 30 and 90 days.		

	2023 R'000	2022 R'000
<b>14. PROVISIONS</b>		
Warranty provisions	<b>7 198</b>	12 133
<b>Analysis of movement:</b>		
Opening balance	<b>12 133</b>	21 469
Increase/(reduction) in provision recognised for the year	<b>3 287</b>	(9 176)
Utilisation of provision	<b>(8 386)</b>	
Exchange rate translation difference	<b>164</b>	(160)
Closing balance	<b>7 198</b>	12 133
The warranty provisions represent management's best estimate of the Group's liability under the 12 month warranties granted on household domestic products and electronics and based on prior experience and industry averages for defective products and new legislation.		
<b>15. BANK OVERDRAFT</b>		
Secured	<b>54</b>	
Unsecured		
The banking facilities of Yale Prima Proprietary Limited are secured by a registered fixed and floating charge over the assets of Yale Prima Proprietary Limited. Nu-World Holdings Limited has guaranteed the banking facilities of its wholly owned subsidiary, Nu-World Industries Proprietary Limited. Both the secured and unsecured facilities are repayable on demand. The outstanding amount is repayable within one year.		
	<b>54</b>	-
<b>16. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Sale of goods	<b>2 065 823</b>	2 328 525
Rebates and trade discounts	<b>(163 892)</b>	(176 694)
	<b>1 901 931</b>	2 151 831
<b>Region</b>		
Africa	<b>1 399 154</b>	1 801 320
Asia	<b>183 879</b>	99 557
Australasia	<b>456 017</b>	404 796
Europe	<b>1 793</b>	
South America	<b>24 980</b>	22 852
	<b>2 065 823</b>	2 328 525
<b>Categories</b>		
Consumer electronics	<b>1 102 730</b>	1 355 497
Home electrical appliances	<b>724 878</b>	698 308
Other consumer durables	<b>238 215</b>	274 720
	<b>2 065 823</b>	2 328 525
The Group has no contract assets arising from revenue from contracts with customers.		
There are no unsatisfied performance obligations relating to contracts with customers at year end.		
The Group has determined that no material costs are incurred to fulfil contracts and as such no costs have been capitalised in this regard.		
The Group has determined that it is the principal in all its contracts with customers.		

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

	2023 R'000	2022 R'000
<b>17. OTHER INCOME</b>		
Net foreign exchange gains	5 495	8 573
Profit on disposal of property, plant and equipment		30
Royalty income	361	
Proceeds from insurance claim on stock losses*	81 426	
Others (aggregate of immaterial items)	3 085	1 099
	<b>90 367</b>	<b>9 702</b>
*This relates to a fire at the Cape Town warehouse and marine insurance claims during the year.		
<b>18. OPERATING PROFIT</b>		
Operating profit is arrived at after taking into account:		
<b>Expenditure</b>		
Auditors' remuneration	1 559	1 764
– Audit fees	1 473	1 713
– Under provision prior year		22
– Fees for other services	86	29
Depreciation of property, plant and equipment	2 397	2 645
– Buildings	118	119
– Plant and machinery	728	790
– Leasehold improvements	63	83
– Motor vehicles	792	922
– Office equipment and furniture	696	731
Depreciation – right-of-use assets	19 041	17 282
Reversal of impairment of trademarks	(33)	
Loss on disposal of property, plant and equipment	7	
Commission paid	28 489	33 041
Royalties	29 475	29 481
Cartage costs	49 945	50 580
Short-term employee benefits	103 725	103 661
<b>19. FINANCE COSTS</b>		
Interest on bank overdrafts and loans	2 133	4 455
Lease liabilities	4 817	4 567
	<b>6 950</b>	<b>9 022</b>

	2023 R'000	2022 R'000
<b>20. INCOME TAX EXPENSE</b>		
<b>20.1. Recognised in profit or loss</b>		
<b>South African normal tax</b>		
Current tax	(13 725)	(17 724)
Current tax – prior year	402	2 280
Deferred tax	1 582	1 140
<b>Foreign tax</b>		
Current tax	(3 992)	(4 337)
Deferred tax	(1 693)	(884)
	<b>(17 426)</b>	<b>(19 525)</b>
<b>20.2. Reconciliation of rates of tax</b>		
Statutory tax rate	<b>27,00%</b>	28,00%
<b>Adjusted for:</b>	<b>(7,28%)</b>	(9,30%)
Foreign tax	<b>(6,43%)</b>	(6,11%)
Prior year adjustment	<b>(0,46%)</b>	(2,87%)
Permanent differences	<b>(0,39%)</b>	(0,32%)
Effective tax rate	<b>19,72%</b>	18,70%
<b>21. EARNINGS AND HEADLINE EARNINGS PER SHARE</b>		
Basic earnings and headline earnings per share are based on:		
Weighted average number of shares	<b>21 392</b>	21 513
Basic earnings and diluted basic earnings	<b>70 578</b>	84 818
<b>Adjusted for:</b>		
Profit on disposal of property, plant and equipment	<b>7</b>	(30)
Reversal of impairment of trademarks	<b>(33)</b>	
Total tax effects of adjustments	<b>7</b>	6
Basic headline earnings and diluted headline earnings	<b>70 559</b>	84 794
Basic earnings per share (cents)	<b>329,9</b>	394,3
Headline earnings per share (cents)	<b>329,8</b>	394,1
Diluted basic and earnings per share are based on:		
Diluted weighted average number of shares	<b>21 392</b>	21 513
Basic earnings	<b>70 578</b>	84 818
Diluted headline earnings per share are based on:		
Diluted weighted average number of shares	<b>21 392</b>	21 513
Diluted headline earnings	<b>70 559</b>	84 794
Diluted earnings per share (cents)	<b>329,9</b>	394,3
Diluted headline earnings per share (cents)	<b>329,8</b>	394,1

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

	2023 R'000	2022 R'000
<b>22. DIVIDEND</b>		
It is the Company's policy to declare only one dividend per year. The Board has resolved to declare a dividend of 125,3 (2022: 149,8) cents per share in respect of the year ended 31 August 2023.		
Dividends declared per share (cents)	<b>28 231</b> <b>125,3</b>	33 924 149,8
<b>23. CASH FLOW INFORMATION</b>		
<b>23.1. Cash generated from operations</b>		
Net profit for the year before tax	<b>88 381</b>	104 355
<b>Adjustments for:</b>		
Depreciation – property, plant and equipment	<b>2 397</b>	2 645
Depreciation – right-of-use asset	<b>19 041</b>	17 282
Loss/(profit) on disposal of property, plant and equipment	<b>7</b>	(30)
Reversal of impairment of trademarks	<b>(33)</b>	
Profit on termination of right-of-use asset	<b>(399)</b>	
Unrealised profit on exchange differences on financial instruments measured at fair value through profit or loss	<b>3 157</b>	(6 007)
Aggregate of other immaterial foreign currency translation differences	<b>1 213</b>	4 574
Finance income	<b>(16 979)</b>	(2 466)
Finance costs	<b>6 950</b>	9 022
Operating profit before working capital changes	<b>103 735</b>	129 375
<b>Working capital changes</b>	<b>126 818</b>	(228 878)
Decrease/ (increase) in inventories	<b>166 273</b>	(79 915)
Increase in trade and other receivables	<b>(75 486)</b>	(36 672)
Increase/ (decrease) in trade and other payables and provisions	<b>36 031</b>	(112 291)
	<b>230 553</b>	(99 503)
<b>23.2. Tax paid</b>		
Amount unpaid at beginning of year	<b>(2 182)</b>	(7 554)
Amounts recognised in profit or loss	<b>(17 314)</b>	(19 781)
Amounts unpaid at end of year	<b>6 623</b>	2 182
	<b>(12 873)</b>	(25 153)
<b>23.3. Dividends paid</b>		
Amounts unpaid at beginning of year		
Dividend paid	<b>(33 924)</b>	(56 390)
Amounts unpaid at end of year	<b>(33 924)</b>	(56 390)



## 24. RELATED PARTY TRANSACTIONS

### Transactions with group companies

Transactions with related parties are made at market related prices.

Nu-World Industries Proprietary Limited, Nu-World Global Investments Proprietary Limited, Conti Marketing Proprietary Limited, Conti Industries Proprietary Limited, Yale Prima Proprietary Limited and Lefase Lesotho Manufacturing Proprietary Limited are subsidiaries of Nu-World Holdings Limited. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company have been eliminated on consolidation and are not disclosed in this note. Details of transactions between related parties are disclosed below:

	Services (from) to related parties		Amounts payable to related parties		
	2023	2022	2023	2022	
	R'000	R'000	R'000	R'000	
Lefase Logistics Proprietary Limited – associate	(10 627)	(4 944)	2 209	2 371	
Key management personnel	Directors' fees	Basic salary	Performance bonus	Other allowances	Total
Name	R'000	R'000	R'000	R'000	2023 R'000
Executive directors					
M S Goldberg		3 272		400	3 672
J A Goldberg		5 573		717	6 290
G R Hindle		2 278		722	3 000
Non-executive directors					
R Kinross	300				300
D Piaray	300				300
J M Judin	350				350
F J Davidson	300				300
Key management personnel					
B H Haikney		3 826		786	4 612
T Cape					643
	1 250	14 949	-	2 625	18 824

### Summary of compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	2023	2022
	R'000	R'000
Short-term benefits	17 245	17 037
Post-employment benefits	1 579	1 508
Other long-term benefits		
	18 824	18 545

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 25. RETIREMENT BENEFITS

The Group contributes to either a defined contribution pension fund or provident fund. These funds are registered under the Pension Funds Act, 1956.

Non-scheduled employees may choose to which fund they wish to belong.

	<b>2023</b>	2022
	<b>R'000</b>	R'000
Defined contribution expense	<b>9 661</b>	9 418

#### 26. SHARE-BASED PAYMENT

Employee share purchase plan (ESPP)

Description of share-based payment arrangement

A share incentive scheme for key executives was approved by the board to incentivise individuals on a share based plan, The intention is to promote the effective participation in the Group of key employees and to incentivise and retain such employees, as of 31 August 2023, no shares had been allocated or issued by the trust.

	<b>2023</b>	<b>Weighted</b>		<b>Weighted</b>
	<b>Shares</b>	<b>average</b>		<b>average</b>
Total number of shares available to be utilised for the ESPP:		<b>exercise</b>	2022	<b>exercise</b>
		<b>price</b>	Shares	<b>price</b>
Opening balance – unissued shares	<b>1 133 099</b>	<b>37,45</b>	1 133 099	37,45
Shares purchased during the year				
Shares issued during the year				
Closing balance – unissued shares	<b>1 133 099</b>	<b>37,45</b>	1 133 099	37,45

The above mentioned shares are under the control of the Company's non-executive directors.

#### 27. COMMITMENTS

##### Other commitments

At the reporting date the Group had established letters of credit for the equivalent of R101,8 million (2022: R132,0 million) in respect of future stock commitments.

## 28. FINANCIAL RISK MANAGEMENT

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

- interest rate risk
- foreign currency risk
- credit risk
- liquidity 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 Group 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 controlled environment in which all employees understand their roles and obligations. Management undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Committee.

### 28.1. 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 borrowings with variable rates.

	<b>2023</b>	2022
	<b>R'000</b>	R'000
At the reporting date the interest rate profile of the Group's interest-bearing financial instrument was:		
Bank overdraft	<b>54</b>	

#### Interest rate sensitivity

An increase/decrease of 100 basis points (2022: 100 basis points) in interest rates at the reporting date would have affected profit before tax, 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.

	<b>2023</b>	2022
	<b>R'000</b>	R'000
<b>Increase of 100 basis points</b>		
Decrease in profit before tax	<b>(1)</b>	
<b>Decrease of 100 basis points</b>		
Increase in profit before tax	<b>1</b>	

The sensitivity analysis disclosed above is unrepresentative of the risk inherent because the year end exposure does not reflect the exposure during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 28.2. Foreign currency management

##### Foreign currency exposure

The Group's exposure to foreign currency risk at reporting date was:

	<b>2023</b>	2022
	<b>R'000</b>	R'000
Trade payables	<b>37 362</b>	13 789
Equity in foreign subsidiaries	<b>665 498</b>	467 246
Forward exchange contracts	<b>89 532</b>	68 047

The Group's policy is to cover trade commitments within an agreed treasury management policy which has been approved by the Board of Directors. The Group has entered into forward exchange contracts to cover foreign commitments not yet due.

The majority of forward cover is established to mature within a period of 90 days from the date the cover is taken and the commitments are always firm and ascertainable.

Details of these contracts are as follows:

	Forward exchange contracts		Foreign currency		Market value		Fair value adjustment	
Currency	<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022
	<b>R'000</b>	R'000	<b>'000</b>	'000	<b>R'000</b>	R'000	<b>R'000</b>	R'000
Euro	<b>2 970</b>		<b>150</b>		<b>3 075</b>		<b>105</b>	
US Dollars	<b>86 583</b>	61 835	<b>4 750</b>	3 800	<b>89 532</b>	68 047	<b>2 949</b>	6 212

The fair value of forward exchange contracts is determined based on the forward exchange rates as at reporting date.

##### Foreign exchange sensitivity analysis

The Group is primarily exposed to exchange rate fluctuations in relation to the US Dollar. An assessment of the Group's sensitivity to the Rand : Dollar exchange rate shows that should the Rand strengthen by 10% against the Dollar, the Group's profit before tax would decrease by R9,0 million (2022: R6,8 million). A 10% weakening of the Rand versus the Dollar would result in a profit of the same amount.

### 28.3. Credit risk management

Potential concentrations of credit risk consist principally of trade receivables and short-term cash investments.

The Group only deposits short-term cash surpluses with major banks of high quality credit standing. Trade receivables comprise a large, widespread customer base. The granting of credit is controlled via credit applications, rigorous credit reviews, and the assumptions therein are reviewed and updated on an ongoing basis. At 31 August 2023, the Group did not consider that any significant concentration of credit risk existed which had not been adequately provided for.

	2023 R'000	2022 R'000
<b>Exposure to credit risk</b>		
The carrying amount of financial assets represents the maximum exposure to credit risk.		
<b>Financial assets per class</b>		
Trade receivables	437 940	344 701
Other receivables	13 880	10 408
Cash and bank balances	524 266	338 267
Other financial assets	3 054	6 212
	<b>979 140</b>	699 588
<b>Trade receivables</b>		
The maximum exposure to credit risk for trade receivables at the reporting date by geographical location was as follows:		
Africa	236 253	231 205
Australasia	132 539	114 667
India	7 045	6 689
Middle East	126 561	56 508
USA	10 806	
South America	6 484	5 087
	<b>519 688</b>	414 156
<b>Ageing of trade receivables by category</b>		
<b>Major retailers</b>		
Current	163 089	153 381
30 days	96 145	97 815
60 days	57 974	32 526
+ 90 days	9 671	13 357
	<b>326 879</b>	297 079
<b>Independents</b>		
Current	54 844	29 203
30 days	19 718	29 103
60 days	19 696	6 843
+ 90 days	98 551	51 928
	<b>192 809</b>	117 077
	<b>519 688</b>	414 156

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

### 28.4. Liquidity risk

The Group manages liquidity risk by the proper management of working capital and the continual monitoring of forecasts and actual cash flows. It is further managed by ensuring adequate banking facilities are available at all times to meet cash requirements.

#### Liquidity risk profile

The maturity profile of the financial liabilities is summarised as follows:

	2023 R'000	2022 R'000
<b>0 – 12 months</b>		
<b>Non-derivative</b>		
Guarantees	24 874	24 559
Bank overdraft	54	
Trade and other payables	129 992	86 784
	<b>154 920</b>	<b>111 343</b>
<b>Derivative</b>		
Forward exchange contracts	92 607	68 047
	<b>247 527</b>	<b>179 390</b>

### 28.5. Fair value and risk management

#### Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value				
		Fair value through profit or loss R'000	Amortised cost R'000	Financial liabilities at amortised cost R'000	Total R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>31 August 2023</b>	<b>Note</b>								
Financial assets measured at fair value									
Forward exchange contracts	10	3 054			3 054		3 054		3 054
		<b>3 054</b>			<b>3 054</b>		<b>3 054</b>		<b>3 054</b>
Financial assets not measured at fair value									
Trade and other receivables	8		451 820		451 820				
Cash and cash equivalents			524 266		524 266				
			<b>976 086</b>		<b>976 086</b>				
Financial liabilities measured at fair value									
Forward exchange contracts	10								
Financial liabilities not measured at fair value									
Bank overdrafts	15			54	54				
Trade and other payables	13			129 992	129 992				
				<b>130 046</b>	<b>130 046</b>				

## 28.5. Fair value and risk management (Continued)

		Carrying amount			Fair value				
		Fair value through profit or loss	Amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
31 August 2022	Note	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Financial assets measured at fair value									
Forward exchange contracts	10	6 212			6 212		6 212		6 212
		6 212			6 212		6 212		6 212
Financial assets not measured at fair value									
Trade and other receivables	8		355 109		355 109				
Cash and cash equivalents			338 267		338 267				
			693 376		693 376				
Financial liabilities measured at fair value									
Forward exchange contracts	10								
Financial liabilities not measured at fair value									
Bank overdrafts	15								
Trade and other payables	13			86 784	86 784				
				86 784	86 784				

The fair value hierarchy reflects the significance of the inputs used to make the measurements related to the classes above. Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets. Level 2 applies inputs other than quoted market prices that are observable for the assets either directly (as prices) or indirectly (derived from prices). Level 3 applies inputs which are not based on observable market data.

Level 2 forward exchange contracts linked to quoted market rates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 29. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantage and security afforded by a sound capital position. The Group's return on capital was 4,6% (2022: 5,9%).

The Group monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Equity comprises all components of equity, net of non-controlling interest.

The Group's policy is to keep the ratio below 0,33 times. The Group's net debt to equity ratio was as follows:

	<b>2023</b>	2022
	<b>R'000</b>	R'000
Total borrowings	<b>54</b>	
Less: cash and cash equivalents	<b>(524 266)</b>	(338 267)
Net debt	<b>(524 212)</b>	(338 267)
Total equity	<b>1 535 950</b>	1 451 236
Net debt to equity ratio (%)	<b>(34,1)</b>	(23,3)

From time to time, the Group purchases its own shares on the market; the timing of which depends on the market prices. The shares are primarily intended to be used for issuing shares under the Group's share option programme. Buy and sell decisions are made on a specific transaction basis by the Risk Committee. The Group does not have a defined share buy-back plan.



### 30. SEGMENT INFORMATION

#### Geographical areas from which reportable segments derive their revenue

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the geographic location of services delivered or provided.

The Group's reportable segments under IFRS 8 are therefore as follows:

South Africa

Hong Kong

Australia

United Arab Emirates

The following is an analysis of the Group's revenue and results from operations by reportable segment:

	Segment revenue		Segment income		Segment non-current assets	
	<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022
	<b>R'000</b>	R'000	<b>R'000</b>	R'000	<b>R'000</b>	R'000
South Africa	<b>1 258 998</b>	1 637 502	<b>31 962</b>	45 156	<b>103 336</b>	116 018
Hong Kong	<b>212 184</b>	111 313	<b>19 700</b>	26 266		
Australia	<b>430 749</b>	380 164	<b>873</b>	439	<b>69 634</b>	69 714
United Arab Emirates		22 852	<b>18 043</b>	12 957	<b>148</b>	558
Total	<b>1 901 931</b>	2 151 831	<b>70 578</b>	84 818	<b>173 118</b>	186 290

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2022: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment income represents the profit after tax earned by each segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Non-current assets exclude those non-current assets classified as held for sale.

For the purpose of monitoring segment performance and allocating resources between segments:

All assets including goodwill are allocated to reportable segments. No assets are used jointly by reportable segments.

All liabilities including borrowings are allocated to reportable segments. No reportable segments are jointly liable for any liabilities.

#### Information about major customers

The Group has two customer groups (2022: two customer groups) that individually account for at least 10% or more of the Group's South African operations revenue comprising 28,2 % and 10,9 % respectively (2022: 34,3% & 13,8% respectively). No other single customer group contributed 10% or more to the Group's South African operation nor the Offshore Subsidiaries for both 2023 and 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 31. COMPOSITION OF THE GROUP

##### 31.1. Information about the composition of the Group at the end of the reporting period

Principal activity	Place of incorporation and operation	Number of wholly owned subsidiaries	Number of non-wholly owned subsidiaries
Sales of a diversified range of electrical appliances, consumer electronics and branded consumer durables	South Africa	6	0
Sales of a diversified range of electrical appliances, consumer electronics and branded consumer durables	Australia	0	2
Sales of a diversified range of branded consumer electronics	Hong Kong	1	0
Share purchase trust	South Africa	1	0
Sales of a diversified range of branded consumer electronics	United Arab Emirates	1	0

Details of non-wholly owned subsidiaries that have material non-controlling interest to the Group are disclosed below.

##### 31.2. Details on non-wholly owned subsidiaries that have material non-controlling interests

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2023	2022	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Yale Prima Proprietary Limited	Australia	31,87%	31,87%	409	205	9 020	8 539

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intergroup eliminations.

Yale Prima Proprietary Limited	2023 R'000	2022 R'000
Non-current assets	55 553	55 633
Current assets	189 847	185 433
Non-current liabilities		
Current liabilities	217 099	214 270
Equity attributable to owners of the Company	19 281	18 256
Non-controlling interests	9 020	8 539

## 31.2. Details on non-wholly owned subsidiaries that have material non-controlling interests (Continued)

	2023 R'000	2022 R'000
<b>Yale Prima Proprietary Limited (Continued)</b>		
Revenue	430 749	380 164
Profit for the year	1 283	644
Profit attributable to owners of the Company	874	439
Profit attributable to the non-controlling interests	409	205
Profit for the year	1 283	644
Other comprehensive income attributable to owners of the Company		
Other comprehensive income attributable to the non-controlling interests		
Total other comprehensive income for the year	-	-
Total comprehensive loss attributable to owners of the Company	874	439
Total comprehensive loss attributable to the non-controlling interests	409	205
Total comprehensive loss for the year	1 283	644
Net cash (outflow)/inflow from operating activities	(13 924)	9 981
Net cash outflow from investing activities	(55)	
Net cash outflow from financing activities		(42)
Net cash inflow	(13 979)	9 939

## 32. CONTINGENT LIABILITIES

The Company has signed unlimited suretyships for bank borrowings and other loan facilities and R24,9 million (2022: R24,6 million) in respect of bank guarantees, on behalf of their wholly owned subsidiary, Nu-World Industries Proprietary Limited.

On 27 March 2018, the South African Revenue Service (SARS) issued revised assessments for Nu-World Global Investments Proprietary Limited, a wholly owned subsidiary of Nu-World Holdings Limited, relating to a dispute on a Royalty Financing transaction for the 2008 to 2012 tax years, resulting in a potential tax liability of R7,96 million and interest, omissions and penalties until 31 August 2023 of R26,1 million.

In addition, on 24 May 2018, SARS issued a revised VAT assessment for Nu-World Industries Proprietary Limited, a wholly owned subsidiary of Nu-World Holdings Limited, relating to a dispute on the zero-rating of a transaction for the 2007/8 tax year, resulting in a potential VAT liability of R4,1 million and interest and penalties until 31 August 2023 of R7,1 million.

Nu-World have opposed these revised assessments and submitted Notice of Objections and Notice of Appeals to SARS on the advice of their tax advisors and senior legal counsel and has requested suspension of payment of these disputed taxes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

#### 33. ACCOUNTING STATEMENTS ISSUED, NOT YET EFFECTIVE

The Group has considered the following standards and interpretation that are effective in future periods and has decided not to early adopt any in the current year:

Standard	Details of Amendment	Annual periods beginning on or after
IAS 1 – Presentation of financial statements (Classification of liabilities as current or non-current)	Not expected to impact results but may result in additional disclosure.	1 January 2024
IAS 1 – Presentation of financial statements (Disclosure of accounting policies)	Not expected to impact results but may result in additional disclosure.	1 January 2023
IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (Definition of accounting estimates)	Not expected to impact.	1 January 2023

#### Standards and interpretations not yet effective or relevant

All other standards and interpretations that have been published and are mandatory for the company's accounting periods beginning on or after 01 September 2023 or later periods are not relevant to its operations.

#### 34. ACCOUNTING STATEMENTS ISSUED DURING THE YEAR

In the current year, the company has not adopted any new standards and interpretations that are effective for the current financial year as these are not relevant to its operations.

# SHAREHOLDERS' INFORMATION

Analysis of subsidiaries	84
Analysis of shareholders	85
Notice of Annual General Meeting	86
Form of proxy	91
Notes to the form of proxy	92
Directorate and administration	93

## ANALYSIS OF SUBSIDIARIES – APPENDIX A

AT 31 AUGUST 2023

		Interest of Nu-World Holdings Limited					
	Place of operation	Issued share capital		Effective shareholding		Shares at cost	
		<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022
		<b>Number</b>	Number	<b>%</b>	%	<b>R'000</b>	R'000
<b>Direct interest</b>							
Nu-World Industries Proprietary Limited	South Africa	<b>5 725</b>	5 725	<b>100,0</b>	100,0	<b>38 929</b>	38 929
Conti Industries Proprietary Limited	South Africa	<b>35 410</b>	35 410	<b>100,0</b>	100,0	<b>15</b>	15
Conti Marketing Proprietary Limited	South Africa	<b>4 781</b>	4 781	<b>100,0</b>	100,0	<b>15</b>	15
Yale Prima Proprietary Limited	Australia	<b>58 267 140</b>	58 267 140	<b>68,1</b>	68,1	<b>50 187</b>	50 187
Nu-World Global Investments Proprietary Limited	South Africa	<b>100</b>	100	<b>100,0</b>	100,0	<b>1</b>	1
Nu-World Property Investments Proprietary Limited	South Africa	<b>100</b>	100	<b>100,0</b>	100,0	<b>1</b>	1
Nu-World Global Limited	Hong Kong	<b>12 500</b>	12 500	<b>100,0</b>	100,0	<b>13</b>	13
Nu-World Industries Middle East DMCC	Dubai	<b>144 090</b>	144 090	<b>100,0</b>	100,0	<b>144</b>	144
Nu-World Do Brazil LTDA	Brazil	<b>1 000</b>	1 000	<b>100,0</b>	100,0	<b>1</b>	1
Lefase Lesotho Manufacturing Proprietary Limited	Lesotho	<b>1 000</b>	1 000	<b>100,0</b>	100,0	<b>49</b>	49
						<b>89 355</b>	89 355

The aggregate net profit after taxation of subsidiaries attributable to the owners of the Company amounted to R70,5 million (2022: R84,6 million).

### Indirect interest

Yale Appliance Group Proprietary Limited

## ANALYSIS OF SHAREHOLDERS – APPENDIX B

AT 31 AUGUST 2023

Shares	Number of shareholders	%	Number of shares	%
<b>HOLDINGS</b>				
1 to 25 000	1 489	96,75	1 729 688	7,68
25 001 to 50 000	25	1,62	911 650	4,05
50 001 to 100 000	7	0,45	446 908	1,98
100 001 and above	18	1,18	19 437 295	86,29
	1 539	100,00	22 525 541	100,00

### CATEGORY OF SHAREHOLDERS

Non-Public				
- Directors and Associates	7	0,45	2 021 456	8,97
- Executive and Management	3	0,19	22 590	0,11
- Share Scheme	1	0,06	1 133 099	5,03
- Strategic Holdings	3	0,19	11 779 381	52,29
Public shareholders	1 525	99,11	7 569 015	33,60
	1 539	100,00	22 525 541	100,00

### SHAREHOLDERS SPREAD

Major shareholders (excluding directors) beneficially interested in more than 5% of the Company's listed securities

Inhlanhla Ventures Proprietary Limited	7 065 894	31,20
UBS Zurich AG	4 713 487	20,81
Citibank	1 328 807	5,87
Nu-World Share Trust	1 133 099	5,03

### DISTRIBUTION OF SHAREHOLDERS

Banks	13	0,84	7 025 066	31,19
Close Corporations	20	1,30	234 085	1,04
Individuals	1 375	89,34	3 650 498	16,21
Insurance Company	1	0,08	2 000	0,01
Investment Company	1	0,08	30 885	0,14
Mutual Funds	9	0,58	522 463	2,32
Trusts	55	3,57	314 657	1,40
Private Companies	57	3,70	9 569 800	42,48
Public Companies	2	0,13	45	0,00
Retirement funds	4	0,26	36 710	0,16
Share Trust	1	0,06	1 133 099	5,02
Stock Lending	1	0,06	6 233	0,03
	1 539	100,00	22 525 541	100,00

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Nu-World Holdings Limited ("Nu-World" or "the Company") in respect of the year ended 31 August 2023 will be held in the boardroom of Nu-World at 682 Pretoria Main Road, Wynberg, Sandton at 10h00 on Wednesday, 7 February 2024 ("the Annual General Meeting").

### Purpose

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

### Agenda

1. Presentation of the audited Annual Financial Statements of the Group, including the Report of the Directors and the Audit Committee for the year ended 31 August 2023. The annual report of which this notice forms part, contains the group financial statements and the aforementioned reports. The Annual Financial Statements, including the unmodified audit opinion, is available on Nu-World's website at [www.nuworld.co.za](http://www.nuworld.co.za), or may be requested and obtained in person at no charge, at the registered office of Nu-World during office hours.
2. To consider and, if deemed fit, passing with or without modification, the resolutions set out below, in the manner required by the Companies Act, 2008 (Act 71 of 2008), as amended ("the Act"), the JSE Limited ("JSE") Listings Requirements and the provisions of the Company's memorandum of incorporation ("MOI").

Note:

For any of the ordinary resolution numbers 1 to 6 to be adopted, more than 50% of the voting rights exercised on each such resolution must be exercised in favour thereof.

### Ordinary resolution number 1

In terms of the Company's MOI, at least one third of the directors are required to retire from office at every Annual General Meeting and, being eligible, may offer themselves for re-election as directors.

Curriculum vitae in respect of each director as at 31 August 2023 appear on pages 6 and 7 of the annual report.

Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect the directors named below by way of passing the separate ordinary resolutions set out below:

- 1.1 "Resolved that M S Goldberg, being eligible and offering himself for election, be and is hereby elected as a director of the Company."

- 1.2 "Resolved that J M Judin, who retires by rotation in terms of the MOI of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

- 1.3 "Resolved that F J Davidson, who retires by rotation in terms of the MOI of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

### Ordinary resolution number 2

"Resolved to elect or re-elect, each by separate vote, the following non-executive directors as members of the Nu-World Holdings Limited Audit Committee for the ensuing year:

- 2.1 "Resolved that M S Goldberg, subject to the passing of ordinary resolution 1.1, being eligible, be and is hereby appointed as member of the Audit Committee of the Company, as recommended by the Board of Directors of the Company."
- 2.2 "Resolved that J M Judin, subject to the passing of ordinary resolution 1.2, being eligible, be and is hereby re-appointed as member of the Audit Committee of the Company, as recommended by the Board of Directors of the Company."
- 2.3 "Resolved that F J Davidson, subject to the passing of ordinary resolution 1.3, being eligible, be and is hereby re-appointed as a member and the chairman of the Audit Committee of the Company, as recommended by the Board of Directors of the Company."

Curriculum vitae in respect of each director as at 31 August 2023 appear on pages 6 and 7 of the Integrated Annual Report.

### Ordinary resolution number 3

"Resolved that RSM South Africa Inc. be and is hereby re-appointed as independent auditors of the Company (the designated auditor being Mr Eckard Bergh) for the year ending 31 August 2023, such auditors having been nominated by the Company's Audit Committee."

### Ordinary resolution number 4

Endorsement of the Remuneration Policy by way of a non-binding advisory vote.

"Resolved that by a non-binding advisory vote, the Company's remuneration policy as set out in the remuneration report on page 17 of this annual report for 2023 be and is hereby endorsed."



### Reason for and effect

The King IV Report on Corporate Governance for South Africa 2017 ("King IV") recommends, and the JSE Limited Listings Requirements ("Listings Requirements") require that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the remuneration policies adopted. Ordinary Resolution 4 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements.

The Board will engage with dissenting shareholders in good faith in the event that a vote of 25% or more is recorded against the remuneration policy, to ascertain with best reasonable effort, the reasons for the dissenting votes, and to address legitimate and reasonable objections which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes. Dissenting shareholders are also invited to engage with the Company by communicating their concerns to the Company Secretary, B H Haikney, at bhaikney@nu-world.co.za within a reasonable period after the Annual General Meeting.

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

### Ordinary resolution number 5

Endorsement of the Remuneration Implementation Report by way of a non-binding advisory vote.

"Resolved that by a non-binding advisory vote, the Company's remuneration implementation report as set out on page 17 of this annual report for 2023 be and is hereby endorsed."

### Reason for and effect

The King IV Report on Corporate Governance for South Africa recommends, and the Listings Requirements require, that the implementation of a Company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the implementation of the Company's remuneration policies. Ordinary Resolution 5 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements.

The Board will engage with dissenting shareholders in good faith in the event that a vote of 25% or more is recorded against the remuneration policy, to ascertain with best reasonable effort, the reasons for the dissenting votes, and to address legitimate and reasonable objections which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes. Dissenting shareholders are also invited to engage with the Company by communicating their concerns to the Company Secretary, at bhaikney@nuworld.co.za within a reasonable period after the Annual General Meeting.

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

### Ordinary resolution number 6

"Resolved that any of the directors of the Company and/or the Company Secretary be and are hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the registration or implementation of the resolutions set out in the notice convening the Annual General Meeting at which this ordinary resolution is to be considered."

To consider and, if deemed fit, pass, with or without modification the following special resolutions:

Note:

For the special resolutions numbers 1 to 3 to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

### Special resolution number 1

"Resolved that in terms of section 66(9) of the Act, the Company be and is hereby authorised to pay remuneration to its non-executive directors for their services as non-executive directors as listed below."

	Fees for the year ending 31 August 2024	Fees paid for the year ended 31 August 2023
Non-executive chairman	R600 000	
Lead independent non-executive board member	R376 250	R350 000
Non-executive board member	R322 500	R300 000

### Reason for and effect

The reason for special resolution number 1 is to request shareholders to approve the non-executive directors' fees payable for the 2023 financial year and hereafter until shareholders are again approached for subsequent approvals. The effect of this is that the remuneration of non-executive directors will be approved.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### Special resolution number 2

"Resolved that the Company hereby approves, as a general approval contemplated in section 48 of the Act, and in terms of the Company's MOI, the acquisition by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company (or the directors of the subsidiary company as the case may be) may from time to time determine, but subject to the MOI of the Company, the provisions of the Act and the Listings Requirements of the JSE as presently constituted and which may be amended from time to time, and provided:

- that any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;
- that this general authority shall only be valid until the Company's next Annual General Meeting or 15 (fifteen) months from the date of passing of this special resolution, whichever period is shorter;
- that a press announcement will be published as soon as the Company or its subsidiaries has/have acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition pursuant to which the 3% (three percent) threshold is reached, and in respect of every 3% (three percent) thereafter, which announcement shall contain full details of such acquisitions. Such announcement must be made as soon as possible and in any event no later than 08h30 on the business day following the day the relevant threshold is reached or exceeded;
- that acquisitions by the Company and its subsidiaries of ordinary shares in the aggregate in any one financial year may not exceed 10% (ten percent) of the Company's issued ordinary share capital as at the date of passing this general authority;
- that, in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares by the Company;

- that the Company may at any point in time only appoint one agent to effect any repurchase(s) on its behalf;
- a resolution has been passed by the Board of Directors, that the Board has authorised the repurchase, that the Company has satisfied the solvency and liquidity test contemplated in Section 4 of the Act, and that since the test was applied there had been no material changes to the financial position of the Company and its subsidiaries; and;
- that the Company may not repurchase securities during a prohibited period, as defined in the JSE Listings Requirements, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to variation) and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period."

### Reason for and effect

The reason for special resolution number 2 is to grant the Company a general authority in terms of the Act for the acquisition by the Company or any of its subsidiaries of shares issued by the Company, which authority shall be valid until the earlier of the next Annual General Meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this Annual General Meeting. The passing of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire shares issued by the Company.

### Disclosures required in terms of paragraph 11.26 of the JSE Listings Requirements:

The following additional information, some of which may appear elsewhere in this annual report, is provided in terms of the JSE Listings Requirements for purposes of the special resolution:

Major shareholders	page 85
Share capital of the Company	page 66

### Material changes

Save as disclosed in the report of the directors, there has been no material change in the financial and trading position of the Company or of its subsidiaries since 31 August 2023 and the date of this report.

### Directors' responsibility statement

The directors, whose names are given on pages 6 to 7 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and notice of Annual General Meeting contains all the information required by the JSE Listings Requirements.

### Special resolution number 3

"Resolved that in terms of section 45 of the Act, the shareholders hereby approve of the Group providing, at any time and from time to time during the period of 2 (two) years commencing on the date of approval of this special resolution, any direct or indirect financial assistance as contemplated in such section of the Act to any 1 (one) or more related or inter-related companies or corporations of Nu-World provided:

- that the recipient or recipients of such financial assistance; the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Board from time to time;
- that the Board may not authorise the Group to provide any financial assistance pursuant to this special resolution unless the Board meets all those requirements of section 45 of the Act which it is required to meet in order to authorise the Group to provide such financial assistance;
- that the Board is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test; and
- that such financial assistance to a recipient thereof is, in the opinion of the Board, required for the purpose of meeting all or any such recipient's operating expenses (including capital expenditure), and/or funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or funding such recipient for any other purpose which in the opinion of the Board is directly or indirectly in the interests of the Group."

### Reason for and effect

The reason for and effect of this special resolution is to allow the Group to grant direct or indirect financial assistance to any company or corporation forming part of the Group, including in the form of loans or the guaranteeing of their debts. This authority will be in place for a period of two years from the date of adoption of this special resolution.

### Identification, Voting and Proxies

In terms of section 63(1) of the Act, before any person may attend or participate in a shareholders meeting such as the Annual General Meeting convened in terms of this notice of Annual General Meeting, that person must present reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. The Company will regard the presentation of a participants' original valid drivers license, identity document or passport as satisfactory identification.

Each shareholder who, being a natural person is present in person or by proxy, or, being a company, is present by representative proxy at the Annual General Meeting is entitled to one vote on a show of hands. On a poll, each shareholder, whether present in person or by proxy, or by representation, is entitled to one vote for each share held.

Equity securities held by a share purchase trust or scheme will not have their votes at the Annual General Meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements. Unlisted securities and shares held as treasury shares may not vote.

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the Annual General Meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

All shareholders are entitled to attend and vote at the Annual General Meeting. Shareholders who hold their shares in certificated form or who are own name registered dematerialised shareholders who are unable to attend the Annual General Meeting but who wish to be represented thereat, are requested to complete and return the attached form of proxy so as to be received by the company any time prior to the Annual General Meeting and also at the Annual General Meeting, or with the company's transfer secretaries 48 hours prior to the Annual General Meeting being Monday, 5 February 2024. Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than by own name registration, who wish to attend the Annual General Meeting, should instruct their CSDP or broker to issue them with the necessary authority, being a letter of representation, to attend the meeting, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. Shareholders who have dematerialised their shares through a CSDP or broker, other than by own name registration who wish to vote by way of proxy, should provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. These instructions must be provided to their CSDP or broker by the cut-off time or date advised by their CSDP or broker for instructions of this nature.

Forms of proxy and/or letters of representation may be presented at any time prior to the Annual General Meeting and also at the Annual General Meeting, but to enable the Company to ensure prior to the Annual General Meeting that a quorum will be present at the Annual General Meeting, it would be helpful if proxy forms and/or letters of representation could be delivered to the Company or the Company's transfer secretaries.

### Salient Dates

Issuance of Integrated Annual Report and notice of Annual General Meeting	Wednesday, 29 November 2023
Record date to receive the notice of Annual General Meeting	Friday, 17 November 2023
Last date to trade to be eligible to vote	Tuesday, 23 January 2024
Record date to be eligible to vote	Friday, 26 January 2024
Annual General Meeting	10h00 Wednesday, 7 February 2024
Results of Annual General Meeting published on SENS	Wednesday, 7 February 2024

By order of the Board



**B H HAIKNEY**

Company Secretary

Sandton

29 November 2023

## FORM OF PROXY



### NU-WORLD HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 1968/002490/06)  
Share Code: NWL ISIN code: ZAE000005070  
(‘Nu-World’ or ‘the Company’)

For use only by certificated shareholders and own name dematerialised shareholders at the Annual General Meeting of the Company to be held at the Company’s registered office, 682 Pretoria Main Road, Wynberg, Sandton on Wednesday, 07 February 2024 at 10h00 and at any adjournment thereof.

I/We (Please print name in full)

of (address)

being a holder of ordinary shares hereby appoint

1. or failing him/her

2. or failing him/her

3. The Chairman of the Annual General Meeting as my/our proxy to act for me/us at the Annual General Meeting for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for or against such resolutions and/or abstain from voting in respect of the ordinary shares in the issued capital of Nu-World registered in my/our name as follows:

	For	Against	Abstain
Ordinary resolution 1: re-appointment of directors			
1.1 M S Goldberg			
1.2 J M Judin			
1.3 F J Davidson			
Ordinary resolution 2: appointment and re-appointment of the Audit Committee members			
2.1 M S Goldberg			
2.2 J M Judin			
2.3 F J Davidson			
Ordinary resolution 3: re-appointment of auditors and individual designated auditor			
Ordinary resolution 4: endorsement of Remuneration Policy			
Ordinary resolution 5: endorsement of the Remuneration Implementation Report			
Ordinary resolution 6: authority to sign documents			
Special resolution 1: approval to pay remuneration to non-executive directors			
Special resolution 2: general approval to repurchase shares			
Special resolution 3: approval to providing direct or indirect financial assistance			

Signed at on

Signature

Name in full

## NOTES TO THE FORM OF PROXY

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the Annual General Meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company. The attention of members is drawn to the fact that, to be effective, the completed proxy form must reach the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 5 February 2024) before the scheduled time of the Annual General Meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their Central Securities Depository Participant ('CSDP') or broker of their intention to attend the Annual General Meeting and obtain the necessary authorisation from the CSDP or broker to attend the Annual General Meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them. A form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- recorded in dematerialised form on the electronic sub-register in 'own name'.

Please note that in terms of section 58(3):

- the appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy; and delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation will take effect on the later (i) the date stated in the revocation instrument; or (ii) the date on which the revocation instrument was delivered to the proxy and the Company;
- a proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form; and
- a proxy must be delivered to the Company, or to the transfer secretary of the Company, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a shareholder at the Annual General Meeting.

All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the Annual General Meeting, must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker in the manner and cut-off time stipulated therein.

A shareholder may insert the name of a proxy or the names of an alternative proxy of the shareholder's choice in the space provided, with or without deleting "the Chairman of the Annual General Meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are filled in, the proxy shall be exercised by the Chairman of the Annual General Meeting.

A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercised by that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he deems fit in respect of all the shareholder's votes exercised thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstentions are recorded may not exceed the total votes exercisable by the shareholder or his proxy.

It is recommended that the proxy forms should be lodged with the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to the transfer secretaries at P O Box 61051, Marshalltown, 2107, to be received by them not later than Monday, 5 February 2024 at 10h00 (for administrative purposes only) provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairman of the Annual General Meeting prior to the commencement of the Annual General Meeting, at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

The form may also be emailed to [proxy@computershare.co.za](mailto:proxy@computershare.co.za)

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting, speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

Documentary proof establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the Chairman of the Annual General Meeting.

Any alterations to the form of proxy must be initialled by the signatories.

## DIRECTORATE AND ADMINISTRATION

FOR THE YEAR ENDED 31 AUGUST 2023

<b>DIRECTORS</b>	<p>Mr Michael S. Goldberg B.Com M.B.A. (Rand)</p> <p>Mr Jeffrey A. Goldberg B.Sc (Eng) (Rand)</p> <p>Mr J. Michael Judin Dip.Law (Rand)</p> <p>Mr Graham R. Hindle B.Acc (Wits) CA (SA)</p> <p>Mr Desmond Piaray Chem Eng (Natal) B.Com (Unisa) M.B.A. (Wits)</p> <p>Mr Richard Kinross B.Acc (Unisa) CA (SA)</p> <p>Mr Frank J. Davidson B.Acc (Wits) CA (SA)</p>
<b>COMPANY SECRETARY</b>	<p>Mr Bruce H. Haikney CA (SA)</p> <p>682 Pretoria Main Road</p> <p>Wynberg</p> <p>Sandton</p> <p>2199</p>
<b>REGISTERED OFFICE</b>	<p>682 Pretoria Main Road</p> <p>Wynberg</p> <p>Sandton</p> <p>2199</p>
<b>AUDITORS</b>	<p>RSM South Africa Inc.</p> <p>Registered Auditors</p> <p>Executive City</p> <p>Cross Street and Charmaine Avenue</p> <p>President Ridge</p> <p>Randburg</p> <p>2194</p>
<b>TRANSFER SECRETARIES</b>	<p>Computershare Investor Services Proprietary Limited</p> <p>Rosebank Towers</p> <p>15 Biermann Avenue</p> <p>Rosebank</p> <p>2196</p>
<b>BANKERS</b>	<p>ABSA Bank Limited</p> <p>Bank of China Limited</p> <p>Citibank, N.A</p> <p>First National Bank, a division of First Rand Bank Limited</p> <p>Investec Bank Limited</p> <p>Standard Bank of South Africa Limited</p>
<b>ATTORNEYS</b>	<p>Adams Attorney</p> <p>Unit 7, 77 Park Drive</p> <p>Northcliff</p>
<b>COMPANY REGISTRATION NUMBER</b>	1968/002490/06
<b>SPONSORS</b>	<p>Questco Corporate Advisory</p> <p>Block C, Investment Place</p> <p>10th Road, Hyde Park</p> <p>2196</p>



682 Pretoria Main Road, Wynberg, Sandton  
Johannesburg, 2199, South Africa



Tel: +27 (0)11 321 2111  
Fax: +27 (0)11 440 9920



[www.nuworld.co.za](http://www.nuworld.co.za)

