

NWK

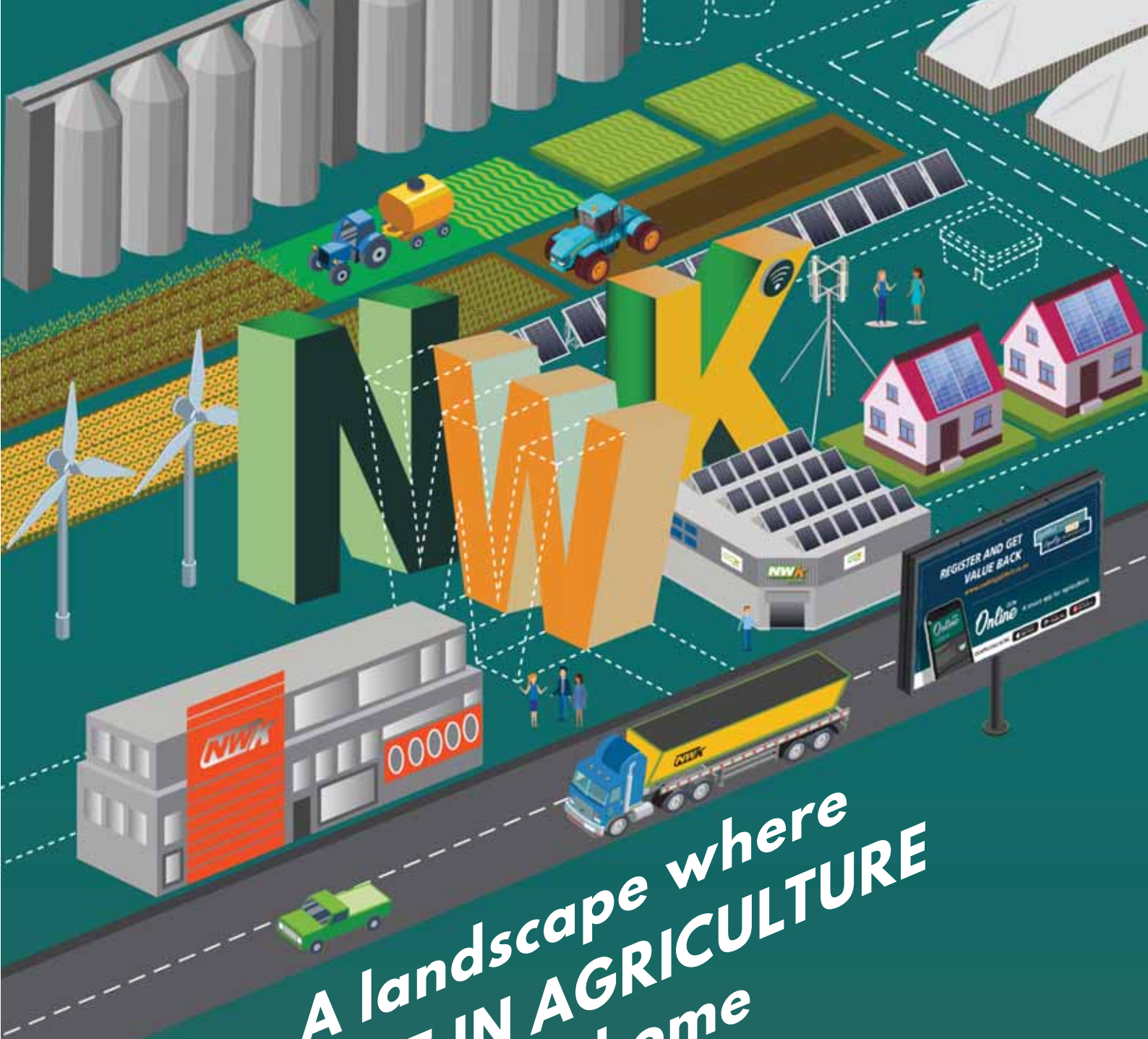
Holdings Limited
**ANNUAL
REPORT
2023**

REGISTER AND GET
VALUE BACK

Online

A new way to shop

100% Satisfaction Guarantee



A landscape where PEOPLE IN AGRICULTURE feel at home

Producers' higher income in the year under review had a positive effect on NWK's excellent earnings. The exemplary performance of the grain, general trading and financing segments confirms that the group's focus on core business is certainly paying off. Further innovation through technology, strategic expansions and a pursuit of top customer service follow shortly on its heels.

Strategy's starting point is often a picture (or a sketch or dotted line), but it requires the deliberate actions of a dynamic partner like NWK to make the future of agriculture take shape for our customers today.

It is not even necessary to look far, because for our stakeholders the company's footprint and way of doing business are easily recognisable.

INDEX

03	Chairman's overview
05	Directors' report
22	Annual financial statements
23	Approval of the annual financial statements
24	Statement of financial position
25	Statement of comprehensive income
27	Separate statement of changes in equity
28	Consolidated statement of changes in equity
29	Statement of cashflows
30	Notes to the annual financial statements
155	Sustainability information
156	Corporate governance report
171	Certificate by the company secretary
172	Report by the audit and risk committee
179	Risk management
185	Report by the human capital committee
189	Report by the social and ethics committee
194	Corporate social responsibility
197	Communication with stakeholders
199	Miscellaneous matters
207	Independent auditor's report



Chairman's OVERVIEW

FOR THE YEAR ENDED 30 APRIL 2023



After such an excellent year it is not difficult to produce a financial report and present it to the shareholders and other stakeholders. The western areas of South Africa were blessed with good rainfall and accompanying yields. We thank our Heavenly Father for the grace that NWK and its customers received.

Producers' bigger income last year had a positive effect on NWK's excellent earnings. NWK's focus on its core business, namely grain, general trade and financing, is definitely the route that produces the desired result. Sustained focus by management and staff is essential to obtain good support from customers and consequently achieve good results.

The board approved R14 million for The NWK Loyalty Programme trustees to purchase shares. The contribution and business by producers, suppliers and other role-players ensured a pre-tax profit of R360 million and an after-tax profit of R283 million. This led to equity rising by 13% to just more than R1,9 billion. The net asset value at year-end is 1 840 cents per share. An interim dividend of 31 cents per share has already been paid and a final dividend of 17 cents has now been approved.

SEGMENTAL OVERVIEW

The financial contribution by the Grain segment was R183 million. The grain bunkers that provided additional capacity in certain strategic locations had the desired effect. The upgrades to accomplish an increased in- and outloading rate have already been done and others will be ready for the 2023 intake. More bunkers will be erected to optimise grain acquisition and grain receipts. The limited expansion of the logistics fleet also made its modest contribution to these figures. Customer service and customer satisfaction are extremely important to retain and expand the loyal support that is already there.

The growth in Mechanisation, which falls under the General Trade division, is remarkable. In the financial year under review 378 tractors and 25 combine harvesters were sold. This is an increase of 39% and 150% respectively. In Retail, the franchises in Schweizer-Reneke and Bultfontein started doing business during the past year and the franchise in Bloemhof was converted to a full branch of NWK. The franchise in Beestekraal started doing business again with a new owner and at new premises. Other acquisitions also occurred, like the Total filling station in Lichtenburg. The solar division commenced doing business in October and several installations have already been completed for customers. The contribution by General Trade was R178 million.

The current high interest rates, accompanied by astronomically high production costs, made it difficult for producers, given the security available. NWK's borrowing rate off course also increased and strategic preseason stock purchases were also negatively affected by higher interest rates. The military invasion of Ukraine by Russia – which is in its second year – still has a negative and upwards effect on the price of most production materials globally. The Agricultural Management Services department plays a leading role in assisting producers to produce optimally with abnormally high input costs, and is well supported by the Financing department. The debtors book is healthy and good security is in place.

Because of the calculated growth in the Grain and General Trade departments, the expenditure of Information Technology and other Support Services is also somewhat higher. Expansions in remote locations and consequent new connections are carried out and completed speedily so that business can commence quickly.

Epko, the sunflower crushing plant, was again wholly owned by NWK by year-end. The 50% interest of LDC was acquired by NWK and it can be regarded as a strategic step by the board to develop other markets for sunflower oil too. Epko was requested to make adjustments to the factory to crush soybeans as well, as the production of soybeans in NWK's service area has increased significantly.

NWK once again provided and employed funds to help improve or maintain infrastructure in the towns and roads throughout the area. The provincial and local governments have failed miserably in their task and corruption and maladministration are the order of the day. It is a bad day for a society if taxpayers have to do the work themselves and then still have to pay tax. NWK will, as far as it is able to, continue on a limited scale in providing services.

The power supply by Eskom is and was a nightmare during the past year. Considerable costs were incurred for diesel for generators and for solar systems for the head office and other service points in an attempt to keep service levels on the same standard.

In a society that is not always normal and fair, the secretariat and legal services provide valuable services to keep NWK on the right track within the regulatory environment.

The board is once more planning a scheme to present to shareholders in terms of which shareholders older than 70 can offer their shares to NWK under certain conditions and have them bought back by NWK. The financing for the proposed scheme will be investigated by the board and presented to the shareholders at a suitable time.

THE GRAIN BUNKERS THAT PROVIDED ADDITIONAL CAPACITY IN CERTAIN STRATEGIC LOCATIONS HAD THE DESIRED EFFECT

ACKNOWLEDGEMENTS

NWK is privileged to have a management team led by Theo Rabe that is prepared to walk the proverbial extra mile for NWK. Furthermore, the Human Capital department makes sure that a well-informed and trained personnel corps is available to provide services at all levels. The loyalty of NWK's staff needs to be mentioned, and I would like to thank each and everyone of them.

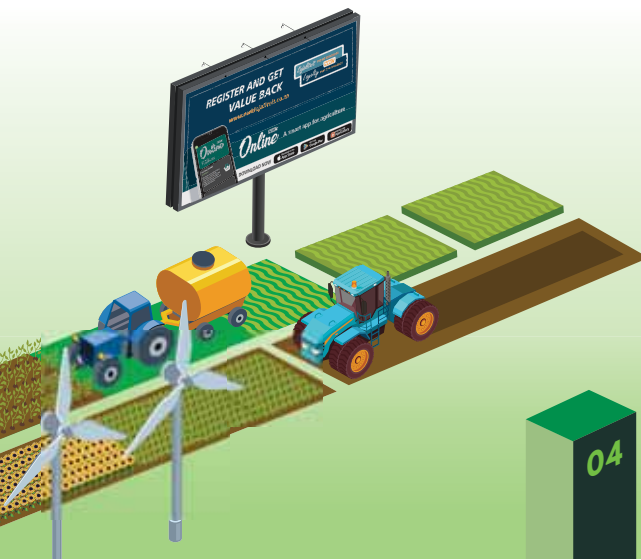
Grant me the opportunity to thank the vice-chairman, Lemmer Vermooten, every committee chairman and other board members for their support and loyalty towards me and the contribution they all made to make NWK an influential institution and to ensure that NWK will remain the 'Dynamic partner in a changing business environment'.



Heinrich Krüger
CHAIRMAN

13 July 2023

The chairman's overview has not been audited or reviewed independently.

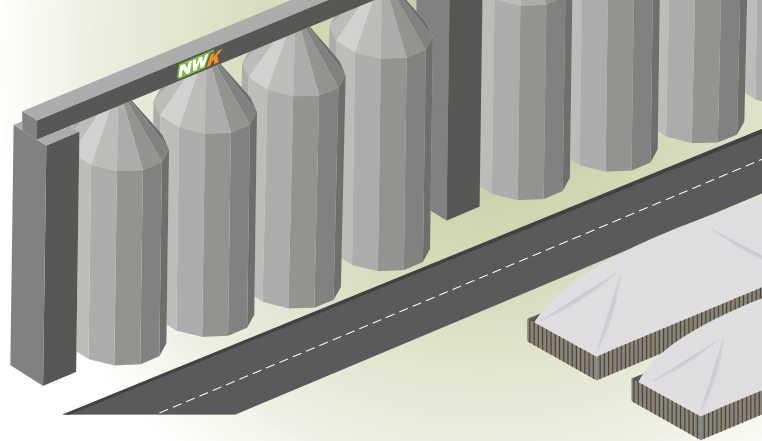


04

CHAIRMAN'S OVERVIEW

Directors' REPORT

FOR THE YEAR ENDED 30 APRIL 2023



The NWK group once again reached new heights by achieving the highest profit in its existence of 114 years. The previous highest profit was achieved in the previous year. The favourable weather conditions played a major role in achieving the results – not only this year, but also in the three years before that.

The profit of R283 million for the year after tax compared to the profit of R267 million for 2022 represents an increase of R16 million or 6%.

Although a record profit was achieved, the year under review contained a mixed basket of challenges. On the side of grain and oilseed production the yields per hectare were generally higher than the long-term average. However, the grades were not of a high quality and this had a direct effect on the price in the pocket of the producer. To silo owners, managing all the permutations of grades with the available storage capacity was a nightmare, to which was added the wet grain that was also received. It was a major challenge to producers too, with input costs at the highest levels ever. We are grateful that the grain and oilseed selling prices were also at record levels.

Over the past four years input costs have almost doubled. Input costs consist mainly of seed, fertiliser, chemicals and diesel. Add to this extremely high prices for mechanisation equipment, and then the cost management for producers at farm level is extremely challenging. The further challenge of our national power supplier with regard to the delivery of electricity and also the safety challenges in rural areas with notable absent policing demand a very special person to continue producing food. In fact, the group spent approximately R23 million on fuel for generators during the year.

Generally speaking, all our business units performed outstandingly, and we congratulate the management and staff of the group with this achievement.

After a few years of discussions and negotiations with our partner at the sunflower oil press, the NWK Limited board approved the re-acquisition of the full interest in Epko Oil Seed Crushing (Pty) Ltd. The transaction came into effect on 30 April 2023 and NWK Limited is now the 100% shareholder in Epko. The biggest challenge to the board is to ensure that Epko receives a constant supply of electricity. With Stage 6 load-shedding it is virtually impossible to operate the facility profitably.

At the end of November 2022 Nico Pieterse, the Senior Manager: Grain, decided to leave our employ. Nico was part of the executive management team and we thank him for his contribution to the group. In the meantime, Jaco du Rand was appointed in the position. He has been a part of the NWK team for some time. The board would like to congratulate Jaco with his appointment and looks forward to his contribution at executive level.

STRATEGY

The group is in the process of stabilising its growth programme, and will seize opportunities as they occur. Over the past two years, the Grain segment has expanded to 105 000 tons of storage capacity, and 50 000 tons of capacity are being constructed and are already receiving grain.

The Retail segment has added four concession retail stores to the network, and a further concession store at Bloemhof was taken over to become a fully fledged NWK Retail store. There is also one concession store that will open in Kroonstad soon to expand our footprint further.



NWK has, for the past 12 years, developed an aid to support customers and producers in particular with their operations. The NWK Online app is purposefully marketed with the theme of 'Let's talk Online' to make our customer base aware of the functionalities. The group has also acquired an agency to market drone technology. We predict that this technology will make a major impact in the farming environment in the foreseeable future.

The group will furthermore focus intensely on the management of cashflow. Our cashflow as agricultural company is placed under pressure on the side of purchases and sales. As we finance input resources and also grain sales, cashflow is under great pressure during certain periods of the year.

It is impossible to do business sustainably in the rural areas without investing in renewable power supply, and capital projects of approximately R47 million have been approved that will be brought into operation in the coming financial year.

FOCUS AREAS OF THE BOARD

- ▲ Launching a further buyback of shares offer by the company of shares held by shareholders aged 70 years and older;
- ▲ Review and adoption of a compliance policy and framework for the NWK group;
- ▲ Appointment of non-ward director(s);
- ▲ Review of board and board committee charters;
- ▲ Board succession planning;
- ▲ Reviewing the ward demarcation areas; and
- ▲ Investigating a suitable ESG reporting framework.

AGRICULTURAL COMMODITIES

WEATHER

The 2022/2023 production season started off with little rainfall during spring. During November and December, we received sufficient rainfall so that planting could commence throughout the traditional NWK service area, but we hit a dry spell from January to April, with only February seeing good rainfall. The average rainfall in the eastern region from Lichtenburg towards Gauteng was 652 mm for the 2022/2023 season.

Compared to the east, the western region had a lower average rainfall, which is a normal trend. The western region's average rainfall for the 2022/2023 season was 586 mm. Overall, the average rainfall for 2022/2023 was 614 mm, which is normal for North West. The region received 77,11% of the rain for the 2021/2022 season, which was expected. The average of 810 mm for the 2021/2022 season was above normal.

During the 2021/2022 season heavy rains were experienced over most of the NWK service area during March and April, which caused the unfortunate black swan event of the 2022/2023 season.

For the first time in history, there was a 50/50 split between Grade 1 and lower grade maize. The same rainfall pattern was not repeated during the 2022/2023 season. Instead of above normal rain during March and April, the occurrence of a high-pressure cell above our region caused a dry period for January. Fortunately, timely rainfall during February brought relief. Due to rainfall subsiding from March, the harvesting season started earlier than expected. Producers started harvesting soybean and sunflower crops from March, finishing up in early May. Most producers will start harvesting maize from the beginning of June, which is a welcome change from the late harvest of the past two seasons.

**THE OCCURRENCE OF A
HIGH-PRESSURE CELL
ABOVE OUR REGION
CAUSED A DRY PERIOD
FOR JANUARY**

GRAIN DIVISION

We reckoned the 2021/2022 financial year was the most challenging since the free market for grain was established in South Africa, but the 2022/2023 year brought some new challenges of its own. Since the war between Ukraine and Russia started on 24 February 2022, fuel price adjustments have been the most volatile in history. We saw an initial diesel price of R18,04/litre (2 February 2022) skyrocket to R25,53/litre (5 July 2022), before settling back down around levels of R20,97/litre in April 2023. The marketing team anticipated that fuel prices would be greatly affected and made sure to add fuel-price adjustment clauses to all mill-door contracts.

Apart from the hike in fuel prices affecting contracts, interest rates have also increased rapidly from a repo interest rate of 4,25% in May 2022 to 7,75% in April 2023. Coupled with higher and more volatile Safex price levels for most of the marketing year, the three factors of heavy rains, unstable fuel prices and rising interest rates resulted in drastic basis price increases on mill-door contracts in particular, putting margins under pressure. This called for more strategic management of stock levels in particular, as carry costs could easily outweigh budgeted margins expected. The white maize price for the 2022/2023 season started trading at levels around R4 583/ton (May 2022 average) and subsequently increased to R5 319/ton (average) in November 2022. It then retracted to R3 715/ton (April 2023 average) at the end of the 2022/2023 season. The same pattern can be seen in the trading of yellow maize, soybean and sunflower, all impacting interest costs negatively as part of carry cost calculations.

The increased volatility of commodity prices was so drastic that it reached a new peak during the 2022/2023 season. Increasing Chicago Board of Trade (CBOT) prices, as well as a weakening rand/dollar exchange rate, were the main reason for the increase in commodity prices from May 2022 to October 2022. From November 2022 the rand/dollar exchange rate started to strengthen, causing commodity prices to drop. As from February 2023 the CBOT base price saw lower levels. Lower prices on international markets, combined with an expected larger local crop, put additional pressure on the market, resulting in lower commodity prices.

Together with the economic challenges, a big percentage of lower grade maize was received during the 2022/2023 season and called for more strategic management. Silo Services still accommodated lower grade stock from producers by offloading all deliveries and segregating the stock. However, this risk of the large volume of lower grade maize was managed by the grain marketing team, firstly by targeting mills that can accommodate lower grade stock. Secondly, the division bought only a limited amount of lower grade stock at first to manage the inherent risk involved in the resale. Negotiations with local mills, feed mills and export contracts continued, as volumes and also grade discounts varied considerably, making profitable transactions a challenge while having the goal to assist producers in providing a marketing channel for the normal and lower quality grain alike.

In spite of the multitude of new challenges, the Grain Segment still managed to achieve a profit of R183 million for the 2022/2023 financial year. The profit was R9 million or 5% higher compared to the previous financial year.

SILO SERVICES

NWK Silo Services consists of 39 grain facilities that are currently operational. The grain facilities are equipped to receive, store and outload various grain and oilseed products by road and some also by rail. A variety of grain services are offered at these grain storage sites.

The facilities are continuously upgraded to provide producers and customers with a faster and more efficient service. As an additional service to producers, NWK has drying and cleaning facilities to receive grain that does not comply with the minimum grading regulation parameters. The profitability of Silo Services is to a large extent dependent on the volume of grain received, the quality received and the duration of storage uptake by the market – and a strong focus to develop and utilise the strategic partnership between Silo Services, Grain Marketing as well as Logistics. The grain receipts for the past agricultural season amount to 4% less than the previous season. The financial result increased by 11% when compared to 2021/2022.



**UPGRADING PROGRAMMES
WILL RESULT IN IMPROVED
EFFICIENCY TO BENEFIT
PRODUCERS AND HELP KEEP
SILO RATES COMPETITIVE**

The 2022/2023 season at Silo Services kicked off with low volumes of carryover grain, which is seen as pipeline stock as the season transitions from the old crop to new crop deliveries. A high demand for grain and a harvest season that had commenced 35 days later than expected resulted in a challenging period for Silo Services in terms of loading stock from a limited number of silos, putting immense pressure on equipment to load out as much as possible in order to fulfil the high demand for stock from the market. A significant amount of grain had to be loaded after hours between the limited number of silos to accommodate buyers that needed grain to continue their operations.

Producers were again encouraged to deliver directly to mills and feed manufacturers to relieve some pressure on the silos. This strategy was also useful to divert stock from silos that were most likely to have capacity issues because of the large harvest that was expected. In general, the main harvest commenced approximately four weeks later than usual, with certain silos outloading record numbers of trucks per day at the same time as doing the intake of producer grains.

When producers could eventually start harvesting, several silos were receiving grain from Monday to Saturday in order to provide sufficient time to accommodate the strong deliveries from farms. In order to receive the harvest successfully, several challenges like load-shedding and the availability of trucks to transfer stock from silos filled to capacity to larger silos with available capacity were managed. However, processors and producers were able to unload and deliver grain continuously because power-generating units had been installed at all the silos. Infrastructure such as access routes to silos had also received attention, for example by scraping dirt roads and repairing potholes.

After the receiving season, our outloading programme started and grain was dispatched at a high rate. Grain outloading slots were again implemented to be able to utilise all silos to optimum outloading capacity and to ensure customer satisfaction. Most of the silos had been outloaded to completely empty levels by the last two months of the financial year. The remaining silos with grain inventory were under severe pressure to comply with the outload needs of buyers, and some outlets were kept open on a 24-hour basis. Very low volumes of carryover stock were noted at the end of May 2023 into the new season.

Various audit actions were carried out by the JSE, PPECB and various other institutions, and NWK complied with all the applicable requirements for the handling and storing of grain and no shortfall on silo stock against contracts was noted. Various capital projects were launched and completed, including the speeding up of grain intake and increasing storage space at silo locations. To accommodate the need for additional storage, grain bunkers were erected at the Nootgedacht, Biesiesvlei and Rostrataville silos. Further projects such as solar power generation units at three silo complexes to reduce the dependency on electricity from the national supplier were initiated and are set to be operational during the next grain season.

NWK will continue to improve the intake speeds, increase capacities, and utilise its existing storage capacity and therefore unlock value to the benefit of stakeholders. These projects have been carried out in a cost-effective manner to meet demand from producers and customers who outload from our facilities without over capitalising in the system. These upgrading programmes will not only result in improved efficiency to benefit producers, but also help keep silo rates competitive.

GRAIN MARKETING

Grain Trading has become a significant contributor to the profit of the Grain Department by adapting to the changing environment and providing the grain industry with a suitable market channel through which grain can be both sourced and outloaded. A volume of 1 814 045 tons of grain was traded for the 2022/2023 financial year.

The profitability of the department decreased by 33% when compared to 2021/2022. The decrease in profit was mainly due to an increase in interest costs, caused by higher interest rates and Safex prices. Most mill-door contracts had fuel clauses to limit the risk of increasing fuel prices, but the rapid increase of 3,5% in interest rates was not anticipated or provisioned. Due to high prices at harvest, 73% of delivered grain was priced either during or in the last month of harvesting, further resulting in high carry costs to the division, which has to secure stock in suitable locations against mill-door contracts.

The marketing team focused on its existing and core buyers who trade mill-door contracts for up to a year in advance. The strategy has proven successful and has grown considerably in size as the team seeks to increase deliveries to existing clients and then as a second phase attracting delivery to new off-takers. This strategy is especially important in the eastern region, where strong competition with other off-takers and traders is prevalent.

A stronger focus is placed on deliveries directly from farms to mills and feed manufacturers near the eastern region towards Gauteng and Rustenburg.

During the 2022/2023 season the split between mill-door and ex-silo contracts was nearly 50/50. Due to lower demand from countries bordering South Africa, the demand for ex-silo stock was low. The marketing team had to focus on securing more mill-door contracts to sell stock.

LOGISTICS

Logistics consists of 35 trucks and operates a mixture of bottom dumpers and side tippers. A significant volume of 997 716 tons of grain was transported by the own fleet and contractors combined for the 2022/2023 financial year. Tonnage transported was less than in the previous season due to the focus shifting to longer haul routes rather than moving more volumes over short distances. The profitability of the department increased by 34,6% when compared to 2021/2022.

Logistics has become a crucial part of the segment's strategy to ensure growth in market share, especially during the harvest season. Logistics also played a crucial role in executing delivered grain contracts to millers and food processors as more contracts are accessed by the Grain Marketing Division. Customer service and efficiency in delivering grain to customers remain a priority and building partnerships in such a way that NWK Logistics is seen as the preferred transport supplier and is securing contracts and ensuring more effective logistical planning and execution of business.

The earlier-than-expected harvest had a direct impact on demand for trucks during harvest. The Logistics Division complied with the demand by subcontracting transport companies from other industries to assist with the transport of grain from the different areas to the silos and millers alike. Even taking into consideration this influx of additional transport capacity, the demand for transport still exceeded the supply.

During peak harvesting up to 290 trucks were contracted daily to transport grain. This was a highly successful operation and significant volumes of grain were delivered to silos, millers and food processors. As part of the strategy to improve the efficiency of the fleet, 15 new trucks were purchased to replace 15 ageing second-hand trucks. The cost-effectiveness and efficiency of these trucks made a significant difference in the overall performance of the division. Because of the high fuel price hikes, it meant that trucks with better fuel efficiency mitigated some of this cost.



Transport margins post-harvest were under pressure due to the lower volume of transport work being available as a direct effect of lower milling figures from the milling industry in particular. Fuel costs for the financial year were much higher than anticipated and resulted in a negative deviation. Virtually all the trucks in the NWK fleet were allocated to service internal contracts from Silo Services and Grain Marketing, while subcontracted vehicles tended to contracts outside NWK's internal business.

Standing time, costly repairs, breakdowns and uncompetitive fuel consumption on remaining used and outdated trucks continue to put margins and effectiveness under pressure. A focus to do internal business as efficiently as possible with increased service levels will remain strong as part of the Betrokka strategy.

PROSPECTS

Good rains received in the autumn of 2023 meant that producers could again harvest summer crops with a favourable yield during 2023/24 and deliveries could very well be characteristic of an early harvesting season. It is noted that soybean hectares have nearly doubled, resulting in fewer hectares devoted to sunflower planting.

Lower grain prices could discourage producers from pricing stock during the harvesting season and motivate holders of stock to price later rather than during the harvest season. South Africa is set to produce in the region of 3 million tons of exportable surplus on maize, which will see markets trading closer to export parity until the surplus has been exported.

The current expectation is that the Grain segment will still be able to make a strong contribution to the group's results in the coming financial year. It is the aim of the NWK Grain Department to always be a dynamic partner to our producers and customers, and provide value to shareholders' investment in the company.

IT IS THE AIM OF THE NWK GRAIN DEPARTMENT TO ALWAYS BE A DYNAMIC PARTNER TO OUR PRODUCERS AND CUSTOMERS, AND PROVIDE VALUE TO SHAREHOLDERS' INVESTMENT

TRADE

RETAIL

The effect of the higher inflation and concomitant increase in interest rates have led to a decline in sales of consumables in particular. Persistent power cuts have also had an effect on the use of irrigation equipment by customers, which has further led to a decline in the sale of irrigation equipment. Sales of building materials were also under pressure and the desired results were not achieved for this range.

The involvement in the sale and installation of solar systems met expectations and to a certain extent compensated for the lower-than-expected sales of other ranges. The opening of the filling station in Vryburg, as well as the purchase of the Total filling station in Lichtenburg, contributed significantly to the sale of fuel.

Although the sale of agrochemicals was above budget, the midsummer drought had a great impact here too. Drops in the price of glyphosate and the fact that more stock was available than had been predicted placed the margins under pressure.

The outlet in Brits did not yet meet expectations, but other new outlets like Beestekraal, Bultfontein and Schweizer-Reneke produced very good results.

MECHANISATION

This department once again performed very well and the sale of farming implements was surprisingly good. A record number of tractors and harvesters were once more sold. All the subdivisions exceeded their budget. The growth in the department necessitated the appointment of additional staff to ensure that the expectations with regard to service delivery could be met.

The outlet in Kroonstad achieved very good results and showed that the decision to invest there had been the right one.

FERTILISER

The liquid fertiliser factory again produced exceptionally good results, which can be attributed to the purchasing strategy that is followed.

The factory is in the process of undergoing maintenance in order to remove all asbestos from the structure.

As far as the sale of granular fertiliser is concerned, purchase prices were excessively high at the beginning of the season, and then gradually started dropping. This placed margins under continuous pressure. The consequence of the declining prices was that cost prices had to be adjusted downwards, which had a negative effect on the results of the division. However, the division still managed to end the year with a positive result.

AGRICULTURAL LIMESTONE MINING

The production plants produced solid operational performance, with the upgraded plants continuing to deliver well. However, load-shedding and rainfall negatively affected the production capacity on some of the operations. Good levels of opening stock ensured that orders could be honoured even in difficult production conditions. Increased production costs, especially fuel and electricity, put pressure on margins and continued focus is placed on operational efficiencies to manage the production cost per ton.

The outlook for the next season is positive, with an above-average grain harvest expected, and even though agricultural commodity prices decreased, producers are still in a good cashflow position, which is favourable for lime sales. The El Niño weather conditions forecasted for later this year could negatively affect the agricultural lime sales, as demand for lime is expected to taper off when profitability at farm level decreases.

Opportunities are constantly being investigated to expand the agricultural limestone marketplace and diversify the product range to other markets.

FINANCIAL SERVICES

The late rains experienced in the harvesting season resulted in a delay in the receipt of grain. This, together with increases in the lending rate and increases in input costs compared to the previous financial year, had a positive effect on the average size of the debtors book and the segment results. Although the season was characterised by the below-average quality of grain, the good commodity prices and above-average yields had a positive effect on producers' financial position.

Commodity prices have seen a decline from the previous season. Although input costs were high, above-average yields, together with a decline in input costs currently seen for the upcoming planting season, should further improve producers' financial position.

The group has made significant investments in working capital due to high commodity prices, increased input prices and the expansion of the NWK group footprint. This has caused the cashflow from operating activities to be negative.

OIL PRESS

The 2023 financial year has been characterised by significant market changes, notably influenced by the Ukraine/Russia war. Ukraine, a major exporter of sunflower seed and oil, experienced uncertainty in its volumes, leading to an initial increase in the price of sunflower oil. Consequently, consumers sought alternative oilseed products. In response to the rise in sunflower oil prices, the local seed price also increased, thereby impacting crush margins significantly.

The impact of load-shedding intensified during the latter part of the financial year with the implementation of higher stages of load-shedding. Load-shedding had adverse effects on Epko, resulting not only in lost time and opportunity costs, but also contributing to increased maintenance expenses because of frequent stoppages and restarts.

In addition, the abnormally wet conditions caused by the La Niña effect had a negative impact on seed quality, leading to lower oil content and extremely low protein content. However, Epko adapted its processes to ensure that the protein content in the sunflower oil cake remained above 36%, meeting customer requirements despite a reduced meal yield.

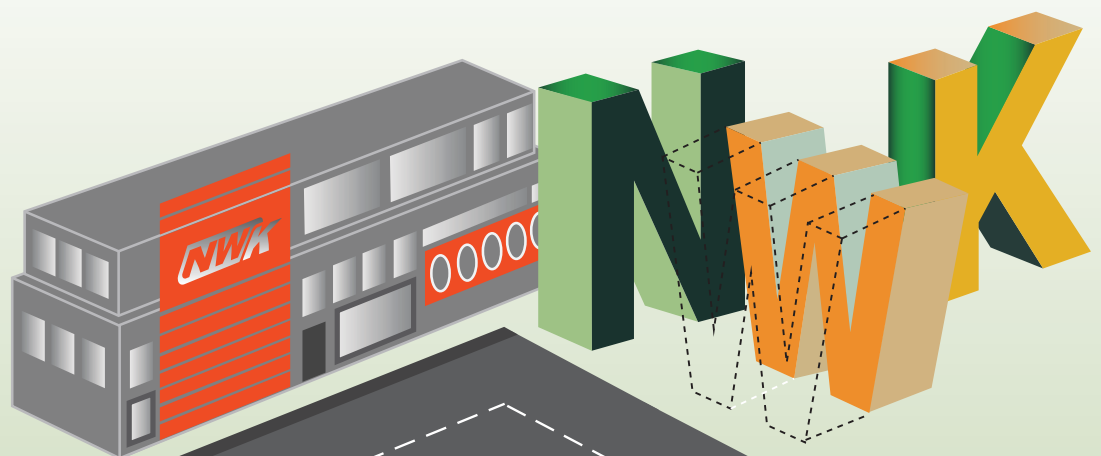
Epko successfully managed to mitigate various risks and threats by maintaining sound hedging strategies, adapting work methodologies and processes to meet challenges, and closely collaborating with customers to achieve a favourable financial position by year-end.

Looking ahead, the coming years are expected to remain challenging. Epko continues to proactively prepare the business for these challenges, implementing various processes, systems, and projects.

INSURANCE INDUSTRY

It has been almost two years since NWK's insurance operations were unbundled from the SENWK group and incorporated in the company NWK and IP Makelaars (Pty) Ltd. NWK Limited holds a 50% share in the new company. The company has realised a satisfactory profit of R3,02 million if it is taken into account that the entire customer base of NWK had to be moved to the new company. The focus of management was, on the one hand, to grow the business, and on the other hand to stabilise the expanded portfolio and retain customers.

The focus for the coming years will be to invest further in the expertise and skills of our staff, expand the products offered to our customers and grow the customer base significantly.



GROUP

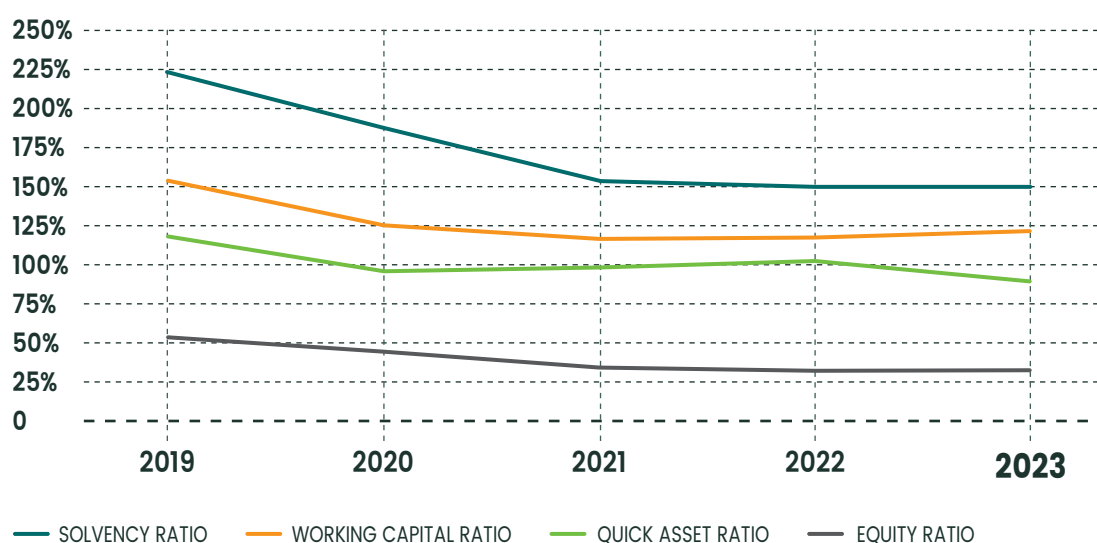
FINANCIAL POSITION	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Non-current assets	1 351	1 105	1 020	988	882
Current assets	4 363	3 966	3 234	1 956	1 898
Non-current assets held for sale	-	5	5	5	-
Assets	5 714	5 076	4 259	2 949	2 780
Equity	1 905	1 681	1 487	1 372	1 535
Liabilities	3 809	3 395	2 772	1 577	1 245
Non-current liabilities	277	40	24	19	16
Current liabilities	3 532	3 355	2 748	1 558	1 229
Equity and liabilities	5 714	5 076	4 259	2 949	2 780

CAPITAL RATIOS	2023	2022	2021	2020	2019
	%	%	%	%	%
Equity ratio	33	33	35	46	55
Solvency ratio	150	150	154	187	223
Current ratio	124	118	118	126	154
Quick ratio (acid-test)	92	97	99	97	119
Leverage ratio (debt-to-equity ratio)	198	201	186	114	81

FORMULAE

The solvency and liquidity ratios of the group were calculated using the following formulae: **Equity ratio** = equity ÷ assets x 100; **solvency ratio** = assets ÷ liabilities x 100; **current ratio** = current assets ÷ current liabilities x 100; **quick ratio** = current assets less inventory and prepaid expenses ÷ current liabilities x 100; **leverage ratio** = liabilities less deferred tax liabilities ÷ equity x 100.

CAPITAL RATIOS



GROUP

LIABILITIES	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Borrowings	3 651	3 220	2 655	1 502	1 176
Payable within a year	3 423	3 193	2 638	1 496	1 166
Payable after a year, but not exceeding two years	53	17	14	5	7
Payable after two years, but not exceeding five years	115	9	3	1	3
Payable after five years, but not exceeding ten years	60	1	-	-	-
Other liabilities	158	175	117	75	69
Deferred tax liabilities	40	-	-	7	-
Current tax liabilities	7	18	16	-	3
Provisions	18	29	26	11	10
Accumulating compensated absences	38	36	38	33	33
Liabilities from contracts with customers	55	92	37	24	23
Total liabilities	3 809	3 395	2 772	1 577	1 245

BORROWINGS	2023	2022	2021	2020	2019
	%	%	%	%	%
Bank loans and overdrafts payable within a year	1 859	2 011	1 551	1 182	765
Short-term loans (commodity based)	360	800	567	108	226
Overdrafts	1 499	1 211	984	1 074	539
Lease liabilities and long-term loans	282	49	29	16	17
Payable within a year	54	22	12	10	7
Payable after a year, but not exceeding two years	53	17	14	5	7
Payable after two years, but not exceeding five years	115	9	3	1	3
Payable after five years, but not exceeding ten years	60	1	-	-	-
Other borrowings payable within a year	1 510	1 160	1 075	304	394
Trade payables	770	479	477	208	206
Fiduciary liabilities	-	1	-	-	-
Derivative financial liabilities	684	627	535	58	156
Short-term loans (demand deposits)	56	53	63	38	32
Total borrowings	3 651	3 220	2 655	1 502	1 176

GROUP

FINANCIAL PERFORMANCE	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Revenue	4 870*	3 840**	3 075 [®]	2 339 [®]	2 333 [®]
Operating profit before finance charges	557	420	321	185	235
Finance charges	(255)	(121)	(116)	(93)	(118)
Operating profit	302	299	205	92	117
Proportionate share of the profits of associates and joint ventures	58	47	20	10	4
Profit before taxation	360	346	225	102	121
Taxation	(77)	(79)	(57)	(29)	(29)
Profit from continued operations	283	267	168	73	92
Profit or loss from discontinued operations	-	-	-	-	150
Profit for the year	283	267	168	73	242
Other comprehensive income	(1)	(8)	3	(2)	(4)
Total comprehensive income	282	259	171	71	238

PROFIT FOR THE YEAR	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Profit attributable to the owners of the holding company	283	267	154	47	143
Profit from continued operations	283	267	154	47	54
Profit or loss from discontinued operations	-	-	-	-	89
Profit attributable to non-controlling interests	-	-	14	26	99
Profit from continued operations	-	-	14	26	38
Profit or loss from discontinued operations	-	-	-	-	61
Profit for the year	283	267	168	73	242

COMPREHENSIVE INCOME	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Comprehensive income attributable to the owners of the holding company	282	259	157	45	140
Comprehensive income attributable to non-controlling interests	-	-	14	26	98
Total comprehensive income	282	259	171	71	238

Restated – Refer to note M1

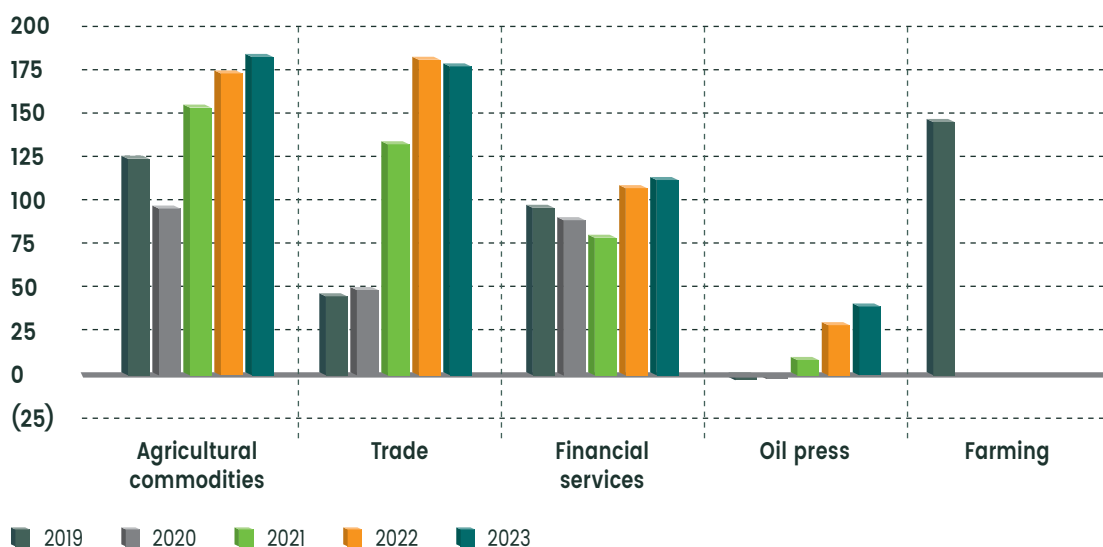
* Refer to note F3

® The group restated revenue – refer to note M1. Prior years have been updated to show the effect.

GROUP

FINANCIAL PERFORMANCE PER SEGMENT	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Agricultural commodities	183	174	154	96	125
Trade	178	182	133	49	45
Financial services	112	109	79	89	96
Oil press	41	29	9	(1)	(2)
Farming	-	-	-	-	146
Profit of the operating segments	514	494	375	233	410
Corporate	(154)	(148)	(150)	(131)	(136)
Pretax profit	360	346	225	102	274
Taxation	(77)	(79)	(57)	(29)	(32)
Profit for the year	283	267	168	73	242
Other comprehensive income	(1)	(8)	3	(2)	(4)
Total comprehensive income	282	259	171	71	238

SEGMENTAL RESULTS (R'M)



GROUP

EARNINGS PER SHARE	2023	2022	2021	2020	2019
	Cents	Cents	Cents	Cents	Cents
Basic and diluted earnings	273	249	160	61	188
Basic and diluted earnings from continued operations	273	249	160	61	71
Basic and diluted earnings from discontinued operations	-	-	-	-	117

FORMULAE

Basic and diluted earnings per share, basic and diluted earnings per share from continued operations and basic and diluted earnings per share from discontinued operations were calculated by dividing the profit attributable to the owners of the holding company, the profit from continued operations attributable to the owners of the holding company and the profit or loss from discontinued operations attributable to the owners of the holding company, respectively, by the weighted average number of issued ordinary shares during the respective years, namely 103 580 291, 107 457 664, 95 886 675, 76 212 831, and 76 212 831.

EARNINGS	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Earnings	283	267	168	73	242
Earnings before tax	360	346	225	102	274
Earnings before interest and tax	615	467	341	195	392
Earnings before interest, tax, depreciation and amortisation	683	518	379	227	428

INTEREST COVERAGE RATIO	2023	2022	2021	2020	2019
	Times	Times	Times	Times	Times
Interest coverage ratio	2,7	4,3	3,3	2,4	3,6

FORMULAE

Impairment costs on non-financial assets are regarded as part of depreciation and amortisation costs. Impairment costs on non-financial assets were therefore taken into account in the calculation of earnings before interest, tax, depreciation and amortisation. The **interest coverage ratio** was calculated by dividing the earnings before interest, tax, depreciation and amortisation by the finance costs for the year.

YIELD RATES	2023	2022	2021	2020	2019
	%	%	%	%	%
Return on equity	15,7	16,9	11,8	5,0	16,6
Return on investment	11,4	10,0	9,5	6,8	13,1

FORMULAE

The yield rates were calculated using the following formulae: **Return on equity** = profit or loss for the year ÷ average equity, in other words, equity at the beginning of the year plus equity at the end of the year divided by two, x 100; **return on investment** = earnings before interest and tax ÷ average assets, in other words, assets at the beginning of the year plus assets at the end of the year divided by two, x 100.

GROUP

EQUITY	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Equity attributable to the owners of the holding company	1 905	1 681	1 487	1 038	891
Equity attributable to non-controlling interests	-	-	-	334	644
Total equity	1 905	1 681	1 487	1 372	1 535

CHANGES IN EQUITY	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Total comprehensive income	282	259	171	71	238
Profit for the year	283	267	168	73	242
Other comprehensive income	(1)	(8)	3	(2)	(4)
Change of interest in subsidiaries	-	-	(25)	(21)	-
Share issue	-	-	176	-	-
Effects of change of interest in subsidiaries	-	-	(198)	(204)	-
Transaction costs relating to the acquisition of non-controlling interests in subsidiaries	-	-	(3)	(7)	-
Share buyback	-	(23)	-	-	-
Dividends paid	(58)	(42)	(31)	(23)	(76)
Net change in equity	224	194	115	(163)	162
Equity at the beginning of the year	1 681	1 487	1 372	1 535	1 373
Equity	1 905	1 681	1 487	1 372	1 535

SHARE INFORMATION	2023	2022	2021	2020	2019
	Cents	Cents	Cents	Cents	Cents
Year-end share price	530	525	360	550	290
Net asset value per share	1 840	1 623	1 375	1 362	1 170
Dividends paid per share	56	39	29	18	52

FORMULAE

Net asset value per share was calculated by dividing the equity attributable to the owners of the holding company by the number of issued ordinary shares on the respective reporting dates, namely 103 580 291, 103 580 291, 108 182 828, 76 212 831 and 76 212 831.

PRICE/EARNINGS RATIO	2023	2022	2021	2020	2019
	Times	Times	Times	Times	Times
Price/earnings ratio	2	2	2	9	2

GROUP

CASHFLOW ANALYSIS	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Cashflow from operating activities	119	(322)	(290)	(152)	217
Cashflow from operations	341	(189)	(188)	(165)	312
Interest received	180	113	105	147	138
Interest paid	(254)	(121)	(116)	(93)	(118)
Dividends received from equity-accounted investments	-	2	3	5	2
Tax paid	(90)	(85)	(63)	(23)	(41)
Dividends paid	(58)	(42)	(31)	(23)	(76)
Cashflow from investing activities	(106)	(63)	(62)	(61)	269
Investment in non-current assets	(137)	(63)	(64)	(63)	(60)
Proceeds on the disposal of non-current assets	31	-	2	2	325
Dividends received	-	-	-	-	4
Cashflow from financing activities	22	389 [#]	442	(334)	(458)
Net cashflow for the year	35	4 [#]	90	(547)	28
FREE CASHFLOW	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Cashflow from operating activities	119	(322)	(290)	(152)	217
Cashflow from investing activities	(106)	(63)	(62)	(61)	269
Adjustment for abnormal disposals of non-current assets	-	-	-	-	(321)
Free cashflow for the year	13	(385)	(352)	(213)	165
REVENUE	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Revenue from the sale of goods	3 816	3 069	2 453	1 837	1 745
Revenue from services rendered	380	256	180	123	157
Revenue from the handling and storage of commodities	291	179	115	77	109
Revenue from other services rendered	89	77	65	46	48
Revenue from contracts with customers	4 196	3 325	2 633	1 960	1 902
Net fair value gains on commodity trading	513	412 [#]	348 [@]	240 [@]	303 [@]
Interest income	161	103	94	139	128
Revenue	4 870	3 840	3 075	2 339	2 333

[#] Restated – Refer to note M1

[@] The group restated revenue – refer to note M1. Prior years have been updated to show the effect.

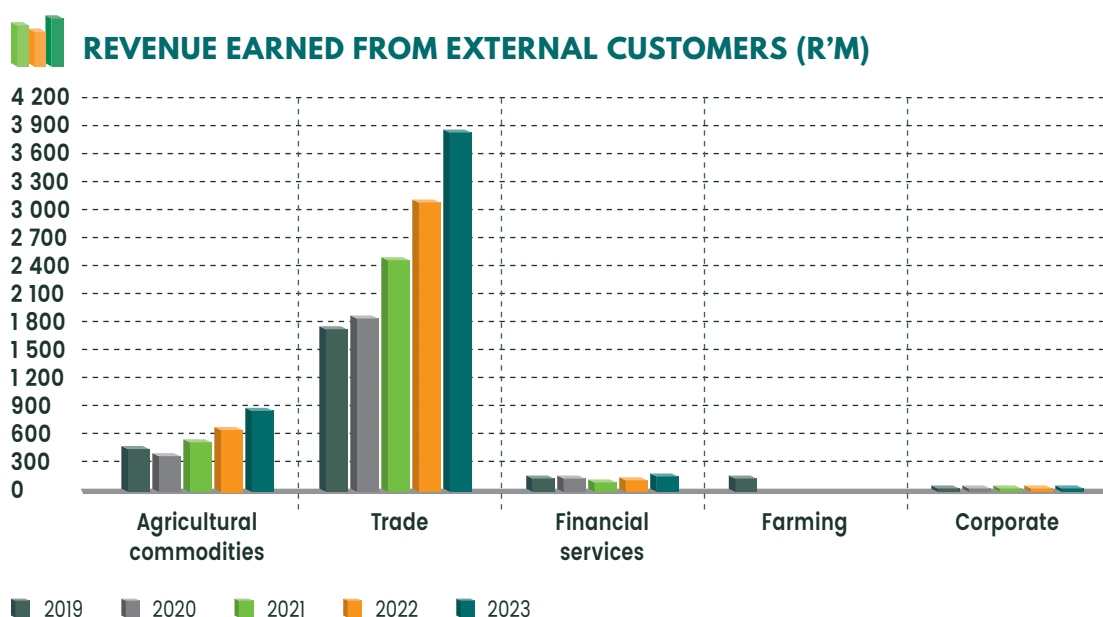
GROUP

REVENUE EARNED FROM EXTERNAL CUSTOMERS	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Agricultural commodities	863	644 [#]	514 [@]	366 [@]	461 [@]
Trade	3 837	3 084	2 462	1 834	1 743
Financial services	159	101	90	131	122
Farming	-	-	-	-	135
Revenue of the operating segments	4 859	3 829	3 066	2 331	2 461
Corporate revenue	11	11	9	8	7
Revenue earned from external customers	4 870	3 840	3 075	2 339	2 468

RECONCILIATION OF REVENUE EARNED FROM EXTERNAL CUSTOMERS WITH REVENUE	2023	2022	2021	2020	2019
	R'm	R'm	R'm	R'm	R'm
Revenue earned from external customers	4 870	3 840	3 075	2 339	2 468
Revenue of discontinued operations	-	-	-	-	(135)
Revenue	4 870	3 840	3 075	2 339	2 333

[#] Restated – Refer to note M1

[@] The group restated revenue – refer to note M1. Prior years have been updated to show the effect.



Revenue earned from external customers includes revenue of continuing and discontinued operations.

PROJECTIONS

Economies worldwide are under pressure, interest rates are rising everywhere and steps are being taken to avoid recessions. This situation can continue in the foreseeable future. The South African business environment has the same challenges, as we are not isolated from them. However, there are further challenges in our local business environment that are caused by the government which are ludicrous. Electricity supply is hanging by a thread, total infrastructure is collapsing and new legislative proposals are made that can affect the business environment in such a way that, if they are implemented, several businesses could be forced to close.

The decline of infrastructure in rural areas forces all interest groups to become involved to stop total collapse. The group is already working on various projects like the grading of gravel roads, repairing of potholes in towns and paving of access routes to business premises in various other places. We are already independent of water supply at most of our outlets and have installed renewable power supply at several sites. We predict that a larger part of our budgets will have to be spent on similar projects in future.

A WORD OF THANKS

We cannot but attribute the honour for all the blessings to our Heavenly Father. The loyal support of our producers and customer base is very encouraging and we thank you for this. Finally, a big thank you to the chairman of the board, fellow board members and management for the guidance and strategic direction in which this proud company of 114 years has moved over the past year. To all staff members: without your support we could not have achieved these heights – thank you for this.



Lemmer Vermooten
DIRECTOR

13 July 2023



The directors' report was prepared by TE Rabe, was not audited or independently reviewed, was approved by the board of directors on 13 July 2023, and was published on 24 July 2023.

SEPARATE AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

23	Approval of the annual financial statements
24	Statement of financial position
25	Statement of comprehensive income
27	Separate statement of changes in equity
28	Consolidated statement of changes in equity
29	Statement of cashflows
30	Notes to the annual financial statements
30	A Corporate information
30	B Presentation of financial statements and basis of consolidation
34	C Notes to the statement of financial position
90	D Notes to the statement of comprehensive income
106	E Notes to the statement of cashflows
113	F Segmental information
119	G Financial assets
120	H Financial liabilities
122	I Financial risks
138	J Related-party information
146	K Leases
149	L Other policies and matters
152	M Restatements
154	N New reporting and accounting standards

The separate and consolidated annual financial statements were prepared by H vd Westhuizen, were audited by the independent auditor, Deloitte & Touche, were approved by the board of directors on 13 July 2023, and were published on 24 July 2023



Approval of the annual FINANCIAL statements

FOR THE YEAR ENDED 30 APRIL 2023

The board of directors is responsible for the financial statements. In terms of this responsibility, it is the directors' duty to ensure that the financial statements fairly present the financial position and performance of the company, are accurate and complete, comply with the provisions of the Companies Act of South Africa and have been prepared in accordance with the requirements of the IFRS and the accounting policies of the company.

The IFRS require that the directors scrutinise the going-concern principle when preparing the financial statements, identify relevant accounting policies to account for assets, liabilities, income and expenses, use their judgement and make accounting estimates and assumptions regarding the future.

INTERNAL FINANCIAL CONTROL SYSTEM

The board is responsible for the development, implementation and maintenance of an effective internal financial control system. The internal financial control system comprises all internal policies and financial controls and has been designed to ensure the integrity of financial information – in other words, to provide reasonable assurance that transactions are concluded according to policies and procedures; assets are protected; mistakes and fraud are prevented; the accounting records, financial statements and reports are accurate and complete, and that the applicable laws, financial reporting standards, listing requirements and codes are adhered to.

The board is responsible for establishing and maintaining an independent audit committee, and it is its duty to ensure that the group has an independent internal audit function that has the necessary resources and expertise, is efficient and follows a risk-based audit approach.

EXTERNAL ASSURANCE

The independent auditor, Deloitte & Touche, audited the separate and consolidated annual financial statements. The board's audit and risk committee scrutinised the independence, expertise, resources and effectiveness of the external audit function and is of the opinion that the separate and consolidated annual financial statements were duly audited.

APPROVAL

The board is of the opinion that the separate and consolidated financial statements fairly present the financial position and performance of the company, are accurate and complete, comply with the provisions of the Companies Act, and have been prepared in accordance with the requirements of the IFRS and the accounting policies of the company. The board is of the opinion that the accounting policies are appropriate; that the material uncertainties relating to the preparation of the separate and consolidated annual financial statements have been duly assessed, and that accounting estimates and assumptions are reasonable, prudent and unbiased and take into account the available and applicable information. The separate and consolidated annual financial statements for the year ended 30 April 2023 – as set out on pages 24 to 154 – were approved by the board on 13 July 2023 and signed on the board's behalf by:



Lemmer Vermooten
DIRECTOR

13 July 2023



APPROVAL OF THE ANNUAL
FINANCIAL STATEMENTS

Statement of financial POSITION

AT 30 APRIL 2023

	COMPANY		GROUP		
	2023	2022	2023	2022	
	Note	R m	R m	R m	
Non-current assets		1 932,7	1 725,5	1 351,4	1 105,2
Property, plant and equipment	C1	-	-	832,2	476,2
Investment property	C2	-	-	12,3	8,1
Intangible assets	C3	-	-	42,0	35,4
Investment in subsidiaries	C4	1 932,7	1 725,5	-	-
Investment in associates and joint ventures	C5	-	-	80,3	196,4
Investment in equity instruments	C7	-	-	4,6	4,6
Loans and lease receivables	C8	-	-	357,6	363,2
Deferred tax assets	C9	-	-	22,4	21,3
Current assets		18,0	0,9	4 362,9	3 966,5
Inventory	C10	-	-	1 097,1	701,0
Agricultural commodities	C11	-	-	1 091,6	1 400,4
Trade and other receivables	C12	17,9	0,6	2 018,5	1 636,1
Prepaid expenses		-	-	4,1	2,7
Assets from contracts with customers	C13	-	-	3,6	0,6
Fiduciary assets	C14	-	-	0,9	0,6
Financial assets at fair value through profit or loss	C15	-	-	100,0	213,1
Cash and cash equivalents	C16	0,1	0,3	47,1	12,0
Non-current assets held for sale	C17	-	-	-	4,5
Assets		1 950,7	1 726,4	5 714,3	5 076,2
Equity attributable to the owners of the holding company		1 950,7	1 726,4	1 905,5	1 681,2
Share capital	C18	237,2	237,2	196,3	196,3
Distributable reserves	C19	1 713,5	1 489,2	1 709,2	1 484,9
Non-current liabilities		-	-	276,0	40,3
Long-term provisions	C20	-	-	14,8	12,8
Long-term loans	C21	-	-	179,0	-
Lease liabilities	C22	-	-	42,4	27,5
Deferred tax liabilities	C9	-	-	39,8	-
Current liabilities		-	-	3 532,8	3 354,7
Trade and other payables	C23	-	-	770,3	478,9
Accumulating compensated absences		-	-	37,6	36,6
Liabilities from contracts with customers	C24	-	-	54,9	92,3
Fiduciary liabilities	C14	-	-	-	0,6
Short-term provisions	C20	-	-	3,5	16,5
Current portion of long-term loans		-	-	22,6	-
Current portion of lease liabilities	C22	-	-	38,1	21,8
Current tax liabilities		-	-	7,1	18,7
Financial liabilities at fair value through profit or loss	C15	-	-	683,7	626,8
Short-term loans	C25	-	-	416,3	851,3
Overdrafts	C26	-	-	1 498,7	1 211,2
Equity and liabilities		1 950,7	1 726,4	5 714,3	5 076,2

Statement of COMPREHENSIVE income

FOR THE YEAR ENDED 30 APRIL 2023

	COMPANY			GROUP	
		2023	2022 [#]	2023	2022 [#]
	Note	R fn	R'm	R fn	R'm
Revenue from the sale of goods	D2	-	-	3 815,8	3 069,3
Purchases of inventory		-	-	(3 643,5)	(2 766,2)
Movement in finished goods		-	-	371,5	181,2
Revenue from the handling and storage of commodities	D3	-	-	291,1	179,4
Revenue from other services rendered	D4	-	-	89,1	76,8
Net fair-value gains on commodity trading	D5	-	-	513,2	411,4
Interest income	D6	-	-	160,4	103,2
Other income	D7	0,9	0,7	89,7	133,8
Impairment gains and losses on financial assets	D8	-	-	(11,8)	(9,1)
Employees' remuneration	D9	(0,4)	(0,3)	(461,2)	(415,6)
Other expenses	D10	(0,8)	(0,9)	(658,1)	(544,6)
Finance costs	D11	-	-	(254,5)	(120,6)
Operating profit		(0,3)	(0,5)	301,7	299,0
Proportionate share of the profits of equity-accounted entities		287,7	271,1	57,7	47,3
Proportionate share of the profits of subsidiaries (note C4)		287,7	271,1	-	-
Proportionate share of the profits of associates and joint ventures		-	-	57,7	47,3
Profit before tax		287,4	270,6	359,4	346,3
Taxation	D12	-	-	(76,7)	(78,9)
Profit for the year		287,4	270,6	282,7	267,4
Other comprehensive income		(0,4)	(7,7)	(0,4)	(7,7)
<i>Items that cannot be reclassified to profit or loss:</i>					
Fair-value adjustment of the investment in equity instruments		-	-	-	-
Proportionate share of the other comprehensive income of subsidiaries		(0,4)	(7,7)	-	-
<i>Items that will be reclassified to profit or loss:</i>					
Proportionate share of the other comprehensive income of associates and joint ventures		-	-	(0,4)	(7,7)
Total comprehensive income for the year		287,0	262,9	282,3	259,7

[#] Restated – Refer to note M1

Statement of COMPREHENSIVE income (continued)

FOR THE YEAR ENDED 30 APRIL 2023

	COMPANY		GROUP		
	2023	2022	2023	2022	
	Note	R m	R m	R m	
Profit attributable to the owners of the holding company		287,0	262,9	282,3	267,4
Profit attributable to non-controlling interests		-	-	-	-
Profit for the year		287,0	262,9	282,3	267,4
Total comprehensive income attributable to the owners of the holding company		287,0	262,9	282,3	259,7
Total comprehensive income attributable to non-controlling interests		-	-	-	-
Total comprehensive income for the year		287,0	262,9	282,3	259,7

EARNINGS PER SHARE		2023	2022
		Cents	Cents
Basic and diluted earnings	D14	273	249

Separate statement of CHANGES in equity

FOR THE YEAR ENDED 30 APRIL 2023

COMPANY

	Share capital	Retained earnings	Other reserves	Equity
	R fn	R fn	R fn	R fn
Equity at 30 April 2021	260,5	1 128,1	143,4	1 532,0
Total comprehensive income for the year	-	262,9	-	262,9
Profit for the year	-	270,6	-	270,6
Other comprehensive income	-	(7,7)	-	(7,7)
Share buyback	(23,3)	-	-	(23,3)
Dividends	-	(45,2)	-	(45,2)
Equity at 30 April 2022	237,2	1 345,8	143,4	1 726,4
Total comprehensive income for the year	-	287,0	-	287,0
Profit for the year	-	287,4	-	287,4
Other comprehensive income	-	(0,4)	-	(0,4)
Dividends	-	(62,7)	-	(62,7)
Equity at 30 April 2023	237,2	1 570,1	143,4	1 950,7

DIVIDENDS PAID DURING THE YEAR	2023	2022
	Cents	Cents
Year-end dividend per share	25	14
Interim dividend per share	31	25
Total distribution per share	56	39

Consolidated statement of CHANGES in equity

FOR THE YEAR ENDED 30 APRIL 2023

GROUP

	Share capital	Retained earnings	Other reserves	Equity
	R fn	R fn	R fn	R fn
Equity at 30 April 2021	219,6	1 123,7	143,4	1 486,7
Total comprehensive income for the year	-	259,7	-	259,7
Profit for the year	-	267,4	-	267,4
Other comprehensive income	-	(7,7)	-	(7,7)
Share issue	-	-	-	-
Share buyback	(23,3)	-	-	(23,3)
Shares purchased under an odd-lot offer	(3,2)	-	-	(3,2)
Shares purchased from retiring shareholders	(20,1)	-	-	(20,1)
Treasury shares purchased	-	-	-	-
Dividends	-	(41,9)	-	(41,9)
Equity at 30 April 2022	196,3	1 341,5	143,4	1 681,2
Total comprehensive income for the year	-	282,3	-	282,3
Profit for the year	-	282,7	-	282,7
Other comprehensive income	-	(0,4)	-	(0,4)
Dividends	-	(58,0)	-	(58,0)
Equity at 30 April 2023	196,3	1 565,8	143,4	1 905,5

DIVIDENDS PAID DURING THE YEAR

	2023	2022
	Cents	Cents
Year-end dividend per share	25	14
Interim dividend per share	31	25
Total distribution per share	56	39

Statement of CASHFLOWS

FOR THE YEAR ENDED 30 APRIL 2023

	COMPANY		GROUP	
	2023	2022	2023	2022#
Note	R m	R'm	R m	R'm
Cashflow from operations	(18,5)	8,1	340,5	(189,6)
Cashflow from operating profit	E1 (1,2)	(1,2)	483,2	357,8
Cashflow from change in operating capital	E2 (17,3)	9,3	(142,7)	(547,4)
Net cashflow from interest	E3 0,9	0,7	(74,2)	(7,8)
Interest received	E3 0,9	0,7	180,0	112,7
Interest paid	E3 -	-	(254,2)	(120,5)
Dividends received from equity-accounted entities	80,1	60,0	-	1,7
Subsidiaries	80,1	60,0	-	-
Associates and joint ventures	-	-	-	1,7
Tax paid	E4 -	-	(89,4)	(84,6)
Dividends paid	(62,7)	(45,2)	(58,0)	(41,9)
Cashflow from operating activities	(0,2)	23,6	118,9	(322,2)
Cashflow from investing activities	-	-	(105,7)	(63,0)
Property, plant and equipment acquired	E5 -	-	(141,0)	(89,0)
Upgrading of investment property	E5 -	-	(0,3)	(1,3)
Investment property acquired	E5 -	-	(4,2)	(0,7)
Intangible assets acquired	E5 -	-	(1,1)	(0,5)
Assets and liabilities acquired through business combinations	E6 -	-	(24,5)	(12,8)
Acquisition of subsidiary	E6 -	-	34,4	-
Acquisition of associates and joint ventures	E7 -	-	-	(7,1)
Repayment of shareholder loan by joint venture	-	-	0,4	3,2
Dividends received from listed and unlisted entities	-	-	0,1	0,1
Proceeds on the disposal of property, plant and equipment	E8 -	-	6,4	0,3
Proceeds on the disposal of investment property	E8 -	-	24,1	-
Proceeds on the disposal of associates and joint ventures	E9 -	-	-	44,8
Proceeds on the disposal of insurance business	E10 -	-	-	-
Cashflow from financing activities	-	(23,3)	21,9	389,0
Share buyback	-	(23,3)	-	(23,3)
Proceeds from long-term loans	E11 -	-	200,0	-
Repayments of lease liabilities	E11 -	-	(30,6)	(36,4)
Increase in overdrafts	E11 -	-	287,5	227,4
Proceeds from commodity-based loans and Absa	E11 -	-	5 591,6	5 548,6
Repayments of commodity-based loans	E11 -	-	(6 030,9)	(5 315,5)
Proceeds from demand deposits	E11 -	-	63,7	13,4
Repayments of demand deposits	E11 -	-	(59,4)	(25,2)
Change in cash and cash equivalents	(0,2)	0,3	35,1	3,8
Cash and cash equivalents at the beginning of the year	0,3	-	12,0	8,2
Cash and cash equivalents at the end of the year	0,1	0,3	47,1	12,0

Restated – Refer to note M1

NOTES to the annual financial statements

FOR THE YEAR ENDED 30 APRIL 2023

A1. CORPORATE INFORMATION

NWK Holdings Limited is a listed public company registered in the Republic of South Africa with the registration number 1998/007243/06. The objective of the group is to trade in agricultural and related products, resources and services, and to undertake associated activities. Flowing from this objective, the group specialises in the storing, handling and marketing of agricultural commodities, runs stores as a trader in farming requisites and consumer goods, and provides financing to agricultural producers and other customers.

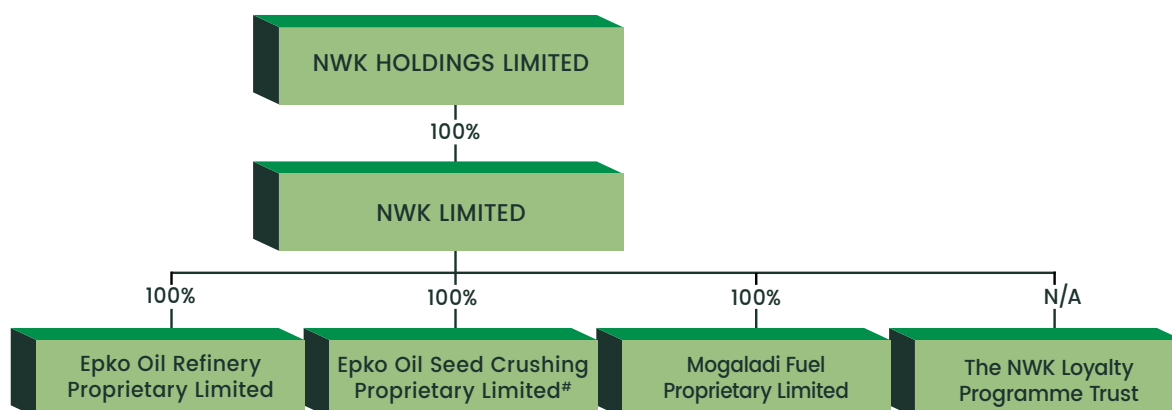
NWK Holdings Limited executes its principal activities from its registered office – 81 Scholtz Street, Lichtenburg, North West, Republic of South Africa.

TRADING PLATFORM

The company's issued ordinary shares trade on the trading platform of The Cape Town Stock Exchange Proprietary Limited. The relevant Cape Town Stock Exchange share code is 4ANWKH and the company's International Securities Identification Number is ZAE40000028. CTSE Registry Services Proprietary Limited acts as transfer secretary.

HOLDING COMPANY AND SUBSIDIARIES

NWK Holdings Limited has no holding company. NWK Limited, Epko Oil Refinery Proprietary Limited, Epko Oil Seed Crushing Proprietary Limited and Mogaladi Fuel Proprietary Limited (previously Lorenzo Motors Proprietary Limited) are subsidiaries of the company. Although the company does not hold any shares in The NWK Loyalty Programme Trust, the company controls the trust. Consequently, this bewind trust is also classified as a subsidiary.



Epko Oil Seed Crushing Proprietary Limited was a joint venture of the group until 30 April 2023.

B1. PRESENTATION OF FINANCIAL STATEMENTS AND BASIS OF CONSOLIDATION

The separate and consolidated annual financial statements comply with the provisions of the Companies Act of South Africa, the requirements of the IFRS and the accounting policies of the company. The accounting policies applied by the company conform to those of the previous reporting period, unless indicated otherwise. The accounting policies applied by the subsidiaries agree with those of the company in all respects.

GOING-CONCERN PRINCIPLE

When preparing financial statements, the board of directors investigates – on the basis of the financial information under review – the company's financial position, its financial and operating results; capital ratios; capital needs; financial obligations and their settlement dates; borrowing capacity; financial assets and their recoverability; cash-generating assets and cashflows; customer base and supply chain, as well as the general economic and agricultural conditions, current and expected market conditions, the political climate, existing and proposed legislation, and other significant sustainability matters.

The board is of the opinion that the company is a going concern. The separate and consolidated annual financial statements have therefore been prepared according to the going-concern principle.



BASIS OF PRESENTATION

The separate and consolidated annual financial statements were prepared on the historical-cost basis, adjusted by the measurement of investments in equity instruments, agricultural commodities and derivative financial instruments at fair value.

BASIS OF CONSOLIDATION

Entities over which the company exercises control are classified as subsidiaries. In terms of this policy, an entity is classified as a subsidiary if the company exercises power over the entity, is entitled or exposed to the variable returns of the entity, and uses its power to influence those returns. Entities over which the company exercises joint control with other investors are classified as joint ventures. In terms of this policy, an entity is classified as a joint venture if the company has entered into a contractual arrangement with other investors to share control over the entity or has no realistic alternative other than doing so. Entities over which the company exercises significant influence but no control or joint control are classified as associates.

The classification of an investment in the equity instruments of another entity as an investment in either a subsidiary or a joint venture or an associate or a financial asset requires judgement. When classifying these investments, the company uses judgement to determine whether the company exercises control, joint control or significant influence over the entity.

The company uses a voting power of more than 50% as a guideline for identifying control and uses a voting power of 20% or more as a guideline for identifying significant influence. However, the purpose and design of the entity; directorships in the entity; the right to appoint or replace key employees of the entity; shareholder agreements with other investors in the entity; participation in the policy decisions of the entity, and the nature and scope of transactions between the company and the entity are also taken into account in determining control and significant influence. The classification of the investment in a subsidiary, joint venture or associate is reviewed if facts and circumstances indicate that there are changes to one or more of the elements of control.

The classification of a joint arrangement as either a joint venture or a joint operation requires the company to judge whether the company has either a right to the assets and an obligation for the liabilities relating to the joint arrangement, or a right to the net assets of the joint arrangement. When classifying a joint arrangement as either a joint venture or a joint operation, the company considers the structure and legal form of the joint arrangement – in other words, whether or not the joint arrangement is executed in a separate legal entity – and the provisions of the contractual agreements between the parties. The classification of a joint arrangement is reviewed if there are changes in the legal form of the joint arrangement or the terms of the contractual agreements between the parties.

Subsidiaries

The financial information of subsidiaries is included in the consolidated financial statements from the date on which control is obtained up to and including the date on which control is relinquished.

Upon acquisition, subsidiaries are accounted for in the consolidated financial statements in accordance with the acquisition method. According to this method, the cost of the acquisition is measured as the fair value of the assets transferred, the equity instruments issued and the obligations incurred, whichever is applicable. Expenditure directly attributable to the acquisition of a subsidiary is recognised as an expense on the acquisition date.

The identifiable assets and liabilities of the acquired subsidiary are measured and recognised at fair value on the acquisition date. Goodwill – in other words, the excess of the fair value of the consideration transferred upon acquiring the subsidiary and, where applicable, the carrying amount of non-controlling interests over the fair value of the identified net assets of the acquired subsidiary – is recognised as an asset in the consolidated financial statements. If the fair value of the identified net assets of the acquired subsidiary exceeds the fair value of the consideration transferred and the carrying amount of non-controlling interests, the difference is recognised as other income on the acquisition date.

BASIS OF CONSOLIDATION (CONTINUED)Subsidiaries (continued)

Upon consolidation, the company's separate financial statements and the financial statements of its subsidiaries are totalled on a line-by-line basis. The carrying amount of the company's investment in a subsidiary is set off against the equity of the subsidiary attributable to the company. Non-controlling interests, comprising the non-controlling parties' share of the fair value of the net assets of a subsidiary on the acquisition date and their share of the changes in the equity of the subsidiary since the acquisition date, are identified and disclosed separately from the equity attributable to the owners of the company.

Impairment losses recognised in the separate financial statements of the company against the carrying amount of its net investment in the subsidiary are adjusted against the profit or loss for the period. Intercompany transactions and balances, as well as unrealised intercompany gains and losses, are eliminated. Although unrealised intercompany losses are eliminated, such losses are viewed as an indication of possible impairment losses.

Changes in the interest that holding companies hold in subsidiaries are treated as equity transactions if, and only if, these changes do not lead to a loss of control over a subsidiary. In terms of this policy, the carrying amount of equity attributable to the owners of the holding company and the carrying amount of non-controlling interests are adjusted to reflect the change in interests.

Any differences between the fair value of the consideration transferred and the carrying amount by which the non-controlling interests have been adjusted are recognised directly in the equity attributable to the owners of the holding company. Transaction costs relating to such equity transactions are recognised directly in the equity attributable to the owners of the holding company. For this purpose, internal administration costs are not considered transaction costs.

If the company relinquishes control over a subsidiary, the carrying amounts of all the assets and liabilities of the former subsidiary, all applicable goodwill and, where applicable, the carrying amount of the non-controlling interests in the former subsidiary, are derecognised on the disposal date. If the company relinquishes control over a subsidiary but retains an interest in the entity, the remaining interest is measured at fair value and classified as an investment in either a joint venture, an associate or a financial asset, whichever is applicable. Gains or losses that the former subsidiary has recognised in other comprehensive income up to and including the disposal date are reclassified as a profit or a loss. This means that these accrued gains or losses are taken from equity and included in the profit or loss for the period.

The gain or a loss on the disposal of a subsidiary is calculated as the difference between the fair value of the consideration received or the share capital distributed by the former subsidiary plus – where applicable – the fair value of the remaining interest in the former subsidiary, and the net carrying amount of the derecognised assets and liabilities after taking non-controlling interests into account. These gains and losses are classified as other income.

Associates and joint ventures

Investments in associates and joint ventures are initially recognised at cost. Cost is measured as the aggregate of the fair value of the consideration transferred on acquiring the interest in the associate or joint venture plus direct transaction costs. For this purpose, internal administration costs are not considered transaction costs. Goodwill – in other words, the excess of the fair value of the consideration transferred on acquiring the associate or joint venture over the group's share of the net fair value of the identified assets and liabilities of the acquired associate or joint venture – is included in the carrying amount of the investment. If the group's proportionate share of the net fair value of the identified assets and liabilities exceeds the fair value of the consideration, the difference is recognised as other income on the acquisition date.

Interest-free loans to an associate or joint venture are regarded as part of the net investment in the entity if, and only if, settlement is neither planned nor likely to occur in the foreseeable future.

BASIS OF CONSOLIDATION (CONTINUED)

Associates and joint ventures (continued)

At subsequent measurements the investment in associates and joint ventures is accounted for in the financial statements by using the equity method. In terms of this method, the carrying amount of the investment is increased or decreased to recognise the group's proportionate share of the post-acquisition profits or losses of the associate or joint venture. The post-acquisition profits or losses of an associate or joint venture are accounted for by including the group's proportionate share of the post-acquisition profits or losses of the associate or joint venture in the profit or loss for the period in which it arises.

The group's proportionate share in the other comprehensive income of the associate or joint venture is included in other comprehensive income. Post-acquisition losses are recognised to a maximum determined as the sum of the investment in the equity instruments of the associate or joint venture and unsecured loans to the associate or joint venture. Dividends declared by an associate or joint venture are recognised on the last day of registration to qualify for them as a shareholder, and are accounted for as a recovery of the carrying amount of the investment.

Unrealised profits on transactions between the group and an associate or joint venture are eliminated in proportion to the group's interest in the associate or joint venture. Unrealised losses are eliminated if the transaction is not viewed as an indication of an impairment loss on the asset.

Investments in associates and joint ventures are reviewed at the end of reporting periods to determine whether recoverable amounts could have dropped below existing carrying amounts. In the case of impairment, carrying amounts are reduced by the impairment loss and the concomitant expense is included in expenses as an impairment loss on a non-financial asset.

If the accounting policies applied by an associate or joint venture differ from those of the group, the financial statements of the entity are adjusted to ensure consistent presentation in the financial statements. Where the reporting period of an associate or joint venture differs from that of the group, events after the reporting period of the entity are taken into account upon consolidation.

Gains or losses arising on the increase or the dilution of the interest in an associate or joint venture are included in the profit or loss for the period in which they arise.

If the group relinquishes joint control or significant influence over an associate or joint venture, the carrying amount of the investment is derecognised on the disposal date. If the group relinquishes joint control and significant influence over an associate or joint venture but retains an interest in the entity, the remaining interest is measured at fair value and classified as a financial asset. Gains or losses that the former associate or joint venture has recognised in other comprehensive income up to and including the disposal date are reclassified as a profit or a loss. In other words, these accrued gains or losses are taken from equity and included in the profit or loss for the period.

The gain or a loss on the disposal of an associate or joint venture is measured as the difference between the fair value of the consideration received plus, where applicable, the fair value of the remaining interest in the former associate or joint venture and the carrying amount of the investment on the disposal date. These gains and losses are classified as other income.

C1. PROPERTY, PLANT AND EQUIPMENT	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Land	-	-	42,1	26,4
Buildings and improvements	-	-	352,3	244,7
Computer equipment	-	-	14,8	15,2
Office equipment	-	-	4,5	4,4
Machinery and equipment	-	-	249,5	110,2
Vehicles	-	-	108,6	69,8
Capital works in progress	-	-	60,4	5,5
Carrying amount of property, plant and equipment	-	-	832,2	476,2

ACCOUNTING POLICIES

Land, buildings and improvements, computer equipment, office equipment, machinery and equipment, and vehicles held for performing operational activities, for rental to other parties and for administrative purposes are recognised as property, plant and equipment if the asset is expected to be used for more than one year, the future economic benefits associated with the asset will probably flow to the group, and the costs of the asset can be measured reliably.

Property, plant and equipment include right-of-use assets held under leases. However, as a practical expedient, the group chose not to recognise assets acquired under a short-term lease – in other words, a lease with a lease term of 12 months or less – or assets acquired under a lease for which the underlying asset is of low value. Therefore, these assets are excluded from property, plant and equipment.

Property, plant and equipment are initially recognised at cost. Cost includes the purchase price and, where applicable, the purchase costs, registration costs, import duties, borrowing costs, installation costs, professional fees and transport costs that can be directly attributed to the commissioning of the asset. In the event that an asset is acquired under a lease, the incremental costs of obtaining the lease are also capitalised as part of the cost of the asset. For this purpose, internal administration costs are not considered costs attributable to the commissioning of an asset or costs attributable to the inception of a lease. Where suppliers defer payment of an asset interest-free, the present value of the transaction price – discounted at the rate at which similar liabilities bear interest – is regarded as the purchase price of the asset. The difference between the transaction price and the purchase price of the asset is recognised as finance costs over the period during which the financing occurs.

The cost of an asset is reduced by government grants if the group qualifies for the grant on the basis of the acquisition of the asset. The cost of self-constructed assets includes material and labour costs, design costs, site preparation costs, construction costs and, where applicable, borrowing costs, testing costs and development costs directly attributed to the commissioning of the asset. The estimated costs of dismantling and removing the asset at the end of its expected useful life and restoring the site on which the asset is located are also included if such an obligation arises on the acquisition of the asset. Expenses relating to capital projects are capitalised as they are incurred. The capitalisation of expenditure is ceased once the asset is ready for its originally intended use.

Subsequent costs are included in the cost of an asset or recognised as a separate asset, whichever is applicable, if future economic benefits associated with the asset will probably flow to the group and the cost of the asset can be measured reliably. The carrying amounts of components that have been replaced are derecognised. Expenses relating to the repair and maintenance of assets are recognised in profit or loss in the period in which they are incurred.

After the initial recognition, the cost of property, plant and equipment, excluding land that is viewed as assets with an infinite useful life, is depreciated over the expected useful life to the expected residual value of the asset using the straight-line method. To give effect to this policy, land, buildings and improvements are accounted for as separate assets, even where they have been acquired jointly. Assets with distinguishable components are divided into components and depreciated individually if such components are significant and if each component has a different useful life. Depreciation commences on the date on which an asset is ready for its originally intended use.

C1. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

If ownership of an asset held under a lease will be obtained after the end of the lease term, the asset is depreciated over its expected useful life. In all other cases, the right-of-use asset is depreciated over the expected useful life of the asset or the lease term concerned, whichever is the shortest. The inspection costs of assets legally or otherwise subjected to inspections are recognised as assets and depreciated over the period for which the inspection is valid. Standby parts – in other words, parts that are exclusively held to replace components of property, plant and equipment – are recognised as assets and depreciated over their expected useful lives.

Property, plant and equipment are reviewed at the end of reporting periods to determine whether recoverable amounts could have dropped below existing carrying amounts. In the event of impairment, carrying amounts are reduced by the impairment loss. The impairment of an asset and the recovery of the loss from a third party are viewed as separate economic events.

Consequently, the carrying amount of the asset is reduced by the impairment loss, the concomitant expense is included in expenses as an impairment loss on a non-financial asset, and the compensation is recognised as other income when the compensation becomes receivable.

An asset classified as property, plant and equipment under normal circumstances is reclassified as held for sale if it is highly probable that its carrying amount will be recovered principally through a sales transaction rather than through continued use.

The gain or a loss on the disposal an item of property, plant and equipment is measured as the difference between the net proceeds – taking into account discounts granted and direct costs to sell – and the carrying amount of the asset on the disposal date. These gains and losses are classified as other income.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
CALCULATION OF CARRYING AMOUNT				
Cost	-	-	1 328,1	811,4
Land	-	-	42,3	26,5
Buildings and improvements	-	-	497,1	355,2
Computer equipment	-	-	61,2	57,4
Office equipment	-	-	15,7	13,1
Machinery and equipment	-	-	478,9	217,5
Vehicles	-	-	172,6	136,2
Capital works in progress	-	-	60,3	5,5
Accumulated depreciation	-	-	(495,9)	(335,2)
Land	-	-	(0,2)	(0,1)
Buildings and improvements	-	-	(144,8)	(110,5)
Computer equipment	-	-	(46,4)	(42,2)
Office equipment	-	-	(11,1)	(8,7)
Machinery and equipment	-	-	(229,4)	(107,3)
Vehicles	-	-	(64,0)	(66,4)
Carrying amount of property, plant and equipment	-	-	832,2	476,2

COMPANY
GROUP

C1. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MOVEMENTS FOR THE YEAR				
Cost at the beginning of the year	-	-	811,4	683,2
Land	-	-	26,5	13,3
Buildings and improvements	-	-	355,2	314,0
Computer equipment	-	-	57,4	50,8
Office equipment	-	-	13,1	11,6
Machinery and equipment	-	-	217,5	170,0
Vehicles	-	-	136,2	112,8
Capital works in progress	-	-	5,5	10,7
Accumulated depreciation at the beginning of the year	-	-	(335,2)	(295,7)
Land	-	-	(0,1)	-
Buildings and improvements	-	-	(110,5)	(98,1)
Computer equipment	-	-	(42,2)	(36,6)
Office equipment	-	-	(8,7)	(7,8)
Machinery and equipment	-	-	(107,3)	(93,3)
Vehicles	-	-	(66,4)	(59,9)
Opening balance	-	-	476,2	387,5
Property, plant and equipment acquired	-	-	202,9	129,4
Land	-	-	12,1	9,1
Buildings and improvements	-	-	44,6	42,5
Computer equipment	-	-	5,7	7,3
Office equipment	-	-	1,0	1,9
Machinery and equipment	-	-	44,1	44,0
Vehicles	-	-	53,7	23,5
Capital works in progress	-	-	41,7	1,1
Property, plant and equipment acquired through business combinations	-	-	219,4	6,1
Land	-	-	7,7	4,0
Buildings and improvements	-	-	82,1	0,1
Computer equipment	-	-	0,1	0,5
Office equipment	-	-	0,6	1,5
Machinery and equipment	-	-	115,7	-
Vehicles	-	-	0,1	-
Capital works in progress	-	-	13,1	-
Buildings and improvements transferred to or from investment property (note C2)	-	-	0,1	0,4
Depreciation	-	-	(60,5)	(45,4)
Land	-	-	(0,1)	(0,1)
Buildings and improvements	-	-	(22,5)	(15,6)
Computer equipment	-	-	(5,9)	(6,1)
Office equipment	-	-	(1,4)	(1,1)
Machinery and equipment	-	-	(20,2)	(15,0)
Vehicles	-	-	(10,4)	(7,5)
Carried over to the next page	-	-	838,1	478,0

C1. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MOVEMENTS FOR THE YEAR (CONTINUED)				
Brought forward from the previous page	-	-	838,1	478,0
Impairment charges	-	-	(1,5)	(1,4)
Buildings and improvements	-	-	(0,4)	(0,6)
Computer equipment	-	-	(0,2)	(0,1)
Office equipment	-	-	-	-
Machinery and equipment	-	-	(0,1)	(0,2)
Vehicles	-	-	(0,8)	(0,5)
Disposals	-	-	(4,4)	(0,4)
Land	-	-	-	-
Buildings and improvements	-	-	(0,1)	-
Computer equipment	-	-	(0,3)	(0,2)
Vehicles	-	-	(4,0)	(0,2)
Carrying amount of property, plant and equipment	-	-	832,2	476,2

The acquisition of assets under leases, the depreciation charges on these right-of-use assets and the impairment charges on these right-of-use assets are included in the applicable line items above. However, the acquisition of assets under leases are regarded as non-cash transactions and are consequently excluded from the cash paid to acquire non-current assets in the statement of cashflows.

On 30 April 2023, the group obtained assets with a fair value of R208 million as part of the acquisition of Epko Oil Seed Crushing Proprietary Limited. On 1 September 2022, as part of a strategy to grow the group's fuel business, assets with a fair value of R12 million were obtained as part of the acquisition of a business unit. The cashflows relating to these acquisitions are set out in note E6.

During the previous year, the group obtained assets with a fair value of R4 million as part of the acquisition of Mogaladi Fuel Proprietary Limited, and assets with a fair value of R2 million as part of the acquisition of two business units. The cashflows relating to these acquisitions are set out in note E6.

The group recognised impairment losses of R0,4 million (2022: R0,6 million) in the year under review after assets had been damaged or lost due to accidents, road accidents, theft, land grabs, public unrest and natural disasters. The group further recognised impairment losses of R1,1 million (2022: R0,8 million) on assets that were withdrawn from active service.

The assets were written off to their fair value less the estimated costs to dispose of them – in other words, the market price of the assets less costs to sell. The fair value of these assets was measured by using level three input data. However, in most cases, the damaged, lost or abandoned asset had no or only an insignificant fair value.

RIGHT-OF-USE ASSETS

The group concluded leases to acquire land, buildings and improvements, computer equipment, office equipment, machinery and vehicles to conduct operating activities and administrative functions. These assets are leased over two to ten years after the commencement date of the lease concerned. The group acquires ownership of the machinery and vehicles held under leases. In contrast, land, buildings and improvements, computer equipment and office equipment remain the property of the lessors.

The terms over which the land, buildings and improvements are leased may be extended. Extension periods range from two to ten years. In the event that the group is reasonably certain that the extension option will be exercised, the related lease payments are included in the measurement of the cost of the asset concerned. The group chose not to recognise assets acquired under a short-term lease – in other words, a lease with a lease term of 12 months or less – or assets acquired under a lease for which the underlying asset is of low value. Therefore, these assets are excluded from the carrying amount of the right-of-use assets set out below. Short-term leases and low-value asset leases are disclosed in note K1.

COMPANY
GROUP

C1. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2023	2022	2023	2022
	R m	R'm	R m	R'm
CARRYING AMOUNT OF RIGHT-OF-USE ASSETS				
Land	-	-	1,7	5,5
Buildings and improvements	-	-	12,8	16,1
Computer equipment	-	-	2,8	3,3
Office equipment	-	-	0,1	0,7
Machinery and equipment	-	-	16,9	11,1
Vehicles	-	-	76,1	30,9
Carrying amount of right-of-use assets	-	-	110,4	67,6
CALCULATION OF CARRYING AMOUNT OF RIGHT-OF-USE ASSETS				
Cost of right-of-use assets	-	-	131,1	80,2
Land	-	-	1,9	5,6
Buildings and improvements	-	-	18,1	18,9
Computer equipment	-	-	7,4	7,9
Office equipment	-	-	0,2	1,1
Machinery and equipment	-	-	20,4	12,9
Vehicles	-	-	83,1	33,8
Accumulated depreciation on right-of-use assets	-	-	(20,7)	(12,6)
Land	-	-	(0,2)	(0,1)
Buildings and improvements	-	-	(5,2)	(2,8)
Computer equipment	-	-	(4,6)	(4,6)
Office equipment	-	-	(0,1)	(0,4)
Machinery and equipment	-	-	(3,5)	(1,8)
Vehicles	-	-	(7,1)	(2,9)
Carrying amount of right-of-use assets	-	-	110,4	67,6
ADDITIONS TO RIGHT-OF-USE ASSETS				
Land	-	-	-	4,8
Buildings and improvements	-	-	-	9,5
Computer equipment	-	-	1,8	1,3
Office equipment	-	-	-	0,2
Machinery and equipment	-	-	7,4	1,4
Vehicles	-	-	52,7	23,2
Additions to right-of-use assets	-	-	61,9	40,4
DEPRECIATION CHARGES ON RIGHT-OF-USE ASSETS				
Land	-	-	0,1	0,1
Buildings and improvements	-	-	3,2	2,2
Computer equipment	-	-	1,8	1,8
Office equipment	-	-	0,2	0,2
Machinery and equipment	-	-	1,8	1,2
Vehicles	-	-	5,5	2,9
Depreciation charges on right-of-use assets	-	-	12,6	8,4

C1. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
CAPITAL COMMITMENTS AND THE PLANNED FINANCING THEREOF				
Assets that in all likelihood will be leased	-	-	53,0	10,1
Assets likely to be funded with general borrowing facilities	-	-	64,4	52,5

ENCUMBRANCES

Mortgages of R400 million have been registered on the land, buildings and improvements, as well as the majority of the machinery and equipment of the group. For this purpose, land, buildings and improvements include the investment property set out in note C2, but exclude all right-of-use assets. R200 million of these mortgages, together with a notarial bond on the group's inventory, a cession on the group's loans and receivables and a cession on the policies insuring these assets, serves as security for the overdraft facilities set out in note C26.

The remaining R200 million serve as a security for the long-term loan set out in note C21. The right-of-use assets set out above serve as security for the concomitant lease liabilities set out in note C22.

THE USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

Property, plant and equipment are measured according to the cost method; therefore, these assets are depreciated to their residual value. This method requires the group to estimate the useful life and residual value of assets. The expected useful life of property, plant and equipment that is used at the initial determination of depreciation is as follows:

Buildings and improvements	5 - 90 years
Computer equipment	3 - 10 years
Office equipment	3 - 10 years
Machinery and equipment	1 - 20 years
Vehicles	5 - 20 years

The expected useful life and the residual value of property, plant and equipment are reviewed at the end of reporting periods. If the expected useful life or the residual value of an asset differs significantly from the original estimate, depreciation is adjusted for current and future periods.

Although the group makes all reasonable efforts to estimate the useful life and residual value of the assets as accurately as possible and takes all reasonable and supportable forward-looking information into account in its assessment thereof, unforeseen changes in the agricultural and other industries, an unforeseen loss of markets, higher-than-expected operating costs and technological developments may adversely affect the useful life and residual value of the assets. The real useful life and residual value of the assets will therefore still differ from the anticipated useful life and residual value.

C2. INVESTMENT PROPERTY	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Land	-	-	0,2	0,2
Buildings and improvements	-	-	12,1	12,4
Carrying amount before transfer to held for sale	-	-	12,3	12,6
Buildings and improvements transferred to non-current assets held for sale (note C17)	-	-	-	(4,5)
Carrying amount of investment property	-	-	12,3	8,1

ACCOUNTING POLICIES

Investment property is identified as land, buildings and improvements, or portions thereof, held to earn rental income or for capital appreciation, or both, rather than for the performance of operating activities and administrative purposes.

Investment property is initially recognised at cost. Cost includes the purchase price, costs of registration and, where applicable, transaction costs. For this purpose, internal administration costs are not considered transaction costs. The cost of self-constructed investment property includes material and labour costs, design costs, site preparation costs, construction costs and, where applicable, borrowing costs. Expenses relating to capital projects are capitalised as they are incurred. The capitalisation of expenditure is ceased once the asset is ready for its originally intended use.

Subsequent costs are included in the cost of an asset or recognised as a separate asset, whichever is applicable, if future economic benefits attributable to the asset are likely to flow to the group and the cost of the asset can be measured reliably. The carrying amounts of components that have been replaced are derecognised. Expenses relating to the repair and maintenance of investment property are recognised in profit or loss in the period in which they are incurred.

After the initial recognition, the cost of buildings and improvements is depreciated over the expected useful life to the expected residual value of the asset using the straight-line method. As land is viewed as assets with infinite useful lives, no depreciation is written off. To give effect to this policy, land, buildings and improvements are accounted for as separate assets, even where they have been acquired jointly. Buildings and improvements with distinguishable components are divided into components and depreciated individually if such components are significant and if each component has a different useful life. Depreciation commences on the date on which an asset is ready for its originally intended use.

Investment property is reviewed at the end of reporting periods to determine whether recoverable amounts could have dropped below existing carrying amounts. In the event of impairment, carrying amounts are reduced by the impairment loss. The impairment of an asset and the recovery of the loss from a third party are viewed as separate economic events. Consequently, the carrying amount of the asset is reduced by the impairment loss, the concomitant expense is included in expenses as an impairment loss on a non-financial asset, and the compensation is recognised as other income when the compensation becomes receivable.

An asset classified as investment property under normal circumstances is reclassified as held for sale if it is highly probable that its carrying amount will be recovered principally through a sales transaction rather than through continued use.

The gain or a loss on the disposal of an investment property is measured as the difference between the net proceeds – taking into account discounts granted and direct costs to sell – and the carrying amount of the asset on the disposal date. These gains and losses are classified as other income.

C2. INVESTMENT PROPERTY (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
CALCULATION OF CARRYING AMOUNT				
Cost	-	-	13,4	13,7
Land	-	-	0,2	0,2
Buildings and improvements	-	-	13,2	13,5
Accumulated depreciation on buildings and improvements	-	-	(1,1)	(1,1)
Carrying amount before transfer to held for sale	-	-	12,3	12,6
Buildings and improvements transferred to non-current assets held for sale (note C17)	-	-	-	(4,5)
Carrying amount of investment property	-	-	12,3	8,1
FAIR VALUE OF INVESTMENT PROPERTY				
Fair value measured by using level three input data	-	-	12,3	14,7
MOVEMENTS FOR THE YEAR				
Cost at the beginning of the year	-	-	13,7	10,4
Land	-	-	0,2	0,2
Buildings and improvements	-	-	13,5	10,2
Accumulated depreciation on buildings and improvements at the beginning of the year	-	-	(1,1)	(0,9)
Opening balance	-	-	12,6	9,5
Buildings and improvements acquired	-	-	4,2	0,7
Upgrading of buildings and improvements	-	-	0,3	1,3
Buildings and improvements acquired through business combinations	-	-	-	1,8
Buildings and improvements transferred to or from property, plant and equipment (note C1)	-	-	(0,1)	(0,4)
Disposed investment property	-	-	(4,4)	-
Depreciation and impairment on buildings and improvements	-	-	(0,2)	(0,1)
Impairment on buildings and improvements	-	-	(0,1)	(0,2)
Carrying amount before transfer to held for sale	-	-	12,3	12,6
Buildings and improvements transferred to non-current assets held for sale (note C17)	-	-	-	(4,5)
Carrying amount of investment property	-	-	12,3	8,1

During the previous year, the group obtained investment property with a fair value of R1,8 million as part of the acquisition of Mogaladi Fuel Proprietary Limited.

CAPITAL COMMITMENTS

The group currently has no contractual obligation to acquire investment property.

ENCUMBRANCES

There are no encumbrances on the investment property of the group.

THE USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

Investment property is measured according to the cost method; therefore, these assets are depreciated to their residual value. This method requires the group to estimate the useful life and residual value of assets. The expected useful life of investment property that is used at the initial determination of depreciation is as follows:

Buildings and improvements	5 - 90 years
----------------------------	--------------

The expected useful life and the residual value of investment property are reviewed at the end of reporting periods. If the expected useful life or the residual value of an asset differs significantly from the original estimate, depreciation is adjusted for current and future periods. Although the group makes all reasonable efforts to estimate the useful life and residual value of the assets as accurately as possible and takes all reasonable and supportable forward-looking information into account in its assessment thereof, the real useful life and residual value of the assets will still differ from the anticipated useful life and residual value.

FAIR-VALUE MEASUREMENTS

The fair value of investment property is measured at market prices, if available. However, the majority of these assets are located in the rural areas of North West and consequently do not trade in an active market. Cost-effective fair-value measurements of these assets are therefore a significant problem. Since the fair value of investment property is presented as supplementary information and the price fluctuations of property in the open market do not influence the carrying amounts thereof, the group does not use independent valuers for this purpose. The potential costs relating to the valuation of investment property by independent valuers do not justify the benefits that would be obtained from the information. Consequently, the group uses valuation methods to estimate the fair value of investment property. These valuation methods include fair-value measurement using the market prices of similar property in the same municipal district and the estimated security value that financiers place on property in the district concerned. In exceptional cases, the cost of the asset is considered to be its fair value.

C3. INTANGIBLE ASSETS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Brands and licences	-	-	1,2	0,6
Software	-	-	12,5	17,0
In-house-developed software	-	-	11,4	12,6
Goodwill	-	-	16,9	3,9
In-house-developed software not yet available for use	-	-	-	1,3
Carrying amount of intangible assets	-	-	42,0	35,4

ACCOUNTING POLICIES

The group recognises intangible assets if the asset is controlled by the group, the future economic benefits attributable to the asset will probably flow to the group, and the costs of the asset can be measured reliably. Intangible assets include right-of-use assets held under leases. However, as a practical expedient, the group chose not to recognise assets acquired under a short-term lease – in other words, a lease with a lease term of twelve months or less – or assets acquired under a lease for which the underlying asset is of low value. Therefore, these assets are excluded from intangible assets.

Intangible assets that meet the above recognition criteria are initially recognised at cost. Cost includes the purchase price and, where applicable, costs of registration and professional fees directly attributed to preparing the asset for its intended use. In the event that an asset is acquired under a lease, the incremental costs of obtaining the lease are also capitalised as part of the cost of the asset. For this purpose, internal administration costs are not considered costs attributable to the registration of an asset or costs attributable to the inception of a lease. The identified intangible assets of an acquired subsidiary are measured and recognised separately from goodwill at fair value on the acquisition date.

Expenses relating to the research phase of in-house projects are recognised in profit or loss as and when they are incurred. Expenses relating to the developmental phase of in-house projects are capitalised as they are incurred if the group has the ability and resources to complete the asset, intends to complete and use the asset, has the ability and resources to use the asset, and the recognition criteria have been met. For this purpose, internal administration costs are not considered costs attributable to the development of an asset. The capitalisation of expenditure is ceased once the asset is ready for its originally intended use. Subsequent costs are recognised in profit or loss in the period in which they are incurred. Expenses relating to research and internally developed goodwill, trademarks, logos and publications are recognised in profit or loss in the period in which they are incurred.

After the initial recognition the cost of intangible assets, excluding goodwill, is amortised over the expected useful life of the asset using the straight-line method. Amortisation commences on the date on which an asset is ready for its originally intended use. If the intangible asset arises from a contractual or other legal right, such an asset is amortised over the period of the contractual or other legal right or the expected useful life of the intangible asset, whichever is the shortest. If ownership of an asset held under a lease will be obtained after the end of the lease term, the asset is depreciated over its expected useful life. In all other cases, the right-of-use asset is depreciated over the shortest of its expected useful life or the lease term concerned.

Goodwill and in-house-developed software that is not yet ready for use are scrutinised at the end of reporting periods for possible impairment losses. As part of the assessment of in-house-developed software that is not yet ready for use, the group confirms its intention to complete and use these assets and examines its ability and resources to complete and use these assets. The other intangible assets are reviewed at the end of reporting periods to determine whether recoverable amounts could have dropped below existing carrying amounts. In the event of impairment, carrying amounts are reduced by the impairment loss and the concomitant expense is included in expenditure as an impairment loss on a non-financial asset.

An asset classified as an intangible asset under normal circumstances is reclassified as held for sale if it is highly probable that its carrying amount will be recovered principally through a sales transaction rather than through continued use.

The gain or a loss on the disposal of an intangible asset is measured as the difference between the net proceeds, if any, and the carrying amount of the asset on the disposal date. These gains and losses are classified as other income.

C3. INTANGIBLE ASSETS (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
CALCULATION OF CARRYING AMOUNT				
Cost	-	-	64,1	50,0
Brands and licences	-	-	7,3	6,2
Software	-	-	20,4	20,4
In-house-developed software	-	-	19,5	18,2
Goodwill	-	-	16,9	3,9
In-house-developed software not yet available for use	-	-	-	1,3
Accumulated amortisation	-	-	(22,1)	(14,6)
Brands and licences	-	-	(6,1)	(5,6)
Software	-	-	(9,2)	(3,4)
In-house-developed software	-	-	(6,8)	(5,6)
Carrying amount of intangible assets	-	-	42,0	35,4
MOVEMENTS FOR THE YEAR				
Cost at the beginning of the year	-	-	50,0	47,3
Brands and licences	-	-	6,2	6,2
Software	-	-	20,4	20,5
In-house-developed software	-	-	18,2	18,2
Goodwill	-	-	3,9	1,5
In-house-developed software not yet available for use	-	-	1,3	0,9
Accumulated amortisation at the beginning of the year	-	-	(14,6)	(26,5)
Brands and licences	-	-	(5,6)	(5,1)
Software	-	-	(3,4)	(16,9)
In-house-developed software	-	-	(5,6)	(4,5)
Opening balance	-	-	35,4	20,8
Intangible assets acquired	-	-	1,1	17,3
Brands and licences	-	-	1,0	0,1
Software	-	-	0,1	16,9
In-house-developed software	-	-	-	-
In-house-developed software not yet available for use	-	-	-	0,3
Goodwill acquired through business combinations	-	-	13,0	2,4
Amortisation	-	-	(7,5)	(4,8)
Brands and licences	-	-	(0,5)	(0,5)
Software	-	-	(5,9)	(3,2)
In-house-developed software	-	-	(1,1)	(1,1)
Impairment charges on software	-	-	-	(0,3)
Carrying amount of intangible assets	-	-	42,0	35,4

The acquisition of assets under leases, the amortisation charges on these right-of-use assets and the impairment charges on these right-of-use assets are included in the applicable line items above. However, the acquisition of assets under leases are regarded as non-cash transactions and are consequently excluded from the cash paid to acquire non-current assets in the statement of cashflows.

C3. INTANGIBLE ASSETS (CONTINUED)

On 1 September 2022, the group recognised goodwill of R13,0 million as part of the acquisition of a business unit. During the previous year, the group recognised goodwill of R2,4 million as part of the acquisition of two business units. The cashflows relating to these acquisitions are set out in note E6.

RIGHT-OF-USE ASSETS

The group concluded leases to acquire software to conduct operating activities and administrative functions. These right-of-use assets are leased over five years after the commencement date of the lease concerned. The software remains the property of the lessor. Assets acquired under a short-term lease and assets acquired under a lease for which the underlying asset is of low value are excluded from the carrying amount of right-of-use assets set out below. Short-term leases and low-value asset leases are disclosed in note K1.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
CARRYING AMOUNT OF RIGHT-OF-USE ASSETS				
Cost of software	-	-	16,8	16,8
Accumulated amortisation on software	-	-	(5,6)	-
Carrying amount of right-of-use assets	-	-	11,2	16,8
ADDITIONS TO RIGHT-OF-USE ASSETS				
Software	-	-	-	16,8
AMORTISATION CHARGES ON RIGHT-OF-USE ASSETS				
Software	-	-	5,6	-
CAPITAL COMMITMENTS AND THE PLANNED FINANCING THEREOF				
Commitment to obtain intangible assets that are likely to be funded with general borrowing facilities	-	-	-	0,7

ENCUMBRANCES

The right-of-use assets set out above serve as security for the concomitant lease liabilities set out in note C22. There are no other encumbrances on the intangible assets of the group.

THE USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

Intangible assets are measured according to the cost method; therefore, these assets are amortised to their residual value. This method requires the group to estimate the useful life and residual value of assets, with the exclusion of goodwill, which is annually scrutinised for possible impairment losses. The expected useful life of intangible assets that is used at the initial determination of amortisation is as follows:

Brands and licences	3 - 20 years
Purchased software	3 years
In-house-developed software	5 years

The expected useful lives of intangible assets are reviewed at the end of reporting periods. If the expected useful life of an asset differs significantly from the original estimate, amortisation is adjusted for current and future periods. Although the group makes all reasonable efforts to estimate the useful life and residual value of the assets as accurately as possible and takes all reasonable and supportable forward-looking information into account in its assessment thereof, the real useful life and residual value of the assets will still differ from the anticipated useful life and residual value.

COMPANY

C4. INVESTMENT IN SUBSIDIARIES	Shares held		Interest held		Carrying amount	
	2023	2022	2023	2022	2023	2022
	Shares	Shares	%	%	R fn	R'm
NWK Limited	143 031 971	143 031 971	100	100	1 932,7	1 725,5

ACCOUNTING POLICIES

Investments in subsidiaries are initially recognised at cost. Cost is measured as the aggregate of the fair value of the consideration transferred on acquiring the interest in the subsidiary, plus direct transaction costs. For this purpose, internal administration costs are not considered transaction costs. Goodwill – in other words, the excess of the fair value of the consideration transferred on acquiring the interest in the subsidiary over the company's share of the net fair value of the identified assets and liabilities of the acquired entity – is included in the carrying amount of the investment. If the company's share of the net fair value of the identified assets and liabilities exceeds the fair value of the consideration, the difference is recognised as other income on the acquisition date.

At subsequent measurements the investments in subsidiaries are accounted for by using the equity method. In terms of this method, the carrying amount of the investment is increased or decreased to recognise the company's proportionate share of the post-acquisition profits or losses of the subsidiary. The post-acquisition profits or losses of a subsidiary are accounted for by including the company's proportionate share of the post-acquisition profits or losses of the subsidiary in the profit or loss for the period in which it arises. The company's proportionate share in the other comprehensive income of the subsidiary is included in other comprehensive income. Post-acquisition losses are recognised to a maximum determined as the sum of the investment in the equity instruments of the subsidiary and unsecured loans to the subsidiary. Dividends declared by a subsidiary are recognised on the last day of registration to qualify for them as a shareholder, and are accounted for as a recovery of the carrying amount of the investment. Unrealised gains on transactions between the company and a subsidiary are eliminated in proportion to the company's interest in the subsidiary. Unrealised losses are eliminated if the transaction is not viewed as an indication of an impairment loss on the asset.

Investments in subsidiaries are reviewed at the end of reporting periods to determine whether recoverable amounts could have dropped below existing carrying amounts. In the case of impairment, carrying amounts are reduced by the impairment loss and the concomitant expense is included in expenses as an impairment loss on a non-financial asset.

C4. INVESTMENT IN SUBSIDIARIES (CONTINUED)

	2023	2022
	R m	R'm
CALCULATION OF CARRYING AMOUNT		
Investment in NWK Limited, at cost	502,0	502,0
Proportionate share of the post-acquisition reserves of NWK Limited	1 430,7	1 223,5
Carrying amount of the investment in subsidiaries	1 932,7	1 725,5
MOVEMENTS FOR THE YEAR		
Opening balance	1 725,5	1 522,1
Equity-accounted earnings	287,3	263,4
Equity-accounted earnings recognised in profit or loss	287,7	271,1
Equity-accounted earnings recognised in other comprehensive income	(0,4)	(7,7)
Recovery of investment from dividend income	(80,1)	(60,0)
Carrying amount of the investment in subsidiaries	1 932,7	1 725,5

ACQUISITIONS AND DISPOSALS

Epko Oil Seed Crushing Proprietary Limited, an unlisted private company registered in the Republic of South Africa, extracts vegetable oils at its plant and registered office – First Avenue Extension, Lottielhalte, Lichtenburg, North West. The company is a customer of the group, and in particular of the agricultural commodity segment. From the point of view of Epko Oil Seed Crushing Proprietary Limited, the group is a major supplier of raw materials and storage facilities.

On 30 April 2023, the group acquired an additional 50% interest in Epko Oil Seed Crushing Proprietary Limited. This acquisition resulted in the company obtaining control of Epko Oil Seed Crushing Proprietary Limited, as it now holds a 100% interest. This acquisition qualifies as a business as defined in IFRS 3 Business Combinations. The additional 50% was acquired for reasons as part of the strategic process to enhance NWK's footprint. The cashflows relating to this acquisition are set out in note E6.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value
	R'm
Property, plant and equipment	208,0
Inventories	24,1
Cash and cash equivalents	34,4
Financial assets	147,4
Financial liabilities	(28,3)
Deferred tax liabilities	(39,8)
Total identifiable assets acquired and liabilities assumed	345,8
Disposal of interest previously held at fair value*	172,9
Total consideration	172,9
Satisfied by:	
Cash payable	172,9
Total consideration transferred	172,9

* There was no profit or loss with disposal. Fair value equals bookvalue.

C4. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The fair value of the financial assets includes trade and other receivables of R28,5 million and a gross contractual value of R28,5 million. The best estimate at acquisition date of the contractual cash flows not to be collected is R0 million.

Acquisition-related costs amounting to R0,5 million were recognised as an expense in the statement of profit or loss and in operating cashflows in the statement of cashflows. There was no goodwill therefore no tax considerations regarding the deductibility of goodwill.

During the previous year, as part of a strategy to grow the group's fuel business, the group acquired a 100% interest in Mogaladi Fuel Proprietary Limited. The cashflows relating to this acquisition are set out in note E6.

During the year, the Registrar of Companies removed NWK Commodity Brokers Proprietary Limited from the registers. NWK Commodity Brokers Proprietary Limited did not conduct any business in the year under review. The group did not receive cash on the disposal of this entity.

NWK LIMITED

NWK Limited, an unlisted company registered in the Republic of South Africa, trades in agricultural and related products, resources and services. NWK Limited executes its principal activities from its registered office – 81 Scholtz Street, Lichtenburg, North West. In the year under review, NWK Limited realised a consolidated revenue of R4 870 million (2022: R3 840 million)[#] and a consolidated after-tax profit of R287 million (2022: R271 million).

Epko Oil Refinery Proprietary Limited, Epko Oil Seed Crushing Proprietary Limited, and Mogaladi Fuel Proprietary Limited are wholly owned subsidiaries of NWK Limited and therefore also subsidiaries of NWK Holdings Limited. Although the company does not hold any shares in The NWK Loyalty Programme Trust, the company controls the trust. Consequently, this bewind trust is also classified as a subsidiary.

EPKO OIL REFINERY PROPRIETARY LIMITED

Epko Oil Refinery Proprietary Limited, an unlisted private company registered in the Republic of South Africa, did not conduct any business in the year under review and does not plan to conduct any business in the foreseeable future. The registered office of Epko Oil Refinery Proprietary Limited is at 81 Scholtz Street, Lichtenburg, North West.

MOGALADI FUEL PROPRIETARY LIMITED

Mogaladi Fuel Proprietary Limited, an unlisted private company registered in the Republic of South Africa, sells fuel at its premises in Lichtenburg, North West. The registered office of Mogaladi Fuel Proprietary Limited is at 81 Scholtz Street, Lichtenburg, North West. In the year under review, the subsidiary realised an after-tax loss of R0,8 million.

THE NWK LOYALTY PROGRAMME TRUST

The NWK Loyalty Programme Trust, a bewind trust registered in the Republic of South Africa, administers and manages the group's annual loyalty programme allocation. The NWK Loyalty Programme Trust executes its principal activities from its registered office – 54 Wilgen Street, Potchefstroom, North West. In terms of the deed of the trust and the loyalty programme rules, the trust buys ordinary no-par value shares in NWK Holdings Limited and distributes such shares, or where applicable, customer credits, to its beneficiaries based on their participation ratio.

RESTRICTIONS IMPOSED BY THE MEMORANDUM OF INCORPORATION

In terms of the provisions of the memorandum of incorporation of NWK Holdings Limited, the company may not dispose of shares held in NWK Limited without a prior resolution by its members, approved by 66% of the votes of its members, if the disposal of shares will lead to its interest in the voting power of NWK Limited dropping below 51%.

OTHER RESTRICTIONS

The Companies Act of South Africa requires a company to pass a solvency-and-liquidity test, in a prescribed manner, when dividends are declared or when a company in a group grants financial assistance to another company in the group. For this purpose, financial assistance includes loans, financial guarantees and the provision of securities. Therefore, as long as the companies in the group are solvent and liquid, there are no significant statutory, contractual or regulatory restrictions affecting the group's ability to utilise assets or to settle liabilities. Furthermore, the Companies Act also requires the shareholders of a company to pre-approve any financial assistance to related parties such as its holding company and subsidiaries. The company's memorandum of incorporation has similar requirements.

[#] Restated – Refer to note M1

C4. INVESTMENT IN SUBSIDIARIES (CONTINUED)

It is the policy of the subsidiary, NWK Limited, to manage its assets with an equity ratio of at least 45% and to pay dividends in accordance with a three-times coverage basis. This policy has the ability to impede the flow of cash between the companies in the group, but these are internal restrictions and consequently under the control of the company. In its agreement with Absa Bank Limited, NWK Limited undertook to declare no dividend without the prior written approval of the bank. However, in essence, this external constraint does not limit the group's ability to utilise assets or settle liabilities. In practice, it rather has the potential to limit the company's ability to pay dividends to its shareholders.

FINANCIAL ASSISTANCE TO SUBSIDIARIES

Epko Oil Seed Crushing Property Limited has obtained loan and overdraft facilities at commercial banks under terms and conditions supported by a financial guarantee from the group amounting to R34,5 million. This loan has been settled in full on 22 December 2022. The financial guarantee to Epko Oil Seed Crushing Property Limited has since been increased to R56,5 million for future loans and overdraft facilities at commercial banks. The group will only be required to step in as guarantor, if Epko Oil Seed Crushing Proprietary Limited does not have sufficient funds to settle the amounts due. To assess the potential exposure of the group, the Loss Given Default was estimated and the assessment resulted in a Loss Given Default of 0%.

Other than the above, currently the company does not provide any significant financial assistance to its subsidiaries. There are no contractual arrangements that could require the company to provide financial assistance to its subsidiaries, nor are there any current intentions to provide financial assistance or other assistance to its subsidiaries.

C5. INVESTMENT IN ASSOCIATES AND JOINT VENTURES	GROUP					
	Shares held		Interest held		Carrying amount	
	2023	2022	2023	2022	2023	2022
	Shares	Shares	%	%	R'm	R'm
Joint ventures					80,3	180,7
Bastion Lime Proprietary Limited	788 400	788 400	50	50	51,6	40,0
Epko Oil Seed Crushing Proprietary Limited [#]	-	6 700	-	50	-	133,0
NWK and IP Makelaars Proprietary Limited	500	500	50	50	9,2	7,7
Molemi Sele Management Proprietary Limited	2 945	-	50	-	19,5	-
Associates						
Molemi Sele Management Proprietary Limited	2 945	2 945	-	29,45	-	15,7
Carrying amount of investment					80,3	196,4

[#] Refer to note C4 for additional interest acquired in Epko Oil Seed Crushing Proprietary Limited.

Molemi Sele Management Proprietary Limited bought back the interest that was held by Senwes Limited for an amount of R23 million. This resulted in the group now having a 50% interest in Molemi Sele Management Proprietary Limited since 1 November 2022.

COMPANY
GROUP
**C5. INVESTMENT IN ASSOCIATES AND
JOINT VENTURES (CONTINUED)**
2023
2022
2023
2022
R m
R'm
R m
R'm
CALCULATION OF CARRYING AMOUNT

Investment in joint ventures, at cost	-	-	9,4	48,9
Bastion Lime Proprietary Limited	-	-	1,3	2,3
Epko Oil Seed Crushing Proprietary Limited	-	-	-	39,5
Molemi Sele Management Proprietary Limited	-	-	1,0	-
NWK and IP Makelaars Proprietary Limited	-	-	7,1	7,1
Investment in the associate Molemi Sele Management Proprietary Limited, at cost	-	-	-	1,0
Investment in associates and joint ventures, at cost	-	-	9,4	49,9
Accumulated impairment losses on the investment in Bastion Lime Proprietary Limited	-	-	-	(0,6)
Investment in associates and joint ventures, at cost less accumulated impairments	-	-	9,4	49,3
Proportionate share of the post-acquisition reserves of joint ventures	-	-	70,9	132,4
Bastion Lime Proprietary Limited	-	-	50,3	38,3
Epko Oil Seed Crushing Proprietary Limited	-	-	-	93,5
Molemi Sele Management Proprietary Limited	-	-	18,5	-
NWK and IP Makelaars Proprietary Limited	-	-	2,1	0,6
Proportionate share of the post-acquisition reserves of the associate Molemi Sele Management Proprietary Limited	-	-	-	14,7
Carrying amount of investment	-	-	80,3	196,4

MOVEMENTS FOR THE YEAR

Opening balance	-	-	196,4	193,8
Bastion Lime Proprietary Limited	-	-	40,0	29,0
Epko Oil Seed Crushing Proprietary Limited	-	-	133,0	111,4
NWK and IP Makelaars Proprietary Limited	-	-	7,7	-
SENWK Proprietary Limited	-	-	-	40,7
Molemi Sele Management Proprietary Limited	-	-	15,7	12,7
Acquisition of NWK and IP Makelaars Proprietary Limited	-	-	-	7,1
Equity-accounted earnings recognised in profit or loss	-	-	57,7	47,0
Bastion Lime Proprietary Limited	-	-	12,0	14,1
Epko Oil Seed Crushing Proprietary Limited	-	-	40,3	29,3
NWK and IP Makelaars Proprietary Limited	-	-	1,5	0,6
Molemi Sele Management Proprietary Limited	-	-	3,9	3,0
Equity-accounted earnings of Epko Oil Seed Crushing Proprietary Limited recognised in other comprehensive income	-	-	(0,4)	(7,7)
Disposal of Epko Oil Seed Crushing Proprietary Limited at fair value (note C4)	-	-	(172,9)	-
Repayment of shareholder loan by Bastion Lime Proprietary Limited	-	-	(0,4)	(3,1)
Recovery of investment in SENWK Proprietary Limited from dividends	-	-	-	(1,7)
Disposal of SENWK Proprietary Limited	-	-	-	(39,0)
Carrying amount of investment	-	-	80,3	196,4

ACQUISITIONS AND DISPOSALS

The group was one of two equal partners in the joint venture SENWK Proprietary Limited for the year ended 30 April 2021. During the year ended 30 April 2022, the group bought its share of the insurance business from Certisure Proprietary Limited and sold its interest in SENWK Proprietary Limited. The selling price of the group's interest in SENWK Proprietary Limited was R26,1 million. However, as part of the transaction, SENWK Proprietary Limited paid dividends amounting to R37,5 million to the group. Consequently, the cashflow from the disposal was substantially more than the stand-alone selling price. The price at which the group bought its share of the insurance business was R18,8 million. With the acquisition of its share of the insurance business from Certisure Proprietary Limited, the group acquired some low-value items of property, plant and equipment, as well as employee-related liabilities. The cashflows relating to this disposal are set out in note E10.

During the previous year, the group acquired a 50% interest in NWK and IP Makelaars Proprietary Limited, formerly known as IP Makelaars SA Proprietary Limited. This acquisition took place in two steps. On 5 July 2021, but with effect from 1 March 2021, the group bought a 20% interest from IP van der Merwe and during the disposal of SENWK Proprietary Limited, the group bought a 30% interest that Certisure Proprietary Limited held in NWK and IP Makelaars Proprietary Limited from the former. As the purpose of acquiring NWK and IP Makelaars Proprietary Limited was to acquire a vehicle to manage the insurance business of the group, the assets and liabilities acquired at the disposal of SENWK Proprietary Limited were sold to NWK and IP Makelaars Proprietary Limited. The cashflows relating to these acquisitions and disposals are set out in notes E7 and E9.

BASTION LIME PROPRIETARY LIMITED

Bastion Lime Proprietary Limited, an unlisted private company registered in the Republic of South Africa, and its subsidiaries, Oos-Transvaal Kalkverskaffers Proprietary Limited and Pelelani Proprietary Limited, mine agricultural limestone. Bastion Lime Proprietary Limited executes its principal activities from its registered office – 1 Charl de Klerk Street, Newtown, Klerksdorp, North West. The group acts as an agent for Bastion Lime Proprietary Limited – in other words, the group finances the agricultural lime that Bastion Lime Proprietary Limited sells to agricultural producers.

NWK AND IP MAKELAARS PROPRIETARY LIMITED

NWK and IP Makelaars Proprietary Limited, an unlisted private company registered in the Republic of South Africa, and its subsidiary, Arximark Proprietary Limited, act as an insurance broker. NWK and IP Makelaars Proprietary Limited executes its principal activities from its registered office – 48 Van Riebeeck Street, Ventersdorp, North West. Flowing from its main objective, NWK and IP Makelaars Proprietary Limited acts as the insurance broker of the group and a large portion of the group's customers.

MOLEMI SELE MANAGEMENT PROPRIETARY LIMITED

Molemi Sele Management Proprietary Limited, an unlisted private company registered in the Republic of South Africa, owns cell insurance. This company executes its principal activities from its registered office – 81 Scholtz Street, Lichtenburg, North West. The purpose of the cell captive is to provide credit life insurance to the customers of the shareholders of Molemi Sele Management Proprietary Limited.

FINANCIAL ASSISTANCE TO ASSOCIATES AND JOINT VENTURES

The group provides financial assistance to its associates and joint ventures in that, firstly, it provides credit to these entities as and when these entities need funds at lower rates than those at which these entities can borrow in the open market, and secondly, as and when these entities have surplus funds, takes such funds on deposit at higher rates than those at which these entities can invest in the open market. The terms and conditions of the loan and investment facilities to the associates and joint ventures are set out in notes C8, C12 and C24. The outstanding amounts owing by or to the associates and joint ventures are disclosed in notes J3 and J4.

C6. FINANCIAL INFORMATION OF JOINT VENTURES	Bastion Lime Proprietary Limited		Epko Oil Seed Crushing Proprietary Limited*		NWK and IP Makelaars Proprietary Limited	
	2023	2022	2023	2022	2023	2022
	R fn	R'm	R fn	R'm	R fn	R'm
FINANCIAL POSITION OF JOINT VENTURES						
Non-current assets – non-financial assets	57,6	52,7	-	205,7	29,1	30,3
Current assets	117,7	83,2	-	312,5	4,3	4,8
Cash and cash equivalents	95,6	68,0	-	20,3	0,4	1,7
Other current assets	22,1	15,2	-	292,2	3,9	3,1
Non-current liabilities	(7,9)	(10,2)	-	(47,4)	(12,2)	(18,4)
Deferred tax liabilities	(3,8)	(3,8)	-	(45,6)	-	-
Provisions	(4,0)	(5,6)	-	-	-	-
Financial liabilities	(0,1)	(0,8)	-	(1,8)	(12,2)	(18,4)
Current liabilities	(45,4)	(29,8)	-	(204,8)	(2,8)	(1,4)
Trade and other payables	(36,7)	(22,1)	-	(142,5)	(2,8)	(1,4)
Other financial liabilities	(8,7)	(7,7)	-	(62,3)	-	-
Equity (including non-controlling interest)	122,0	95,9	-	266,0	18,4	15,3
RECONCILIATION OF EQUITY WITH CARRYING AMOUNTS						
The group's share of the above equity, based on its shareholding in the entity	61,0	48,0	-	133,0	9,2	7,7
Interest-free loans	-	0,4	-	-	-	-
Adjustment for non-controlling interest	(9,4)	(8,4)	-	-	-	-
Carrying amount of investment	51,6	40,0	-	133,0	9,2	7,7
FINANCIAL PERFORMANCE OF JOINT VENTURES						
Revenue	109,9	122,7	1 518,6	1 081,2	18,0	15,0
Earnings before interest, tax, depreciation and amortisation	39,3	48,1	114,3	93,1	7,5	4,7
Depreciation and amortisation	(9,4)	(8,9)	(13,2)	(12,6)	(1,9)	(1,7)
Finance income	6,1	3,6	9,5	1,7	-	-
Finance costs	(0,1)	(0,2)	(0,2)	(0,9)	(1,5)	(1,1)
Pre-tax profit or loss	35,9	42,6	110,4	81,3	4,1	1,9
Tax	(9,7)	(12,1)	(29,8)	(22,8)	(1,1)	(0,7)
Profit or loss for the year	26,2	30,5	80,6	58,5	3,0	1,2
Other comprehensive income	-	-	(0,7)	(15,3)	-	-
Profit or loss for the year	26,2	30,5	79,9	43,2	3,0	1,2

The reporting dates of Bastion Lime Proprietary Limited and NWK and IP Makelaars Proprietary Limited are the same as those of the group. The latest annual financial statements of these joint ventures have been used to apply the equity method of accounting and to compile the financial information above.

* Refer to Note C4 for additional interest acquired in Epko Oil Seed Crushing Proprietary Limited.

C6. FINANCIAL INFORMATION OF JOINT VENTURES (CONTINUED)

2023

2022

R'fm

R'm

FINANCIAL POSITION OF JOINT VENTURES

Non-current assets – financial assets	45,8	31,0
Current assets	5,2	27,4
Cash and cash equivalents	1,0	-
Other current assets	4,2	27,4
Non-current liabilities – deferred tax liabilities	(8,0)	(4,7)
Current liabilities – trade and other payables	(4,0)	(0,3)
Equity	39,0	53,4

RECONCILIATION OF EQUITY WITH CARRYING AMOUNTS

The group's share of the above equity, based on its shareholding in the entity	19,5	15,7
Carrying amount of investment	19,5	15,7

FINANCIAL PERFORMANCE OF JOINT VENTURES

Earnings before interest, tax, depreciation and amortisation	14,3	10,9
Finance income	1,9	1,3
Pre-tax profit	16,2	12,2
Tax	(3,9)	(2,5)
Profit for the year	12,3	9,7

The reporting dates of Molemi Sele Management Proprietary Limited are the same as those of the group. The latest annual financial statements of this associate have been used to apply the equity method of accounting and to compile the financial information above.

* Molemi Sele Management Proprietary Limited was an associate of the group in the previous financial year. Refer to note C5.

GROUP

C7. INVESTMENT IN EQUITY INSTRUMENTS	Shares held		Carrying amount	
	2023	2022	2023	2022
	Shares	Shares	R m	R'm
Investment in the equity instruments of listed entities			1,0	1,1
JSE Limited	10 000	10 000	1,0	1,1
BKB Limited	2 880	2 880	-	-
Investment in the equity instruments of unlisted entities			3,6	3,5
Agribel Holdings Limited	25 558	25 558	0,2	0,2
Obaro Holdings Limited	35 941	35 941	0,3	0,3
Senwes Limited	16 666	16 666	0,3	0,2
The Cape Town Stock Exchange Proprietary Limited	57 214	57 214	2,8	2,8
Carrying amount of the investment in equity instruments			4,6	4,6

ACCOUNTING POLICIES

Investments in the equity instruments of listed and unlisted entities are – at the option of the group – classified as financial assets at fair value through other comprehensive income. This election is made on an instrument-by-instrument basis. For this purpose, investments in the equity instruments of listed and unlisted entities exclude investments in the equity instruments of subsidiaries, joint ventures and associates, as well as short-term investments in the equity instruments of listed and unlisted entities made by consolidated trusts for the benefit of their beneficiaries. These assets are classified as investments in subsidiaries, investments in joint ventures and associates or fiduciary assets, whichever is applicable. In the case where the shares held are issued ordinary shares of the company, such shares are deemed to be treasury shares in the consolidated financial statements. This is regardless of whether the shares are classified in the financial statements or the separate financial statements of the investor as an investment in equity instruments or as fiduciary assets.

Investments in listed and unlisted entities are initially recognised at fair value plus, where applicable, direct transaction costs. For this purpose, internal administration costs are not considered transaction costs. At subsequent measurements, these assets are measured at fair value. The fair value of the equity instruments of listed companies is determined by using the closing price of the equity instrument on the relevant stock exchange on the last day of the reporting period. The fair value of the equity instruments of unlisted companies is measured at market prices as determined by arm's-length transactions in the open market, if available.

The equity instruments of listed and unlisted entities are not held for trading, and consequently the gains or losses arising from changes in their fair value are excluded from the measurement of profit or loss. These gains and losses are included in other comprehensive income in the period in which they arise. Upon the disposal of these instruments, the accrued fair-value adjustments are transferred directly to retained earnings.

Dividends declared by listed and unlisted entities are recognised as income on the last day of registration to qualify for them as a shareholder, unless a portion of the dividend can be clearly identified as a recovery of the cost of the investment.

COMPANY

GROUP

FAIR-VALUE HIERARCHY	COMPANY		GROUP	
	2023	2022	2023	2022
	R m	R'm	R m	R'm
Fair value measured by using level one input data	-	-	1,0	1,1
Fair value measured by using level two input data	-	-	0,8	0,7
Fair value measured by using level three input data	-	-	2,8	2,8
Carrying amount of the investment in equity instruments	-	-	4,6	4,6

C7. INVESTMENT IN EQUITY INSTRUMENTS (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	4,6	4,6
Fair-value adjustment (note D13)	-	-	-	-
JSE Limited	-	-	(0,1)	(0,1)
Agribel Holdings Limited	-	-	-	-
Obaro Holdings Limited	-	-	0,1	0,1
The Cape Town Stock Exchange Proprietary Limited	-	-	-	-
Carrying amount of the investment in equity instruments	-	-	4,6	4,6

SECURITIES PRICE RISKS

The investment in the equity instruments of listed and unlisted entities exposes the group to the price fluctuations of securities in the open market. In terms of the accounting policies, the fair-value adjustments on these assets are recognised in other comprehensive income – therefore, market price fluctuations of securities do not affect the profit or loss for the year. To illustrate the group's exposure to price fluctuations of securities in the open market, the influence of the price fluctuations on the carrying amount of the investment in the equity instruments of listed and unlisted entities, and hence on other comprehensive income, is illustrated as follows:

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Carrying amount of the investment in equity instruments	-	-	4,6	4,6
Influence of a general increase of 10% in security prices on other comprehensive income:				
Pre-tax other comprehensive income	-	-	0,5	0,5
After-tax other comprehensive income	-	-	0,4	0,4
Influence of a general decrease of 10% in security prices on other comprehensive income:				
Pre-tax other comprehensive income	-	-	(0,5)	(0,5)
After-tax other comprehensive income	-	-	(0,4)	(0,4)

C8. LOANS AND LEASE RECEIVABLES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Lease receivables	-	-	7,7	4,9
Present value of lease receivables	-	-	7,8	5,0
Allowance for expected credit losses	-	-	(0,1)	(0,1)
Term loans to agricultural customers	-	-	383,3	391,5
Present value of term loans	-	-	389,1	397,6
Allowance for expected credit losses	-	-	(5,8)	(6,1)
Carrying amount of instalment plans	-	-	391,0	396,4
Loan to NWK and IP Makelaars Proprietary Limited	-	-	12,2	18,4
Loan to TB Modise	-	-	-	0,1
Carrying amount before transfers to current assets	-	-	403,2	414,9
Current portion of loans and lease receivables transferred to trade and other receivables (note C12)	-	-	(45,6)	(51,7)
Lease receivables	-	-	(2,8)	(2,4)
Term loans to agricultural customers	-	-	(38,5)	(44,5)
Loan to NWK and IP Makelaars Proprietary Limited	-	-	(4,3)	(4,8)
Carrying amount of loans and lease receivables	-	-	357,6	363,2

ACCOUNTING POLICIES

Since the group holds loans and lease receivables in order to collect the contractual cashflow from it, and their contractual provisions lead to cashflow on specified dates, which represents payments of principal and interest on the outstanding capital only, loans and lease receivables are classified as financial assets at amortised cost. For this purpose, the principal is the fair value of the asset at its initial recognition, and interest is defined as compensation for the time value of money. Furthermore, interest is compensation for the credit risks associated with the outstanding capital over a specified period of time, other basic lending risks and costs associated with holding the asset over a specified period of time, as well as a profit margin consistent with the basic lending arrangement.

Loans are initially recognised at fair value plus, where applicable, transaction costs that are directly attributable to the acquisition of the asset. For this purpose, internal administration costs are not considered transaction costs attributable to the acquisition of the asset. When measured subsequently, these assets are measured at amortised cost using the effective-interest method. A lease receivable is initially measured at an amount equal to the net investment in the lease. At initial measurement the net investment in the lease is measured at the present value of the lease payments receivable – calculated at the interest rate implicit in the lease. The incremental costs of obtaining the lease are recognised as expenditure in the same period in which the income from the sale of the goods is recognised as revenue. At subsequent measurements, the net investment in the lease is measured as the lease payments receivable less unearned finance income. Lease payments are divided between the principal and finance income on a basis that reflects a constant periodic rate of return on the net investment in the lease.

Loans and lease receivables are classified as current assets if the outstanding amounts are expected to be recovered within either the normal operating cycle of the group or a year. To give effect to this policy, the carrying amounts of loans and lease receivables are divided between the portion that is expected to be recovered in terms of the relevant contract within the twelve months following the reporting date and those that will be recovered after a year.

The interest earned on lease receivables and term loans to agricultural customers is classified as interest income. On the other hand, the interest on loans to the associates and joint ventures is considered part of the group's treasury function and is consequently classified as other income.

C8. LOANS AND LEASE RECEIVABLES (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
FAIR VALUE OF LOANS AND LEASE RECEIVABLES				
Fair value measured by using level two input data	-	-	403,2	414,9

LEASE RECEIVABLES

The group uses instalment-sale agreements to finance the sale of capital goods to customers. The amounts owing are payable in annual, half-yearly, quarterly or monthly instalments over one to five years after the inception of the lease and bear interest at fixed or variable interest rates that varied between 12,2% and 13,7% (2022: 8,7% - 10,2%) per annum. The contracts determine, firstly, that although the risks and benefits attached to ownership of the product are transferred to the buyer, the product remains the property of the group until all outstanding amounts have been recovered. Secondly, the product may be used only on the agreed-upon site for the purpose it was manufactured or sold for, and, lastly, where applicable, the purchaser has to register and license the product. The contracts furthermore require the purchaser to insure the product against theft, fire and damage and effect credit life insurance, and cede the proceeds to the group. The buyer is entitled to terminate the agreement without prior notice by settling the amounts owing.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
PRESENT VALUE OF LEASE RECEIVABLES				
Lease payments receivable	-	-	9,3	5,4
Receivable within a year	-	-	2,8	2,7
Receivable after a year, but not exceeding two years	-	-	2,7	1,4
Receivable after two years, but not exceeding three years	-	-	1,4	1,3
Receivable after three years, but not exceeding four years	-	-	1,2	-
Receivable after four years, but not exceeding five years	-	-	1,2	-
Unearned finance income	-	-	(1,5)	(0,4)
Present value of lease receivables	-	-	7,8	5,0

MATURITY ANALYSIS OF THE PRINCIPAL PORTION OF LEASE RECEIVABLES

Receivable within a year	-	-	2,1	2,4
Receivable after a year, but not exceeding two years	-	-	2,3	1,3
Receivable after two years, but not exceeding three years	-	-	1,1	1,3
Receivable after three years, but not exceeding four years	-	-	1,1	-
Receivable after four years, but not exceeding five years	-	-	1,2	-
Present value of lease receivables	-	-	7,8	5,0

TERM LOANS TO AGRICULTURAL CUSTOMERS

Term loans to agricultural customers, mainly mortgage loans, livestock loans and rescheduled debt consolidation loans, are payable in annual, half-yearly, quarterly or monthly instalments over three to ten years after the inception of the contract and bear interest at fixed or variable interest rates that varied between 12,2% and 15,2% (2022: 7,2% - 11,7%) per annum. The contracts require the customers to effect life or credit life insurance and cede the proceeds on this to the group. The customer is entitled to terminate the contract without prior notice by settling the amounts owing.

COMPANY

GROUP

C8. LOANS AND LEASE RECEIVABLES (CONTINUED)

	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
PRESENT VALUE OF TERM LOANS TO AGRICULTURAL CUSTOMERS				
Instalments receivable	-	-	577,6	530,3
Receivable within a year	-	-	77,2	78,6
Receivable after a year, but not exceeding two years	-	-	97,7	90,1
Receivable after two years, but not exceeding five years	-	-	236,8	210,1
Receivable after five years, but not exceeding ten years	-	-	165,9	151,5
Unearned finance income	-	-	(188,6)	(132,7)
Present value of term loans to agricultural customers	-	-	389,0	397,6
MATURITY ANALYSIS OF THE PRINCIPAL PORTION OF TERM LOANS				
Receivable within a year	-	-	30,2	44,6
Receivable after a year, but not exceeding two years	-	-	58,9	62,1
Receivable after two years, but not exceeding five years	-	-	160,6	156,9
Receivable after five years, but not exceeding ten years	-	-	139,3	134,0
Present value of term loans to agricultural customers	-	-	389,0	397,6

LOAN TO NWK AND IP MAKELAARS PROPRIETARY LIMITED

The loan to NWK and IP Makelaars Proprietary Limited is partially secured by a cession on the shares of the other shareholders of this joint venture, bears interest at the prime interest rate plus 0,95 percentage points – calculated daily and capitalised on a monthly basis – and is repayable in five equal instalments over the five years ending 30 June 2026.

ENCUMBRANCES

The loans and lease receivables, along with the trade and other receivables set out in note C12, have been ceded to the financiers of the group. This cession, together with mortgages of R200 million on the land, buildings and improvements, as well as the majority of the machinery and equipment of the group, a notarial bond on the group's inventory and a cession on the policies insuring these assets, serves as security for the overdraft facilities set out in note C26. The remaining mortgages of R200 million on the land, buildings and improvements, as well as the majority of the machinery and equipment of the group serve as a security for the long-term loan as set out in note C21.

RELATED-PARTY BALANCES

NWK and IP Makelaars Proprietary Limited is a related party of the group. The outstanding amounts on these loans, as well as the outstanding amounts owing by the directors and other key employees on instalment plans, are disclosed in note J3.

FINANCIAL RISKS

Loans and lease receivables expose the group to credit and interest rate risks. The group's credit risks; its concentrations of credit risks; credit-impaired financial assets; financial assets past due, and its credit policy, as well as a description of the securities effected to limit its credit risks, are disclosed in note I3. The effect of interest rate fluctuations on the profitability of the group is illustrated in note I10.

It is policy to assess the recoverability of financial assets. Therefore, the group scrutinises financial assets independently and collectively at the end of reporting periods to determine whether any asset should be written off – in other words, should any asset be derecognised completely or partially. The present value of the contractual amounts outstanding, reduced directly with credit losses but still subject to enforcement activities, is disclosed in note I5. The allowances for expected credit losses on loans and lease receivables, as well as the significant judgements and estimates made during the assessment of these and other financial assets, are discussed in notes I6 to I8. Impairment gains and losses on loans and lease receivables are disclosed in note D9.

C9. DEFERRED TAX	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Taxable temporary differences	-	-	(68,2)	(27,4)
Allowance for lease receivables	-	-	(0,2)	(0,1)
Wear-and-tear allowances	-	-	(68,0)	(27,3)
Deductible temporary differences	-	-	50,2	48,4
Accumulating compensated absences	-	-	10,2	9,9
Allowance for expected credit losses on financial assets	-	-	7,7	5,0
Impairment losses on the investment in joint ventures	-	-	0,1	0,1
Liabilities from contracts with customers	-	-	3,3	11,5
Provision for environmental rehabilitation	-	-	1,8	1,3
Provision for grade and weight losses	-	-	7,3	4,5
Provision for long-term incentives	-	-	3,2	1,0
Provision for retirement benefits	-	-	1,6	1,2
Short-term incentives owing to employees	-	-	14,4	13,2
Other provisions	-	-	0,6	0,7
Unused tax losses of Mogaladi Fuel Proprietary Limited	-	-	0,6	0,3
Net deferred tax asset or liability	-	-	(17,4)	21,3

ACCOUNTING POLICIES

A deferred tax liability is recognised for all taxable temporary differences – in other words, the differences between the carrying amounts of assets and liabilities and their tax base that will result in future tax payments – except for those taxable temporary differences that arise from the initial recognition of goodwill. Deductible temporary differences and unused tax losses are used to reduce the deferred tax liability. On the other hand, deferred tax assets are recognised to the extent that it is probable that future taxable profit against which the deferred tax assets can be utilised will be available. Legal restrictions on the deductibility of deferred tax assets are taken into account when assessing future taxable profits. Deductible temporary differences relating to capital losses are therefore only recognised to the extent that it is probable that future capital gains against which the capital losses can be utilised will be available.

No deferred tax liabilities are recognised in the line-by-line consolidation or the equity accounting of subsidiaries, joint ventures and associates for taxable temporary differences relating to the investment in these entities if the group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the near future. In contrast, deferred tax assets are recognised for deductible temporary differences relating to the investment in these entities if the temporary difference is likely to be reversed in the near future, and it is probable that future taxable profit against which the temporary difference can be utilised will be available.

Deferred tax is measured against tax rates and tax legislation enacted or substantively enacted before or on the last day of the reporting period. The choice of a tax rate for measuring deferred tax takes into account the manner in which the carrying amount of an asset is expected to be recovered or the carrying amount of a liability is expected to be settled. If the group concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the single most likely amount or the sum of the probability-weighted amount in the range of possible outcomes, whichever one is expected to predict more accurately the amount payable, is used to determine deferred tax.

Tax relating to transactions or events that have been directly recognised in equity is recognised directly in equity. Tax relating to transactions or events that have been recognised in other comprehensive income is recognised in other comprehensive income. All other tax charges or tax income is included in the profit or loss for the period.

C9. DEFERRED TAX (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
CURRENT AND NON-CURRENT DISTINCTION				
Temporary differences likely to reverse within a year	-	-	3,9	34,8
Temporary differences not likely to reverse within a year	-	-	(21,3)	(13,5)
Net carrying amount	-	-	(17,4)	21,3
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	21,3	13,4
Temporary differences recognised in profit or loss (note D10)	-	-	1,1	8,4
Allowance for lease receivables	-	-	(0,1)	0,1
Prepaid expenses	-	-	-	-
Wear-and-tear allowances	-	-	0,9	(1,7)
Accumulating compensated absences	-	-	(0,1)	(0,8)
Allowance for expected credit losses on financial assets	-	-	2,7	0,9
Liabilities from contracts with customers	-	-	(8,3)	8,9
Provision for environmental rehabilitation	-	-	0,5	0,6
Provision for grade and weight losses	-	-	2,8	0,8
Provision for long-term incentives	-	-	2,2	(0,3)
Provision for retirement benefits	-	-	0,4	(0,2)
Short-term incentives owing to employees	-	-	(0,2)	(0,2)
Unused tax losses of Mogaladi Fuel Proprietary Limited	-	-	0,3	0,3
Deferred tax liability acquired with acquisition of Epko Oil Seed Crushing Proprietary Limited (note C4)	-	-	(39,8)	-
Tax rate adjustment recognised in profit or loss	-	-	-	(0,5)
Net carrying amount at the end of the year	-	-	(17,4)	21,3

ESTIMATION OF FUTURE TAXABLE INCOME

Deductible temporary differences and unused tax losses are recognised only if taxable income against which the deferred tax assets can be utilised will likely be available in the future. This recognition criterion compels the group to estimate future taxable income. Deferred tax assets are therefore assessed at the end of reporting periods against expected future taxable income, using the group's best estimates and the most recent financial budgets and forecasts, and taking into account legal restrictions on the deductibility of deferred tax assets. Under normal circumstances, the decision to recognise deferred tax assets is straightforward for entities with a proven profit history. In contrast, the decision to recognise deferred tax assets at entities with a history of losses is more complex.

For this purpose, entities in the group that realised a pre-tax profit in this and the previous year are deemed to be entities with a proven profit history. Although the group does everything reasonably in its power to estimate expected future taxable income as accurately as possible and considers reasonable and supportable forward-looking information in the assessment of recognised and derecognised deferred tax assets, lower-than-expected or volatile returns may adversely affect future taxable income and, accordingly, the recoverability of deferred tax assets. Estimation of future taxable income is further complicated when the group needs to estimate future taxable capital gains.

C9. DEFERRED TAX (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Unused capital losses not recognised	-	-	8,2	12,4

C10. INVENTORY	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Farming requisites and merchandise	-	-	1 035,3	660,1
Raw materials	-	-	35,8	21,7
Finished goods	-	-	7,3	3,0
By-products	-	-	0,8	1,5
Consumables	-	-	17,9	10,8
Contract assets#	-	-	-	3,9
Carrying amount of inventory	-	-	1 097,1	701,0

Refer to note C12

ACCOUNTING POLICIES

Assets held for sale in the ordinary course of business, in the process of production for such sale, and materials or supplies to be consumed in the production process or in the rendering of services are classified as inventory. Agricultural commodities held for sale in the ordinary course of business are excluded from inventory. Agricultural commodities are classified as a separate asset group – based on materiality and their measurement at fair value less costs to sell.

Inventory is measured at the lower of cost or net realisable value. Cost is determined on the weighted average basis and includes the purchase price and, where applicable, purchase costs, import levies, transport costs, handling costs, as well as other costs that can be directly attributed to bringing the inventory item to its present location and condition, such as repair and assembly costs. For this purpose, internal administration costs are not considered purchase costs. Where suppliers defer payment of inventory interest-free, the present value of the transaction price – discounted at the rate at which similar liabilities bear interest – is regarded as the purchase price of the inventory.

The difference between the transaction price and the purchase price of the inventory is recognised as finance costs over the period during which the financing occurs. The cost of finished goods includes raw materials, fixed and variable production costs and, where applicable, rehabilitation costs and packaging material. Net realisable value is determined by reducing expected selling prices – based on contract prices and selling prices in the ordinary course of business – by the estimated costs necessary to complete or repair the inventory item and the estimated costs necessary to make the sale. Farming requisites and merchandise older than four years, damaged or spoiled items, obsolete inventory and inventory items past their expiry date are written off as and when such losses occur.

An asset is classified as a current asset if the group intends to sell or consume the asset within either the normal operating cycle of the group or a year after the reporting period. Based on this policy, inventories are classified as current assets.

The cost of all inventories sold is classified as the net of purchases and the movement in finished goods. On the other hand, when an inventory item is adjusted to its net realisable value, the concomitant impairment loss is included in expenses.

C10. INVENTORY (CONTINUED)

CURRENT AND NON-CURRENT DISTINCTION

In the statement of financial position assets are divided between current and non-current assets. Assets are classified as current assets if their carrying amounts are expected to be recovered within either the normal operating cycle of the group or a year after the reporting period. Inventory is such an asset. However, in the event that assets classified as current assets contain a significant component that is expected to be recovered more than one year after the reporting period, it is the group's practice to disclose such a component. Therefore, the group estimates the non-current component of farming requisites and merchandise, and especially the non-current component of seasonal stock. Although the group takes general farming conditions into account when assessing inventory, the estimation of farming requisites and merchandise that in all likelihood will not be sold within a year poses significant problems.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Farming requisites and merchandise that in all likelihood will not be sold within a year	-	-	101,5	98,6

ENCUMBRANCES

There are no significant encumbrances on the inventory of the group.

C11. AGRICULTURAL COMMODITIES

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Agricultural commodities at fair value less costs to sell	-	-	1 091,6	1 400,4

ACCOUNTING POLICIES

Agricultural commodities held for sale in the near future in order to generate either a profit from commodity price fluctuations in the open market or a broker-trader margin are measured at fair value less costs to sell. For this purpose, internal administration costs are not considered to be costs to sell. The fair value of agricultural commodities is determined by using commodity prices on the derivatives market for agricultural commodities of the JSE, reduced by the applicable transport differential and, where applicable, the appropriate discount rate for grade differences. As a result of the risks inherently relating to storing agricultural commodities, the mass of maize, sorghum, soybeans and wheat, including such stored on behalf of producers and customers, is reduced on receipt thereof to make provision for grade and weight losses during storage. The weight adjustments are recognised as inventory on the date of receipt and measured at fair value less costs to sell. The concomitant income is included in revenue from the handling and storage of agricultural commodities, after reducing it with the expected grade and weight losses.

An asset is classified as a current asset if the group intends to sell the asset within either the normal operating cycle of the group or a year after the reporting period. Based on this policy, agricultural commodities are classified as current assets.

Fair-value adjustments on agricultural commodities are classified as net fair value gains on commodity trading.

GRADE AND WEIGHT LOSSES

The group is obliged to supply on demand agricultural commodities that are stored on behalf of customers. Due to the risks inherently relating to the storing, measuring and grading of agricultural commodities, the group uses estimates and assumptions, based on the history of the group, to measure agricultural commodity levels and grade. A provision of R30,7 million for these estimated losses is recorded against the agricultural commodities recorded by the group.

SIGNIFICANT ESTIMATES RELATING TO THE PROVISION FOR GRADE AND WEIGHT LOSSES

In the case of maize, the provision is estimated at 0,18% (2022: 0,18%) of the theoretical weight at hand; in the case of sunflower, 1,3% (2022: 3,55%) of the theoretical weight at hand at one specific silo and 1,01% (2022: 1,01%) of the theoretical weight at hand at the other silos; in the case of sorghum, 2,1% (2022: 2,1%) of the theoretical weight at hand; in the case of wheat, 0,95% (2022: 0,95%) of the theoretical weight at hand, and, in the case of soybeans, 0,75% (2022: 1,39%) of the theoretical weight at hand. The negative asset is measured against the expected purchase price of the agricultural commodity, based on commodity prices on the derivatives market for agricultural commodities of the JSE.

The group evaluates the rates at which the provisions are created annually, and makes adjustments if recent history indicates that rates need to be adjusted. Nevertheless, the actual grade and weight losses will still differ from the estimated losses. To illustrate the group's exposure to this risk, the influence of deviations compared to the standard on the carrying amount of the liability, and consequently profit or loss, is illustrated as follows:

	COMPANY		GROUP	
	2023	2022	2023	2022
	R m	R'm	R m	R'm
Effect of a 100% overprovision:				
Pre-tax profit	-	-	17,1	16,5
Profit after tax	-	-	12,5	11,9

As the group annually realises surpluses on the various agricultural commodities on hand, the influence of a possible underprovision is not illustrated.

FAIR-VALUE HIERARCHY

The fair value of agricultural commodities is determined by using commodity prices on the derivatives market for agricultural commodities of the JSE and is therefore classified as fair value measured with level one input data. Where there is limited market information available, the fair value of the agricultural commodities is measured with level three input data.

ENCUMBRANCES

The group has commodity-based loan facilities at commercial banks. In terms of these facilities the group can transact short-term loans with the commercial banks, secured by sale and repurchase agreements over agricultural commodities.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R m	R'm	R m	R'm
Agricultural commodities held under sale and buyback agreements	-	-	387,9	856,7

These commodities serve as security for the concomitant commodity-based short-term loans set out in note C25.

MARKET PRICE RISKS

Agricultural commodities are measured at fair value less costs to sell. This valuation method is based on commodity prices, and consequently, this inventory exposes the group to the price fluctuations of agricultural commodities in the open market. In order to limit commodity price risks it is policy to hedge agricultural commodities in most, but not all, cases with contracts on the derivatives market for agricultural commodities of the JSE. The commodity price risks to which the group is exposed are disclosed in note III.

C12. TRADE AND OTHER RECEIVABLES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Amounts owing by agricultural customers	-	-	1 634,0	1 197,9
Production accounts	-	-	1 197,8	916,1
Interest-free deferred payments	-	-	3,4	8,9
Credit-insured production accounts	-	-	316,5	206,2
Production accounts past due	-	-	65,9	23,4
Monthly production accounts	-	-	50,4	43,3
Allowances for expected credit losses	-	-	(35,9)	(17,8)
Amounts owing by agricultural customers, net of loss allowances	-	-	1 598,1	1 180,1
Amounts owing by non-agricultural customers, net of loss allowances	-	-	101,6	44,3
Amounts owing by non-agricultural customers	-	-	101,9	44,5
Allowance for expected credit losses	-	-	(0,3)	(0,2)
Amounts owing by commodity customers, net of loss allowances	-	-	114,0	145,0
Amounts owing by commodity customers	-	-	115,7	148,3
Allowance for expected credit losses	-	-	(1,7)	(3,3)
Trade receivables	-	-	1 813,7	1 369,4
Other receivables	17,9	0,6	159,2	215,0
Amounts due on the sale of Opti Agri Proprietary Limited	-	-	-	4,5
Contract assets	-	-	2,5	-
Rebates owing by suppliers	-	-	14,2	6,0
Short-term deposits on commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	79,5	129,8
Short-term deposits on mortgage loans	-	-	45,4	63,4
Short-term loan to subsidiaries	17,9	0,6	-	-
Sundry receivables	-	-	17,6	11,3
Carrying amount before transfers from non-current assets	17,9	0,6	1 973,8	1 584,4
Current portion of loans and lease receivables transferred from loans and lease receivables (note C8)	-	-	45,6	51,7
Lease receivables	-	-	2,8	2,4
Term loans to agricultural customers	-	-	38,5	44,5
Loan to NWK and IP Makelaars Proprietary Limited	-	-	4,3	4,8
Carrying amount of trade and other receivables	17,9	0,6	2 018,5	1 636,1

ACCOUNTING POLICIES

Since the group holds trade and other receivables in order to collect the contractual cashflow from it, and their contractual provisions lead to cashflow on specified dates, representing payments of principal and interest on the outstanding capital only, trade and other receivables are classified as financial assets at amortised cost. For this purpose, the principal is the fair value of the asset at its initial recognition, and interest is defined as compensation for the time value of money. Furthermore, interest is compensation for the credit risks associated with the outstanding capital over a specified period of time, other basic lending risks and costs associated with holding the asset over a specified period of time, as well as a profit margin consistent with the basic lending arrangement.

Trade and other receivables are initially recognised at fair value plus, where applicable, transaction costs that are directly attributable to the acquisition of the asset. For this purpose, internal administration costs are not considered transaction costs attributable to the acquisition of the asset. When measured subsequently, these assets are measured at amortised cost using the effective-interest method.

ACCOUNTING POLICIES (CONTINUED)

Where a receivable earns no interest or where a receivable earns interest at lower than market-related rates, the present value of the future cashflow – discounted at a rate at which similar assets earn interest – is regarded as the fair value of the asset. The difference between the transaction price and the fair value of the receivable is recognised as a reduction of revenue. Thereafter, the difference between the transaction price and the fair value of the receivable is recognised as interest revenue over the period in which the financing takes place. As a practical expedient, trade receivables are initially recognised at their transaction price if the trade receivables do not contain a significant financing component. Trade receivables are also recognised at their transaction price if the financing component is significant but the group expects – at the inception of the contract – that the period between the date when the group transfers the goods or services to the customer and the payment date to be less than a year.

Financial assets are classified as current assets if the outstanding amounts are expected to be recovered within either the normal operating cycle of the group or a year. Based on this policy, trade and other receivables are classified as current assets.

The interest earned on trade receivables is classified as interest income. On the other hand, the interest earned on other receivables is classified as other income.

CURRENT AND NON-CURRENT DISTINCTION

Assets are classified as current assets if their carrying amounts are expected to be recovered within either the normal operating cycle of the group or a year after the reporting period. On the initial recognition of assets, the group must therefore estimate the period over which or the dates on which they will be recovered. Trade and other receivables have agreed-upon settlement dates, therefore the classification of these financial assets is usually straightforward.

However, in the event that assets classified as current assets contain a significant component that is expected to be recovered more than one year after the reporting period, it is the group's practice to disclose such a component. Therefore, the group estimates the long-term component included in the amounts owing by agricultural customers. The vast majority of these accounts are seasonal and consequently payable annually. For this reason, defaults give rise to recoveries taking longer than a year after the reporting period. Although the group takes general farming conditions and expected commodity prices into account when assessing the amounts owing by agricultural customers, the estimation of expected defaults poses significant problems.

Production accounts that are not likely to be recovered within a year

COMPANY		GROUP	
2023	2022	2023	2022
R m	R'm	R m	R'm
-	-	49,5	29,3

C12. TRADE AND OTHER RECEIVABLES (CONTINUED)

AMOUNTS OWING BY AGRICULTURAL CUSTOMERS

These facilities are granted to agricultural producers for the purchase of agricultural inputs such as agricultural lime, animal feed, batteries, building materials, fencing materials, fertilisers, fuel, herbicides and pesticides, irrigation units and fittings, meal, oil and grease, parts, seed, steel, tyres, and veterinary medicines and instruments. Although these facilities are granted to producers for the purchase of agricultural inputs, producers may also use their facilities to purchase consumer goods and to withdraw cash. With the exclusion of monthly production accounts, production accounts are seasonal.

These facilities are granted to producers before the start of a production season and are payable, in the case of summer crops, on or before 30 September of the following year. In the case of winter crops, they are payable on or before 31 December of the year in which the facility has been granted. In contrast, the credit-insured production accounts are payable 180 days after invoice date. Production accounts past due are production accounts not settled on the initial dates agreed upon. Monthly accounts are payable 30 days after statement or, if it is so negotiated with customers, 60 or 90 days after statement. Production accounts bear interest at rates linked to the weighted average borrowing rate of the group.

	Interest rates on accounts within terms		Interest rates on past-due accounts	
	2023	2022	2023	2022
	%	%	%	%
Preferential production customers	11,2	7,7	n/a	n/a
Low-risk production accounts secured by high-security values	12,2	8,7	19,2	15,7
Low-risk production accounts secured by low-security values	12,7	9,2	19,7	16,2
High-risk production accounts and credit-insured production accounts	14,7	11,2	20,7	17,2
Monthly production accounts	n/a	n/a	19,2	15,7

AMOUNTS OWING BY NON-AGRICULTURAL CUSTOMERS

These facilities are granted to customers for the purchase of consumer goods such as building materials, cigarettes and tobacco, clothes and shoes, fresh produce, frozen and cooled items, furniture and household products, garden requisites, groceries, hunting and outdoors equipment, pet food, soap and detergents, stationery, toiletries and medicine, and tools. These accounts are payable 30 days after statement and are interest-free if the conditions for payment concerned are adhered to. Past-due accounts bear interest at 19,2% (2022: 15,7%) per annum.

AMOUNTS OWING BY COMMODITY CUSTOMERS

These facilities are granted to customers such as mills, extruders of vegetable oils and other processors of agricultural products for the purchase of agricultural commodities. These accounts are subject to the prime interest rate less one percentage point, for low-risk customers, to the prime interest rate plus four percentage points for high risk customers. At the reporting date interest rates varied between 8,2% and 11% (2022: 8,25% to 11,25%) per annum.

C12. TRADE AND OTHER RECEIVABLES (CONTINUED)

OTHER RECEIVABLES

The short-term deposits on commodity contracts on the derivatives market for agricultural commodities of the JSE are unsecured and payable on demand. These deposits bear interest at 7,6% (2022: 4,3%) per annum.

The group uses mortgage loans to finance agricultural producers who buy land. Deposits deposited on behalf of customers in trust accounts with attorneys are transferred to term loans after the registration of the property in the buyer's name. These deposits are interest-free.

The amounts owing by the subsidiary NWK Limited on demand deposits are unsecured, without agreed-upon limits and settlement dates, and bear interest at the repo rate plus one percentage point, calculated daily and capitalised on a monthly basis. At the reporting date this rate was 8,75% (2022: 5,25%) per annum.

The other loans and receivables are unsecured, without agreed-upon limits, interest-free and payable on demand or within a month.

Assets from contracts with customers such as the work in progress of the group's workshops and printing business are included in other receivables.

CONTRACT ASSETS

Contract assets consist of the work in progress of the group's workshops and printing business. These contracts are repetitive in nature, are incurred on a daily basis and their performance rarely exceeds a month. Materials, parts and consumables used during the creation of the agreed-upon asset or the performance of the agreed-upon service are recognised as revenue and consequently as contract assets when installed or used. Labour income earned during the creation of the agreed-upon asset or the performance of the agreed-upon service is recognised as revenue and consequently as a contract asset on an hours-spent basis.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MOVEMENTS IN CONTRACT ASSETS FOR THE YEAR				
Opening balance	-	-	3,9	2,2
Materials, parts, consumables and labour recognised as revenue	-	-	50,1	41,1
Cash received	-	-	(1,2)	(1,4)
Transferred to other inventory items	-	-	(7,1)	(5,4)
Transferred to trade receivables	-	-	(43,2)	(32,6)
Carrying amount of assets from contracts with customers	-	-	2,5	3,9

IMPAIRMENT AND THE ALLOWANCES FOR EXPECTED CREDIT LOSSES

The accounting policies compel the group to scrutinise the recoverability of contract assets on a regular basis. Therefore, the group assesses contract assets independently and collectively at the end of reporting periods to determine whether any asset should be written off – in other words, should any asset be derecognised completely or partially – or whether there is any indication of a change in the credit risk on an asset or group of assets – in other words, whether there is an indication of a change in the risk of defaults occurring on an asset or asset group. The significant judgements and accounting estimates made during the assessment of contract assets are discussed in notes I6 to I8.

ENCUMBRANCES

The trade and other receivables of the group, along with the loans and lease receivables set out in note C8, have been ceded to the financiers of the group. This cession, together with mortgages of R200 million on the land, buildings and improvements, as well as the majority of the machinery and equipment of the group, a notarial bond on the group's inventory and a cession on the policies insuring these assets, serves as security for the overdraft facilities set out in note C26. The remaining mortgages of R200 million on the land, buildings and improvements, as well as the majority of the machinery and equipment of the group serve as a security for the long-term loan as set out in note C21.

RELATED-PARTY BALANCES

Outstanding amounts owing by related parties are disclosed in note J3.

FINANCIAL RISKS

Trade and other receivables expose the group to credit and interest rate risks. The group's credit risks, its concentrations of credit risks, credit-impaired financial assets, financial assets past due and its credit policy, as well as a description of the securities effected to limit its credit risks, are disclosed in note I3. The effect of interest rate fluctuations on the profitability of the group is illustrated in note I10.

It is policy to assess the recoverability of financial assets. Therefore, the group scrutinises financial assets independently and collectively at the end of reporting periods to determine whether any asset should be written off – in other words, should any asset be derecognised completely or partially. The present value of the contractual amounts outstanding, reduced directly with credit losses but still subject to enforcement activities, is disclosed in note I5. The allowances for expected credit losses on trade and other receivables, as well as the significant judgements and estimates made during the assessment of these and other financial assets, are discussed in notes I6 to I8. Impairment gains and losses on trade receivables are disclosed in note D8.

C13. ASSETS FROM CONTRACTS WITH CUSTOMERS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Storage fees on agricultural commodities	-	-	3,6	0,6

ACCOUNTING POLICIES

Assets from contracts with customers consist of the group's enforceable right to consideration in exchange for goods or services transferred to customers. For this purpose, goods or services are considered to be transferred to the customer as or when the customer obtains control thereof.

It is policy to assess the recoverability of assets from contracts with customers. Therefore, the group assesses these assets in a manner similar to the assessment of trade receivables and lease receivables. In other words, if the group has no reasonable expectation of recovering an asset, or a portion thereof, the carrying amount of the asset is reduced directly with the credit loss. After this, the loss allowances for expected credit losses on assets from contracts with customers are measured at an amount equal to the lifetime expected credit losses – regardless of whether the credit risks have increased or not. Adjustments to the loss allowances for expected credit losses on contracts with customers are recognised in profit or loss as an impairment gain or loss.

Assets are classified as current assets if the outstanding amounts are expected to be recovered within either the normal operating cycle of the group or a year. Based on this policy, assets from contracts with customers are classified as current assets.

NATURE OF ASSETS FROM CONTRACTS WITH CUSTOMERS

Customers who store their agricultural commodities at the group have the option of postponing the decision to sell or not sell their commodities. In the case of sunflower, the decision can be postponed until the end of December, in the case of maize until the end of February, in the case of wheat until the end of April, and in the case of other agricultural commodities until the end of December. Storage fees charged on these commodities are payable on the above dates or on the date the producer sells his commodity, whichever comes first. Conversely, income from the storage of agricultural commodities is recognised as revenue on a time-proportion basis.

MOVEMENTS FOR THE YEAR	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Opening balance	-	-	0,6	1,6
Recognised as revenue	-	-	3,6	0,6
Transferred to trade receivables	-	-	(0,6)	(1,6)
Amounts recognised in the previous year	-	-	(0,6)	-
Amounts recognised in the current year	-	-	-	(1,6)
Carrying amount of assets from contracts with customers	-	-	3,6	0,6

ENCUMBRANCES

There are no significant encumbrances on the assets from contracts with customers.

C14. FIDUCIARY ASSETS AND LIABILITIES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Investment in the equity instruments of the holding company	-	-	0,9	0,1
Cash and cash equivalents	-	-	-	0,5
Bank balances	-	-	-	0,5
Term deposits	-	-	-	-
Fiduciary assets classified as current assets	-	-	-	0,6
Fiduciary liabilities classified as current liabilities	-	-	-	(0,6)
Shares not yet transferred to trust beneficiaries	-	-	(0,9)	(0,1)
Cash and cash equivalents not yet transferred to trust beneficiaries	-	-	-	(0,5)
Net fiduciary liability	-	-	-	-

ACCOUNTING POLICIES

Under normal circumstances, investments in the equity instruments of listed and unlisted entities are – at the option of the group – classified as financial assets at fair value through other comprehensive income. This election is made on an instrument-by-instrument basis. However, in the case where such investments are made by a consolidated trust for the benefit of its beneficiaries, these assets are not classified as investments in the equity instruments of listed and unlisted entities at fair value through other comprehensive income. Instead, these assets are classified as fiduciary assets and measured at cost, in other words, at fair value on the acquisition date plus, where applicable, direct transaction costs. For this purpose, internal administration costs are not considered transaction costs. In the case where the shares held by the consolidated trust are issued ordinary shares of the company, such shares are deemed to be treasury shares in the consolidated financial statements.

SHARES NOT YET TRANSFERRED TO TRUST BENEFICIARIES	GROUP			
	Shares held		Carrying amount	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Shares in NWK Holdings Limited	176 167	23 385	0,9	0,1



C15. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Derivative financial instruments at fair value through profit or loss classified as current assets	-	-	100,0	213,1
Commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	4,7	-
Commodity contracts with agricultural producers	-	-	-	198,2
Commodity contracts with customers	-	-	91,2	17,0
Option contracts with agricultural producers	-	-	5,5	-
Allowance for expected credit losses on commodity contracts with agricultural producers	-	-	-	(1,4)
Allowance for expected credit losses on commodity contracts with customers	-	-	(1,4)	(0,7)
Derivative financial instruments at fair value through profit or loss classified as current liabilities	-	-	(683,7)	(626,8)
Commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	(5,5)	(10,7)
Commodity contracts with agricultural producers	-	-	(74,5)	-
Option contracts with agricultural producers	-	-	-	(0,9)
Unpriced purchase contracts with agricultural producers	-	-	(603,7)	(615,2)
Net carrying amount of derivative financial instruments at fair value	-	-	(583,7)	(413,7)

ACCOUNTING POLICIES

With the exclusion of investments in the equity instruments of listed and unlisted entities classified as financial assets at fair value through other comprehensive income, all financial assets not measured at amortised cost are classified as financial assets at fair value through profit or loss. Derivative financial instruments are included in this group, as are financial guarantees.

Derivative financial instruments are initially recognised at fair value. Transaction costs are recognised as expenditure in the period in which they are incurred. At subsequent measurements, derivative financial instruments are measured at fair value, in other words, the market price of the contract or a similar contract. Gains or losses arising from changes in the fair value of derivative financial instruments are included in the profit or loss for the period.

Financial guarantees are initially recognised at fair value. Transaction costs are recognised as expenditure in the period in which they are incurred. When measured subsequently, financial guarantees are measured at the higher of the amount originally recognised or the amount of the loss allowance. The measurement of loss allowances for expected credit losses on financial guarantees depends on the group's assessment of the credit risks relating to these liabilities. If the credit risk has increased significantly since the initial recognition of the liability, the loss allowance is measured at an amount equal to the lifetime expected credit losses. If the credit risk has not increased significantly since the initial recognition of the liability, the loss allowance is measured at an amount equal to the 12-month expected credit losses. For this purpose, the twelve-month expected credit losses are the portion of the lifetime expected credit losses that are possible within the twelve months after the reporting date.

Derivative financial assets are classified as current assets if the outstanding amounts are expected to be recovered within either the normal operating cycle of the group or a year. Derivative financial liabilities and financial guarantees are classified as current liabilities, unless the group has an unconditional right to postpone payment thereof to more than a year after the reporting period. Based on these policies, all the derivative financial instruments are classified as current assets or liabilities.

Fair-value adjustments on derivative financial instruments are classified as net fair-value gains on commodity trading. Adjustments to the loss allowances for expected credit losses on derivative financial instruments and financial guarantees are recognised in profit or loss as an impairment gain or loss.



FAIR-VALUE HIERARCHY

The fair value of commodity contracts on the derivatives market for agricultural commodities of the JSE, commodity contracts with customers, commodity contracts with agricultural producers and option contracts with agricultural producers is determined by using commodity prices on the derivatives market for agricultural commodities of the JSE and is therefore classified as fair value measured with level one input data. However, where there is limited market information available, the fair value of agricultural commodities is measured with level three input data.

CURRENT AND NON-CURRENT DISTINCTION

In the statement of financial position derivative financial instruments are classified as current assets or liabilities. However, in the event that liabilities classified as current liabilities contain a significant component that is expected to be paid more than one year after the reporting period, it is the group's practice to disclose such a component. Therefore, the group estimates the long-term component included in the amounts due to agricultural customers. As the majority of the unpriced purchase contracts with agricultural producers are open-ended contracts, compliance with this requirement poses significant problems. When measuring the unpriced purchase contracts with agricultural producers that are not likely to be paid within a year, the group takes historical trends into account and adjusts where necessary with the crop expected to be delivered in the coming year – assuming that better-than-average crops and the associated lower commodity prices result in more producers not pricing their commodities.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Unpriced purchase contracts that are not likely to be paid within a year	-	-	39,1	43,1

ENCUMBRANCES

There are no encumbrances on the financial instruments at fair value through profit or loss.

FINANCIAL RISKS

Since derivative financial instruments are measured at fair value, it causes the group to be exposed to commodity price fluctuations in the open market. The commodity price risks to which the group is exposed are disclosed in note I11. The credit risks associated with financial assets such as derivative financial instruments and the concomitant allowances for expected credit losses are discussed in notes I3 to I9. Impairment gains and losses on financial assets at fair value through profit or loss are disclosed in note D8.

C16. CASH AND CASH EQUIVALENTS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Cash on hand	-	-	7,4	9,2
Bank balances [#]	0,1	0,3	39,7 [#]	2,5
Term deposits	-	-	-	0,3
Cash and cash equivalents in the statement of financial position	0,1	0,3	47,1	12,0

[#] Included in the bank balance is a restricted cash balance of R2,4 million.

ACCOUNTING POLICIES

Cash and cash equivalents include cash on hand, demand deposits and favourable bank balances. For this purpose, deposits with financial institutions are regarded as cash equivalents if the investment is readily convertible to a known amount of cash, is subject to an insignificant risk of changes in value and has a maturity date of three months or less from the date of acquisition, or if the investment can be converted into cash with less than three months' notice with no or no significant cost implications. However, as the group has no right to use the cash, demand deposits and favourable bank balances held by consolidated trusts other than to use them to the benefit of the trusts' beneficiaries, such assets are excluded from cash and cash equivalents. Instead, these assets are classified as fiduciary assets.

Cash and cash equivalents are classified as current assets.

The interest earned on bank balances and term deposits is classified as other finance income. As an exception to this policy, the interest earned on bank balances and term deposits held by consolidated trusts is not recognised as income if, and only if, such interest is to the benefit of the trusts' beneficiaries. Instead, such interest is classified as a fiduciary liability.

TERMS AND CONDITIONS

Bank balances earn interest at 4,3% (2022: 2,25%) per annum. Term deposits earned interest at 4,2% per annum during the previous year.

C17. NON-CURRENT ASSETS HELD FOR SALE	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Buildings and improvements transferred from investment property (note C2)	-	-	-	4,5

ACCOUNTING POLICIES

An asset or an asset group classified as a non-current asset under normal circumstances is reclassified as held for sale if, and only if, it is highly probable that its carrying amount will be recovered principally through a sales transaction rather than through continued use. Reclassifications are not carried out until it is highly probable that a sales transaction will be recognised within a year or, if the transfer of ownership will inevitably take a considerable time, it is highly probable that a sales agreement will be concluded within a year. For this to be the case, the group must be committed to selling the asset, the asset must be available for immediate sale in its present condition – subject to terms that are customary for such assets, the process of identifying a buyer has begun, and the asset is offered for sale at a price that is reasonable in comparison to its fair value.

A non-current asset held for sale is measured at the lower of the carrying amount of the asset at the reclassification date or its fair value less costs to sell. No depreciation or amortisation on the asset is written off after the reclassification date. If the asset is measured at fair value less costs to sell, and the disposal date is likely to be more than one year after the reclassification date, the estimated costs to sell are discounted and the difference between the discounted and the originally estimated costs to sell is recognised as finance costs.

Items of property, plant and equipment, investment property and intangible assets are reviewed at the end of reporting periods to determine whether fair value less costs to sell could have dropped below the existing carrying amounts. In the event of impairment, carrying amounts are reduced by the impairment loss.

Where the group cancels the plan to dispose of an asset, the asset is measured at the carrying amount of the asset before its reclassification as held for sale, adjusted by the depreciation or amortisation that would have been written off if the asset had not been reclassified, or the recoverable amount of the asset on the date of cancellation, whichever is the lower.

EXPECTED TIMELINE FOR DISPOSAL

It is practice to sell movable assets per tender, and consequently the carrying amounts of the movable assets that are classified as non-current assets held for sale are usually recovered shortly after their reclassification date. If assets are disposed of jointly as a group of assets in terms of a contract or an agreement, the carrying amounts thereof are recovered on the agreed-upon date. On the basis of the existing practices, contracts and agreements, the group expects the carrying amounts of the movable assets to be recovered within six months. Sometimes as a result of reasons outside the control of the group, the transfer of ownership in the case of fixed property or investments takes a considerable time, and consequently the duration of the sales transactions cannot be determined accurately.

C18. SHARE CAPITAL	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
ISSUED SHARE CAPITAL				
112 048 380 ordinary no-par-value shares	237,2			
112 048 380 ordinary no-par-value shares		237,2		
103 580 291 ordinary no-par-value shares			196,3	
103 580 291 ordinary no-par-value shares				196,3

ACCOUNTING POLICIES

The consideration received or paid on the issue, repurchase or cancellation of the company's shares is recognised directly in equity. Transaction costs directly attributable to the issue, repurchase or cancellation of shares less, where applicable, tax savings relating thereto, are recognised directly in equity. In other words, transaction costs are recognised as a reduction in proceeds from the share issue or as part of the cost of the share buyback. For this purpose, internal administration costs are not considered transaction costs. The transaction costs of an equity transaction that is abandoned are recognised in profit or loss. In the event that transaction costs are incurred in anticipation of an equity transaction, but the proceeds relating to the equity transaction are expected after the end of the reporting period, such transaction costs are recognised directly in equity in the period during which they arise. If, for some unexpected reason, the anticipated equity transaction is abandoned during the following reporting period, the transaction costs are reclassified as an expense – in other words, the transaction costs are excluded from equity and included in profit or loss.

Where an entity in the group purchases the company's issued shares, the equity attributable to the owners of the holding company is, on consolidation, reduced by the cost of the shares until the shares are cancelled or resold. In other words, the equity attributable to the owners of the company is reduced by the purchase price plus direct transaction costs. If the shares are reissued or resold at a later date, the consideration received is recognised directly in equity.

AUTHORISED SHARES

In accordance with the company's memorandum of incorporation, the company is authorised to issue 170 million ordinary no-par-value shares. The number of authorised ordinary shares is unchanged from the previous year.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MOVEMENTS IN THE ISSUED SHARE CAPITAL FOR THE YEAR				
Opening balance	237,2	260,5	196,3	219,6
Share buyback	-	(23,3)	-	(23,3)
Shares purchased under an odd-lot offer	-	(3,3)	-	(3,3)
Shares purchased from retiring shareholders	-	(20,0)	-	(20,0)
Issued share capital	237,2	237,2	196,3	196,3



MOVEMENTS IN THE ISSUED SHARE CAPITAL FOR THE YEAR (CONTINUED)

The NWK Loyalty Programme Trust buys ordinary no-par-value shares in NWK Holdings Limited and distributes such shares, or where applicable, customer credits, to its beneficiaries based on their participation ratio in the group's loyalty programme. Flowing from this objective, during the year, the trust purchased 2 571 743 (2022: 2 325 342) of the company's issued shares and transferred 2 418 961 (2022: 2 756 315) of the company's issued shares to its beneficiaries.

During the previous year, the company made an offer to all shareholders who owned 2 500 or less of the issued ordinary shares of the company to buy such shares from those shareholders. On 27 October 2021, as a result of this offer, 804 100 ordinary no-par-value shares were purchased at R4,05 per share and consequently cancelled and delisted. The announcement for this share buyback was published on CTSE on the 10th of August 2021.

During the previous year, the company also repurchased shares held by retiring shareholders (as defined per the company's MOI). The company made an offer to all shareholders 70 years and older to buy such shares from those shareholders. On 30 March 2022, as a result of this offer, 3 798 437 ordinary no-par-value shares were purchased at R5,26 per share and consequently cancelled and delisted. The announcement for this share buyback was published on CTSE on the 4th of March 2022.

SHARES HELD BY CONTROLLING SHAREHOLDERS AND SIGNIFICANT SHAREHOLDERS

NWK Holdings Limited has no holding company. The subsidiary NWK Limited (a wholly owned subsidiary of the company), holds an interest of 7% in the issued ordinary shares of the company, compared to 7% on the previous reporting date. No other shareholder has an interest of 5% or more in the issued shares of the company.

	Number of shares held directly		Number of shares held indirectly [#]	
	2023	2022	2023	2022
	Shares	Shares	Shares	Shares
SHARES HELD BY SUBSIDIARIES				
NWK Limited	8 468 089	8 468 089	-	-
The NWK Loyalty Programme Trust	176 167	23 385	-	-
Number of ordinary shares held by subsidiaries	8 644 256	8 491 474	-	-

In the consolidated financial statements, the number of ordinary no-par-value shares issued by the company is reduced by the 8 468 089 ordinary shares held by the subsidiary NWK Limited and by the 176 167 ordinary shares held by The NWK Loyalty Programme Trust. The carrying amount of the company's share capital is also reduced by the purchase price and the direct transaction costs incurred in acquiring these treasury shares.

[#] In this note, number of shares held indirectly or number of shares issued indirectly refer to the shares held by or issued to the related parties' private companies, close corporations, trusts and partnerships, or their spouses, minor children or other dependents. These parties are listed in note J1.

C18. SHARE CAPITAL (CONTINUED)	Number of shares held directly		Number of shares held indirectly [#]	
	2023	2022	2023	2022
	Shares	Shares	Shares	Shares
SHARES HELD BY DIRECTORS AND OTHER KEY EMPLOYEES				
Directors	2 276 692	2 395 305	2 619 360	2 876 404
FH Badenhorst (retired 1 September 2022)	-	320 919	-	-
AS Badenhorst (from 1 September 2022)	69 077	-	-	-
RJ Boëttger (from 1 September 2022)	-	-	-	-
JJ du Preez	831 008	772 086	334 611	286 231
JP du Preez	531 568	511 568	701 189	1 173 256
H Krüger	355 964	329 500	984 233	881 575
J Mahne	230 000	220 000	24 995	22 722
PN Jansen van Vuuren	-	-	459 957	419 826
MW Schoeman (from 1 September 2022)	-	-	-	-
CF van Niekerk	257 890	240 047	90 346	74 465
L Vermooten	1 185	1 185	24 029	18 329
Other key employees	241 402	238 677	528 989	504 548
DPG Kleingeld	241 402	238 677	-	-
AM van Rooyen	-	-	528 989	504 548
Number of ordinary shares held by directors and other key employees	2 518 094	2 633 982	3 148 349	3 380 952

By the nature of the matter, the vast majority of the directors and key employees are beneficiaries of The NWK Loyalty Programme Trust. This trust transferred 93 931 (2022: 146 160) of the company's ordinary no-par-value shares to the directors and key employees during the year (Refer to note J5).

During the previous year, the company acquired the ordinary shares held by non-controlling parties in the subsidiary NWK Limited. As compensation for the ordinary shares, they previously held in this subsidiary, 665 006 ordinary no-par-value shares were issued to the directors and other key employees. These shares were issued to the directors and other key employees of the company under a share swap approved by the shareholders, and according to terms and conditions that corresponded in all respects with the terms and conditions under which ordinary no-par-value shares were issued to the other former non-controlling shareholders of NWK Limited.

[#] In this note, number of shares held indirectly or number of shares issued indirectly refer to the shares held by or issued to the related parties' private companies, close corporations, trusts and partnerships, or their spouses, minor children or other dependents. These parties are listed in note J1.

C19. DISTRIBUTABLE RESERVES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
General reserve	149,9	149,9	149,9	149,9
Opening balance	149,9	149,9	149,9	149,9
Effects of change of interest in subsidiary	-	-	-	-
Transferred from retained earnings	-	-	-	-
Fair-value reserve	(6,5)	(6,5)	(6,5)	(6,5)
Opening balance	(6,5)	(6,5)	(6,5)	(6,5)
Effects of change of interest in subsidiary	-	-	-	-
Fair-value adjustment of the investment in equity instruments	-	-	-	-
Transferred from retained earnings	-	-	-	-
Retained earnings	1 570,1	1 345,8	1 565,8	1 341,5
Opening balance	1 345,8	1 128,1	1 341,5	1 123,7
Effects of change of interest in subsidiary	-	-	-	-
Profit for the year	287,4	270,6	282,7	267,4
Proportionate share of the other comprehensive income of subsidiaries, associates and joint ventures	(0,4)	(7,7)	(0,4)	(7,7)
Transferred to other reserves	-	-	-	-
Dividends paid	(62,7)	(45,2)	(58,0)	(41,9)
Total distributable reserves	1 713,5	1 489,2	1 709,2	1 484,9

GENERAL RESERVE

The general reserve comprises past profits reserved for financing assets.

FAIR-VALUE RESERVE

The fair-value reserve represents the difference between the fair value of the shares held in listed and unlisted entities and their cost. The fair-value adjustments on the shares held in listed and unlisted entities are initially recognised as other comprehensive income and are transferred directly to retained earnings upon the disposal of the asset.

RESTRICTIONS ON THE DISTRIBUTION OF RESERVES

In its agreement with Absa Bank Limited the group undertook to declare no dividend without the prior written approval of the bank.

DIVIDEND DECLARED AFTER THE REPORTING DATE

On 13 July 2023 the board declared a dividend of R19 million – 17 cents per share – for distribution to the shareholders.

C20. PROVISIONS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Long-term provisions classified as non-current liabilities	-	-	14,8	12,8
Environmental rehabilitation	-	-	6,6	4,9
Long-term incentives	-	-	8,2	3,4
Retirement benefits (gratuities)	-	-	-	4,5
Short-term provisions classified as current liabilities	-	-	3,5	16,5
Grade and weight losses (note C11)	-	-	-	16,5
Long-term incentives	-	-	3,5	-
Present value of provisions	-	-	18,3	29,3

ACCOUNTING POLICIES

Provisions – in other words, liabilities of which the amounts or settlement dates are uncertain – are recognised when, due to past events, the group has a present, legal or constructive obligation that will probably lead to an outflow of economic resources if a reliable estimate of the obligation can be made. Provisions are measured at the present value of the expected expense to settle the liability. The present value of provisions is calculated at a pre-tax rate that reflects the current market assessments of the time value of money. Changes in the discounted value of provisions that arise as a result of the effluxion of time or adjustments in the discount rate are recognised as finance costs. Provisions are reviewed at the end of reporting periods, ensuring that the latest information is continually considered when making the estimates. Provisions are classified as current liabilities, unless the group has an unconditional right to postpone payment thereof to more than a year after the reporting period.

ENVIRONMENTAL REHABILITATION

The group has a legal obligation to rehabilitate the properties at which it sells or uses chemical or petroleum products. These sites include the group's fuel stations and depots, as well as its liquid fertiliser plant. The group is further obliged to handle and dispose of hazardous waste such as used oil at its workshops and transport depot, as well as electronic equipment and materials, within the prescribed guidelines. The group consequently has a legal and constructive obligation to rehabilitate any pollution caused by these and other activities.

LONG-TERM INCENTIVES

The group is contractually obligated to pay long-term incentives to its executive directors and key employees. These benefits are based on the performance of these employees over a three year cycle. The incentives are awarded annually by the board. The amounts allocated vest annually, subject to reversal by the board if targets achieved in Year 1 or 2 are, in the opinion of the board, at the expense of the third year's targets. Amounts due bear interest at the prime interest rate, compounded annually, and are payable within three months of the expiry of the three year cycle. If an executive director or key employee ceases to be employed by the group before the payment date for any reason other than death or end of the three year cycle, the amounts accumulated will be forfeited.

C20. PROVISIONS (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MOVEMENTS IN PROVISIONS FOR THE YEAR				
Opening balance	-	-	29,4	26,6
Environmental rehabilitation	-	-	4,9	2,8
Long-term incentives	-	-	3,5	5,0
Retirement benefits (gratuities)	-	-	4,5	5,1
Grade and weight losses	-	-	16,5	13,7
Provisions created	-	-	11,3	36,3
Environmental rehabilitation	-	-	3,4	2,0
Long-term incentives	-	-	7,9	3,4
Retirement benefits (gratuities)	-	-	-	0,5
Grade and weight losses	-	-	-	30,4
Opening balance of retirement benefits recognised as trade and other payables (note C23)	-	-	(4,5)	-
Opening balance of provision for grade and weight losses, recognised as agricultural commodities (note C11)	-	-	(16,5)	-
Finance costs on long-term incentives	-	-	0,3	0,1
Utilisation	-	-	(1,7)	(23,5)
Long-term incentives	-	-	(1,7)	(5,1)
Retirement benefits (gratuities)	-	-	-	(1,0)
Grade and weight losses	-	-	-	(17,4)
Reversal of unutilised provision for grade and weight losses	-	-	-	(10,2)
Present value of provisions	-	-	18,3	29,3

C21. LONG-TERM LOANS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Amounts owing to financial institutions	-	-	201,6	-
Payable within a year	-	-	22,6	-
Payable after a year, but not exceeding two years	-	-	31,7	-
Payable after two years, but not exceeding five years	-	-	90,3	-
Payable after five years, but not exceeding ten years	-	-	57,0	-
Carrying amount before transfers to current liabilities	-	-	201,6	-
Current portion of loans transferred to current liabilities	-	-	(22,6)	-
Carrying amount of long-term loans	-	-	179,0	-

ACCOUNTING POLICIES

With the exclusion of derivative financial instruments and financial guarantees, all the financial liabilities are classified as financial liabilities at amortised cost. Loans owed to financial institutions and other entities are therefore initially recognised at fair value less direct transaction costs, where applicable. For this purpose, internal administration costs are not considered to be transaction costs. When measured subsequently, long-term loans are measured at amortised cost, using the effective-interest method.

AMOUNT OWING TO FINANCIAL INSTITUTION

The company borrowed funds from Absa Bank Limited, for the purpose of acquiring an additional 50% interest in Epko Oil Seed Proprietary Limited, a joint venture of the company. All the conditions for this loan were met by year-end. The loan is subject to JIBAR plus 2,75% interest. Capital and interest are payable quarterly. The capital and final interest payment is payable on 1 May 2028. This facility is secured by mortgages of R200 million on the land, buildings and improvements, as well as the majority of the machinery and equipment of the group.

MOVEMENTS FOR THE YEAR	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Long-term loans raised	-	-	201,6	-
Finance costs	-	-	-	-
Repayments of long-term loans	-	-	-	-
Carrying amount before transfers to current liabilities	-	-	201,6	-
Current portion of loans transferred to current liabilities	-	-	(22,6)	-
Carrying amount of long-term loans	-	-	179,0	-

FINANCIAL RISKS

The liquidity and interest rate risks relating to long-term loans are disclosed in note I2 and note I10 respectively.

C22. LEASE LIABILITIES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Outstanding lease payments	-	-	94,1	55,0
Payable within a year	-	-	38,1	24,6
Payable after a year, but not exceeding two years	-	-	24,6	18,0
Payable after two years, but not exceeding five years	-	-	28,5	10,5
Payable after five years, but not exceeding ten years	-	-	2,9	1,9
Outstanding finance costs	-	-	(13,6)	(5,7)
Present value of leases	-	-	80,5	49,3
Non-current portion of lease liabilities	-	-	42,4	27,5
Current portion of lease liabilities	-	-	38,1	21,8
Present value of leases	-	-	80,5	49,3

ACCOUNTING POLICIES

The group concluded leases to acquire land, buildings and improvements, computer equipment, office equipment, machinery, vehicles and software to conduct operating activities and administrative functions. Where assets are acquired in terms of a lease, such assets are recognised as property, plant and equipment or intangible assets, whichever is applicable, and the discounted lease payments are recognised as a financial liability. The lease liability is measured as the present value of the lease payments that are not paid at the commencement date of the lease – calculated at the interest rate implicit in the lease. However, if the interest rate implicit in the lease cannot be readily determined, the present value of the lease payments is calculated at the group's incremental borrowing rate.

For this purpose, the incremental borrowing rate is determined as the interest rate the group would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value. In the event that the lease contains a purchase option, the exercise price of the purchase option is included in the lease payments if it is reasonably certain that the option will be exercised. The incremental costs of obtaining the lease are capitalised as part of the cost of the right-of-use assets. For this purpose, internal administration costs are not considered costs attributable to the inception of the lease.

In the event that a lease is modified after its initial recognition and the lease modification increases the scope of the lease by adding one or more right-of-use assets, and increases the consideration for the lease by an amount proportional to the stand-alone price of such assets, the lease modification is treated as a separate lease. In the event that a lease is modified and the lease modification decreases the scope of the lease, the lease liability is remeasured by discounting the revised lease payments using the interest rate implicit in the lease for the remainder of the lease term. However, if that rate cannot be readily determined, the lease liability is remeasured by discounting the revised lease payments using the group's incremental borrowing rate at the effective date of the modification. The carrying amounts of the right-of-use assets are decreased to reflect the termination or partial termination of the lease. Any gains or losses relating to the termination or partial termination of the lease are recognised in profit or loss. In the case of other modifications, the lease liability is remeasured and the carrying amounts of the right-of-use assets are adjusted accordingly.

As a practical expedient to the policy above, lease payments relating to a short-term lease – in other words, a lease with a lease term of twelve months or less – and lease payments relating to a lease for which the underlying asset is of low value, are not recognised as a liability, nor are the underlying assets recognised. These lease payments are recognised as expenditure over the lease term using the straight-line method. The selection of leases for which the underlying assets are of low value is made on a lease-by-lease basis.

Where the group has an unconditional right to defer the settlement of liabilities to more than a year after the reporting period, such liabilities are classified as non-current liabilities. All the other liabilities are classified as current liabilities. To give effect to this policy, the carrying amounts of lease liabilities are divided between the portion payable under the contract in question within the twelve months after the reporting date and those payable after one year.

C22. LEASE LIABILITIES (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MATURITY ANALYSIS OF THE PRINCIPAL PORTION OF LEASES				
Payable within a year	-	-	31,7	21,8
Payable after a year, but not exceeding two years	-	-	21,0	16,6
Payable after two years, but not exceeding five years	-	-	25,2	9,5
Payable after five years, but not exceeding ten years	-	-	2,6	1,4
Present value of leases	-	-	80,5	49,3
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	49,3	28,5
Leases entered into	-	-	61,8	57,2
Finance costs on leases	-	-	6,2	2,5
Repayment of leases	-	-	(36,8)	(38,9)
Present value of leases	-	-	80,5	49,3

TERMS AND CONDITIONS

The leases are payable in monthly instalments over two to ten years after the commencement date of the lease concerned. In most cases, the lease payments are linked to the prime interest rate. Some leases have predetermined annual adjustments in their instalments, and in exceptional cases the instalments are adjusted annually at an inflation-linked rate. The leases contain no residual value guarantees – consequently the group is not exposed to the risks involved. The leases bear interest at rates that varied between the prime interest rate less 4,88 percentage points and the prime interest rate. At the reporting date the prime interest rate was 11,25% (2022: 7,75%) per annum.

The right-of-use assets held under leases are set out in notes C1 and C3. The group acquires ownership of the vehicles and machinery held in terms of leases. In contrast, land, buildings and improvements, computer equipment, office equipment and software remain the property of the lessors. At the end of the reporting period, the group had no lease with purchase options. Under the terms of the leases, the group may not sublease the assets in question.

The terms over which land, buildings and improvements are leased may be extended. Extension periods range from two to ten years. In the event that the group is reasonably certain that the extension option will be exercised, the extension period has been included in determining the lease term, and the related lease payments have been included in the measurement of the relevant right-of-use asset and lease liability. Based on this, none of the existing extension options has been included in determining the lease terms. The leases have agreed expiry dates. However, in the case of two leases, the group has the right to terminate the lease with 30 days' notice. In the case of another, the group has the right to terminate the lease with 90 days' notice, and lastly, the group has the right to terminate one lease with a year's notice. However, since the group is reasonably certain that it will not exercise these options, the total lease terms of the contracts were considered to be the lease terms.

SHORT-TERM LEASES AND LOW-VALUE ASSET LEASES

Lease liabilities exclude short-term leases – in other words, leases with lease terms of twelve months or less – and leases for which the underlying assets are of low value. These leases are disclosed in note K1.

C23. TRADE AND OTHER PAYABLES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Trade payables	-	-	451,6	315,5
Other payables	-	-	318,7	163,4
Amounts owing to joint ventures on current accounts	-	-	-	55,3
Amounts owing to the loyalty programme customers	-	-	16,4	15,0
Retirement benefits (gratuities)	-	-	6,1	-
Short-term incentives owing to employees	-	-	59,0	51,1
Amount payable to the seller for 50% interest in Epko Oil Seed Crushing Proprietary Limited	-	-	172,9	-
Sundry payables	-	-	64,3	42,0
Carrying amount of trade and other payables	-	-	770,3	478,9

ACCOUNTING POLICIES

With the exclusion of derivative financial instruments and financial guarantees, all the financial liabilities are classified as financial liabilities at amortised cost. Trade and other payables are therefore initially recognised at fair value less direct transaction costs, where applicable. For this purpose, internal administration costs are not considered transaction costs. When measured subsequently, trade and other payables are measured at amortised cost, using the effective-interest method.

Where the group has an unconditional right to defer the settlement of liabilities to more than a year after the reporting period, such liabilities are classified as non-current liabilities. All the other liabilities are classified as current liabilities. Based on this policy, trade and other payables are classified as current liabilities.

TERMS AND CONDITIONS

The trade payables of the group are essentially unsecured monthly accounts – in other words, the amounts are mainly due 30 days after statement. Nevertheless, some suppliers, especially small suppliers, are paid for products and services on a fortnightly basis, on a weekly basis or even on an invoice basis. Trade payables are interest-free if the relevant conditions for payment are adhered to.

The amounts owing to the joint ventures on current accounts are unsecured, without agreed-upon limits, and interest-free.

The amounts owing to the loyalty programme customers represent the group's obligation to refund customers on the basis of their business with the group. The amounts have been approved by the board, will be paid to the trust shortly after the reporting date and will be distributed to the group's customers by the trust in terms of the deed of the trust and the loyalty programme rules. The amounts owing to the loyalty programme customers are unsecured and interest-free.

RETIREMENT BENEFITS (GRATUITIES)

The group pays gratuities to retiring employees if the employee retires at the age of 63 years in the case of members of the NWK Umbrella Pension Fund, and 60 years in the case of the Grain Industry Provident Fund, and the employee has 15 or more continuous years of service on the date of retirement. The group also pays gratuities to retiring employees who retire before these age limits if the employee has 25 or more years of continuous service on the retirement date. Gratuities are based on the pensionable remuneration and completed years of service of eligible employees on retirement. The measurement of the liability therefore compels the group to identify employees who are expected to qualify and estimate their expected pensionable remuneration.

RELATED-PARTY BALANCES

Outstanding amounts owing to related parties are disclosed in note J4.

FINANCIAL RISKS

The liquidity risks relating to financial liabilities such as trade and other payables are disclosed in note I2.

C24. LIABILITIES FROM CONTRACTS WITH CUSTOMERS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Obligation to deliver goods under bill-and-hold arrangements	-	-	41,4	80,5
Obligation to handle and store agricultural commodities	-	-	12,6	10,5
Obligation to render after-sales services	-	-	0,7	1,2
Other income received in advance	-	-	0,2	0,1
Carrying amount of liabilities from contracts with customers	-	-	54,9	92,3

ACCOUNTING POLICIES

The group's obligation to transfer goods and services for which it has already received consideration or for which the consideration is due is recognised as a contract liability. This includes the group's obligation to deliver goods and services under a bill-and-hold arrangement, its obligation to render after-sales services, its obligation to render custodial services over a customer's asset, and its obligation to deliver goods and services for which consideration is received in advance under a contract or customary practice.

Where the group has an unconditional right to defer the settlement of liabilities to more than a year after the reporting period, such liabilities are classified as non-current liabilities. All the other liabilities are classified as current liabilities. Based on this policy, liabilities from contracts with customers are classified as current liabilities.

OBLIGATION TO DELIVER GOODS UNDER BILL-AND-HOLD ARRANGEMENTS

The group regularly sells goods, mostly agricultural inputs such as fertilisers, seeds, herbicides and pesticides, under bill-and-hold arrangements. Although cash is received or a financial asset is recognised on the transaction date, revenue from the sale of goods under bill-and-hold arrangements is recognised only when the provisions specified in the accounting policies are met. In most cases this is during the upcoming summer planting season.

OBLIGATION TO HANDLE AND STORE AGRICULTURAL COMMODITIES

The group handles and stores agricultural commodities on behalf of customers.

Income from the handling of agricultural commodities is recognised as revenue based on results achieved. To achieve this, the transaction price is allocated between the two performance obligations, namely receiving the commodity and despatching the commodity. Thereafter the transaction price that is allocated to receiving the commodity is recognised as revenue upon receipt of the commodity, and the transaction price allocated to despatching the commodity is recognised as revenue when the commodity is despatched. Since the fees for the service are payable on receipt of the commodity, the cash received or due is recognised as a contract liability.

Since the customer consumes the benefits provided by the group's performance as it performs, the income from storing agricultural commodities is recognised as revenue on a time-proportion basis. If customers do not choose to postpone the decision to sell or not to sell their commodities, as set out in note C13 and D4, they are liable for the payment of storage fees as and when the service is rendered or before the service is rendered. Consequently, in these cases cash is usually received or a financial asset is usually recognised as and when the service is rendered or before the service is rendered. Where the customer is liable for payment before the service is rendered, the cash received or due is recognised as a contract liability.

OBLIGATION TO RENDER AFTER-SALES SERVICES

The group sells tractors, combine harvesters, balers and implements. The selling prices of these products include, in most cases, after-sales services. The group's obligation to provide these services is recognised as a contract liability on the sale of the product.

C24. LIABILITIES FROM CONTRACTS WITH CUSTOMERS (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	92,3	36,8
Obligation to deliver goods under bill-and-hold arrangements	-	-	80,5	27,5
Obligation to handle and store agricultural commodities	-	-	10,5	8,8
Obligation to render after-sales services	-	-	1,2	0,4
Other income received in advance	-	-	0,1	0,1
Compensation received	-	-	189,0	208,4
Obligation to deliver goods under bill-and-hold arrangements	-	-	41,4	80,5
Obligation to handle and store agricultural commodities	-	-	146,8	126,7
Obligation to render after-sales services	-	-	0,6	1,0
Other income received in advance	-	-	0,2	0,2
Compensation received in the previous year recognised as revenue	-	-	(92,2)	(36,6)
Obligation to deliver goods under bill-and-hold arrangements	-	-	(80,5)	(27,5)
Obligation to handle and store agricultural commodities	-	-	(10,5)	(8,8)
Obligation to render after-sales services	-	-	(1,1)	(0,2)
Other income received in advance	-	-	(0,1)	(0,1)
Compensation received in the current year recognised as revenue	-	-	(134,2)	(116,3)
Obligation to handle and store agricultural commodities	-	-	(134,2)	(116,3)
Obligation to render after-sales services	-	-	-	-
Carrying amount of liabilities from contracts with customers	-	-	54,9	92,3

C25. SHORT-TERM LOANS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Commodity-based loans	-	-	360,1	800,0
Short-term loan Absa	-	-	0,6	-
Demand deposits	-	-	55,6	51,3
Agricultural customers	-	-	50,5	23,9
Associates	-	-	5,1	27,4
Carrying amount of short-term loans	-	-	416,3	851,3

ACCOUNTING POLICIES

With the exclusion of derivative financial instruments and financial guarantees, all the financial liabilities are classified as financial liabilities at amortised cost. Short-term loans are therefore initially recognised at fair value less direct transaction costs, where applicable. For this purpose, internal administration costs are not considered transaction costs. When measured subsequently, short-term loans are measured at amortised cost, using the effective-interest method.

Where the group has an unconditional right to defer the settlement of liabilities to more than a year after the reporting period, such liabilities are classified as non-current liabilities. All the other liabilities are classified as current liabilities. Based on this policy, short-term loans are classified as current liabilities.

FAIR VALUE

Due to the short-term nature of short-term loans, their carrying amount is considered to be the same as their fair value.

COMMODITY-BASED LOAN FACILITIES

The group has commodity-based loan facilities at commercial banks. In terms of these facilities the group can transact short-term loans with the commercial banks, secured by sale and repurchase agreements over agricultural commodities. Commodity-based loans are subject to interest at rates that varied between the prime interest rate less 2,3 percentage points and the prime interest rate less 2,55 percentage points. At the reporting date the prime interest rate was 11,25% (2022: 7,75%) per annum.

DEMAND DEPOSITS

The group borrows funds from its customers on demand deposits. As a prerequisite for depositing funds with the group, the customer must use one of the group's credit facilities – in other words, the customer must make use of the group's production account, month account or commodity account facilities. The deposits are payable with a two weeks' written notice and bear interest at the prime interest rate less 2,5 percentage points.

The amounts owing to the associates are unsecured and payable on demand. The group pays interest to its associates on the amounts owing to them at rates that are negotiated with each individual associate. At the reporting date this rate was 8,65% (2022: 5,25%) per annum.

C25. SHORT-TERM LOANS (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	851,3	630,0
Commodity-based loans	-	-	800,0	566,8
Demand deposits	-	-	51,3	63,2
Proceeds from short-term loans	-	-	5 655,3	5 562,1
Commodity-based loans	-	-	5 591,0	5 548,7
Short-term loan Absa	-	-	0,6	-
Demand deposits	-	-	63,7	13,4
Finance costs	-	-	155,0	88,5
Commodity-based loans	-	-	149,9	86,4
Demand deposits	-	-	5,1	2,1
Repayments of short-term loans	-	-	(6 245,3)	(5 429,2)
Commodity-based loans	-	-	(6 180,8)	(5 401,9)
Demand deposits	-	-	(64,5)	(27,3)
Carrying amount of short-term loans	-	-	416,3	851,3
DETAILED MOVEMENTS IN DEMAND DEPOSITS FOR THE YEAR				
Opening balance	-	-	51,3	63,2
Customers	-	-	23,9	18,9
Joint ventures	-	-	-	24,8
Associates	-	-	27,4	19,5
Proceeds from demand deposits	-	-	63,7	13,4
Customers	-	-	63,7	6,4
Associates	-	-	-	7,0
Finance costs	-	-	5,1	2,1
Customers	-	-	3,2	1,1
Joint ventures	-	-	-	-
Associates	-	-	1,9	1,0
Repayments of demand deposits	-	-	(64,5)	(27,3)
Customers	-	-	(40,2)	(2,5)
Joint ventures	-	-	-	(24,8)
Associates	-	-	(24,3)	-
Carrying amount of demand deposits	-	-	55,6	51,4

C26. OVERDRAFTS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Overdrafts	-	-	1 498,7	1 211,2

ACCOUNTING POLICIES

With the exclusion of derivative financial instruments and financial guarantees, all the financial liabilities are classified as financial liabilities at amortised cost. Overdrafts are therefore initially recognised at fair value less direct transaction costs, where applicable. For this purpose, internal administration costs are not considered transaction costs. When measured subsequently, overdrafts are measured at amortised cost, using the effective-interest method.

Where the group has an unconditional right to defer the settlement of liabilities to more than a year after the reporting period, such liabilities are classified as non-current liabilities. All the other liabilities are classified as current liabilities. Based on this policy, overdrafts are classified as current liabilities.

The net movement in the overdraft is shown as part of cashflow from financing activities in the the Statement of Cashflows, as the group utilise the overdraft to finance operations. In the prior year it was included as part of cash and cash equivalents. Refer to note M1.

FAIR VALUE

Due to the short-term nature of overdrafts, their carrying amount is considered to be the same as their fair value.

OVERDRAFT FACILITIES

The group has overdraft facilities of R1 600 million (2022: R1 150 million) at Absa Bank Limited. The group has a further R200 million (2022: R100 million) facility that can be utilised on request if the underlying securities allow it. When utilised, the facilities are subject to interest at the prime interest rate less 1,5 to 1,7 percentage points. At the reporting date the prime interest rate was 11,25% (2022: 7,75%) per annum. Absa Bank Limited is entitled to terminate the facilities, which are negotiated annually, at any time by means of a written notice. At 30 April 2023, this notice period is 370 days.

These facilities have been secured by mortgages of R200 million on the land, buildings and improvements, a cession on the group's loans and receivables and a cession on the policies insuring these assets. For this purpose, land, buildings and improvements include the investment property set out in note C2, but exclude all right-of-use assets.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
UNUTILISED FACILITIES				
Facilities	-	-	1 800,0	1 250,0
Overdrafts and long-term loans	-	-	(1 498,7)	(1 211,2)
Unutilised overdraft facilities	-	-	301,3	38,8

FINANCIAL RISKS

The liquidity and interest rate risks relating to overdrafts are disclosed in note I2 and note I10 respectively.

D1. REVENUE FROM CONTRACTS WITH CUSTOMERS

The group sells a wide range of agricultural inputs like agricultural lime, animal feed, batteries, building materials, fencing materials, fertilisers, fuel, herbicides and pesticides, irrigation units and fittings, meal, oil and grease, parts, seed, steel, tyres, and veterinary medicines and instruments, as well as capital goods like balers, combine harvesters, implements, irrigation units and tractors. Consumer goods like cigarettes and tobacco, clothes and shoes, fresh produce, frozen and cooled items, furniture and household products, garden requisites, groceries, hunting and outdoors equipment, pet food, soap and detergents, stationery, toiletries and medicine, and tools are also sold. The group acts as a commodity broker-trader, stores agricultural commodities on behalf of customers and provides a variety of services to support its range of products like the cleaning, drying, weighing and grading of agricultural commodities, delivery and transport services and workshop services.

ACCOUNTING POLICIES

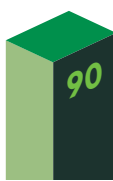
Revenue from contracts with customers includes income earned from the sale of goods, the handling and storage of agricultural commodities, and the rendering of other services. Revenue from contracts with customers excludes income earned from contracts with parties to deliver goods or services that are not outputs of the group's ordinary activities. Income earned from financial instruments such as interest and dividends is also excluded. This income is classified as interest income, other finance income, other gains or losses, or other income, whichever is appropriate. Consolidated revenue from contracts with customers excludes intercompany transactions.

Revenue is recognised as and when performance obligations – in other words, distinct goods and services promised to customers – are satisfied by transferring the agreed-upon goods or services to customers. Goods or services are deemed distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer and such good or service is separately identifiable from other promises in the contract. For the purpose of recognising revenue, goods or services are transferred as or when the customer obtains control thereof. In order to recognise revenue from a contract, the group must be able to identify each party's rights regarding the goods or services to be transferred, must be able to identify the payment terms for the goods or services to be transferred and it should be probable that the group will collect the consideration to which it is entitled. When these conditions are met, the group, at the inception of the contract, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price between the performance obligations, and thereafter recognises revenue at the transaction price that is allocated to the performance obligation as and when each performance obligation is satisfied.

At the inception of the contract, the group determines whether it satisfies the performance obligations over time or at a point in time. Revenue is recognised over time if the customer receives and consumes the benefits provided by the group's performance as it performs, or if the group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. This means that the customer has the ability to direct the use of, and obtain substantially all the benefits from, the asset, or that the group's performance does not create an asset with an alternative use to the group. In addition, the group should have an enforceable right to payment for performance completed to date. If a performance obligation is not satisfied over time, it is satisfied at a point in time, and consequently revenue is recognised at a point in time. Legal title, the group's right to payment, the transfer of the physical possession of the asset to the customer, and the transfer of the significant risk and rewards of the asset to the customer are all used as indicators to determine the point in time at which the customer obtains control of the promised goods or services and, accordingly, at which time the group satisfied the performance obligation.

Revenue is measured at the transaction price. For this purpose, the transaction price is determined as the amount of consideration to which the group expects to be entitled in exchange for transferring the agreed-upon goods or services to the customer, assuming that the transfer of the agreed-upon goods or services will take place according to a contract that will not be cancelled, renewed or modified. Therefore, variable considerations such as discounts promised in contracts are taken into consideration when estimating the transaction price. Furthermore, when the group expects, based on its customary business practices, to refund a portion of the consideration promised in the contract, it adjusts the consideration with the amounts it expects to refund.

Where payment for a product or service is postponed interest-free, the present value of the consideration promised in the contract – discounted at a rate at which similar financial assets earn interest – is regarded as the transaction price. The difference between the consideration promised in the contract and the transaction price is recognised as interest revenue over the period in which the financing takes place. As a practical expedient, the consideration is not adjusted for the time value of money if the transaction does not contain a significant financing component. The consideration is also not adjusted if the financing component is significant, but the group expects the period between the date when the group transfers the goods or services and the payment date to be less than a year.



ACCOUNTING POLICIES (CONTINUED)

In the case of a contract modification, the modification is accounted for as a separate contract if, and only if, the scope of the contract increases because of the addition of promised goods or services that are distinct, and the price of the contract increases by an amount that reflects the stand-alone selling prices of the additional goods and services. In this scenario the consideration promised by the customer as part of the contract modification is regarded as the transaction price and is allocated between the additional performance obligations. If a contract modification is not accounted for as a separate contract and the remaining goods or services are distinct from the goods and services transferred on or before the date of the modification, the modification is accounted for as if it were a termination of the existing contract and the creation of a new contract. In this scenario the sum of the consideration promised by the customer in the original contract that had been included in the transaction price and that had not been recognised as revenue and the consideration promised as part of the modification is regarded as the transaction price and is allocated between the remaining performance obligations.

If the remaining goods or services are not distinct from the goods and services transferred on or before the date of the modification, the modification is accounted for as if it were a part of the existing contract, in other words, it is accounted for as a single performance obligation that is partially satisfied. In this scenario the effect of the modification on the transaction price and the group's measure of progress to complete satisfaction of the performance obligation is recognised as an adjustment to revenue, in other words, an adjustment to revenue is made on a cumulative catch-up basis.

The group is a provider of a variety of goods and services. On the other hand, it is also the group's objective to finance agricultural producers. The group therefore acts as an agent between customers and suppliers of farming requisites, consumer goods and services. These activities compel the group to distinguish between revenue accounted for as revenue from the sale of goods and revenue accounted for on a commission basis. The group accounts for transactions on a commission basis where the group does not obtain control of the goods and services before those goods and services are despatched to the customer. This typically means that the group has no responsibility to deliver the inventory or a service to the customer; carries no risks attached to the inventory, and, lastly, does not determine the selling price of the product or the service and consequently earns income on an agreed fee or a percentage basis.

The incremental cost of obtaining a contract with a customer is recognised as an asset if, and only if, the group expects to recover these costs. For this purpose, internal administration costs are not considered incremental costs. After the initial recognition, the asset is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates. As a practical expedient, the incremental cost of obtaining a contract is recognised as an expense when incurred if the amortisation period of the asset that would be recognised is less than a year. This practice means that the incremental cost of obtaining a contract is almost always recognised as an expense when incurred.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Identifying the group's performance obligations; determining the transaction price; allocating the transaction price between the performance obligations and determining the date on which the performance obligations are met, are generally relatively straightforward. The measurement and allocation of the transaction price require little judgement. The group's practices make it easy to identify distinct goods and services, and the allocation of the transaction price between distinct goods and services based on their stand-alone selling prices is relatively straightforward. This applies even when payment for goods or services is postponed interest-free or when variable considerations are taken into consideration when estimating the transaction price. However, when the group expects to refund a portion of the consideration promised in the contract under its loyalty programme, such refund needs to be estimated. In order to enhance the measurability of revenue, the cost of loyalty programmes is determined by the board annually before the end of the reporting period.

Despite the above, in the case where products are sold and the group is responsible for the delivery of the product to the customer's premises and the price of the delivery is not specified separately in the contract, or in the case where products are sold with an after-sales service plan and the customer does not have the option to purchase the after-sales service plan separately, or revenue from the sale of goods under a bill-and-hold arrangement is recognised and the group has a custodial services obligation, accounting estimates are necessary to allocate the transaction price between the group's performance obligations. However, the transaction price for significant delivery services is rarely unspecified and the transaction price normally allocated to after-sales and custodial services is relatively small compared to the total compensation promised in contracts.

D2. REVENUE FROM THE SALE OF GOODS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Agricultural inputs	-	-	1 865,1	1 640,2
Fuel	-	-	647,9	453,7
Capital goods	-	-	687,0	444,5
Consumer goods	-	-	614,2	528,6
Raw materials	-	-	1,6	2,3
Revenue from the sale of goods	-	-	3 815,8	3 069,3

ACCOUNTING POLICIES

Income earned from the sale of goods is recognised as revenue when the customer obtains control of the asset. In terms of this policy, over-the-counter sales, cash-on-delivery sales and sales in terms of instalment-sale agreements are recognised as revenue upon delivery of the product to the buyer. Materials, parts and consumables used by the group's workshops and printing business during the creation of the agreed-upon asset or the performance of the agreed-upon service are recognised as revenue when installed or used. Revenue is not recognised for products expected to be returned. Instead, the group recognises a refund liability and an asset for the right to recover products from customers when settling the refund liability.

Sales of goods where the customer is invoiced, but delivery of the goods has been postponed at the request of the customer, are recognised as revenue on the invoice date if it is probable that the delivery will be made; the products are in stock and have been identified separately as belonging to the customer; the products are ready for physical transfer to the customer on the invoice date; the buyer specifically acknowledges the delivery instructions; normal payment arrangements are applicable, and the group does not have the ability to use the products or to direct them to another customer. If these conditions are not met, revenue is not recognised. Instead, the group recognises a contract liability for its obligation to deliver the goods. If these conditions are met, and revenue from the sale of goods under the bill-and-hold arrangement is recognised, the group's custodial services are considered to be a performance obligation, and therefore a portion of the transaction price is allocated to this performance obligation. In those circumstances, the transaction price allocated to the group's custodial services is recognised as revenue on the straight-line method over the period during which the service is rendered.

If the selling price of a product includes an identifiable amount for after-sales service, the after-sales service is regarded as a distinct performance obligation and a portion of the transaction price is allocated to this performance obligation. Where goods are sold and the contract determines that the group is responsible for the delivery of the goods to the customer's premises, delivery is treated as a separate performance obligation. If the price of the delivery is specified separately in the contract, that specified fee is allocated to the performance obligation. If the price of the delivery is not specified separately in the contract, the transaction price is determined by reducing the compensation with the stand-alone selling prices of the goods, after consideration of discount granted on the stand-alone selling prices.

SEGMENTAL REVENUE FROM THE SALE OF GOODS

Segmental income from the sale of goods is disclosed in note F4.

CASHFLOWS FROM REVENUE

Income earned from the sale of goods is recognised as revenue when the customer obtains control of the asset – in other words, when all the significant risks and rewards associated with ownership of the goods have been transferred to the customer. In most cases, it is the same date as the one on which the customer is liable for payment, and consequently cash is received or a financial asset is recognised. The payment terms of the group's various financing options, such as instalment plans, production accounts and monthly accounts, are disclosed in note C8 and C12. The sale of goods where the customer is invoiced, but delivery of the goods has been postponed at the request of the customer, is recognised as revenue if the conditions set out in the accounting policy are met. In the case where the conditions are not met, revenue is deferred until they have been met. In this scenario the cash received or due is recognised as a contract liability. Liabilities from contracts with customers are disclosed in note C25.

D3. REVENUE FROM THE HANDLING AND STORAGE OF COMMODITIES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Revenue from the storage of agricultural commodities	-	-	159,6	117,3
Revenue from handling agricultural commodities	-	-	131,5	62,1
Revenue from the handling and storage of commodities	-	-	291,1	179,4

ACCOUNTING POLICIES

The group stores agricultural commodities on behalf of customers. As a result of the risks inherent in the handling and storage of agricultural commodities, the mass of agricultural commodities stored on behalf of customers is reduced on receipt thereof to make provision for grade and weight losses during the handling and storage thereof. These weight adjustments are considered a non-cash consideration for the handling, storage and safekeeping of the commodities. Consequently, weight adjustments are measured at fair value and taken together with the cash considerations agreed upon in the contract as the transaction price.

In the case of commodity handling, the transaction price is allocated between the two performance obligations, namely receiving the commodity and despatching the commodity, on the basis of the costs incurred relative to the total expected costs to render the service. After that the transaction price that is allocated to receiving the commodity – which includes the weight deductions upon receipt thereof, adjusted with the expected grade and weight losses – is recognised as revenue upon receipt of the commodity, and the transaction price allocated to despatching the commodity is recognised as revenue when the commodity is despatched.

The storage of agricultural commodities is regarded as a single performance obligation, and consequently the transaction price is equal to the compensation promised in the contract. The customer receives and consumes the benefits provided by the group's performance as it performs. The transaction price is therefore recognised as revenue on a time-proportion basis.

SEGMENTAL REVENUE FROM THE HANDLING AND STORAGE OF COMMODITIES

All the revenue from the handling and storage of commodities is earned by the agricultural commodity segment.

CASHFLOWS FROM REVENUE

Customers have the option of storing agricultural commodities at either an annual fee or at a daily fee, provided that the daily fee is limited to a predefined annual limit. Furthermore, the group's customers also have the option of postponing the decision to sell or not to sell their commodity. In the case of sunflower, the decision can be postponed until the end of December, in the case of maize until the end of February, in the case of wheat until the end of April, and in the case of other agricultural commodities until the end of December. Storage fees charged on these commodities are payable on the above dates or on the date the producer sells his commodity, whichever comes first.

Since income from the storage of agricultural commodities is recognised as revenue on a time-proportion basis, the storage fees recognised as revenue before they become payable are recognised as contract assets. Assets from contracts with customers are disclosed in note C13. If customers do not choose to postpone the decision to sell or not to sell their agricultural commodities, they are liable for the payment of storage fees as and when the service is rendered or before the service is rendered. Consequently, cash in these cases is usually received or a financial asset is usually recognised as and when the service is rendered or before the service is rendered. Where the customer is liable for payment before the service is rendered, the cash received or due is recognised as a contract liability. Liabilities from contracts with customers are disclosed in note C25.

Since fees for handling agricultural commodities are payable on receipt of the commodity, the cash received or due is recognised as a contract liability. Liabilities from contracts with customers are disclosed in note C25.

D3. REVENUE FROM THE HANDLING AND STORAGE OF COMMODITIES (CONTINUED)

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Identifying the group's performance obligations, the allocation of the transaction price between the various performance obligations and the determination of the date on which the performance obligations are met are relatively straightforward. However, determining the transaction price for the handling of agricultural commodities requires estimates. It is policy to measure revenue as the amount of consideration to which the group expects to be entitled in exchange for delivering the agreed-upon services to a customer. As the weight deductions upon receipt of the agricultural commodities represent a variable consideration for the handling of agricultural commodities, the group needs to estimate the expected degree of grade and weight loss during storage. The transaction price, which is recognised as revenue, is consequently materially influenced by the group's estimates regarding grade and weight losses. Significant estimates relating to the provision for grade and weight losses are discussed in more detail in note C11.

D4. REVENUE FROM OTHER SERVICES RENDERED	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Agency commission	-	-	27,0	19,9
Broker's commission	-	-	-	9,1
Income from agricultural services	-	-	5,7	4,9
Income from cleaning, drying, weighing and grading commodities	-	-	12,8	11,5
Income from delivery and transport	-	-	14,9	15,8
Labour income	-	-	15,6	12,3
Sundry services	-	-	13,1	3,3
Revenue from other services rendered	-	-	89,1	76,8

ACCOUNTING POLICIES

Agency commission is recognised as revenue upon receipt of proof that the goods or services have been delivered or rendered to the customer. Since the customer receives and consumes the benefits provided by the group's performance as it performs, the revenue from all the other services rendered is recognised over time. Broker's commission is recognised as revenue based on results achieved. Labour income earned during the performance of the contracted performance obligation is recognised as revenue on an hours-spent basis. Income from services rendered, such as the cleaning, drying, weighing or grading of agricultural commodities, the delivery of goods to the customer's premises and transport services, is recognised as revenue based on results achieved.

GROUP

D4. REVENUE FROM OTHER SERVICES RENDERED (CONTINUED)

	2023	2022
	R fn	R'm
SEGMENTAL REVENUE FROM OTHER SERVICES RENDERED		
Agricultural commodities	32,7	33,6
Agency commission	0,5	0,6
Broker's commission	-	9,1
Income from cleaning, drying, weighing and grading commodities	12,8	11,5
Income from delivery and transport	9,5	10,8
Sundry services	9,9	1,6
Trade	49,2	36,6
Agency commission	26,5	19,3
Income from delivery and transport	5,4	5,0
Labour income	14,1	10,6
Sundry services	3,2	1,7
Financial services – Income from agricultural services	0,3	-
Corporate	6,9	6,6
Income from agricultural services	5,4	4,9
Labour income	1,5	1,7
Revenue from other services rendered	89,1	76,8

CASHFLOWS FROM REVENUE

In most cases, the date on which commission income is recognised as revenue is the same date as the one on which the customer is liable for payment, and consequently cash is received or a financial asset is recognised.

In most cases, the customer is liable for payment of the other services such as labour income, agricultural services, the drying or cleaning of agricultural commodities, the weighing or grading of agricultural commodities, the delivery of goods to the customer's premises, and transport services, after completion of the agreed-upon service, and consequently, cash is received or a financial asset is recognised after completion of the agreed-upon service.

D5. NET FAIR-VALUE GAINS ON COMMODITY TRADING	COMPANY		GROUP	
	2023	2022 [#]	2023	2022 [#]
	R fn	R'm	R fn	R'm
Fair-value adjustments on derivative financial instruments at fair value through profit or loss	-	-	(43,1)	(363,2)
Fair-value adjustments on agricultural commodities	-	-	556,3	774,6
Net fair-value gains on commodity trading	-	-	513,2	411,4

Restated – refer to note M1

ACCOUNTING POLICIES

The group buys and sells agricultural commodities with the purpose of generating either a profit from commodity price fluctuations on the open market or a broker-trader margin. Consequently, these commodities are measured at fair value less costs to sell. Derivative financial instruments are likewise measured at fair value, and consequently the commodity contracts on the derivatives market for agricultural commodities of the JSE, commodity contracts with agricultural producers and customers, and option contracts are measured at the market prices of the contracts. Income from the sale of agricultural commodities is therefore excluded from revenue from contracts with customers. Instead the gains or losses arising from changes in the fair value of agricultural commodities and commodity contracts are presented on a net basis.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
FAIR-VALUE HIERARCHY				
Fair-value adjustments measured by using level one input data	-	-	511,1	409,1
Fair-value adjustments on derivative financial instruments	-	-	(43,1)	(363,2)
Fair-value adjustments on agricultural commodities	-	-	554,2	772,3
Fair-value adjustments measured by using level three input data	-	-	2,1	2,3
Fair-value adjustments on agricultural commodities	-	-	2,1	2,3
Fair-value adjustments recognised in profit or loss	-	-	513,2	411,4

D6. INTEREST INCOME	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Trade receivables	-	-	112,2	64,8
Amounts owing by agricultural and non-agricultural customers	-	-	110,5	62,2
Amounts owing by commodity customers	-	-	1,7	2,6
Instalment plans	-	-	48,2	38,4
Lease receivables	-	-	0,6	0,5
Term loans to agricultural customers	-	-	47,6	37,9
Interest income	-	-	160,4	103,2

ACCOUNTING POLICIES

Finance income is recognised as income according to the effective-interest method over the period in which the financing takes place. Finance income earned on loans, lease receivables and trade receivables is classified as interest income. All other finance income is classified as other income. Notwithstanding this, the interest earned on bank balances and term deposits held by consolidated trusts is not recognised as revenue or other income if, and only if, such interest is to the benefit of the trusts' beneficiaries. Instead, such interest is classified as a fiduciary liability.

SEGMENTAL INTEREST INCOME

The agricultural commodity segment provides financing to its commodity customers. The financing of all the other customers is provided by the financial services segment. Segmental finance income is disclosed in note F5.

D7. OTHER INCOME	COMPANY		GROUP	
	2023	2022 [#]	2023	2022 [#]
	R fn	R'm	R fn	R'm
Finance income on financial assets at amortised cost	0,9	0,7	19,6	9,5
Receivables, other than trade receivables	-	-	3,0	0,6
Subsidiaries	0,9	0,7	-	-
Joint ventures	-	-	1,5	1,7
Short-term deposits	-	-	14,8	7,1
Bank balances	-	-	0,3	0,1
Administrative fees	-	-	0,9	0,6
Joint ventures	-	-	0,5	0,4
Other	-	-	0,4	0,2
Advertising and marketing income	-	-	2,4	3,5
Commission income	-	-	1,8	1,9
Credit insurance cost recovered	-	-	2,3	1,9
Dividend income from listed and unlisted entities	-	-	0,1	0,1
Electricity, water and sanitation cost recovered	-	-	1,7	1,8
Gains or loss on the disposal of non-current assets	-	-	21,7	23,1
Property, plant and equipment	-	-	2,0	(0,1)
Investment property	-	-	19,7	-
Joint ventures	-	-	-	24,6
Insurance business	-	-	-	(1,4)
Government grants	-	-	0,9	1,1
Impairment losses on property, plant and equipment recovered from third parties	-	-	0,7	0,5
Income from insurance claims	-	-	1,7	1,2
Management fees received	-	-	0,4	0,3
Operating-lease income	-	-	10,8	11,5
Rental income earned from property, plant and equipment	-	-	9,1	9,9
Rental income earned from investment property	-	-	1,7	1,6
Reversal of unutilised provisions for grade and weight losses	-	-	-	10,2
Reversal of unutilised provisions for environmental rehabilitation	-	-	1,6	-
Skills development levy recovered	-	-	1,0	0,5
Speculation profits or losses on commodity contracts	-	-	-	0,5
Surplus agricultural commodities	-	-	15,2	60,5
Sundry income	-	-	6,9	5,1
Total other income	0,9	0,7	89,7	133,8

[#] Restated – refer to note M1

ACCOUNTING POLICIES

Income from government grants; the recovery of impairment losses on items of property, plant and equipment, investment property and intangible assets from third parties; compensation for damage or loss under insurance contracts; the reversal of unused provisions; rental income earned from property, plant and equipment; rental income earned from investment property, and other income earned from contracts with parties to deliver goods or services that are not outputs of the group's ordinary activities, are recognised as other income, without setting it off against any related expenses.

Dividends declared by listed and unlisted entities are recognised as other income on the last day of registration for them to qualify as a shareholder, unless a portion of the dividend can be clearly identified as a recovery of the cost of the investment. As an exception to this policy, the dividends received by consolidated trusts are not recognised as income if, and only if, such dividends are to the benefit of the trusts' beneficiaries. Instead, such dividends are classified as fiduciary liabilities.

Government grants relating to income – in other words, government grants that compensate the group for expenses – are systematically recognised as income during the period in which the related costs for which the grants are intended to compensate are recognised in profit or loss if, and only if, it is reasonably sure that the group will meet the determinant conditions of the grant and that the grant will be received.

In the case of loans at lower than market-related interest rates, the difference between the proceeds received and the carrying amount of the loan at its initial recognition, determined according to the effective-interest method, is regarded as the grant.

SEGMENTAL FINANCE INCOME

Finance income is earned through the financial services segment. Segmental finance income is disclosed in note F5.

D8. IMPAIRMENT GAINS AND LOSSES ON FINANCIAL ASSETS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Impairment gains on financial assets at amortised cost	-	-	11,2	2,6
Credit losses (direct write-offs) on financial assets at amortised cost	-	-	(5,0)	(6,6)
Gains and losses on allowances for expected credit losses on financial assets at amortised cost	-	-	(17,9)	(3,3)
Impairment gains and losses on financial assets at amortised cost	-	-	(11,7)	(7,3)
Gains and losses on allowances for expected credit losses on financial instruments at fair value through profit or loss	-	-	(0,1)	(1,8)
Commodity contracts with agricultural producers	-	-	(1,2)	(1,1)
Commodity contracts with customers	-	-	1,1	(0,7)
Impairment gains and losses on financial assets	-	-	(11,8)	(9,1)
Impairment gains on financial assets at amortised cost	-	-	-	-
Financial assets arising from contracts with customers	-	-	9,7	2,1
Amounts owing by agricultural customers	-	-	9,6	1,4
Amounts owing by non-agricultural customers	-	-	0,1	0,7
Other financial assets	-	-	1,5	0,5
Amounts owing by commodity customers	-	-	1,5	0,1
Short-term loan to The Cape Town Stock Exchange Proprietary Limited	-	-	-	-
Other receivables	-	-	-	0,4
Impairment gains on financial assets at amortised cost	-	-	11,2	2,6
Credit losses (direct write-offs) on financial assets at amortised cost	-	-	-	-
Financial assets arising from contracts with customers	-	-	-	-
Amounts owing by agricultural customers	-	-	(4,4)	(3,5)
Amounts owing by non-agricultural customers	-	-	(0,6)	(3,0)
Other financial assets	-	-	-	(0,1)
Amounts owing by commodity customers	-	-	-	(0,1)
Credit losses (direct write-offs) on financial assets at amortised cost	-	-	(5,0)	(6,6)
Gains and losses on allowances for expected credit losses on financial assets at amortised cost	-	-	-	-
Financial assets arising from contracts with customers	-	-	(18,2)	(4,9)
Amounts owing by agricultural customers	-	-	(18,1)	(5,1)
Amounts owing by non-agricultural customers	-	-	(0,1)	0,2
Other financial assets	-	-	0,3	1,6
Lease receivables	-	-	-	0,1
Term loans to agricultural customers	-	-	0,3	2,5
Amounts owing by commodity customers	-	-	-	(1,0)
Gains and losses on allowances for expected credit losses on financial assets at amortised cost	-	-	(17,9)	(3,3)



D9. EMPLOYEES' REMUNERATION	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Salaries, wages and other short-term employee benefits	0,4	0,3	449,8	409,9
Contributions to post-employment benefit plans	-	-	1,8	1,8
Service termination benefits	-	-	-	-
Long-term incentives	-	-	7,9	3,4
Other long-term employee benefits	-	-	1,7	0,5
Employees' remuneration recognised as expenditure	0,4	0,3	461,2	415,6
Remuneration to the company's non-executive directors (note J6)	0,4	0,3	4,2	3,0
Remuneration to the directors of the subsidiaries (note J6)	-	-	19,7	19,6
Salaries and other short-term benefits	-	-	13,6	15,6
Contributions to post-employment benefit plans	-	-	0,7	0,6
Long-term incentives	-	-	5,4	3,4
Remuneration to the directors of group companies (note J6)	0,4	0,3	23,9	22,6
Other key employees' remuneration (note J6)	-	-	14,6	19,0
Salaries, wages and other short-term employee benefits	-	-	11,0	17,5
Contributions to post-employment benefit plans	-	-	1,1	1,5
Long-term incentives	-	-	2,5	-
Key employees' remuneration (note J6)	0,4	0,3	38,5	41,6
Other employees' remuneration	-	-	422,7	374,0
Salaries, wages and other short-term employee benefits	-	-	421,0	373,5
Service termination benefits	-	-	-	-
Other long-term employee benefits	-	-	1,7	0,5
Employees' remuneration recognised as expenditure	0,4	0,3	461,2	415,6

The contracts stipulate that employees should be members of a pension or provident fund. Employees are therefore either members of the NWK Umbrella Pension Fund or members of the Provident Fund for the Grain Industry. These funds are defined-contribution plans that have been registered and are governed in terms of the Pension Funds Act, 1956, as amended.

The contracts further stipulate that the service of employees will be automatically terminated at the end of the calendar month in which the employee reaches the age of 63 with respect to employees who are members of the pension fund, and 60 years with respect to those employees who are members of the provident fund.

The group pays gratuities to retiring employees if the employee retires at the age of 63 years in the case of members of the pension fund, and 60 years in the case of the provident fund, and the employee has 15 or more continuous years of service on the date of retirement. The group also pays gratuities to retiring employees who retire before these age limits if the employee has 25 or more years of continuous service on the retirement date. Gratuities are based on the pensionable remuneration and completed years of service of eligible employees on retirement.

ACCOUNTING POLICIES

Short-term employee benefits are recognised in profit or loss or as part of the cost of inventory, whichever is applicable, in the period during which employees render services that increase their entitlement to the benefits. In terms of this policy, the costs of accumulating paid absences are recognised in profit or loss or as part of the cost of inventory, whichever is applicable, in the period in which employees render a service that increases their entitlement to future paid absences.

The costs of non-accumulating paid absences are recognised in the period in which the absence occurs. Where the group has a legal obligation to make profit-sharing and bonus payments to employees, the costs involved are recognised in profit or loss in the period during which the employees provide services that increase their entitlement to profit-sharing and bonus payments.

Where the group, in the opinion of the directors, as a result of its actions in the past, has a present constructive obligation to pay performance bonuses to employees based on the financial performance of the group, the cost of the performance bonuses is recognised as expenditure on the reporting date if the amounts payable has been determined by the board before the annual financial statements have been approved.

The group operates a long-term incentive scheme to compensate its executive directors and key employees. The liability is measured at the present value of the expected expense to settle the liability – discounted at the prime interest rate. In terms of this policy, the annual award to the qualifying employee is considered current service costs and is therefore recognised as expenditure in the period in which the award is made, and settlement gains or losses are recognised as expenditure in the period in which the payments are made. Changes in the discounted value of the liability that arise as a result of the effluxion of time or adjustments in the discount rate are recognised as finance costs.

The employees are members of pension and provident funds that offer benefits in terms of defined-contribution plans. Contributions to the post-employment benefit plans are recognised in profit or loss in the period during which employees render services that increase their entitlement to these benefits.

The cost-of-service termination benefits is recognised in profit or loss if the proposed termination of service is set out in a formally detailed plan communicated to employees before the end of the reporting period. To give effect to this policy, the plan of termination needs to identify the number of employees whose employment is to be terminated, their job classifications or functions, their locations, and the expected completion date.

Furthermore, the plan must establish the termination benefits that the employees will receive in such a manner that employees can determine the type and number of benefits they will receive when their employment is terminated.

D10. OTHER EXPENSES	COMPANY		GROUP	
	2023	2022	2023	2022
	R m	R'm	R m	R'm
Other expenses according to the statement of comprehensive income	0,8	0,9	658,1	544,6
<i>These expenses are shown after taking the following into consideration:</i>				
Administration fees paid to subsidiary	-	-	-	-
Agent commissions	-	-	69,1	63,3
Auditor's remuneration	0,1	-	4,4	3,3
For audit	0,1	-	4,0	3,3
Reimbursive expense for travel and accommodation	-	-	0,4	-
For other services	-	-	-	-
Depreciation and amortisation	-	-	68,2	50,3
Property, plant and equipment	-	-	60,5	45,4
Investment property	-	-	0,2	0,1
Intangible assets	-	-	7,5	4,8
Impairment charges on non-financial assets	-	-	1,6	1,9
Property, plant and equipment	-	-	1,5	1,4
Investment property	-	-	0,1	0,2
Intangible assets	-	-	-	0,3
Maintenance costs	-	-	50,9	36,1
Lease instalments	-	-	3,2	3,2
Short-term leases	-	-	2,0	2,0
Leases of which the underlying asset is of low value	-	-	1,2	1,2
Net provision grade and weight losses	-	-	9,3	-
Trustees' remuneration	-	-	0,3	0,4
Variable lease payments	-	-	0,7	0,6
Write-off of inventory to net realisable value	-	-	26,3	7,4

D11. FINANCE COSTS	COMPANY		GROUP	
	2023	2022	2023	2022
	R m	R'm	R m	R'm
Commodity-based loans	-	-	149,9	86,4
Demand deposits	-	-	5,2	2,1
Customers	-	-	3,3	1,1
Associates	-	-	1,9	1,0
Short-term loans	-	-	155,1	88,5
Overdrafts	-	-	78,4	25,2
Short-term loans and overdrafts	-	-	233,5	113,7
Lease liabilities	-	-	6,2	2,5
Trade and other payables	-	-	5,9	3,9
Joint ventures	-	-	8,6	0,4
Finance costs on financial liabilities at amortised cost	-	-	254,2	120,5
Long-term provisions	-	-	0,3	0,1
Total finance costs	-	-	254,5	120,6

D12. TAX	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
South African normal tax	-	-	77,8	86,8
Current year	-	-	77,8	86,8
Previous year	-	-	-	-
Deferred tax (note C9)	-	-	(1,1)	(7,9)
Current year	-	-	(1,1)	(8,4)
Previous year	-	-	-	-
Tax rate adjustment	-	-	-	0,5
Tax according to the statement of comprehensive income	-	-	76,7	78,9

ACCOUNTING POLICIES

Tax relating to transactions or events that have been directly recognised in equity is recognised directly in equity. Tax relating to transactions or events that have been recognised in other comprehensive income is recognised in other comprehensive income. All other tax charges or tax income is included in the profit or loss for the period in which it arises. Additional tax – in other words, tax penalties and the concomitant finance costs – is seen as tax expenses and consequently included in the tax charge for the period. Tax is measured at the amount expected to be paid or recovered, using tax rates and tax legislation enacted or substantively enacted before or on the last day of the reporting period.

When new information becomes available, the group assesses its declarations made in tax returns regarding transactions or circumstances that are subject to tax legislation that requires judgement and makes suitable provision, if necessary, on the basis of the expected amounts payable. If the group concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the single most likely amount or the sum of the probability-weighted amount in the range of possible outcomes, whichever is expected to better predict the amount payable, is used to determine the taxable profit.

TAX RECONCILIATION	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Pre-tax profit	287,4	272,7	359,4	346,5
<i>Tax on the pre-tax profit differs as follows from the theoretical tax calculated at the standard tax rate of 27% (2022: 28%):</i>				
Tax calculated at the standard tax rate	77,6	76,3	97,1	97,0
Adjustment for:				
Equity-accounted earnings accounted for on an after-tax basis	(77,6)	(76,3)	(15,5)	(13,2)
Exempted income	-	-	(5,8)	(7,4)
Non-allowable expenses	-	-	2,0	2,7
Learnership allowance	-	-	(1,1)	(0,7)
Previous year	-	-	-	-
Tax rate adjustment	-	-	-	0,5
Tax according to the statement of comprehensive income	-	-	76,7	78,9
Effective tax rate	-	-	21,0%	22,8%

D13. FAIR-VALUE ADJUSTMENT OF THE INVESTMENT IN EQUITY INSTRUMENTS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Pre-tax fair-value adjustment of the investment in equity instruments at fair value through other comprehensive income (note C7)	-	-	-	-
Fair-value adjustment measured by using level one input data	-	-	(0,1)	(0,1)
Fair-value adjustment measured by using level two input data	-	-	0,1	0,1
Fair-value adjustment measured by using level three input data	-	-	-	-
Deferred tax (note C9)	-	-	-	-
After-tax fair-value adjustment of the investment in equity instruments at fair value through other comprehensive income	-	-	-	-

ACCOUNTING POLICIES

In terms of the accounting policies the fair-value adjustment of the investment at fair value through other comprehensive income is excluded from the measurement of profit or loss. These fair-value adjustments are recognised as other comprehensive income. Upon the disposal of these instruments, the accrued fair-value adjustments are transferred directly to retained earnings.

D14. EARNINGS PER SHARE

BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the consolidated profit of R282,7 million (2022: R267,4 million) attributable to the owners of the holding company and the weighted average number of 103 580 291 (2022: 107 457 664) ordinary shares in issue.

E1. CASHFLOW FROM OPERATING PROFIT OR LOSS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Operating profit or loss	(0,3)	(0,5)	301,7	299,0
Adjustment for:				
Credit losses on financial assets	-	-	23,0	11,7
Lease receivables	-	-	-	(0,1)
Term loans to agricultural customers	-	-	(0,3)	(2,5)
Amounts owing by agricultural customers	-	-	22,5	8,6
Amounts owing by non-agricultural customers	-	-	0,7	2,8
Amounts owing by commodity customers	-	-	-	1,1
Commodity contracts with agricultural producers	-	-	1,2	1,1
Commodity contracts with customers	-	-	(1,1)	0,7
Depreciation and amortisation	-	-	68,2	50,3
Property, plant and equipment (note C1)	-	-	60,5	45,4
Investment property (note C2)	-	-	0,2	0,1
Intangible assets (note C3)	-	-	7,5	4,8
Impairment charges on non-financial assets	-	-	1,7	1,9
Property, plant and equipment (note C1)	-	-	1,5	1,4
Investment property (note C2)	-	-	0,2	0,2
Intangible assets (note C3)	-	-	-	0,3
Provisions	-	-	9,6	2,7
Long-term provisions created	-	-	11,3	6,0
Short-term provisions created	-	-	-	30,4
Utilisation of long-term provisions	-	-	(1,7)	(6,2)
Utilisation of short-term provisions	-	-	-	(17,3)
Reversal of unutilised short-term provisions	-	-	-	(10,2)
Write-off of inventory to net realisable value (note D10)	-	-	26,3	7,4
Dividend income from listed and unlisted entities (note D7)	-	-	(0,1)	(0,1)
Finance income	(0,9)	(0,7)	(180,0)	(112,7)
Interest income (note D6)	-	-	(160,4)	(103,2)
Other income (note D7)	(0,9)	(0,7)	(19,6)	(9,5)
Gains or losses on the disposal of non-current assets	-	-	(21,7)	(23,1)
Property, plant and equipment (note D7)	-	-	(2,0)	0,1
Investment property (note D7)	-	-	(19,7)	-
Joint ventures (note D7)	-	-	-	(24,6)
Insurance business (note D7)	-	-	-	1,4
Finance cost	-	-	254,5	120,6
Cashflow from operating profit or loss	(1,2)	(1,2)	483,2	357,8

E2. CASHFLOW FROM CHANGE IN OPERATING CAPITAL	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Loans and lease receivables	-	-	5,9	79,6
Inventory	-	-	(398,3)	(186,1)
Agricultural commodities	-	-	292,3	(10,6)
Trade and other receivables	(17,3)	9,3	(372,3)	(444,5)
Prepaid expenses	-	-	(1,4)	0,3
Assets from contracts with customers	-	-	(3,0)	1,0
Financial instruments at fair value through profit or loss	-	-	170,0	(43,2)
Trade and other payables	-	-	202,1	1,9
Accumulating compensated absences	-	-	(0,6)	(1,3)
Liabilities from contracts with customers	-	-	(37,4)	55,5
Cashflow from change in operating capital	(17,3)	9,3	(142,7)	(547,4)

ACCOUNTING POLICIES

The group is a financial institution for all practical purposes, therefore loans and lease receivables relate to its main revenue-producing activities. The cashflows from loans and lease receivables are consequently considered as cashflows from operating activities, regardless of the fact that these assets are classified as non-current assets.

E3. NET CASHFLOW FROM INTEREST	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Interest received	0,9	0,7	180,0	112,7
Interest income (note D6)	-	-	160,4	103,2
Other income (note D7)	0,9	0,7	19,6	9,5
Interest paid	-	-	(254,2)	(120,5)
Finance costs (note D11)	-	-	(254,5)	(120,6)
Adjustment for finance costs on provisions (note D11)	-	-	0,3	0,1
Net cashflow from interest	0,9	0,7	(74,2)	(7,8)

Finance costs on provisions are considered a non-cashflow item and consequently excluded from interest paid.

E4. TAX PAID	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Opening balance of current tax liabilities	-	-	18,7	16,5
Amounts debited in the statement of comprehensive income	-	-	76,7	78,9
Adjustment for deferred tax (note D13)	-	-	1,1	7,9
Closing balance of current tax liabilities	-	-	(7,1)	(18,7)
Tax paid	-	-	89,4	84,6

E5. CASH PAID ON THE ACQUISITION OF NON-CURRENT ASSETS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Property, plant and equipment acquired	-	-	141,0	89,0
Property, plant and equipment acquired (note C1)	-	-	202,9	129,4
Financed with leases (note C1)	-	-	(61,9)	(40,4)
Upgrading of investment property (note C2)	-	-	0,3	1,3
Investment property acquired (note C2)	-	-	4,2	0,7
Intangible assets acquired	-	-	1,1	0,5
Intangible assets acquired (note C3)	-	-	1,1	17,3
Financed with leases (note C3)	-	-	-	(16,8)
Cash paid on the acquisition of non-current assets	-	-	146,6	91,5

Cash paid on the acquisition of non-current assets excludes investments in the equity instruments of subsidiaries, joint ventures, associates and other listed and unlisted entities as well as any acquisition of assets as part of a business combination. These acquisitions are disclosed separately as and when such acquisitions occur. Where assets are acquired under a lease or where assets are acquired under an asset-for-asset transaction or under an asset-for-share transaction, such acquisitions are also excluded from cash paid to acquire non-current assets.

E6. CASH PAID ON THE ACQUISITION OF ASSETS AND LIABILITIES THROUGH BUSINESS COMBINATIONS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Fair value of assets acquired	-	-	425,3	10,4
Property, plant and equipment	-	-	219,4	6,1
Investment property	-	-	-	1,8
Inventory	-	-	24,1	2,5
Cash and cash equivalents	-	-	34,4	-
Financial assets	-	-	147,4	-
Fair value of liabilities acquired	-	-	(68,1)	-
Deferred tax liabilities	-	-	(39,8)	-
Financial liabilities	-	-	(28,3)	-
Net assets acquired through business combinations	-	-	357,3	10,4
Less: Disposal at fair value of interest previously held in Epko Oil Seed Crushing Proprietary Limited	-	-	(172,9)	-
Add: Goodwill recognised as part of the acquisition of a business unit	-	-	13,0	2,4
Purchase price	-	-	197,4	12,8
Cash paid on the acquisition of Mogaladi Fuel Proprietary Limited	-	-	-	5,8
Cash payable on the acquisition of Epko Oil Seed Crushing Proprietary Limited	-	-	172,9	-
Cash paid on the acquisition of a business unit	-	-	24,5	7,0

On 30 April 2023, the group acquired an additional 50% interest in Epko Oil Seed Crushing Proprietary Limited resulting in a 100% shareholding in Epko Oil Seed Crushing Proprietary Limited. The purchase price of R173 million, was paid after year-end, and included in other payables. At year end, the group had obtained the cash in Epko Oil Seed Crushing Proprietary Limited. Furthermore, on 1 September 2022, the group acquired a business unit to expand its business as part of a strategy to grow the group's fuel business.

During the previous year, as part of a strategy to grow the group's fuel business, the group acquired a 100% interest in Mogaladi Fuel Proprietary Limited. On this date, the company also provided the necessary funds to Mogaladi Fuel Proprietary Limited to settle the amounts owed to the previous owners. Furthermore, during the previous year, the group acquired two business units to expand its business.

E7. CASH PAID ON THE ACQUISITION OF JOINT VENTURES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Acquisition of NWK and IP Makelaars Proprietary Limited	-	-	-	7,1
Acquisition of a 20% interest	-	-	-	2,8
Acquisition of a 30% interest	-	-	-	4,3
Acquisition of joint ventures	-	-	-	7,1

During the previous year, the group acquired a 50% interest in NWK and IP Makelaars Proprietary Limited. This acquisition took place in two steps. On 5 July 2021, but with effect from 1 March 2021, the group bought a 20% interest from IP van der Merwe, and during the disposal of SENWK Proprietary Limited the group bought the 30% interest that Certisure Proprietary Limited held in NWK and IP Makelaars Proprietary Limited from the former.

E8. PROCEEDS ON THE DISPOSAL OF NON-CURRENT ASSETS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Proceeds on the disposal of property, plant and equipment	-	-	6,4	0,3
Carrying amount of property, plant and equipment disposed of (note C1)	-	-	4,4	0,4
Profit or loss on the disposal of property, plant and equipment	-	-	2,0	(0,1)
Proceeds on the disposal of investment property	-	-	24,1	-
Carrying amount of investment property disposed of (note C2)	-	-	4,4	-
Profit on the disposal of investment property	-	-	19,7	-
Proceeds on the disposal of non-current assets	-	-	30,5	0,3

The proceeds on the disposal of non-current assets exclude the cash received on the disposal of the equity instruments of subsidiaries, joint ventures, associates and other listed and unlisted entities as well as any disposal of assets as part of a business combination. These disposals are disclosed separately as and when such disposals occur.

E9. PROCEEDS ON THE DISPOSAL OF ASSOCIATES AND JOINT VENTURES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Proceeds on the disposal of SENWK Proprietary Limited	-	-	-	63,6
Carrying amount of SENWK Proprietary Limited at disposal (note C5)	-	-	-	39,0
Profit on the disposal of joint ventures	-	-	-	24,6
Acquisition of insurance business from Certisure Proprietary Limited	-	-	-	(18,8)
Proceeds on the disposal of joint ventures	-	-	-	44,8

On 30 April 2023, the group acquired an additional 50% interest in Epko Oil Seed Crushing Proprietary Limited. This acquisition resulted in the company obtaining control of Epko Oil Seed Crushing Proprietary Limited, as it now holds a 100% interest and therefore moved from investments in joint ventures to investments in subsidiaries. Refer to note C4 and note C5 for additional disclosure with regards to this transaction.

During the previous year, the group sold its interest in SENWK Proprietary Limited. The selling price of the group's interest in SENWK Proprietary Limited was R26,1 million. However, as part of the sales transaction, SENWK Proprietary Limited paid dividends amounting to R37,5 million to the group – therefore, the cash inflow from the sales transaction was substantially more than the stand-alone selling price.

Furthermore, during the disposal of SENWK Proprietary Limited, the group acquired its share of SENWK Proprietary Limited's insurance business from said entity.

Since the disposal of SENWK Proprietary Limited and the acquisition of the insurance business are considered as a single transaction, the acquisition of the insurance business is excluded from the cash paid on the acquisition of non-current assets set out in note E5 and deducted from the proceeds on the disposal of SENWK Proprietary Limited. The purchased price of the insurance business was R18,8 million. Thus, a net cash inflow of R44,8 million was realised.

E10. PROCEEDS ON THE DISPOSAL OF INSURANCE BUSINESS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Selling price of insurance business	-	-	-	17,4
Carrying amount of the insurance business at disposal	-	-	-	18,8
Loss on the disposal of insurance business	-	-	-	(1,4)
Financed with a long-term loan	-	-	-	(17,4)
Proceeds on the disposal of insurance business	-	-	-	-

E11. CASHFLOW FROM LIABILITIES ARISING FROM FINANCING ACTIVITIES	COMPANY		GROUP	
	2023	2022	2023	2022 [#]
	R fn	R'm	R fn	R'm
Proceeds from long-term loans	-	-	200,0	-
Repayments of lease liabilities	-	-	(30,6)	(36,4)
Repayment of lease liabilities (note C22)	-	-	(36,8)	(38,9)
Finance costs on lease liabilities classified as cashflow from operating activities (note C22)	-	-	6,2	2,5
Increase in overdrafts	-	-	287,5	227,4
Proceeds from commodity-based loans and Absa (note C25)	-	-	5 591,6	5 548,6
Repayments of commodity-based loans	-	-	(6 030,9)	(5 315,5)
Repayment of commodity-based loans (note C25)	-	-	(6 180,8)	(5 401,9)
Finance costs on commodity-based loans classified as cashflow from operating activities (note C25)	-	-	149,9	86,4
Proceeds from demand deposits (note C25)	-	-	63,7	13,4
Repayment of demand deposits	-	-	(59,4)	(25,2)
Repayment of short-term loans (note C25)	-	-	(64,5)	(27,3)
Finance costs on short-term loans classified as cashflow from operating activities (note C25)	-	-	5,1	2,1
Net cashflow from liabilities arising from financing activities	-	-	21,9	412,3

[#] Restated – Refer to note M1

ACCOUNTING POLICIES

The acquisition of assets under leases are regarded as non-cash transactions, therefore the related borrowings are excluded from the net cashflow from liabilities arising from financing activities. All cashflows from interest received or paid are included in the cashflows from operating activities, therefore the cashflows from interest paid are excluded from the cashflows from financing activities. Cashflow from liabilities arising from financing activities also excludes the liabilities obtained or disposed of on the acquisition or disposal of subsidiaries and the liabilities obtained or disposed of as part of a business combination. These cashflows are disclosed separately as and when they arise.

F1. SEGMENTS

Segments are identified as components of the group that are distinguished from other components on the basis of the nature of products and services provided or according to the geographical area in which business is conducted, that earn revenue and incur costs, the operating results of which are assessed by the chief operating officer on a regular basis, and for which separate financial information is available. The segments of the group, with an indication of their product ranges and services, are as follows:

AGRICULTURAL COMMODITIES

This segment specialises in storing, handling and marketing of agricultural commodities. Agricultural commodities provide financing to the segment's customers and a road freight service to internal and external customers.

TRADE

This segment runs stores as a trader in agricultural inputs like animal feed, batteries, building materials, fencing materials, fertilisers, fuel, herbicides and pesticides, irrigation units and fittings, meal, oil and grease, parts, seed, steel, tyres, and veterinary medicines and instruments, as well as capital goods like balers, combine harvesters, implements, irrigation units and tractors. Consumer goods like cigarettes and tobacco, clothes and shoes, fresh produce, frozen and cooled items, furniture and household products, garden requisites, groceries, hunting and outdoors equipment, pet food, soap and detergents, stationery, toiletries and medicine, and tools are also sold. This segment also acts as an agent between customers and suppliers and provides workshop services to support its range of products.

FINANCIAL SERVICES

The financing department provides financing and other financial services to agricultural producers and other customers.

OIL PRESS

This segment extracts vegetable oils from sunflower seed.

GROUP

F2. SEGMENTAL ASSETS AND LIABILITIES

	Assets		Liabilities	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Agricultural commodities	1 635,1	1 990,7	747,0	703,6
Trade	1 393,2	934,6	427,9	366,0
Financial services	2 242,9	1 913,9	2 482,8	2 253,4
Oil press	294,4	133,0	68,1	-
Corporate assets and liabilities	148,7	151,0	83,0	75,4
Segmental assets and liabilities	5 714,3	5 123,2	3 808,8	3 398,3
<i>Reconciliation with the assets and liabilities stated in the consolidated statements of financial position</i>				
Segmental assets and liabilities stated above	5 714,3	5 123,2	3 808,8	3 398,3
Adjustment for intersegmental balances	-	(47,0)	-	(3,3)
Stated in the consolidated statement of financial position	5 714,3	5 076,2	3 808,8	3 395,0

ACCOUNTING POLICIES

The segmental information is presented on the same basis as the one on which financial information is internally reported to the key employees. The accounting policies applied to measure the segmental assets and liabilities agree in all material respects with the accounting policies for measuring these items in the consolidated financial statements. Assets and liabilities directly attributable to a segment, as well as those apportionable to a segment on a reasonable basis, are reported as the assets and liabilities of a segment if the items are attributed to a segment when reporting financial information to the key employees. Segmental assets and liabilities are determined before intercompany balances as part of the consolidation process have been eliminated.

GROUP

F2. SEGMENTAL ASSETS AND LIABILITIES (CONTINUED)

	2023	2022
	R m	R'm
EQUITY-ACCOUNTED INVESTMENTS ALLOCATED TO SEGMENTS		
Trade	51,6	40,0
Financial services	28,7	23,4
Oil press	-	133,0
Carrying amount of the investment in associates and joint ventures	80,3	196,4
GOODWILL ALLOCATED TO SEGMENTS		
Trade	16,9	3,9
NON-CURRENT ASSETS PURCHASED DURING THE YEAR		
Normal acquisitions	206,8	148,5
Agricultural commodities	135,0	79,4
Trade	52,7	34,4
Financial services	0,1	0,1
Corporate	19,0	34,6
Non-current assets acquired through business combinations	232,5	12,8
Trade	24,5	5,7
Financial services	-	7,1
Oil press	208,0	-
Non-current assets purchased by the group	439,3	161,3
NON-CURRENT ASSETS HELD FOR SALE		
Agricultural commodities	-	-
Trade	-	4,5
Corporate	-	-
Stated in the consolidated statement of financial position	-	4,5

GROUP

F3. SEGMENTAL REVENUE AND PROFITS OR LOSSES

	Revenue		Profit or loss	
	2023	2022 [#]	2023	2022 [#]
	R fn	R'm	R fn	R'm
Agricultural commodities	863,1	643,6	183,1	174,1
Trade	3 836,8	3 083,6	177,7	182,5
Financial services	159,0	100,6	117,3	108,3
Oil press	-	-	40,3	29,2
Revenue and profit of the operating segments	4 858,9	3 827,8	518,4	494,1
Corporate	10,7	12,3	(15,4)	(144,6)
Segmental revenue and profit	4 869,6	3 840,1	364,1	349,5
<i>Reconciliation with the revenue and pre-tax profit stated in the consolidated statement of comprehensive income</i>				
Segmental revenue and profit stated above	4 869,6	3 840,1	364,1	349,5
Adjustment for intersegmental transactions	-	-	(4,7)	(3,3)
Stated in the consolidated statement of comprehensive income	4 869,6	3 840,1	359,4	346,2

[#] Restated – Refer to note M1

GROUP

F4. SEGMENTAL REVENUE FROM CUSTOMERS

	Revenue from the sale of goods	Revenue from services rendered	Net fair value gains on commodity trading	Revenue from contracts with customers
	2023	2023	2023	2023
	R fn	R fn	R fn	R fn
Agricultural commodities	24,5	323,7	513,2	861,4
Trade	3 787,6	49,2	-	3 836,8
Financial services	-	0,3	-	0,3
Corporate	3,7	7,0	-	10,7
Segmental revenue from customers	3 815,8	380,2	513,2	4 709,2

GROUP

F4. SEGMENTAL REVENUE FROM CUSTOMERS (CONTINUED)	Revenue from the sale of goods	Revenue from services rendered	Net fair value gains on commodity trading	Revenue from contracts with customers
	2022	2022	2022	2022
	R'm	R'm	R'm	R'm
Agricultural commodities	16,6	213,0	411,4	641,0
Trade	3 047,0	36,6	-	3 083,6
Corporate	5,7	6,6	-	12,3
Segmental revenue from customers	3 069,3	256,2	411,4	3 736,9

Disaggregation of revenue from the sale of goods

	2023	2022				
Agricultural commodities						
Agricultural inputs	24,5	16,6				
Trade	3 787,6	3 047,0				
Agricultural inputs	1 840,6	1 623,6				
Capital goods	687,0	444,5				
Fuel	647,9	453,7				
Consumer goods	610,5	522,9				
Raw materials	1,6	2,3				
Corporate						
Consumer goods	3,7	5,7				
Revenue from the sale of goods	3 815,8	3 069,3				
<i>Revenue from services rendered</i>			2023	2022		
Revenue from the handling and storage of commodities earned by the agricultural commodity segment			291,1	179,4		
Revenue from other services rendered			89,1	76,8		
Agricultural commodities			32,6	33,6		
Trade			49,2	36,6		
Financial services			0,3	-		
Corporate			7,0	6,6		
Revenue from services rendered			380,2	256,2		
<i>Reconciliation with the revenue from customers stated in the consolidated statement of comprehensive income</i>						
Segmental revenue stated above	3 815,8	3 069,3	380,2	256,2	4 709,2	3 736,9
Adjustment for intersegmental transactions	-	-	-	-	-	-
Stated in the consolidated statement of comprehensive income	3 815,8	3 069,3	380,2	256,2	4 709,2	3 736,9

GROUP

F5. SEGMENTAL FINANCE INCOME	Interest revenue		Other finance income		Total finance income	
	2023	2022	2023	2022	2023	2022
	R fn	R'm	R fn	R'm	R fn	R'm
Interest revenue on trade receivables at the agricultural commodity segment	1,8	2,6	-	-	1,8	2,6
Interest revenue on loans and receivables at the financing segment	158,6	100,6	-	-	158,6	100,6
Trade receivables	110,5	62,2	-	-	110,5	62,2
Lease receivables	0,6	0,5	-	-	0,6	0,5
Term loans to agricultural customers	47,5	37,9	-	-	47,5	37,9
Interest income	160,4	103,2	-	-	160,4	103,2
Other income at the treasury function	-	-	223,3	113,6	223,3	113,6
External customers	-	-	19,6	9,5	19,6	9,5
Internal customers	-	-	203,7	104,1	203,7	104,1
Segmental finance income	160,4	103,2	223,3	113,6	383,7	216,8
<i>Reconciliation with the amounts stated in the consolidated statement of comprehensive income</i>						
Segmental finance income stated above	160,4	103,2	223,3	113,6	383,7	216,8
Adjustment for intersegmental transactions	-	-	(203,7)	(104,1)	(203,7)	(104,1)
Stated in the consolidated statement of comprehensive income	160,4	103,2	19,6	9,5	180,0	112,7

GROUP

F6. SEGMENTAL FINANCE COSTS	2023	2022
	R fn	R'm
Agricultural commodities	160,6	83,2
Trade	43,1	20,9
Financial services	255,4	121,3
Segmental finance costs	459,1	225,4
<i>Reconciliation with the finance costs stated in the consolidated statement of comprehensive income</i>		
Segmental finance costs stated above	459,1	225,4
Adjustment for intersegmental transactions	(204,6)	(104,8)
Stated in the consolidated statement of comprehensive income	254,5	120,6

GROUP

F7. SEGMENTAL NON-CASHFLOW ITEMS	Credit losses on financial assets		Impairments on non-financial assets		Total impairment charges	
	2023	2022	2023	2022	2023	2022
	R fn	R'm	R fn	R'm	R fn	R'm
IMPAIRMENT CHARGES						
Agricultural commodities	(1,3)	2,7	0,3	0,7	(1,0)	3,4
Trade	0,6	2,2	1,2	0,7	1,8	2,9
Financial services	22,2	5,5	-	-	22,2	5,5
Corporate	-	1,3	0,2	0,5	0,2	1,8
Stated in the consolidated statement of comprehensive income	21,5	11,7	1,7	1,9	23,2	13,6

GROUP

	2023	2022
	R fn	R'm
DEPRECIATION AND AMORTISATION CHARGES		
Agricultural commodities	39,1	27,4
Trade	16,2	12,7
Financial services	0,2	0,1
Corporate	12,7	10,1
Stated in the consolidated statement of comprehensive income	68,2	50,3
WRITE-OFF OF INVENTORY TO NET REALISABLE VALUE		
Agricultural commodities	0,1	0,1
Trade	26,2	7,3
Stated in the consolidated statement of comprehensive income	26,3	7,4
EQUITY-ACCOUNTED EARNINGS		
Trade	13,6	14,4
Financial services	3,8	3,6
Oil press	40,3	29,3
Stated in the consolidated statement of comprehensive income	57,7	47,3

G1. FINANCIAL ASSETS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Financial assets at amortised cost	18,0	0,9	2 423,2	2 011,3
Loans and lease receivables	-	-	357,6	414,9
Trade and other receivables	17,9	0,6	2 018,5	1 584,4
Cash and cash equivalents	0,1	0,3	47,1	12,0
Investments at fair value through other comprehensive income	-	-	4,6	4,6
Financial assets at fair value through profit or loss	-	-	100,9	213,7
Derivative financial instruments	-	-	100,0	213,1
Fiduciary assets	-	-	0,9	0,6
Total financial assets	18,0	0,9	2 528,7	2 229,6

ACCOUNTING POLICIES

Financial assets are classified in three groups, namely financial assets at amortised cost, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income. The classification of a financial asset is done at its initial recognition and, with the exclusion of investments in equity instruments, takes into account the group's business model for managing the asset – in other words, the purpose for which the asset is being held – and the contractual cashflow characteristics of the asset.

Financial assets are recognised in the statement of financial position when the group becomes a party to the contractual provisions of the instrument, in other words, the date on which the group obtains a contractual right to cashflow from the asset. Regular-way purchase or sale of a financial asset is recognised on the trade date – in other words, the date on which the group commits itself to the purchase or sale of the financial asset.

Financial assets are derecognised as soon as the group's legal right to the cashflow from the asset expires, or as soon as the group transfers its legal right to the cashflow from the asset to a third party and all the material risks and rewards associated with ownership of the asset are transferred to the third party, or as soon as the group assumes a contractual obligation to pay the cashflows from the asset to a third party.

In the event that the group retains the legal right to the cashflow from an asset but assumes a contractual obligation to pay the cashflow from the asset to a third party, the asset is derecognised where the following apply: The group is not obliged to pay amounts to the third party unless equivalent amounts are received, and the group is – in terms of the transfer contract – prohibited from investing the amounts received, prohibited from selling the asset, and prohibited from pledging the asset as security other than as security to the third party. When an asset is derecognised in its entirety as a result of a transfer to a third party, the rights or the obligations retained or created on the transfer are recognised as a new asset or liability.

Upon derecognition of a financial asset in its entirety, the profit or a loss on the disposal of the asset is measured as the difference between the consideration received, if any, and the carrying amount of the asset on the disposal date. If the asset transferred was part of a larger asset, the carrying amount of the larger asset is allocated between the part that continues to be recognised and the part that is derecognised – on the basis of the fair values of those parts on the date of the transfer. The profit or a loss on the disposal of the asset is measured as the difference between the consideration received, if any, and the carrying amount allocated to the part derecognised. If the transfer of an asset does not result in derecognition because the group has retained substantially all the risks and rewards of ownership of the asset, a financial liability is recognised for the consideration received.

From the inherent nature of financial assets, the counterparties sometimes fail to fulfil their contractual obligations. In the event that a customer defaults on a short-term account and such arrears are renegotiated and converted into a long-term loan payable in instalments, the original asset is derecognised and a new asset is recognised. The difference between the carrying amounts of the original and the new asset, if any, is recognised in profit or loss. Other concessions made to enable customers to pay their arrears are regarded as modifications to existing assets.

H1. FINANCIAL LIABILITIES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Financial liabilities at amortised cost	-	-	2 967,4	2 591,3
Long-term loans	-	-	201,6	-
Lease liabilities	-	-	80,5	49,3
Trade and other payables	-	-	770,3	478,9
Fiduciary liabilities	-	-	-	0,6
Short-term loans	-	-	416,3	851,3
Overdrafts	-	-	1 498,7	1 211,2
Financial liabilities at fair value through profit or loss	-	-	683,7	626,8
Derivative financial instruments	-	-	683,7	626,8
Borrowings	-	-	3 651,1	3 218,1
Financial guarantees	-	-	66,5	44,5
Financial guarantees to the financiers of joint ventures	-	-	56,5	34,5
Financial guarantees to other parties	-	-	10,0	10,0
Total financial liabilities	-	-	3 717,6	3 262,6

ACCOUNTING POLICIES

Financial liabilities are classified into two groups, namely financial liabilities at amortised cost and financial liabilities at fair value through profit or loss. The classification of financial liabilities is done at their initial recognition. Financial liabilities are recognised in the statement of financial position when the group becomes a party to the contractual provisions of the instrument, in other words, on the date on which the group's legal obligation to pay cash arises.

Financial liabilities are derecognised once the obligation has been extinguished, in other words, as and when the obligation is settled or, if applicable, the obligation is cancelled or expires. In cases where the terms of an existing liability, or part thereof, are substantially modified, the obligation is deemed to be extinguished, in other words, the original liability is derecognised and a new liability is recognised.

For this purpose, the group has defined substantial as a difference of 10% or more between the discounted value of the outstanding cashflow on the original liability and the discounted value on the new terms, provided that the discounted value is calculated using the original effective interest rate. This means that the outstanding cashflow on the original liability and the outstanding cashflow on the amended liability are compared using the same effective interest rate – the effective interest rate of the contract before the amendment.

H1. FINANCIAL LIABILITIES (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
RECONCILIATION OF FINANCIAL LIABILITIES WITH THE LIABILITIES STATED IN THE STATEMENT OF FINANCIAL POSITION				
Financial liabilities stated above	-	-	3 717,6	3 262,6
Portion of financial guarantees not recognised in the statement of financial position	-	-	(66,5)	(44,5)
Financial liabilities recognised in the statement of financial position	-	-	3 651,1	3 218,1
Other liabilities	-	-	157,7	176,9
Deferred tax liabilities	-	-	39,8	-
Provisions	-	-	18,3	29,3
Accumulating compensated absences	-	-	37,6	36,6
Liabilities from contracts with customers	-	-	54,9	92,3
Current tax liabilities	-	-	7,1	18,7
Liabilities stated in the statement of financial position	-	-	3 808,8	3 395,0

HEDGE ACCOUNTING

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured

to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Epko designates certain derivatives as:

HEDGES OF A PARTICULAR RISK ASSOCIATED WITH THE CASHFLOWS OF RECOGNISED ASSETS AND LIABILITIES AND HIGHLY PROBABLE FORECAST TRANSACTIONS (CASHFLOW HEDGES)

At the inception of the hedge relationship, Epko documents the economic relationship between hedging instruments and hedged items, including whether changes in the cashflows of the hedging instruments are expected to offset changes in the cashflows of hedged items.

The group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note H1. Movements in the hedging

reserve in shareholders' equity are shown in note H1. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

CASHFLOW HEDGES THAT QUALIFY FOR HEDGE ACCOUNTING

The effective portion of changes in the fair value of derivatives that are designated and qualify as cashflow hedges is recognised in the cashflow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, Epko generally designates only the change in fair value of the forward contract relating to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cashflow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within OCI in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cashflow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

The gain or loss relating to the effective portion of the gross processing margin is recognised in profit or loss within gross profit at the same time as inventory that is sold is uplifted.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remain in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

II. FINANCIAL RISKS

The financial instruments that the group utilises due to the nature of its business include equity investments in listed and unlisted entities; loans and lease receivables; trade and other receivables; long-term loans; lease liabilities; trade and other payables; short-term loans; overdrafts, and cash and cash equivalents, as well as derivative financial instruments such as commodity contracts; option contracts; foreign exchange contracts and guarantees to financial institutions. The resulting financial risks to which the group is exposed are discussed in notes I2 to I11. Where relevant, the financial risks have been illustrated using the carrying amounts of the financial instruments.

However, when assessing financial risks, it is important to take cognisance of the fact that the group's activities are seasonal and that the carrying amounts of financial instruments during the year therefore differ materially from those at the end of the reporting period.

The group's revenue and profit or loss are exposed to the seasonal nature of agricultural activities. Agricultural commodities are usually received in the first six months of a financial year. On the other hand, the revenue earned by the retail, mechanisation and fertiliser departments rises in the last six months of a financial year when summer crops are planted. Traditionally, the group's key businesses therefore perform better in the latter part of a financial year, subject to climatic conditions, crop yields of producers and commodity prices.

It is not only the financial results of the group that are seasonal – the group's financial position and cashflows are equally influenced by the seasonal nature of agricultural activities. For example, the levels of financial assets, such as loans and receivables, are traditionally lower at the end of October when the production debt of the previous season has been settled, compared to the end of April, when the new production season is financed. On the other hand, the levels of non-financial assets, such as inventory and agricultural commodities, are traditionally higher at the end of October compared to those in late April.

The seasonal fluctuations in levels of financial and non-financial assets, together with the fluctuations in the levels of the financial liabilities with which the assets are financed, such as trade and other payables, derivative financial liabilities, short-term loans and overdrafts, are therefore the reason why the group's exposure to financial risks varies from month to month.

12. LIQUIDITY RISKS

The group's objective to buy and sell farming requisites and consumer goods, to store agricultural commodities and to act as a commodity broker-trader, together with the objective of financing agricultural, commodity and other customers, requires it to borrow funds from financial institutions and suppliers. Liquidity risks arise as a result of such borrowings. The group has a long cash cycle. Inventories, especially farming requisites, are in many cases seasonal and their sales to customers are in most cases financed with seasonal credit facilities.

Therefore, the cash used in acquiring inventory is usually recovered a year later. However, if seasonal stock is not sold in the intended season or agricultural producers are unable to settle their accounts on the agreed dates, this cash cycle is substantially extended. The liquidity risk is increased by high levels of agricultural commodities on hand, exacerbated by the seasonality associated with such, the carrying costs of these assets and the fluctuating prices at which these assets are carried. Furthermore, considering that current and non-current assets are financed with short-term facilities, it is clear that the group's liquidity risk needs to be properly managed. Consequently, the group strives to maintain high-level relationships with its financiers, and designated employees continuously monitor the group's cash needs and available facilities.

The settlement dates of financial liabilities, the securities provided and the interest rates to which the liabilities are subjected are set out in the relevant notes to the statement of financial position. In terms of these settlement dates, the group is obliged to settle its financial liabilities within the following time frames:

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MATURITY ANALYSIS OF FINANCIAL LIABILITIES				
Long-term loans	-	-	272,5	-
Payable after three months, but not exceeding a year	-	-	37,8	-
Payable after a year, but not exceeding two years	-	-	50,3	-
Payable after two years, but not exceeding five years	-	-	125,9	-
Payable after five years, but not exceeding ten years	-	-	58,5	-
Lease liabilities	-	-	94,1	55,0
Payable within three months	-	-	9,8	5,6
Payable after three months, but not exceeding a year	-	-	28,3	19,0
Payable after a year, but not exceeding two years	-	-	24,6	18,0
Payable after two years, but not exceeding five years	-	-	28,5	10,5
Payable after five years, but not exceeding ten years	-	-	2,9	1,9
Trade and other payables payable within three months	-	-	770,3	478,9
Fiduciary liabilities payable after three months, but not exceeding a year	-	-	-	0,6
Derivative financial instruments payable within three months	-	-	683,7	626,8
Short-term loans payable within three months	-	-	416,3	851,3
Overdrafts payable after three months, but not exceeding a year	-	-	1 511,9	1 211,2
Financial guarantees potentially payable within three months	-	-	66,5	44,5
Financial guarantees to the financiers of joint ventures	-	-	56,5	34,5
Financial guarantees to other parties	-	-	10,0	10,0
	-	-	3 815,3	3 268,3

12. LIQUIDITY RISKS (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R.m	R'm	R.m	R'm
SUMMARISED MATURITY ANALYSIS OF FINANCIAL LIABILITIES				
Payable within three months	-	-	1 946,6	2 007,1
Payable after three months, but not exceeding a year	-	-	1 578,0	1 230,8
Payable after a year, but not exceeding two years	-	-	74,9	18,0
Payable after two years, but not exceeding five years	-	-	154,4	10,5
Payable after five years, but not exceeding ten years	-	-	61,4	1,9
	-	-	3 815,3	3 268,3

COMPILATION OF THE MATURITY ANALYSIS OF LEASE LIABILITIES

The maturity analysis of lease liabilities is compiled from the undiscounted outstanding lease payments.

13. CREDIT RISKS

One of the group's objectives is to finance its agricultural, commodity and other customers. Financing is done through various financing options, such as instalment plans, monthly and seasonal production accounts to agricultural customers, and monthly accounts to non-agricultural and commodity customers. These financing activities, along with the group's investment in the equity instruments of listed and unlisted entities, contract assets and cash and cash equivalents, expose the group to credit risks. The maximum potential credit risk to which the group is exposed is as follows:

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
MAXIMUM POTENTIAL CREDIT RISK				
Loans and lease receivables	-	-	409,1	421,1
Lease receivables	-	-	7,8	5,0
Term loans to agricultural customers	-	-	389,1	397,6
Loans to related parties	-	-	12,2	18,5
Trade and other receivables	17,9	0,6	2 010,8	1 605,7
Amounts owing by agricultural customers	-	-	1 634,0	1 197,9
Amounts owing by non-agricultural customers	-	-	101,9	44,5
Amounts owing by commodity customers	-	-	115,7	148,3
Other receivables	17,9	0,6	159,2	215,0
Loans and receivables	17,9	0,6	2 419,9	2 026,8
Derivative financial assets	-	-	101,4	215,2
Commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	4,7	-
Commodity contracts with customers	-	-	91,2	17,0
Commodity contracts with agricultural producers	-	-	-	198,2
Option contracts with agricultural producers	-	-	5,5	-
Investment in equity instruments at fair value through other comprehensive income	-	-	49,5	4,6
Investment in equity instruments at fair value through profit or loss	-	-	-	-
Fiduciary assets	-	-	0,9	0,6
Cash and cash equivalents	0,1	0,3	39,7	2,8
Bank balances	0,1	0,3	39,7	2,5
Term deposits	-	-	-	0,3
Maximum potential credit risk on financial assets	18,0	0,9	2 611,4	2 250,0
Assets from contracts with customers	-	-	3,6	4,5
Assets from contracts with customers	-	-	3,6	0,6
Assets from contracts with customers classified as inventory	-	-	-	3,9
Maximum potential credit risk	18,0	0,9	2 615,0	2 254,5

The maximum potential credit risk is shown excluding allowances for expected credit losses, and without taking securities into account. The allowances for expected credit losses on financial assets, as well as the significant judgements and estimates made during the assessment of financial assets, are discussed in notes 16 to 19.

CONCENTRATION OF CREDIT RISKS

The amounts owing by agricultural customers on instalment plans and monthly and seasonal production accounts represent a significant concentration of credit risks. Even though credit limits and securities are reviewed regularly, these loans and receivables are all linked to the agricultural sector and therefore natural disasters, successive poor production seasons and lower-than-expected commodity prices can materially affect the recoverability thereof. Furthermore, climate change, such as rising temperatures and erratic rains, the liquidity of securities such as agricultural land, and political uncertainties such as the expropriation of land without compensation, have the potential to substantially reduce the ability of the agricultural producers to repay their debts. The value of the securities that the group holds, mainly agricultural land, is also negatively impacted by such factors.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Amounts owing by agricultural customers on production accounts	-	-	1 634,0	1 197,9
Amounts owing by agricultural customers on lease receivables	-	-	7,8	5,0
Amounts owing by agricultural customers on trade and lease receivables	-	-	1 641,8	1 202,9
Amounts owing by agricultural customers on term loans	-	-	389,1	397,6
Concentration of credit risks	-	-	2 030,9	1 600,5

The concentration of credit risks is shown excluding allowances for expected credit losses, and without taking securities into account. The allowances for expected credit losses on financial assets, as well as the significant judgements and estimates made during the assessment of financial assets, are discussed in notes 16 to 19.

SECURITISING OF LOANS AND RECEIVABLES

The credit risks associated with loans and receivables are limited by taking up securities and effecting credit insurance, where possible. In the case of lease receivables, the contracts determine that although the risks and benefits attached to ownership of the product are transferred to the buyer, the product remains the property of the group until all outstanding amounts have been recovered. The contracts furthermore require the purchaser to insure the product against theft, fire and damage and effect credit life insurance, and cede the proceeds to the group. The term loans to agricultural customers are secured together with the production accounts of agricultural producers, as set out below.

No securities are required for the production accounts of preferential agricultural customers – in other words, the production accounts of agricultural customers whose financial standing meets predetermined criteria. A significant portion of the amounts owing by the preferential agricultural customers are nevertheless secured. The credit risks associated with the amounts owing by other agricultural customers on production accounts, as well as the amounts owing by agricultural customers on term loans, are limited by registering mortgages on property and notarial bonds on movable assets as securities. A large number of agricultural customers hold shares in the company. These shares are taken as security for the amounts due. Where securities vest in an entity other than the one receiving finance, security is obtained by way of suretyships from the entity concerned. Agricultural customers are encouraged to take out credit life insurance and to hedge crops against commodity price fluctuations. If, in the group's opinion, an agricultural customer represents a high risk, he will be compelled to do so. In spite of the above, it is not possible to secure the amounts owing by agricultural customers on credit-insured production accounts and amounts owing by developing producers to the same extent as other agricultural customers. The amounts owing by agricultural customers on credit-insured production accounts are therefore insured with credit insurance companies, while the amounts owing by developing producers are mainly unsecured.

The amounts owing by non-agricultural customers and commodity customers are mainly unsecured. Some of these receivables are nevertheless insured with credit insurance companies. The need to secure the amounts owing by associates and joint ventures on long-term and short-term loans is considered on a case-by-case basis.

SECURITISING OF DERIVATIVE FINANCIAL INSTRUMENTS

The group considers the commodity contracts on the derivatives market for the agricultural commodities of the JSE as low-risk assets. The group has no formal policy to reduce the credit risks associated with the commodity contracts with customers and agricultural producers. These assets are therefore mainly unsecured.

SECURITISING OF BANK BALANCES AND TERM DEPOSITS

The group has no formal policy to reduce the credit risks associated with bank balances and term deposits. This also applies to bank balances and term deposits classified as fiduciary assets. However, the group seeks to invest funds only with financial institutions with a proven credit history.

CLASSIFICATION OF LOANS AND RECEIVABLES

In assessing loans and receivables and the related credit risks, the group classifies these financial assets by differentiating between, firstly, loans and receivables that are payable monthly or annually and those that are payable in instalments over more than one year. Secondly, differentiation is made between amounts owing by agricultural customers, those owing by non-agricultural customers and those owing by commodity customers.

Lastly, the group differentiates between receivables with respect to which the outstanding amounts are secured by high-security values, those with respect to which outstanding amounts are secured by low-security values, those with respect to which outstanding amounts are secured by credit insurers, and those with respect to which outstanding amounts are subject to intensive management or legal proceedings. At year-end the financial assets were classified as follows:

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
CLASSIFICATION OF ASSETS FOR WHICH THE EXPECTED CREDIT LOSSES ARE ALWAYS MEASURED AT AN AMOUNT EQUAL TO THE LIFETIME EXPECTED CREDIT LOSSES				
Amounts owing by agricultural customers on production accounts	-	-	1 634,0	1 197,9
Seasonal and monthly production accounts	-	-	1 201,2	925,2
Credit-insured production accounts	-	-	316,5	206,2
Production accounts subject to intensive management or legal proceedings	-	-	116,3	66,5
Amounts owing by agricultural customers on lease receivables	-	-	7,8	5,0
Amounts owing by agricultural customers on trade and lease receivables	-	-	1 641,8	1 202,9
Amounts owing by non-agricultural customers	-	-	74,1	44,5
Amounts owing by commodity customers	-	-	115,7	148,3
Credit-insured accounts	-	-	54,8	55,0
Other accounts	-	-	60,9	93,3
Trade and lease receivables for which the expected credit losses are always measured at an amount equal to the lifetime expected credit losses	-	-	1 831,6	1 395,7

These amounts are shown excluding allowances for expected credit losses, and without taking securities into account.

13. CREDIT RISKS (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
CLASSIFICATION OF ASSETS FOR WHICH THE EXPECTED CREDIT LOSSES ARE MEASURED AT AN AMOUNT EQUAL TO THE LIFETIME EXPECTED CREDIT LOSSES OR AT AN AMOUNT EQUAL TO THE TWELVE-MONTH EXPECTED CREDIT LOSSES				
Amounts owing by agricultural customers on term loans	-	-	389,0	397,6
Term loans for which the credit risk has not increased significantly	-	-	339,0	331,3
Term loans for which the credit risk has increased significantly	-	-	-	-
Term loans considered credit-impaired	-	-	50,0	66,3
Derivative financial assets for which the credit risk has not increased significantly	-	-	101,4	215,2
Commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	4,7	-
Commodity contracts with agricultural producers	-	-	-	198,2
Commodity contracts with consumers	-	-	91,2	17,0
Option contracts with producers	-	-	5,5	-
Assets for which the expected credit losses are measured at an amount equal to the lifetime expected credit losses or the twelve-month expected credit losses	-	-	490,4	612,8

These amounts are shown excluding allowances for expected credit losses, and without taking securities into account.

13. CREDIT RISKS (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
ASSETS FOR WHICH NO ALLOWANCE FOR EXPECTED CREDIT LOSSES IS DEEMED NECESSARY				
Loans to related parties	-	-	12,2	18,5
Other receivables	0,9	0,6	159,2	215,0
Derivative financial assets	-	-	10,2	-
Commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	4,7	-
Option contracts with agricultural producers	-	-	5,5	-
Assets from contracts with customers	-	-	3,6	4,5
Assets from contracts with customers	-	-	3,6	0,6
Assets from contracts with customers classified as inventory	-	-	-	3,9
Investment in equity instruments at fair value through other comprehensive income	-	-	4,6	4,6
Cash and cash equivalents	0,1	0,3	39,7	2,8
Bank balances	0,1	0,3	39,7	2,5
Term deposits	-	-	-	0,3
Cash and cash equivalents classified as fiduciary assets	-	-	-	0,6
	0,1	0,9	229,5	246,0

The group considers the commodity contracts on the derivatives market for agricultural commodities of the JSE as low-risk assets – in other words, the group is of the opinion there is little or no chance of default on these assets. The same can be said of bank balances and deposits with financial institutions – those classified as cash equivalents, those classified as other receivables as well as those classified as fiduciary assets. Assets from contracts with customers are fully secured by the agricultural commodities stored and the group has a proven history of no write-offs on these assets. Therefore these assets are regarded as low-risk assets.

Furthermore, the carrying amounts of loans to related parties, assets from contracts with customers and cash and cash equivalents are not material, consequently the credit risks associated with them are not material. No allowances were therefore made for expected credit losses on these assets.

14. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

It is policy to assess the recoverability of financial assets. To give effect to this policy, the group assesses these assets at the end of reporting periods, or more frequently should the circumstances so require, to determine if there is any indication that any asset should be written off. The group also assesses financial assets independently and collectively at the end of reporting periods to determine if there is any indication of a change in the credit risk on an asset or a group of assets.

For this purpose, a default event is defined as any adverse event confirming that the group will not recover all outstanding amounts. Regardless of this, it is assumed that a default has occurred if the asset, or part thereof, is more than 90 days past due.

15. DIRECT WRITE-OFFS ON FINANCIAL ASSETS

If the group has no reasonable expectation of recovering an asset, or a portion thereof, the carrying amount of the asset is reduced directly with the credit loss. The present value of the contractual amounts outstanding on financial assets reduced directly with credit losses but still subject to enforcement activities is as follows:

	COMPANY		GROUP	
	2023	2022	2023	2022
	R m	R'm	R m	R'm
Lease receivables	-	-	0,2	-
Term loans to agricultural customers	-	-	41,7	21,9
Amounts owing by agricultural customers	-	-	48,2	46,2
Amounts owing by commodity customers	-	-	5,7	5,0
Total	-	-	95,8	73,1

Financial assets with a contractual amount of R5,7 million written off during the year are still subject to enforcement activity.

ACCOUNTING POLICIES

The group assesses financial assets at the end of reporting periods, or more frequently should the circumstances so require, to determine if there is any indication that any asset should be written off. If the group has no reasonable expectation of recovering an asset, or a portion thereof, the carrying amount of the asset is reduced directly with the credit loss. The credit loss is measured as the present value of the difference between the contractual cashflow due in terms of the contract and the cashflow that the group expects to receive, discounted at the contract's current effective interest rate.

This is usually the case where the group has started legal proceedings or intends to initiate legal proceedings to recover the outstanding amounts and the carrying amount of the asset exceeds the expected return from the securities. It is also the case where the group holds no securities and legal proceedings are not financially feasible, and the group therefore does not expect to receive further cashflow from the asset. However, if the unexpected occurs and cash payments are received after the recognition of the credit loss, such payments are recognised as an impairment gain.

16. LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Allowance for expected credit losses on lease receivables	-	-	0,1	0,1
Allowance for expected credit losses on trade receivables	-	-	37,9	21,3
Amounts owing by agricultural customers	-	-	35,8	17,8
Amounts owing by non-agricultural customers	-	-	0,3	0,2
Amounts owing by commodity customers	-	-	1,8	3,3
Allowance for expected credit losses on trade receivables and lease receivables measured at an amount equal to the lifetime expected credit losses (note 17)	-	-	38,0	21,4
Allowance for expected credit losses on term loans (note 18)	-	-	5,8	6,1
Term loans for which the credit risk has not increased significantly	-	-	4,5	4,3
Term loans for which the credit risk has increased significantly	-	-	-	-
Term loans considered credit-impaired	-	-	1,3	1,8
Allowance for expected credit losses on loans and receivables	-	-	43,8	27,5
Allowance for expected credit losses on commodity contracts	-	-	2,3	2,1
Contracts with agricultural producers for which the credit risk has not increased significantly (note 19)	-	-	0,4	1,4
Contracts with consumers for which the credit risk has not increased significantly (note 19)	-	-	1,9	0,7
Carrying amount of allowances for expected credit losses	-	-	46,1	29,6

ACCOUNTING POLICIES

A simplified approach is used to measure the loss allowances for expected credit losses on trade receivables and lease receivables. According to this method, the loss allowances for expected credit losses on these assets are measured at an amount equal to the lifetime expected credit losses – regardless of whether the credit risks have increased or not – in other words, the expected credit losses arising from all defaults over the lifetime of these assets. To give effect to this policy, the expected credit loss is calculated as the probability-weighted amount of credit losses using the respective risks of default as the weights.

Trade receivables include amounts owing by agricultural customers, non-agricultural customers and commodity customers. The amounts owing by non-agricultural customers and commodity customers differ from the amounts owing by agricultural customers in that the first two asset groups are monthly accounts and the latter are mainly seasonal accounts.

Consequently, as an exception to the policy set out above, the expected credit losses on those two asset groups are not calculated as the probability-weighted amount of credit losses using the respective risks of default as the weights. Instead, the expected credit losses on the amounts owing by non-agricultural customers and commodity customers are calculated as percentages of the outstanding amounts as reflected in the time brackets of the age analysis, provided that the percentages increase as the outstanding amounts become longer past due. However, the group uses reasonable and supportable forward-looking information to determine if it is necessary to adjust the rates at which the expected credit losses are measured.

NWK Limited used the following factors to determine if additional provisions have to be made for future events:

- ▲ Historical yields and the impact of rain, El Niño and La Niña thereon
- ▲ Safex prices
- ▲ Historical bad debt written off

An additional R24 million was added to the allowance for expected credit losses based on the forward-looking data.

ACCOUNTING POLICIES (CONTINUED)

The general impairment model is used to measure the loss allowances for expected credit losses on the other financial assets. In other words, the measurement of loss allowances for expected credit losses on mortgage loans, livestock loans, rescheduled debt consolidation loans, loans to related and other parties, favourable bank balances, short-term deposits at financial institutions and derivative financial instruments depends on the group's assessment of the credit risks of these assets.

If the asset's credit risk has increased significantly since the initial recognition of the asset, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

If the asset's credit risk has not increased significantly since the initial recognition of the asset, the loss allowance is measured at an amount equal to the 12-month expected credit losses. For this purpose, the twelve-month expected credit losses are the portion of the lifetime expected credit losses that are possible within the twelve months after the reporting date.

SIGNIFICANT JUDGEMENT

When assessing financial assets collectively, assets are grouped on the basis of shared risk characteristics. When evaluating the credit risk on assets, the group uses past-due information as well as reasonable and supportable forward-looking information – including information about past events, current circumstances and forecasts of applicable future economic and agricultural conditions.

Regardless of whether there is an indication of changes in credit risk or not, it is assumed that the credit risk of an asset has increased significantly if the asset, or part thereof, is more than 30 days past due. The group uses local agricultural conditions and trends in macroeconomic indicators, such as rainfall, agricultural commodity prices and crude oil prices, to predict defaults on financial assets

The lease receivables and term loans, as set out in note C8, and the amounts owing by agricultural customers, as set out in note C12, are regarded as separate financial asset groups and disclosed as such – based on the current and non-current nature and the terms and conditions thereof. When disclosing these assets, the amounts owing by agricultural customers are further divided between production accounts; interest-free deferred payments; credit-insured production accounts; past-due production accounts, and monthly production accounts – again based on the terms and conditions thereof. Despite this, lease receivables, term loans and amounts owing by agricultural customers are treated as a single asset group during the assessment of credit risks.

This means that although lease receivables, term loans and amounts owing by agricultural customers are disclosed separately, the credit risks relating to these asset groups will all increase or decrease if the risk of the larger group increases or decreases.

This is because the customers are all agricultural producers, in most cases different facilities are granted to the same customer, and in most cases the different facilities are secured by the same securities. The risk that a particular customer will not be able to meet his obligations therefore affects the recoverability of all his accounts. The group is of the opinion that the risk that a particular customer will not be able to meet his obligations is more affected by his debt-to-securities ratio and local agricultural conditions than by the type of facility.

When expected credit losses are measured, lease receivables, term loans and the amounts owing by agricultural customers are consequently pooled in one asset group and then redistributed between seasonal and monthly accounts, credit-insured accounts, and accounts subject to intensive management or legal proceedings – on the basis of different risk exposures.

SIGNIFICANT JUDGEMENT (CONTINUED)

This means that a lease receivable, term loan and production account to an agricultural customer will have the same risk rating. It also means that all the amounts owed by an agricultural customer will have the same risk rating, regardless of whether it is within terms or past due. After dividing lease receivables, term loans and amounts owing by agricultural customers into these risk groups, the group determines a rate at which the expected credit losses should be measured, based on historical information.

The group has a limited number of customers and in many cases the accounts are managed as groups, where they are linked by guarantees and the underlying securities are managed together. As part of the application process, each customer's long-term yield average is considered in determining the amount of credit to be provided. Farm visits are performed during the production season with increased focus on higher-risk debtors to identify production risks that may be caused by climatological conditions, farming practices or any other factors that may increase the risk of default. Each customer is thus evaluated for credit impairment.

The loss allowances for expected credit losses are then calculated using historical information with additional risk weightings. Furthermore, it is the group's business model to extend term loans to customers to reduce credit risk by registering additional bonds over property encumbered by term loans. The excess security value is then used to reduce the risk of production accounts. Security values are calculated at a significant discount to market value with typical excess security available over and above the discount used.

At year-end, the group considered the impact of forward-looking factors on the customers' ability to honour their debt commitments. It was determined that there are limited external factors that would have an impact. As crops are close to harvest at year-end, accurate calculations can be made based on estimated yields and commodity prices on the derivatives market for agricultural commodities of the JSE to determine the ability of customers to honour their debt. A limited number of individuals were identified that do not form part of the norm and they were investigated as described above. Future events would need to be significant to have an impact on the ability of these customers to meet their commitments. Factors such as isolated droughts and land claims are some examples of such events. This is monitored by the group to identify the possibility of additional impairments required.

FAIR VALUE OF COLLATERAL HELD ON CREDIT-IMPAIRED FINANCIAL ASSETS

The table below indicates the collateral held as security and other credit enhancements for financial assets that are credit-impaired at the reporting date. These financial assets include term loans, lease receivables and production accounts.

	GROUP			
	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
	R fn	R fn	R fn	R fn
Credit-impaired financial assets	76,5	2,0	74,5	74,5

GROUP

17. LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES ON TRADE AND LEASE RECEIVABLES

	Lease receivables	Agricultural customers	Non-agricultural customers	Commodity customers	Total
	R fn	R fn	R fn	R fn	R fn
Opening balance at 1 May 2021	0,1	12,7	0,4	2,3	15,5
Utilisation	-	-	-	-	-
Seasonal and monthly accounts	-	-	-	-	-
Accounts subject to intensive management or legal proceedings	-	-	-	-	-
Impairment gains and losses	-	5,1	(0,2)	1,0	5,9
Seasonal and monthly accounts	-	5,0	(0,2)	(0,6)	4,2
Credit-insured production accounts	-	0,2	-	2,4	2,6
Accounts subject to intensive management or legal proceedings	-	(0,1)	-	(0,8)	(0,9)
Allowance for expected credit losses on trade and lease receivables at 30 April 2022	0,1	17,8	0,2	3,3	21,4
Utilisation	-	-	-	-	-
Seasonal and monthly accounts	-	-	-	-	-
Accounts subject to intensive management or legal proceedings	-	-	-	-	-
Impairment gains and losses	-	18,0	0,1	(1,5)	16,6
Seasonal and monthly accounts	-	18,1	0,1	(1,4)	16,7
Credit-insured production accounts	-	0,3	-	-	0,3
Accounts subject to intensive management or legal proceedings	-	(0,4)	-	(0,1)	(0,4)
Allowance for expected credit losses on trade and lease receivables at 30 April 2023	0,1	35,8	0,3	1,8	38,0
CLOSING BALANCE					
Seasonal and monthly accounts	-	18,1	0,1	(1,4)	16,7
Credit-insured production accounts	-	0,3	-	-	0,3
Accounts subject to intensive management or legal proceedings	-	(0,4)	-	(0,1)	(0,4)
Allowance for expected credit losses on trade and lease receivables at 30 April 2023	0,1	35,8	0,3	1,8	38,0

The loss allowances for expected credit losses on trade and lease receivables are measured at an amount equal to the lifetime expected credit losses – regardless of whether the credit risks have increased or not. The total allowance increased from R21 million at the previous reporting date to R38 million at the current reporting date. The increase of R17 million, or 81%, is attributed to the increase of 19,4% in trade and lease receivables since the previous reporting date.

GROUP

18. LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES ON TERM LOANS	Term loans for which the credit risk has not increased significantly	Term loans for which the credit risk has increased significantly	Term loans considered credit-impaired	Total
	R fn	R fn	R fn	R fn
Opening balance at 1 May 2021	0,1	4,9	3,5	8,5
Normal term loans	-	-	-	-
Accounts subject to intensive care or legal proceedings	-	-	-	-
Impairment gains and losses	4,2	(4,9)	(1,7)	(2,4)
Normal term loans	4,2	(1,1)	-	3,1
Accounts subject to intensive care or legal proceedings	-	(3,8)	(1,7)	(5,5)
Allowance for expected credit losses on term loans at 30 April 2022	4,3	-	1,8	6,1
Utilisation	-	-	-	-
Normal term loans	-	-	-	-
Accounts subject to intensive care or legal proceedings	-	-	-	-
Impairment gains and losses	(1,1)	-	0,8	(0,3)
Normal term loans	(1,1)	-	0,8	(0,3)
Accounts subject to intensive care or legal proceedings	-	-	-	-
Allowance for expected credit losses on term loans at 30 April 2023	3,2	-	2,6	5,8

The loss allowances for expected credit losses on term loans to agricultural customers decreased from R6,1 million at the previous reporting date to R5,8 million at the current reporting date. The decrease of R0,3 million, or 5%, is attributed to a 16% decrease in term loans since the previous reporting date and the group's expectation that agricultural producers will harvest better-than-average crops in the coming harvest season

GROUP

19. LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES ON COMMODITY CONTRACTS	Contracts with agricultural producers	Contracts with consumers	Total
	R fn	R fn	R fn
Opening balance at 1 May 2021	0,3	-	0,3
Impairment losses on commodity contracts for which the credit risk has not increased significantly	1,1	0,7	1,8
Allowance for expected credit losses on commodity contracts at 30 April 2022	1,4	0,7	2,1
Impairment losses on commodity contracts for which the credit risk has not increased significantly	(1,0)	1,2	0,2
Allowance for expected credit losses on commodity contracts at 30 April 2023	0,4	1,9	2,3

110. INTEREST RATE RISKS

Financial instruments bearing interest at variable interest rates expose the group to cashflow interest rate risks. Cashflow risks are limited in that short-term loans and overdrafts with variable interest rates are used to finance financial assets with variable interest rates. Interest rates and their influence on profit or loss are assessed continually.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
NET INTEREST-BEARING FINANCIAL ASSETS OR LIABILITIES				
Interest-bearing financial assets	18,0	0,9	2 351,9	1 944,3
Lease receivables	-	-	7,7	5,0
Term loans to agricultural customers	-	-	389,0	397,6
Loans to joint ventures	-	-	12,2	18,4
Amounts owing by agricultural customers	-	-	1 634,0	1 197,9
Amounts owing by non-agricultural customers	-	-	74,1	44,5
Amounts owing by commodity customers	-	-	115,7	148,3
Short-term deposits	-	-	79,5	129,8
Short-term loan to subsidiary	17,9	0,6	-	-
Bank balances	0,1	0,3	39,7	2,5
Term deposits	-	-	-	0,3
Interest-bearing financial liabilities	-	-	(2 197,1)	(2 111,8)
Long-term loans	-	-	(201,6)	-
Lease liabilities	-	-	(80,5)	(49,3)
Short-term loans	-	-	(416,3)	(851,3)
Overdrafts	-	-	(1 498,7)	(1 211,2)
Net interest-bearing financial assets or liabilities	18,0	0,9	154,8	(167,5)
SENSITIVITY ANALYSIS				
Influence of half a percentage point increase in interest rates on profitability:				
Pre-tax profit	-	-	(0,8)	(0,8)
Profit	-	-	(0,6)	(0,6)
Influence of half a percentage point decrease in interest rates on profitability:				
Pre-tax profit	-	-	0,8	0,8
Profit	-	-	0,6	0,6

When illustrating the influence of any of the group's estimates on profit or loss in a sensitivity analysis, or when illustrating the influence of any financial risks on the profit or loss in a sensitivity analysis, the amounts without brackets show a positive influence and the amounts in brackets a negative one.

In assessing the interest rate risk it is important to take into account that the information disclosed illustrates the net influence of an increase or drop in interest rates on interest-bearing financial assets and liabilities, in other words, the consequences of an increase or drop in rates is illustrated by the assumption that the rate at which financial assets earn interest and that at which interest on financial obligations is paid are subject to the same rate adjustment. The effect of an increase in the cost of capital without a corresponding increase in the rates at which interest is earned on financial assets is excluded in this illustration.

III. COMMODITY PRICE RISKS

It is policy to measure agricultural commodities held for sale in the near future in order to generate profit from commodity price fluctuations in the open market and contracts to purchase or sell agricultural commodities at fair value less costs to sell – in other words, their market prices less costs to sell.

These assets and liabilities therefore expose the group to commodity price fluctuations. In order to limit commodity price risks, it is policy to hedge agricultural commodities and contracts to purchase agricultural commodities in most, but not all, cases with sales contracts on the derivatives market for agricultural commodities of the JSE.

On the other hand, it is also policy to support contracts to sell commodities on the derivatives market for agricultural commodities of the JSE through inventory and purchase contracts. To illustrate the group's exposure to commodity price risks, the effect of price fluctuations on the carrying amounts of assets and liabilities, and hence on profit or loss, is illustrated as follows:

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
SENSITIVITY ANALYSIS				
Influence of an increase of R100 per ton in commodity prices on the carrying amount of agricultural commodities	-	-	20,4	24,9
Influence of an increase of R100 per ton in commodity prices on the carrying amount of contracts on the derivatives market for agricultural commodities of the JSE	-	-	(20,4)	(24,9)
Influence of a commodity price fluctuation of R100 per ton on the pre-tax profit	-	-	-	-
Tax consequences	-	-	-	-
Influence of a commodity price fluctuation of R100 per ton on profit	-	-	-	-

When illustrating the influence of any of the group's estimates on profit or loss in a sensitivity analysis, or when illustrating the influence of any financial risks on the profit or loss in a sensitivity analysis, the amounts without brackets show a positive influence and the amounts in brackets a negative one.

J1. RELATED PARTIES

The related parties of the company include its subsidiaries, associates and joint ventures, directors and other key employees, as well as those entities over which the directors and other key employees exercise control or joint control.

SUBSIDIARIES

NWK Limited, Epko Oil Refinery Proprietary Limited, Epko Oil Seed Crushing Proprietary Limited and Mogaladi Fuel Proprietary Limited are subsidiaries of the company. Although the company does not hold any shares in The NWK Loyalty Programme Trust, the company controls the trust. Consequently, this bewind trust is also classified as a subsidiary.

COMPANY	SHAREHOLDING	DESCRIPTION
NWK Holdings Limited	Owns 100% of the NWK Limited shareholding	Listed company registered in the Republic of South Africa. Number of shares held in NWK Limited – 143 031 971 ordinary shares.
NWK Limited	Wholly owned subsidiary of NWK Holdings Limited	Unlisted public company registered in the Republic of South Africa.
Epko Oil Refinery Proprietary Limited	Wholly owned subsidiary of NWK Limited	Dormant company
Epko Oil Seed Crushing Proprietary Limited	Wholly owned subsidiary of NWK Limited	Unlisted private company registered in the Republic of South Africa, extracts vegetable oils at its plant in Lichtenburg, North West.
Mogaladi Fuel Proprietary Limited	Wholly owned subsidiary of NWK Limited	Unlisted private company registered in the Republic of South Africa, sells fuel at its premises in Lichtenburg, North West.
The NWK Loyalty Programme Trust	No shareholding	The trust administers and manages the group's annual loyalty programme allocation.

ASSOCIATES AND JOINT VENTURES

Bastion Lime Proprietary Limited, NWK and IP Makelaars Proprietary Limited and Molemi Sele Management Proprietary Limited (effective from 1 November 2022) are joint ventures of the group. Oos-Transvaal Kalkverskaffers Proprietary Limited and Pelelani Proprietary Limited are subsidiaries of Bastion Lime Proprietary Limited, Arximark Proprietary Limited is a subsidiary of NWK and IP Makelaars Proprietary Limited, and together with their holding company, they are accordingly classified as related parties.

DIRECTORS AND OTHER KEY EMPLOYEES

The directors of the company include Messrs AS Badenhorst (from 1 September 2022), RJ Boëttger (from 1 September 2022), JJ du Preez, JP du Preez, PN Jansen van Vuuren, H Krüger, J Mahne, MW Schoeman (from 1 September 2022), CF van Niekerk and L Vermooten. Mr FH Badenhorst was a director of the company until 1 September 2022.

The other key employees of the group include Messrs DJ Coetzee, PB Coetzer, JL du Rand (from 20 March 2023), DPG Kleingeld, HH le Roux (retired on 31 March 2022), TB Modise, NM Pieterse (until 31 December 2022), TE Rabe and AJ van Tonder, as well as Ms AM van Rooyen.

OTHER ENTITIES

Entities and partnerships over which the directors exercise control, joint control or significant influence and that are consequently classified as related parties include A Vermooten Close Corporation, Bor-wit Boerdery Close Corporation, Dotcom Trading 1048 Proprietary Limited, Dupra Trust, Glenora Boerdery Close Corporation, Grootpan Sputdienst Close Corporation, Jaco du Preez Boerdery, JJ du Preez Trust, JP du Preez Close Corporation, Kaalfontein Boerdery Proprietary Limited, Mahne & Mahne Close Corporation, MK Farming Proprietary Limited, Rooikoppiesputte Boerdery Proprietary Limited, Trymin Trading Close Corporation, Vermooten Landgoed Trust, Vermooten Systems Close Corporation, Vlakpan Trust, VNB Boerdery Proprietary Limited and Volumart Proprietary Limited.

J2. RELATED-PARTY CONTRACTS

The related parties of the company include its subsidiaries, associates and joint ventures, directors and other key employees, as well as those entities over which the directors and other key employees exercise control or joint control.

SUBSIDIARIES

There are no formal credit agreements between the company and any of its subsidiaries, therefore the outstanding amounts owing by or to the subsidiaries bear interest at rates prescribed by the group's interest rate policy.

There were R2 million trade transactions between the company and its subsidiaries.

The group has contractually agreed to perform the human-capital-related functions of Epko Oil Seed Crushing Proprietary Limited and to manage and maintain its information and communication technology systems. In accordance with the terms of the contracts, the fees for such services are negotiated annually by the two parties. The group supports Epko Oil Seed Crushing Proprietary Limited with its secretarial functions and from time to time with internal-audit-related functions. The fees for these services are set by the two parties on a task-by-task basis. The group also performs secretarial and legal functions for Mogaladi Fuel Proprietary Limited.

The subsidiary, NWK Limited, performs the secretarial and legal functions of the company as well as the financial functions.

ASSOCIATES AND JOINT VENTURES

The group granted Bastion Lime Proprietary Limited an interest-free loan of R3,5 million. This loan has been settled during the current financial year. The terms and conditions of the other loans between the group and its associates and joint ventures are set out in notes C8 and C12, in the case where the group is the lender, and note C25, in the case where the group is the borrower. However, there is no formal contract between the group and the associates or joint ventures involved for the demand deposits set out in note C25.

The group has contractually agreed to perform the human-capital-related functions of NWK and IP Makelaars Proprietary Limited and to manage and maintain its information and communication technology systems. In accordance with the terms of the contracts, the fees for such services are negotiated annually by the two parties. The group also performs secretarial and legal functions for Molemi Sele Management Proprietary Limited, at fees that are negotiated annually between the parties.

DIRECTORS AND OTHER KEY EMPLOYEES

The majority of the directors and some of the other key employees practise commercial agricultural activities. In addition, the key employees are entitled to purchase goods on monthly payable accounts, just like the group's other employees. The group therefore regularly concludes credit agreements and contracts for the handling and storage of agricultural commodities with its directors.

Contracts with directors and other key employees agree in all material respects with those concluded with other producers, customers and employees, and commodity and trade transactions are incurred on an arm's length basis. Nevertheless, none of these contracts is considered significant. For this purpose, the group has defined a significant contract as a contract with a cashflow value of 10% of equity.

In addition to the above, the group entered into a lease agreement with a trust of non-executive director JJ du Preez to acquire property to operate agricultural commodity-handling and storage activities. The lease payments are payable in annual instalments over about ten years after the commencement of the agreement – in other words, 1 May 2021. According to the agreement, the lease payments are adjusted annually by no more than 6%, and the group is entitled to extend the lease term by about ten years. The group is entitled to remove all improvements and fixtures upon termination of the contract. The contract provides for a grace period of 60 days to affect the removal of such assets and stipulates that the group is responsible for the rehabilitation of the land. This contract is not considered significant.

J3. AMOUNTS OWING BY RELATED PARTIES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Demand deposit owing by NWK Limited	17,9	0,6	-	-
Amounts owing by the associates and joint ventures	-	-	13,0	51,0
Long-term loan to NWK and IP Makelaars Proprietary Limited	-	-	12,2	18,4
Short-term loan to Epko Oil Seed Crushing Proprietary Limited	-	-	-	-
Owing by Epko Oil Seed Crushing Proprietary Limited on trade accounts	-	-	-	32,5
Owing by NWK and IP Makelaars Proprietary Limited on trade accounts	-	-	0,8	0,1
Owing by NWK and IP Makelaars Proprietary Limited on current accounts	-	-	-	-
Amounts owing by the non-executive directors	-	-	115,0	85,4
Owing by the non-executive directors on term loans	-	-	39,6	50,6
Owing by the non-executive directors on lease receivables	-	-	0,7	1,0
Owing by the non-executive directors on production accounts	-	-	74,7	33,8
Amounts owing by the other key employees	-	-	4,3	3,1
Owing by the executive directors on term loans	-	-	1,4	-
Owing by the other key employees on lease receivables	-	-	0,4	0,6
Owing by the other key employees on production accounts	-	-	2,5	2,4
Long-term loan to Mr TB Modise	-	-	-	0,1
Total amount owing by related parties	17,9	0,6	132,3	139,5

The amounts owing by NWK Limited on demand deposits are unsecured, without agreed-upon limits and settlement dates, and bear interest at the repo rate plus one percentage point, calculated daily and capitalised on a monthly basis. There are no formal credit agreements between the company and NWK Limited, therefore the outstanding amounts bear interest at rates prescribed by the group's interest rate policy.

The loan to NWK and IP Makelaars Proprietary Limited was granted to this joint venture to enable it to acquire the group's insurance business and related assets. The loan is partially secured by a cession on the shares of the other shareholders of the entity, bears interest at the prime interest rate plus 0,95 percentage points – calculated daily and capitalised on a monthly basis – and is repayable in five equal instalments over the five years ending 30 June 2026.

The group granted Epko Oil Seed Crushing Proprietary Limited a short-term loan facility of R40 million. In terms of this facility, which is negotiated annually between the parties, Epko Oil Seed Crushing Proprietary Limited may borrow or repay funds without security at any time during the contract period. Outstanding amounts are subject to interest at the prime interest rate plus 1,5 percentage points, calculated daily and capitalised on a monthly basis.

The amounts owing by the directors and other key employees on instalment plans and production accounts are subject to terms and conditions that in all material respects correspond to those due by the other agricultural producers, as set out in notes C8 and C12.

The amounts owing by the associates and joint ventures on trade receivable accounts are unsecured, due 30 days after statement and interest-free if the conditions for payment concerned are adhered to. These terms and conditions correspond in all material respects to those of the other customers, as set out in note C13. The amounts owing by the joint ventures on current accounts are unsecured, without agreed-upon limits and settlement dates, and interest-free.

The amounts owing by the associates and joint ventures on current accounts are unsecured, without agreed-upon limits and settlement dates, and interest-free.

J4. AMOUNTS OWING TO RELATED PARTIES	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Amounts owing to the associates and joint ventures	-	-	5,1	27,4
Owing to Bastion Lime Proprietary Limited on trade accounts	-	-	0,1	-
Owing to Certisure Brokers Proprietary Limited on current accounts	-	-	-	-
Owing to NWK and IP Makelaars Proprietary Limited on current accounts	-	-	-	-
Demand deposit owing to Certisure Brokers Proprietary Limited	-	-	-	-
Demand deposit owing to Molemi Sele Management Proprietary Limited	-	-	5,0	27,4
Amounts owing to the non-executive directors	-	-	14,6	13,2
Demand deposits owing to non-executive directors	-	-	12,6	9,8
Owing to non-executive directors on trade accounts	-	-	2,0	3,4
Long-term incentives owing to key employees	-	-	11,6	3,4
Indirectly owing to the other key employees on trade accounts	-	-	0,9	0,8
Total amount owing to related parties	-	-	32,2	44,8

The amounts owing to the associates and joint ventures on demand deposits are unsecured. The group pays interest to its associates and joint ventures on demand deposits at rates that are negotiated with each individual associate or joint venture. At the reporting date this rate varied between 8,65% per annum, calculated daily and capitalised on a monthly basis. The amounts owing to the non-executive directors on demand deposits are unsecured, payable with a two weeks' written notice, and bear interest at the prime interest rate less 2,5 percentage points, calculated daily and capitalised on a monthly basis. These terms and conditions correspond in all respects to those of the other customers, as set out in note C25.

Amounts owing to associates and joint ventures on trade payable accounts are unsecured, due 30 days after statement, and interest-free if the conditions for payment concerned are adhered to. These terms and conditions correspond in all material respects to those of the other suppliers. The amounts owing to the directors and other key employees on trade accounts bear no interest and are payable within a week after the date on which the agricultural commodities were purchased from the director or other key employee.

The amounts owing to the associates and joint ventures on current accounts are unsecured, without agreed-upon limits and settlement dates, and interest-free.

The long-term incentives owing to executive directors and key employees are payable within three months of the expiry of the three year cycle, and bear interest at the prime interest rate.

J5. RELATED-PARTY TRANSACTIONS	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
TRANSACTIONS WITH SUBSIDIARIES				
Finance income earned on amounts owing by NWK Limited	0,9	0,7	-	-
Total income earned from NWK Limited	0,9	0,7	-	-
Finance costs on amounts owing to NWK Limited	-	-	-	-
Administrative fees paid to NWK Limited	-	-	-	-
Total value of transactions with subsidiaries	0,9	0,7	-	-
TRANSACTIONS WITH JOINT VENTURES				
Revenue from the sale of goods	-	-	0,9	0,8
Epko Oil Seed Crushing Proprietary Limited	-	-	0,7	0,5
Oos-Transvaal Kalkverskaffers Proprietary Limited	-	-	0,1	0,2
NWK and IP Makelaars Proprietary Limited	-	-	0,1	0,1
Agency commission earned on trade transactions with Bastion Lime Proprietary Limited	-	-	-	4,3
Handling and storage fees recovered from Epko Oil Seed Crushing Proprietary Limited	-	-	0,9	0,4
Transport income recovered from Epko Oil Seed Crushing Proprietary Limited	-	-	1,8	0,9
Revenue earned from joint ventures	-	-	3,6	6,4
Finance income earned on amounts owing by joint ventures	-	-	1,5	1,8
Epko Oil Seed Crushing Proprietary Limited	-	-	-	0,2
NWK and IP Makelaars Proprietary Limited	-	-	1,5	1,1
Certisure Brokers Proprietary Limited	-	-	-	0,5
Administrative fees	-	-	0,6	1,1
Epko Oil Seed Crushing Proprietary Limited	-	-	0,5	0,5
NWK and IP Makelaars Proprietary Limited	-	-	0,1	0,6
Operating-lease income earned from NWK and IP Makelaars Proprietary Limited	-	-	0,2	-
Total income earned from joint ventures	-	-	5,9	9,3
Agricultural commodities sold to Epko Oil Seed Crushing Proprietary Limited	-	-	1 277,9	908,6
Finance costs on amounts owing to associates and joint ventures	-	-	1,9	1,3
Certisure Brokers Proprietary Limited	-	-	-	0,3
Molemi Sele Management Proprietary Limited	-	-	1,9	1,0
Total value of transactions with associates and joint ventures	-	-	1 285,7	919,2

J5. RELATED-PARTY TRANSACTIONS (CONTINUED)	COMPANY		GROUP	
	2023	2022	2023	2022
	R'm	R'm	R'm	R'm
TRANSACTIONS WITH THE DIRECTORS AND OTHER KEY EMPLOYEES				
Income earned from directors	-	-	104,1	56,2
Transacted directly	-	-	1,2	9,0
Transacted indirectly	-	-	102,9	47,2
Income earned from other key employees	-	-	6,8	7,1
Transacted directly	-	-	5,2	5,3
Transacted indirectly	-	-	1,6	1,8
Income earned from directors and other key employees	-	-	110,9	63,3
Interest paid to non-executive directors on demand deposits	-	-	1,2	0,5
Loyalty programme credits granted to other key employees	-	-	-	-
Agricultural commodities bought from directors	-	-	195,7	122,2
Transacted directly	-	-	10,6	22,3
Transacted indirectly	-	-	185,1	99,9
Agricultural commodities bought from other key employees	-	-	18,8	12,5
Transacted directly	-	-	7,4	4,1
Transacted indirectly	-	-	11,4	8,4
Total value of transactions with the directors and other key employees	-	-	326,6	198,5

Transacted indirectly refer to the transactions with the related parties' private companies, close corporations, trusts and partnerships, or their spouses, minor children or other dependents. These parties are listed in note J1.

GROUP

J5. RELATED-PARTY TRANSACTIONS (CONTINUED)	Number of shares allocated directly		Number of shares allocated indirectly	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Directors	2 369	25 830	86 441	113 428
AS Badenhorst (from 1 September 2022)	1 764	-	-	-
FH Badenhorst (retired 31 August 2022)	-	23 631	-	-
RJ Boëttger (from 1 September 2022)	-	-	-	-
JJ du Preez	522	470	31 180	35 228
JP du Preez	-	-	9 501	15 607
JH Suurd (retired 10 September 2021)	-	-	-	5 429
PN Jansen van Vuuren	-	-	6 198	8 705
H Krüger	64	1 697	16 758	17 835
J Mahne	-	-	1 223	1 532
MW Schoeman (from 1 September 2022)	-	-	-	-
CF van Niekerk	19	32	15 881	22 572
L Vermooten	-	-	5 700	6 520
Other key employees	2 725	3 068	2 396	3 834
PB Coetzer	-	-	-	-
DPG Kleingeld	2 725	3 068	-	-
HH le Roux (retired 31 March 2022)	-	-	-	-
TB Modise	-	-	-	-
NM Pieterse (until 31 December 2022)	-	-	-	-
TE Rabe	-	-	-	-
AM van Rooyen	-	-	2 396	3 834
AJ van Tonder	-	-	-	-

COMPANY

J6. REMUNERATION TO THE DIRECTORS AND OTHER KEY EMPLOYEES	Short-term benefits	Contributions to post-employment benefit plans	Other long-term benefits	Total	Total
	2023	2023	2023	2023	2022
	R fn	R fn	R fn	R fn	R'm
AS Badenhorst (from 1 September 2022)	-	-	-	-	-
FH Badenhorst (retired 31 August 2022)	-	-	-	-	0,1
RJ Boëttger (from 1 September 2022)	-	-	-	-	-
JJ du Preez	-	-	-	-	-
JP du Preez	-	-	-	-	-
PN Jansen van Vuuren	-	-	-	-	-
H Krüger	0,1	-	-	0,1	0,1
J Mahne	0,1	-	-	0,1	-
MW Schoeman (from 1 September 2023)	-	-	-	-	-
CF van Niekerk	0,1	-	-	0,1	-
L Vermooten	0,1	-	-	0,1	0,1
Remuneration to the company's non-executive directors	0,4*	-	-	0,4*	0,3*

GROUP

J6. REMUNERATION TO THE DIRECTORS AND OTHER KEY EMPLOYEES	Short-term benefits	Contributions to post-employment benefit plans	Other long-term benefits	Total	Total
	2023	2023	2023	2023	2022
	R fn	R fn	R fn	R fn	R'm
AS Badenhorst (from 1 September 2022)	0,2	-	-	0,2	-
FH Badenhorst (retired 31 August 2022)	0,1	-	-	0,1	0,3
RJ Boëttger (from 1 September 2022)	0,3	-	-	0,3	-
JJ du Preez	0,3	-	-	0,3	0,3
JP du Preez	0,3	-	-	0,3	0,2
PN Jansen van Vuuren	0,4	-	-	0,4	0,2
H Krüger	0,6	-	-	0,7	0,6
J Mahne	0,4	-	-	0,5	0,4
MW Schoeman (from 1 September 2022)	0,3	-	-	0,3	-
JH Suurd (retired 10 September 2021)	-	-	-	-	0,1
CF van Niekerk	0,4	-	-	0,5	0,3
L Vermooten	0,5	-	-	0,6	0,6
Remuneration to the company's non-executive directors	4,2	-	-	4,2	3,0
Remuneration to the directors of the subsidiaries	13,6	0,7	5,4	19,7	19,6
RJ Boëttger	-	-	-	-	0,2
DA Foster (retired 10 September 2021)	-	-	-	-	0,1
DPG Kleingeld	4,2	0,2	1,5	5,9	5,1
TB Modise	2,4	0,3	0,7	3,4	3,3
TE Rabe	7,0	0,2	3,2	10,4	10,7
MW Schoeman	-	-	-	-	0,2
Remuneration to the directors of group companies	17,8	0,7	5,4	23,9	22,6
Other key employees	11,0	1,1	2,5	14,6	19,0
DJ Coetzee	2,2	0,3	0,7	3,2	3,0
PB Coetzer	2,3	0,2	0,6	3,1	2,7
JL du Rand (from 20 March 2023)	0,7	-	-	0,7	-
HH le Roux (retired 31 March 2022)	-	-	-	-	4,9
NM Pieterse (until 31 December 2022)	1,7	0,1	-	1,8	3,0
AM van Rooyen	1,7	0,3	0,5	2,5	2,2
AJ van Tonder	2,4	0,2	0,7	3,3	3,2
Remuneration in the current year	28,8	1,8	7,9	38,5	
Remuneration in the previous year	36,1	2,1	3,4	41,6	41,6

* Due to rounding some financial information is not shown.

ACCOUNTING POLICIES

A lease is a contract that conveys the right to use an asset for a period of time for a consideration. For a contract to be classified as a lease, the underlying asset must be identifiable and the contract must give the lessee the right to control the underlying asset. In other words, the contract must give the lessee the right to operate the asset during the period of use, the right to direct how and for what purpose the asset is used, and the right to obtain substantially all the economic benefits from the use of the asset. The assessment of whether a contract is or contains a lease is done at the inception date of the contract. The lease components within the contract are identified at the inception date of the contract and each lease component is accounted for separately from the non-lease components of the contract. For this purpose, the right to use an underlying asset is considered to be a separate lease component if the asset can be used on its own or together with other resources that are readily available, and the asset is neither highly dependent on, nor highly interrelated to, the other underlying assets in the contract.

As a practical expedient, the group chose not to separate lease components and non-lease components in the event that machinery and equipment, office equipment, vehicles and software are leased. Instead, the lease component and any associated non-lease components are accounted for as a single component.

Agreements where the group is the lessee

Where assets are acquired in terms of a lease, such assets are recognised as property, plant and equipment or intangible assets, whichever is applicable, and the discounted lease payments are recognised as a financial liability. The lease liability is measured as the present value of the lease payments that are not paid at the commencement date of the lease – calculated at the interest rate implicit in the lease. However, if the interest rate implicit in the lease cannot be readily determined, the present value of the lease payments is calculated at the group's incremental borrowing rate. For this purpose, the incremental borrowing rate is determined as the interest rate the group would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value.

In the event that the lease contains a purchase option, the exercise price of the purchase option is included in the lease payments if it is reasonably certain that the option will be exercised. The incremental costs of obtaining the lease are capitalised as part of the cost of the right-of-use assets. For this purpose, internal administration costs are not considered costs attributable to the inception of the lease.

In the event that a lease is modified after its initial recognition and the lease modification increases the scope of the lease by adding one or more right-of-use assets and increases the consideration for the lease by an amount proportional to the stand-alone price of such assets, the lease modification is treated as a separate lease. In the event that a lease is modified and the lease modification decreases the scope of the lease, the lease liability is remeasured by discounting the revised lease payments using the interest rate implicit in the lease for the remainder of the lease term.

However, if that rate cannot be readily determined, the lease liability is remeasured by discounting the revised lease payments using the group's incremental borrowing rate at the effective date of the modification. The carrying amounts of the right-of-use assets are decreased to reflect the termination or partial termination of the lease. Any gains or losses relating to the termination or partial termination of the lease are recognised in profit or loss. In the case of other modifications, the lease liability is remeasured and the carrying amounts of the right-of-use assets are adjusted accordingly.

As practical expedient to the policy above, lease payments relating to a short-term lease – in other words, a lease with a lease term of 12 months or less – and lease payments relating to a lease for which the underlying asset is of low value are not recognised as a liability, nor are the underlying assets recognised. These lease payments are recognised as expenditure over the lease term using the straight-line method. The selection of leases for which the underlying assets are of low value is made on a lease-by-lease basis.

Leases where the group is the lessor

In the event that the group is the lessor, the group classifies each of its leases as an operating lease or as a financial lease. The classification of a lease is done at the inception date of the contract and is reviewed if there is a lease modification. Finance leases are distinguished from operating leases in that a finance lease transfers substantially all the risks and rewards associated with ownership of an asset. The distinction between finance and operating leases requires the group to judge whether the risks and rewards associated with ownership of an asset were transferred as a result of the lease.

ACCOUNTING POLICIES (CONTINUED)Leases where the group is the lessor (continued)

Where assets are leased in terms of a finance lease, a sales transaction as well as a lease receivable is recognised. Where assets are leased in terms of an operating lease, lease payments are recognised as income over the non-cancellable lease period using the straight-line method. The incremental costs of obtaining the operating lease are recognised as expenditure over the lease term using the straight-line method.

For this purpose, internal administration costs are not considered incremental costs. In the event that an operating lease is subsequently modified, the amended lease is recognised as a new lease from the effective date of the modification. Any prepaid or accrued lease payments of the original lease are considered part of the lease payments of the new lease.

AGREEMENTS WHERE THE GROUP IS THE LESSEE

The group concluded leases to acquire land, buildings and improvements, computer equipment, office equipment, machinery, vehicles and software to conduct operating activities and administrative functions. The right-of-use assets held under leases are set out in notes C1 and C3, and the concomitant lease liabilities in note C23. The terms and conditions of leases, including lease terms, ownership, purchase and extension options, cancellation periods, residual value guarantees and subleasing arrangements, are also set out in note C22.

Variable lease payments are classified as expenses and are therefore disclosed in note D10. However, variable lease payments are limited to a small number of leases – mostly office equipment, which is why the group's exposure to future cashflows is insignificant.

The cashflows relating to future lease payments are illustrated with the maturity analysis of lease liabilities in note C22. The liquidity and interest rate risks relating to financial liabilities such as leases are disclosed in note I3 and note I10 respectively.

Short-term leases and low-value asset leases

The group has chosen not to recognise lease payments relating to a short-term lease – in other words, a lease with a lease term of 12 months or less – and lease payments relating to a lease for which the underlying asset is of low value as a financial liability, nor are the underlying assets recognised. These lease payments are recognised as expenditure over the lease term using the straight-line method and are disclosed in note D11.

The group concluded several open-ended leases to acquire equipment – such as coffee machines, vehicle tracking devices, forklifts and computer equipment – for carrying out operational activities. Furthermore, from time to time, the group concludes agreements to acquire premises in the short term for storage space in particular. The scope of these leases is not significant, and in most cases these leases can be terminated with 30 days' notice.

Leases for which the underlying asset is of low value mainly consist of leases that have been entered into to obtain information and communication technology such as cell phones, iPads and routers. The lease terms of these leases are, without exception, two years.

The expected cashflows relating to future lease payments of short-term leases are insignificant. The expected cashflows relating to future lease payments of low-value asset leases are also insignificant.

FINANCE LEASES WHERE THE GROUP IS THE LESSOR

The group uses instalment-sale agreements to finance the sale of capital goods to customers. The terms and conditions of these leases, including lease terms, ownership and cancellation periods, are set out in note C9. Under the terms of the leases, the customer may not sublease the assets in question. The leases contain no variable lease payments or residual value guarantees.

The cashflows relating to future lease payments are illustrated with the maturity analysis of lease receivables in note C8. The credit risks relating to lease receivables, credit-impaired lease receivables, lease receivables past due and the allowance for expected credit losses on lease receivables are disclosed in notes I3 to I8. The interest rate risks relating to lease receivables, along with the interest rate risks on other financial assets, are disclosed in note I10.

OPERATING LEASES WHERE THE GROUP IS THE LESSOR

The group concluded various agreements to lease land, buildings and improvements, equipment and vehicles or parts thereof. The assets that are leased can be divided into four groups for all practical purposes – namely residential homes that are rented to staff; assets that are no longer used in operating activities; space on top of the group's silos that are leased to entities such as communication companies, and assets that are leased for short periods from time to time as the opportunities arise. The lease payments are payable in monthly instalments over the lease term concerned. These leases contain no residual value guarantees and prohibit subleasing.

Residential homes are leased to staff under open-ended contracts. In terms of these contracts, the parties are entitled to cancel the leases by means of one month's written notice.

A few of the contracts under which land, buildings and improvements are leased have been concluded on an open-ended basis with one or two months' written notice to terminate the agreement. The other contracts where land, buildings and improvements are leased have been concluded for periods ranging from one to five years. In terms of the majority of these contracts, the parties are entitled to cancel the leases by means of one, two, three or six months' written notice.

Furthermore, the majority of these leases contain extension options. Extension periods range from one to three years. Some leases have predetermined annual adjustments in their instalments, and in the case of the other leases, the adjustment in the instalments is linked to the inflation rate or is negotiated annually. The predetermined annual adjustment of the lease payments ranges from 7% to 10%, but in most cases this adjustment is 8%.

It is not the group's business to lease equipment and vehicles to customers, therefore contracts to lease them are scarce. When such contracts are entered into, it is usually for short periods.

The contracts under which space on top of the group's silos is leased to communication and other companies have been concluded for periods ranging from one to five years. In terms of these agreements, the parties are entitled to cancel the agreements through one, three or six months' written notice. The leases prescribe predetermined annual adjustments in their instalments, ranging from 7% to 12%. However, in most cases this adjustment is 8%.

The operating leases contain no variable lease payments. In the case where property is leased, including space on the silos, electricity and water are recovered from the lessee. However, the recovery of electricity and water is not considered a lease component and is therefore not included in variable lease payments.

The cashflows relating to future lease payments from renting residential homes to staff, from renting assets that are no longer used in operating activities and from renting space on top of the group's silos are illustrated as follows:

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
Receivable within three months	-	-	1,3	0,7
Receivable after three months, but not exceeding a year	-	-	0,6	0,5
Receivable after a year, but not exceeding five years	-	-	0,2	0,4
Minimum lease payments receivable	-	-	2,1	1,6

Operating-lease income is classified as other income and is therefore disclosed in note D7.

L1. FAIR-VALUE MEASUREMENT

The accounting policies require the measurement of the fair value of assets and liabilities at their initial recognition as well as their subsequent measurements. It is policy to measure investments in listed and unlisted entities, agricultural commodities and derivative financial instruments at fair value or fair value less costs to sell.

The fair value of these assets and liabilities are consequently measured on a recurring basis. However, the accounting policies also require the measurement of the fair value of assets and liabilities that are normally measured by using the cost model, subject to certain conditions. Assets and liabilities measured on a non-recurring basis at fair value include, among other things, the assets and liabilities of subsidiaries, associates and joint ventures upon acquisition, non-current assets held for sale, and non-current assets that are subject to impairment losses.

	COMPANY		GROUP	
	2023	2022	2023	2022
	R fn	R'm	R fn	R'm
FAIR-VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES MEASURED ON A RECURRING BASIS AT FAIR VALUE				
Investments in listed and unlisted entities at fair value through other comprehensive income	-	-	4,6	4,6
Fair value measured by using level one input data	-	-	1,0	1,1
Fair value measured by using level two input data	-	-	0,8	0,7
Fair value measured by using level three input data	-	-	2,8	2,8
Agricultural commodities at fair value less costs to sell	-	-	1 118,6	1 400,4
Fair value measured by using level one input data	-	-	1 115,7	1 398,1
Fair value measured by using level three input data	-	-	2,9	2,3
Derivative financial instruments at fair value through profit or loss measured by using level one input data	-	-	(583,7)	(413,7)
Net fair value of financial assets and liabilities measured at fair value	-	-	539,5	986,7

ACCOUNTING POLICIES

Fair value is defined as the price that will be received when selling a specific asset or paid upon transfer of a specific liability in an orderly transaction between market participants under market conditions in the principal market at the measurement date or, in the absence of a principal market, the most advantageous market. For this purpose, the principal market is deemed to be the most active one.

When measuring fair value, the group endeavours to use valuation techniques that maximise observable inputs and minimise unobservable inputs, and uses the assumptions that market participants will use when the asset or liability is priced. Therefore, measurement of fair value takes into account the condition and location of the item being measured, restrictions on the sale or use of the asset and, in the case of non-financial assets, the highest and best use of the asset.

For this purpose, the highest and best use of a non-financial asset is deemed to be a use that is physically possible, legally permissible and financially feasible. If the highest and best use of a non-financial asset comprises the use of the asset in combination with other assets, the fair value is the price that will be received if the asset is used with the other assets on the assumption that those assets are available in the market. Fair value is not adjusted with transaction costs, provided that transport costs are not a transaction cost.

When determining the fair value of a liability, the group assumes that the liability will remain outstanding and that the market participant would be required to fulfil the obligation, in other words, the group assumes that the obligation will not be settled.

Fair value is classified and presented at three levels, based on the respective inputs used in the measurement of fair value.

L1. FAIR-VALUE MEASUREMENT (CONTINUED)

LEVEL ONE INPUT DATA

The fair value of an asset or a liability measured by using level one input data is based on unadjusted quoted prices for identical assets or liabilities in an active market. Due to the nature of the group's activities and the economic environment in which it conducts its business, market prices are in most cases obtained on the JSE, and specifically the derivatives market for agricultural commodities of the JSE.

LEVEL TWO INPUT DATA

Where the fair value of an asset or a liability is measured by using level two input data, the valuation is done by using observable market information. These inputs include quoted prices for a similar asset or liability in an active market, quoted prices for the identical or a similar asset or liability in an inactive market, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates. The fair value of unlisted equity instruments trading in an inactive market and the fair value of assets and liabilities calculated as the present value of future cashflows are included in this fair-value group.

LEVEL THREE INPUT DATA

The fair value of assets and liabilities measured by using level three input data is measured using little or no observable market information. Fortunately, due to the nature of the group's activities and the economic environment in which it conducts its business, it is rarely necessary to measure the fair value of the assets and liabilities that are measured on a recurring basis using level three input data.

L2. IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS

It is policy to evaluate the carrying amounts of property, plant and equipment, investment property and intangible assets, as well as the carrying amounts of investments in subsidiaries, joint ventures and associates for potential impairment losses. To give effect to this policy, the group scrutinises the assets by studying external and internal sources of information at the end of reporting periods or more frequently should the circumstances so require, determining whether there is any indication that impairment losses could have arisen. If there is an indication of potential impairment losses, the recoverable amounts of the assets concerned are measured.

For this purpose, assets are either measured individually or categorised into the smallest possible cash-generating units. Regardless of whether or not there is an indication of potential impairment losses, the recoverable amounts of intangible assets not yet available for use and goodwill or the cash-generating units to which goodwill has been apportioned are measured annually.

The recoverable amount of an asset or cash-generating unit is measured at its fair value less the costs to dispose thereof or its value in use, whichever is the greater. Value in use is measured as the present value of the expected future pre-tax cashflow from the continued use of an asset or cash-generating unit and the proceeds on its disposal.

This is done using the group's best estimates and the most recent financial budgets and forecasts, but without taking into account any expected increase in the cashflow as a result of future restructuring programmes, the group is not yet committed to or future improvements to the asset concerned. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount. The impairment loss is recognised in profit or loss for the period.

The carrying amounts of non-financial assets previously impaired, excluding goodwill, are reviewed at the end of reporting periods to determine whether there is any indication that the impairment losses should be reversed. If there are such indications, the recoverable amounts of the assets concerned are measured. When reversing impairment losses, the carrying amount of an asset is increased to its recoverable amount or the amount that would have been the carrying amount of the asset if no impairment losses were previously recognised against the asset, whichever is the lower. The concomitant income is included in other income.



L3. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are recognised in profit or loss over the period in which the financing takes place, using the effective-interest method. For this purpose, a qualifying asset is defined as an item of property, plant and equipment, an investment property or an intangible asset that necessarily takes a substantial period to get ready for its intended use. For this purpose, a three-month period is considered substantial.

Borrowing costs that can be attributed directly to a qualifying asset are defined as the borrowing costs that would have been avoided if the expenditure relating to the qualifying asset had not been incurred. In the event that the acquisition, construction or production of a qualifying asset is financed with funds borrowed specifically for the purpose of obtaining the asset, the borrowing costs associated with those borrowings are regarded as borrowing costs that qualify for capitalisation.

Where the acquisition, construction or production of a qualifying asset is financed with generally borrowed funds, borrowing costs are capitalised by means of a capitalisation rate. For this purpose, the capitalisation rate is determined as the weighted average borrowing costs of the outstanding borrowings of the group. Borrowing costs relating to funds borrowed specifically for the purpose of obtaining a qualifying asset are excluded from the calculation of the capitalisation rate until substantially all the activities necessary to prepare that asset for its intended use are complete.

The capitalisation of borrowing costs commences on the commencement date and ends when the qualifying asset is ready for its intended use. To give effect to this policy, the commencement date is regarded as the date on which the group incurs expenses associated with the qualifying asset, incurs borrowing costs attributable directly to the qualifying asset, and commences activities that are essential to prepare the qualifying asset for its intended use, on the understanding that all three the requirements have to be met. Should the acquisition, construction or production of a qualifying asset be interrupted for an extended period, the capitalisation of borrowing costs is suspended until the acquisition, construction or production of the asset is resumed.

L4. CAPITAL MANAGEMENT

The group regards equity – in other words, share capital and reserves – as capital. The carrying amount of equity as stated in the statement of financial position therefore represents the value of capital managed by the group.

CAPITAL RESTRICTIONS

The group is subject to external capital restrictions. Refer to note C4.

CAPITAL MANAGEMENT POLICY

The group aims to keep equity between 45% and 55% of assets. Substantial capital investments or high agricultural commodity levels financed by short-term debt negatively affect the capital ratio. In the case of investments it is the practice to reduce investments until the capital ratio returns to the target levels. Capital ratios are usually evaluated excluding agricultural commodities on hand and the associated debt, as they are liquid.

L5. EVENTS AFTER THE REPORTING PERIOD

NWK Limited, a wholly owned subsidiary of NWK Holdings Limited, entered into a contract to purchase a further 26% interest in NWK and IP Makelaars Proprietary Limited, currently a joint venture of NWK Limited. Effective from 1 May 2023. After the purchase, NWK and IP Makelaars Proprietary Limited will be a subsidiary of NWK Limited. The purchase price for the additional interest is R6,7 million.

M1. RESTATEMENTS

RESTATEMENT OF STATEMENT OF PROFIT OR LOSS

The group reassessed the classification principles on the statement of profit or loss during the current financial year to ensure compliance to IAS 1 par. 99. This resulted in a restatement of the comparative statement of profit or loss and related notes for the year ended 30 April 2022. The statement of profit or loss is now classified by nature (previously a combination of both function and nature).

Furthermore, net fair value gains on commodity trading, which arises from the group's ordinary activities, is now presented as a revenue line item, separately from other gains and losses in order to comply with IAS 1 par. 82.

Operating profit, profit before tax, net profit and earnings per share are not impacted.

Included below is the impact of the restatements as discussed above on the statement of profit or loss.

COMPANY

30 April 2022 restatements

	As previously presented Audited	Adjustments	Restated Audited
	R'm	R'm	R'm
Other finance income	0,7	(0,7)	-
Other income	-	0,7	0,7
Impairment gains and losses on financial assets	-	-	-
Other comprehensive income	(7,7)	-	(7,7)
<i>Items that cannot be reclassified to profit or loss:</i>			
Proportionate share of the other comprehensive income of subsidiaries	-	(7,7)	(7,7)
<i>Items that will be reclassified to profit or loss:</i>			
Proportionate share of the other comprehensive income of associates and joint ventures	(7,7)	7,7	-

GROUP**30 April 2022 restatements****M1. RESTATEMENTS (CONTINUED)**

	As previously presented Audited	Adjustments	Restated Audited
	R fn	R fn	R'm
Revenue from the sale of goods	3 069,3	-	3 069,3
Cost of trading stock sold	(2 522,0)	2 522,0	-
Cost of manufactured goods sold	(63,0)	63,0	-
Purchase of inventory	-	(2 766,2)	(2 766,2)
Movement in finished goods	-	181,2	181,2
Gross profit on goods sold	484,3	(484,3)	-
Other gains and losses	435,0	(435,0)	-
Net fair-value gains on commodity trading	-	411,4	411,4
Interest revenue on financial assets at amortised cost	103,2	(103,2)	-
Interest income	-	103,2	103,2
Other finance income	9,5	(9,5)	-
Other income	100,7	33,1	133,8

RESTATEMENT OF STATEMENT OF CASHFLOWS

The group reassessed the classification principles regarding bank overdrafts in the statement of cashflows to comply with IAS 7 par. 8. The overdraft was disclosed as cash and cash equivalents in the prior year. The overdraft has now been disclosed as part of cash from financing activities as it is part of the capital structure of the group. This resulted in a restatement of the comparative statement of cashflows and related notes for the year ended 30 April 2022.

This restatement does not impact the statement of financial position, the statement of profit or loss or the statement of changes in equity.

Included below is the impact of the restatement as discussed above on the Statement of cashflows.

GROUP**30 April 2022 restatements**

	As previously presented Audited	Adjustments	Restated Audited
	R fn	R fn	R'm
CASHFLOW FROM FINANCING ACTIVITIES	161,6	227,4	389,0
Increase in overdraft	-	227,4	227,4
Change in cash and cash equivalents	(223,6)	227,4	3,8
Cash and cash equivalents at the beginning of the year	(975,6)	983,8	8,2
Cash and cash equivalents at the end of the year	(1 199,2)	1 211,2	12,0

NI. NEW REPORTING AND ACCOUNTING STANDARDS

During the year the group implemented the amendments to annual improvements to IFRS Standards 2018 to 2020, IFRS 3 (business combinations), IAS 16 (property, plant and equipment – proceeds before intended use) and IAS 37 (onerous contracts – cost of fulfilling a contract). The amendments to IFRS 3, IAS 16, IAS 37 and the annual improvements cycle 2018 to 2020 had no effect on the group's accounting policies, practices or results.

REPORTING AND ACCOUNTING STANDARDS NOT YET MANDATORILY EFFECTIVE

The International Accounting Standards Board issued IFRS 17 (insurance contracts), which is effective for annual periods beginning on or after 1 January 2023. IFRS 17 does not materially affect the accounting practices of the group.

The International Accounting Standards Board has deferred the effective date for amendments to IAS 1 (classification of liabilities as current or non-current) to annual periods beginning on or after 1 January 2023 (previously January 2022).

The International Accounting Standards Board also made amendments to IFRS 4 (insurance contracts – extension of the temporary exemption from applying IFRS 9); IAS 1 and IFRS Practice Statement 2 (disclosure of accounting policies), IAS 12 (deferred tax related to assets and liabilities arising from a single transaction); IAS 8 (definition of accounting estimates), and IFRS 17 (insurance contracts – initial application of IFRS 17 and IFRS 9 comparative information). These amendments should be implemented for annual periods beginning on or after 1 January 2023. The amendments to IFRS 4 and IFRS 17 do not affect the accounting practices of the group.

The group has not yet examined the effect of the amendments to IAS 1 and IFRS Practice Statement 2. It will, however, have an impact when considering that these amendments will now require materiality rather than significance when deciding which accounting policies to disclose. The group has also not yet considered the effect of the amendments to IAS 12 and IAS 8 but suspect that it will not have a material effect on the group's accounting policies, practices or results.

SUSTAINABILITY INFORMATION

156	Corporate governance report
171	Certificate by the company secretary
172	Report by the audit and risk committee
179	Risk management
185	Report by the human capital committee
189	Report by the social and ethics committee
194	Corporate social responsibility
197	Communication with stakeholders
199	Miscellaneous matters



Corporate GOVERNANCE report

FOR THE YEAR ENDED 30 APRIL 2023



GOVERNANCE FRAMEWORK

(I) THE COMPANIES ACT, NO. 71 OF 2008

NWK Holdings Limited (the company) is a public company with limited liability incorporated in South Africa under the provisions of the Companies Act, No. 71 of 2008, as amended (the Companies Act). The company is therefore subject to, and ensures, compliance with the Companies Act and the Companies Regulations.

(II) THE CAPE TOWN STOCK EXCHANGE (CTSE) LISTING REQUIREMENTS

The company is listed on The Cape Town Stock Exchange (CTSE). The company's board of directors (the board) is aware of their responsibilities and the company remains compliant with the CTSE Listing Requirements, as is hereby also confirmed by the issuer agent of the company, to the best of their knowledge, Pallidus Exchange Services (Pty) Ltd, by affixing their signature below.

Jacques Botha
PALLIDUS EXCHANGE SERVICES (PTY) LTD

21 July 2023

(III) KING IV™ REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA (KING IV™)

The board is committed to ensuring that the company is governed appropriately in order to promote an ethical culture, good performance, effective control and legitimacy. The board recognises the responsibility of the company to conduct its affairs with prudence, transparency, accountability, fairness and in a socially and environmentally responsible manner.

The NWK group and its board of directors are committed to the highest standards of business integrity and ethical leadership and subscribe to the principles of good corporate governance as articulated in King IV™.

BOARD OF DIRECTORS

The board steers and sets strategic objectives and ensures accountability by means of, among other things, the monitoring and reviewing of management's performance. The board also oversees and monitors the implementation and execution of the strategy that is delegated to management via the group chief executive officer (CEO).

The board delegates certain functions to management and committees to assist it in discharging its duties properly. The board is satisfied that committee members have the required skills to execute their mandate. Policies and operating procedures are also regularly tested and reviewed to ensure good corporate governance.

The board is ultimately responsible for the company and believes that effective corporate governance and ethical values are essential to protect and promote the interests of the company and all its stakeholders – in other words, its shareholders, employees, customers, suppliers and financiers, as well as the national and local authorities, the agricultural community and the general public.

The board aims to embed a culture of ethical leadership in the group. Hence the board supports the principles of responsibility, accountability, fairness and transparency in order to ensure the positive performance of the company in its endeavour to add value.

The board acknowledges its responsibility to:

- ▲ Act in the best interests of the company.
- ▲ Exercise control over the company according to the accepted principles of good corporate governance by implementing responsible and effective management practices.
- ▲ Ensure that the company acts like and is viewed as a responsible corporate citizen that protects and enhances the sustainability of the company, community and natural environment.
- ▲ Ensure that the strategy and objectives of the company are ethically sound.
- ▲ Create a corporate culture in which ethical conduct is encouraged and developed.
- ▲ Implement an effective internal control system that ensures that the code of conduct and the ethics-related policies, standards and rules of the company are adhered to.
- ▲ Determine the company's strategy in line with the company's goals, shareholders' expectations and sustainability, and monitor its implementation.
- ▲ Manage potential events that may adversely affect the company and determine the company's risk appetite, and ensure the development, implementation and continuous monitoring of a Risk Management Policy and Plan with the assistance of the audit and risk committee and other committees in so far as risks are present in the scope of their activities. Committees, in turn, are assisted by the internal audit function and the risk department with the identification and monitoring of risks.
- ▲ With the assistance of the social and ethics committee, manage ethics effectively and identify and record the ethical values of the company that direct its relationship with external and internal stakeholders. The tone for ethical leadership is set by directors and prescribed officers.
- ▲ Establish an ethical corporate culture and ensure the implementation of a well-designed ethics management process by management.
- ▲ With the assistance of the nomination committee, designate directors and establish a formal and transparent process to nominate directors for appointment, and ensure that potential directors are not disqualified to act as a director. Further to assess the knowledge, experience, skills, abilities and integrity of potential new directors in advance, and with the assistance of the group company secretary to ensure that the appointment of directors is performed in accordance with the prescribed procedure.

The board requires its members to:

- ▲ Carry out the legally prescribed duties of a director.
- ▲ Exercise their powers and carry out their functions in good faith, within the limits of their authority and in the best interest of the company.
- ▲ Act with due care, skill and diligence.
- ▲ Act with courage and independence of mind.
- ▲ Maintain their discretion unhindered.
- ▲ Consider and balance the legitimate and reasonable needs, interests and expectations of all the stakeholders in their decision-making.
- ▲ Attend shareholder and board meetings.
- ▲ Adhere to the company's policies, rules and code of conduct, and visibly support its ethical standards.
- ▲ Take the necessary steps to ensure that they have sufficient knowledge of the company, the agricultural industry, the economic, social, political and technological environment in which they work, the market, the natural environment in which the company operates, and the applicable laws, rules, codes and standards.

If required, meetings are arranged with new directors for induction training to familiarise them with the group's businesses. The board is continually being apprised of relevant industry, regulatory and economic news and analyses, where needed.

For the period under review, the board committees have performed self-evaluations. At the time of compilation of this report, the board was in the process of performing self-evaluations and other evaluations.

All the non-executive directors (including the chairman of the company, but excluding Messrs MW Schoeman and RJ Boëttger) are agricultural producers. Consequently, several credit agreements, grain delivery and grain storage contracts, as well as grain and trade transactions, are entered into on a direct and indirect basis between these directors and the companies in the group on an arms' length basis as part of the normal business activities of companies in the group. Independence is viewed as the exercising of objective, unfettered judgement, and categorising a director as independent

is done from the perspective of the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making, as stated in King IV™. None of the non-executive directors having what can be classified as material contracts with companies in the group, the board is of the view that the non-executive directors are able to exercise their duties in decision-making with independence.

THE BOARD IS CONTINUALLY BEING APPRISED OF RELEVANT INDUSTRY, REGULATORY AND ECONOMIC NEWS AND ANALYSES, WHERE NEEDED

The board is responsible for managing the potential conflict of interests. The memorandum of incorporation (as amended) ('MOI') stipulates that directors must disclose their interests in contracts, the issued shares of the company and any share transactions, and that a director may not vote in decisions regarding contracts or transactions in which he holds interests. Directors declare their interests in contracts and other appointments at all board meetings. Meetings are conducted according to a formal agenda, ensuring that the board properly addresses and follows up on all substantive matters.

The directors and prescribed officers are continually reminded that they hold a position of trust and consequently may not use their position as director or as prescribed officer or any knowledge and non-disclosed information gained during the performance of their duties for personal benefit or the benefit of any external party, or to the detriment of the company, its subsidiaries or joint ventures.

For the period under review, the board is satisfied that it has fulfilled its responsibilities in accordance with its charter, which is reviewed regularly.

COMPOSITION OF THE BOARD

The MOI of the company (as amended) stipulates that at least 50% of the directors must at all times be appointed by the shareholders, and that a non-executive director may not occupy any other office or paid appointment in the company or its subsidiaries during their term of office. The MOI further stipulates that the number of directors of the company may not be fewer than six or more than 10, excluding the independent non-executive directors.

The board of the company comprises eight non-executive ward directors elected in terms of nominations by shareholders on a geographical ward basis, and two independent non-executive directors that were appointed by the board. The board comprises directors who bring a range of industry knowledge, skills and experience with an emphasis on agricultural industry knowledge and exercise their judgement freely and independently in order to discharge the governance role and responsibilities of the board. The board is in the process of recruiting no more than two non-ward directors, as provided for in the MOI, for the purposes of succession planning.

The board has not set any specific targets in relation to diversity, as the ward system currently does not provide for this. The board has acknowledged the importance of the development of younger candidates in leadership roles in the agricultural industry and in the company's service area, and has launched the Leaders in Agriculture Programme via NWK Limited to facilitate the identification, mentorship and development of future candidates.

The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience and independence in so far as the ward system permits.

The board has appointed a group company secretary, which is a statutory requirement. The board also ensures that it has access to professional and independent guidance on corporate governance and its legal duties, and that it has support to co-ordinate the functioning of the governing body and its committees. The board believes that it has effective arrangements in place in order to access professional corporate governance services.

Meetings of the board of the company are attended on standing invitation by the group CEO and the group Chief Financial Officer (CFO) (both *ex officio*) of NWK Limited, the major subsidiary of the company.

The board and/or board committee members who perform functions on behalf of the company comprise the following members:

Note: Age is indicated as at 30 April 2023

Key for committee memberships:

- AUDIT AND RISK COMMITTEE
 ● SOCIAL AND ETHICS COMMITTEE
 ● HUMAN CAPITAL COMMITTEE
 ● NOMINATION COMMITTEE

INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

Heinrich Krüger, 63 ● ●

BSc Agric

Non-executive chairman, appointed 16 April 1998

Retiring 2023 (available for re-election)

Chairman of the nomination committee; member of the human capital committee

Serves on the boards of the following subsidiaries/joint ventures/associates:

- ▲ NWK Limited
- ▲ NWK Commodity Brokers Pty Ltd (in process of deregistration)
- ▲ Epko Oil Refinery Pty Ltd (dormant)

Occupation: Agricultural producer

Lemmer Vermooten, 63 ● ●

BEng

Non-executive ward director and vice-chairman, appointed 21 June 2002

Next retirement year 2024

Chairman of the audit and risk committee

Serves on the boards of the following subsidiaries/joint ventures/associates:

- ▲ NWK Limited
- ▲ Bastion Lime Pty Ltd
- ▲ Pelelani Pty Ltd
- ▲ Epko Oil Refinery Pty Ltd (dormant)

Occupation: Agricultural producer

Julius Mahne, 64 ● ●

MBA

Non-executive ward director, appointed 19 June 2007

Final retirement year 2024

Chairman of the human capital committee and of the nomination committee

Serves on the boards of the following subsidiaries/joint ventures:

- ▲ NWK Limited
- ▲ Trustee of the NWK Umbrella Pension Fund

Occupation: Agricultural producer

Christo van Niekerk, 61

BD HED

Non-executive ward director, appointed 21 June 2002

Retiring 2023 (available for re-election)

Chairman of the human capital committee

Serves on the boards of the following subsidiaries/joint ventures/associates:

▲ NWK Limited

Occupation: Agricultural producer

Kobus du Preez, 59

Senior Certificate (Grade 12)

Non-executive ward director, appointed 29 August 2018

Next retirement year 2024

Serves on the boards of the following subsidiaries/joint ventures/associates:

▲ NWK Limited

Occupation: Agricultural producer

Jaco du Preez, 51

BCom

Non-executive ward director, appointed 30 July 2010

Next retirement year 2025

Serves on the boards of the following subsidiaries/joint ventures:

▲ NWK Limited

▲ Trustee of the NWK Umbrella Pension Fund (*secundus*)

Occupation: Agricultural producer

Pieter Jansen van Vuuren, 43

CA(SA)

Non-executive ward director, appointed 10 September 2021

Next retirement year 2024

Serves on the boards of the following subsidiaries/joint ventures:

▲ NWK Limited

▲ Epko Oil Seed Crushing Pty Ltd – since May 2023

▲ Trustee of the NWK Umbrella Pension Fund

Occupation: Agricultural producer

Abrie Badenhorst, 33

BSc Agric

Non-executive ward director, appointed 1 September 2022

Next retirement year 2025

Serves on the boards of the following subsidiaries/joint ventures:

▲ NWK Limited

Occupation: Agricultural producer

Marius Schoeman, 57

CA(SA)

Independent non-executive director, appointed 1 September 2021

Re-appointed on two-year fixed-term contract on 1 September 2022

Serves on the boards of the following subsidiaries/joint ventures:

▲ NWK Limited

Occupation: Governance, risk and compliance consultant

Ralph Boöttger, 61

CA(SA)

Independent non-executive director, appointed 1 September 2021

Re-appointed on two-year fixed-term contract on 1 September 2022

Serves on the boards of the following subsidiaries/joint ventures/associates:

- ▲ NWK Limited
- ▲ Epko Oil Seed Crushing Pty Ltd – since May 2023

Occupation: Self-employed

EXECUTIVE DIRECTORS OF THE MAJOR SUBSIDIARY OF THE COMPANY (NAMELY NWK LIMITED) SERVING ON BOARD COMMITTEES**Theo Rabe, 55**

CA(SA)

Group CEO and director of NWK Limited

Appointed as director of NWK Limited on 1 May 2005

Appointed as group CEO by NWK Limited with contract expiring on 30 April 2024

Serves on the boards of the following subsidiaries/joint ventures/associates:

- ▲ Epko Oil Seed Crushing Pty Ltd
- ▲ NWK and IP Makelaars Pty Ltd
- ▲ Molemi Sele Management Pty Ltd
- ▲ Epko Oil Refinery Pty Ltd (dormant)
- ▲ Arximark Pty Ltd

Pieter Kleingeld, 47

CA(SA)

Group CFO and director of NWK Limited

Appointed as director of NWK Limited on 1 November 2017

Appointed as group CFO by NWK Limited on an open-ended contract

Serves on the boards of the following other subsidiaries/joint ventures:

- ▲ Epko Oil Seed Crushing Pty Ltd
- ▲ Bastion Lime Pty Ltd
- ▲ Oos-Transvaal Kalkverskaffers Pty Ltd
- ▲ Molemi Sele Management Pty Ltd

DIRECTOR CHANGES

For the purposes of the election of ward directors and in terms of the MOI of the company (as amended), the service area of NWK Limited (registration number 1998/007577/06) is divided into eight geographical wards from which non-executive directors are appointed, with one director elected from or for each ward.

In terms of the MOI of the company (as amended) one director for every three ward directors for the time being must retire from office at each annual general meeting. Such retiring ward directors can be re-elected should they make themselves available for re-election, unless a ward director has reached the age of 65 years during a financial year.

In such a case the ward director is not available for re-election at the end of the following annual general meeting. The following ward directors are to retire at the end of the upcoming annual general meeting, to be held on or about 1 September 2023, and have indicated their availability for re-election as follows:

	WARD	NAME OF RETIRING DIRECTOR	AVAILABLE FOR RE-ELECTION	AGE AS AT 30 APRIL 2023
1	Ward 5	Mr Heinrich Krüger	Yes	63
2	Ward 6	Mr Christo van Niekerk	Yes	61

The following nominees, who have accepted their nominations, were the only nominees for their respective wards:

	WARD	NAME OF NOMINEE	QUALIFICATION	AGE AS AT 30 APRIL 2023	APPOINTMENT DATE
1	Ward 5	Mr Heinrich Krüger	<i>BSc Agric</i>	63	16 April 1998
2	Ward 6	Mr Christo van Niekerk	<i>BD HED</i>	61	21 June 2002

In terms of the MOI of the company (as amended), a retiring ward director is eligible for re-election, but can only serve for a maximum period of three successive terms, unless otherwise recommended by the board in consultation with the nomination committee. A candidate not eligible for re-election may be eligible for nomination after a cooling-off period of not less than three years. The board and the nomination committee are of the view that in order to ensure continuity this new measure will not be implemented at once, but will be phased in as deemed appropriate by the board.

However, only one candidate having been nominated per ward, no ward elections were held and the board, in consultation with the nomination committee, has recommended the above-named candidates for election by the shareholders of the company at the annual general meeting to be held on or about 1 September 2023.

The board is of the opinion that the candidates are suitable to serve on the board of the company and have the required knowledge, experience, competencies and abilities. The board is of the view that Mr Heinrich Krüger and Mr Christo van Niekerk (although having served for longer than nine years) remain non-executive. The board has ascertained that the nominees are not disqualified to serve as directors and the board, with the assistance of the company secretary, will ensure that the appointment of directors takes place in accordance with the prescribed procedures.

THE GROUP CHIEF EXECUTIVE OFFICER

The implementation and execution of the approved strategy is delegated by the board to management via the group CEO.

The group CEO, Mr Theo Rabe, reports to the board and is responsible for overseeing the execution of the board-approved strategic direction of the group. The group CEO attends the meetings of the audit and risk committee, the nomination committee and the human capital committee by standing invitation, but has no voting rights. He is an ex officio member with voting rights of the social and ethics committee. He also currently serves on various boards of the NWK group.

The contract of the group CEO expires on 30 April 2024 or may be terminated upon three months' notice by the group CEO. On expiry, the contract may be renewed on such terms and conditions as may be agreed upon between the board of NWK Limited and the group CEO. The group CEO also performs farming activities and enters into credit agreements with NWK Limited. The group CEO has no other notable professional commitments other than those indicated in this Corporate Governance Report.

Succession planning is in place for the position of the group CEO.

THE COMPANY CHAIRMAN

The chairman provides general guidance to the board and is responsible for ensuring the integrity and effectiveness of the board. The chairman:

- ▲ Leads the board meetings.
- ▲ Determines and formulates – in collaboration with the group CEO and the company secretary – agendas for meetings of the board.
- ▲ Ensures that appropriate, reliable and comprehensive information is submitted to the directors timeously.
- ▲ Ensures that board meetings proceed in an orderly manner and that time is used effectively.
- ▲ Manages potential conflicts of interest and ensures that board resolutions are carried out.
- ▲ Represents the board with the shareholders of the company.
- ▲ Leads the annual general meetings.
- ▲ Acts as the liaison between the board and management.
- ▲ Where necessary, discusses important matters on the agendas of board meetings with the executive directors, the group company secretary, and if circumstances require, with the chairmen of board committees beforehand.
- ▲ Is available as consultant and adviser.
- ▲ Encourages individual directors to participate in board discussions and ensures that the directors play an active role in the company's affairs.
- ▲ Controls the operation of the board.
- ▲ Leads the performance appraisal of directors.
- ▲ Via the nomination committee, is actively involved in the appointment or the dismissal of directors and ensures that the directors are trained in the responsibilities and duties of a director.

The chairman of the company is an agricultural producer and enters into credit agreements, grain delivery and grain storage contracts, as well as grain and trade transactions on a direct and indirect basis with companies in the group on an arms' length basis as part of the normal business activities of companies in the group. Independence is viewed as the exercising of objective, unfettered judgement, and categorising a director as independent is done as referred to in King IV™ from the perspective of the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

As the chairman does not have what can be classified as material contracts with companies in the group, the board is of the view that the chairman is able to and continues to demonstrate his ability to exercise his duties in decision-making and his role as chairman with independence. Therefore, no lead independent director is appointed.

**THE CHAIRMAN PROVIDES
GENERAL GUIDANCE
TO THE BOARD AND
IS RESPONSIBLE FOR
ENSURING ITS INTEGRITY
AND EFFECTIVENESS**

THE GROUP COMPANY SECRETARY

All directors have unlimited access to the services of the group company secretary, who ensures proper administration of proceedings and matters relating to the board, the company and shareholders, in line with applicable legislation and procedures. The group company secretary is responsible for giving directors collective and individual guidance regarding their duties, responsibilities and powers and to bring laws applicable to the company to the attention of directors. The group company secretary also must report any non-compliance with the provisions of the Companies Act or the provisions of the MOI of the company (as amended), or any other rules of the company by the board of directors or any individual director to the board and further performs statutory duties.

The group company secretary has unrestricted access to the chairman of the company as well as to board members, and administratively reports to the group CEO. In compliance with King IV™, the Companies Act and the CTSE Listing Requirements, the board has considered and is satisfied that the group company secretary is competent and has the relevant qualifications and experience. The group company secretary also seeks professional legal advice from time to time as and when required.

The group company secretary of the company for the period under review was Ms Anna-Marie van Rooyen, appointed from 23 September 2021. Based on her professional qualification as an admitted attorney of the High Court for 20 years, four years' experience as group head legal adviser, of which two years were also as group company secretary, the board is satisfied that Ms Anna-Marie van Rooyen has an appropriate level of experience, competence and qualification to execute her responsibilities. The board has implemented a formal annual assessment process to satisfy itself on the competence of the group company secretary.

DELEGATION AND BOARD COMMITTEES

In order to assist the board in fulfilling its responsibilities and the performance of its duties, the board:

- ▲ Delegated the day-to-day management of the company to management, led by the group CEO.
- ▲ In keeping with the recommendations of King IV™, has established four standing committees through which it executes some of its duties, as summarised below.

However, the board recognises that delegating various functions and authorities to committees does not absolve it of its duties and responsibilities. Details of the committees are presented in this report.

The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

AUDIT AND RISK COMMITTEE

The audit and risk committee is an independent statutory committee established by the board to assist it in overseeing financial reporting and the effectiveness of the risk management process in the company. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.

MEMBERS

- ▲ Lemmer Vermooten (chairman)
- ▲ Jaco du Preez
- ▲ Pieter Jansen van Vuuren
- ▲ Julius Mahne
- ▲ Marius Schoeman

The committee serves as audit and risk committee for both the company and for its major subsidiary, NWK Limited, and the subsidiaries of NWK Limited. The group CEO and the CFO, the relevant assurance services representatives and the external auditor attend committee meetings by invitation. All invitees have unlimited access to the audit and risk committee chairman.

RESPONSIBILITIES

The audit and risk committee executes all statutory duties in terms of section 94 of the Companies Act, No. 71 of 2008. This committee's primary responsibilities include:

- ▲ Overseeing the integrity and completeness of financial reporting.
- ▲ Overseeing the integrity and completeness of sustainability information, including the directors' report.
- ▲ Monitoring internal financial and risk management controls.
- ▲ Ensuring the independence and effectiveness of the internal audit function.
- ▲ Facilitating the appointment of a suitable independent and effective external auditor.
- ▲ Evaluating the expertise and experience of senior management members who are responsible for the financial function.
- ▲ Assisting the board with the determination of dividend distributions.
- ▲ Performing the required solvency and liquidity tests for the company with the assistance of management.
- ▲ Overseeing the risk management process.
- ▲ Overseeing responsible and effective information and technology management.

KEY FOCUS AREAS

Key focus areas of the audit and risk committee are the statutory duties imposed in terms of the Companies Act.

FULFILMENT OF RESPONSIBILITIES

The committee has performed a formal internal self-evaluation during the reporting period. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which is reviewed regularly, and the committee is satisfied that it remains independent.

During the financial reporting period the audit and risk committee held three meetings, the attendance of which is indicated elsewhere in this governance report.

SOCIAL AND ETHICS COMMITTEE

The social and ethics committee is constituted as a statutory committee of the board in terms of section 72(4) of the Companies Act, No. 71 of 2008, as amended, read with regulation 43 of the Companies Regulations, 2011. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.

MEMBERS

- ▲ Marius Schoeman (chairman)
- ▲ Abrie Badenhorst
- ▲ Kobus du Preez
- ▲ Pieter Kleingeld
- ▲ Julius Mahne
- ▲ Theo Rabe (*ex officio*)

The committee performs its statutory and non-statutory functions of the company as well as NWK Limited and its subsidiaries, and members consist of NWK Limited and NWK Holdings Limited board members. As per the recommendations of King IV™, the committee meets the requirement of executive and non-executive directors, with a majority being non-executive members.

RESPONSIBILITIES

The social and ethics committee executes all statutory duties in terms of regulation 43(5) of the Companies Regulations, 2011 and also executes non-statutory duties as set out in the charter of the committee. This committee's primary responsibilities include:

- ▲ Monitoring the group's activities regarding matters relating to social and economic development, good corporate citizenship, the natural environment, health and public safety, consumer relationships, labour relationships and employment, thereby fulfilling the committee's statutory obligations.
- ▲ Ensuring that the ethics of the group are managed in a way that supports the establishment of a culture of ethics.
- ▲ Overseeing the management of complaints from internal and external information sources relating to the ethics management process.
- ▲ Investigating allegations of possible unethical behaviour or corruption and exercising judgement over the findings of regulatory bodies or the audit functions associated with the ethics management process, including follow-up on non-compliance therewith and the affirmative and disciplinary steps taken.
- ▲ Ensuring that the group's activities support its intention to be a responsible corporate citizen, including in relation to:
 - ▲ Sustainable development
 - ▲ Stakeholder relationships
 - ▲ Fraud prevention
 - ▲ Responsible and transparent tax practices
 - ▲ Pollution
 - ▲ Waste disposal
 - ▲ Protection of biodiversity
- ▲ Providing strategic and policy advice to the board on all matters within the responsibilities of the committee.

KEY FOCUS AREAS

Key focus areas of the social and ethics committee for the period under review are indicated in the report by the chairman of the committee.

FULFILMENT OF RESPONSIBILITIES

The committee has performed a formal internal self-evaluation during the reporting period. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which is reviewed regularly.

During the financial reporting period the social and ethics committee held two meetings, the attendance of which is indicated elsewhere in this governance report.

NOMINATION COMMITTEE

The nomination committee is established by the board of NWK Limited to also assist the company with the nomination of directors and prescribed officers and to evaluate their knowledge, experience, competency, abilities and integrity in advance. It further assesses the composition, functioning and efficiency of the board and its committees, of management and the achievements of the individual directors and prescribed officers. The committee has an independent role and is accountable to the board. It operates under its charter that is aligned with the recommendations of King IV™, which is reviewed regularly. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.

**THE BOARD BELIEVES THAT
MEMBERS OF THE COMMITTEE
EXERCISED INDEPENDENT
JUDGEMENT IN DISCHARGING
THEIR DUTIES**

MEMBERS

- ▲ Heinrich Krüger (chairman)
- ▲ Ralph Boöttger
- ▲ Jaco du Preez
- ▲ Christo van Niekerk
- ▲ Lemmer Vermooten

The chairman of the NWK Limited board (also the chairman of the board of the company) serves *ex officio* as chairman of the nomination committee and nominates two to four other directors for appointment to the nomination committee. All the members are non-executive directors who are independent as they are not involved in the day-to-day management of the company, its subsidiaries, joint ventures and associated entities, nor are they a relative of any such person. The board believes that members of the committee exercised independent judgement in discharging their duties.

RESPONSIBILITIES

The nomination committee's primary responsibilities include:

- ▲ Evaluating the knowledge, experience, competency, abilities and integrity of members for appointment to the board, the various board committees, the boards of subsidiaries and/or associates.
- ▲ Assisting the board with the identification of suitable persons for appointment as company secretary, managing members and other prescribed officers as requested by the board, and assessing their knowledge, experience, competency, abilities and integrity in consultation with the group CEO.
- ▲ Assessing the composition, functioning, expertise and effectiveness of the board, the achievements of the board, as well as the relevance and effectiveness of the board's charter.
- ▲ Assisting the board with the assessment of individual directors, members of management and the company secretary by setting standards for their assessment and measuring their achievements against these standards.
- ▲ Appointing a non-executive director as chairman at disciplinary hearings of any executive director, member of management or the company secretary.
- ▲ Ensuring that the board discloses whether an assessment of the board and its committees has been done and providing an overview of the results and action plans if any.

KEY FOCUS AREAS

During the period under review the nomination committee has focused on consideration of:

- ▲ The assessment of ward director nominees.
- ▲ The extension of the appointment of the independent non-executive directors until the annual general meeting of the company in 2024.
- ▲ Proposed amendments to the MOI of the company and of NWK Limited, mainly to provide for the appointment of non-ward directors.
- ▲ Planning for the assessment of board committees, the board and board members.
- ▲ Planning for the review of the charter of the board and board committees.
- ▲ Identification, recruitment, assessment and development of participants in the Leaders in Agriculture Programme.

FULFILMENT OF RESPONSIBILITIES

The committee has performed a formal internal self-evaluation during the reporting period. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which is reviewed regularly.

During the financial reporting period the nomination committee held three meetings, the attendance of which is indicated elsewhere in this governance report.

HUMAN CAPITAL COMMITTEE

The human capital committee is a committee of the board of NWK Limited and is appointed and endowed by such board with powers, duties and responsibilities delegated by the board in terms of King IV™. The human capital committee also performs its functions on behalf of the board of the company, in so far as this is necessary.

The purpose of the human capital committee is to assist the board with its responsibility to develop a remuneration policy and verify compliance with it, determine the remuneration of directors and prescribed officers, determine the annual adjustment to the remuneration of personnel and to disclose the remuneration policy and remuneration of directors and prescribed officers in the integrated report.

The committee has an independent role and is accountable to the board. It operates under its charter, which is aligned with the recommendations of King IV™. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.

MEMBERS

- ▲ Christo van Niekerk (chairman)
- ▲ Abrie Badenhorst
- ▲ Ralph Boëttger
- ▲ Pieter Jansen van Vuuren
- ▲ Heinrich Krüger

Meetings of the committee are also attended by the group CEO and the group human capital executive upon standing invitation. All members of the committee are non-executive directors who are independent and are not involved in the day-to-day management of the company, its subsidiaries, joint ventures and associated entities, nor are a relative of any such person.

RESPONSIBILITIES

The human capital committee's primary responsibilities include:

- ▲ Overseeing the development, documenting and implementation of a remuneration policy, verification of its effectiveness and compliance with it.
- ▲ Assisting the board in determining the remuneration of the directors and prescribed officers.
- ▲ Assisting the board in determining the annual general adjustment to the remuneration of personnel.
- ▲ Ensuring that the remuneration and employment contracts of the directors and prescribed officers are disclosed in the annual financial statements and the sustainability report.

KEY FOCUS AREAS

Apart from performing its normal responsibilities, the committee focused on:

- ▲ Developing a remuneration philosophy for the board of directors and board committees.
- ▲ Benchmarking the non-executive directors' remuneration.
- ▲ Considering the short-term incentive and long-term incentive rules for management.

FULFILMENT OF RESPONSIBILITIES

The committee has performed a formal internal self-evaluation during the reporting period. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which is reviewed regularly.

During the financial reporting period the human capital committee held four meetings, the attendance of which is indicated elsewhere in this governance report.

ATTENDANCE BY MEMBERS OF BOARD AND BOARD COMMITTEE MEETINGS

During the financial reporting period, the board met five times, of which all meetings were scheduled. Should circumstances so require, the board may meet without any executives being present.

During the financial reporting period, board and board committee meetings were attended by members as follows:

NAME OF MEMBER	BOARD	NOMINATION	SOCIAL AND ETHICS	AUDIT AND RISK	HUMAN CAPITAL
H KRÜGER	5/5	3/3			4/4
L VERMOOTEN	4/5	3/3		3/3	1/1
FH BADENHORST	1/1		1/1		
AS BADENHORST	4/4		1/1		3/3
J MAHNE	5/5	1/1	2/2	3/3	1/1
CF VAN NIEKERK	5/5	3/3			4/4
PN JANSEN VAN VUUREN	5/5			3/3	3/3
JP DU PREEZ	5/5	2/3		3/3	
JJ DU PREEZ	5/5		2/2		
MW SCHOEMAN	5/5		2/2	3/3	
RJ BOËTTGER	5/5	2/2			4/4
DPG KLEINGELD	5/5*		2/2	3/3*	1/2
TE RABE	5/5*	3/3*	1/2	3/3*	3/4*
TB MODISE	5/5*		2/2*		

* Attending on standing invitation

ACCESS TO INFORMATION

The board expects its members to take the necessary steps to ensure that they have sufficient knowledge of the company, the agricultural industry and the economic, social, political, technological, market and natural environments in which the company operates. The directors should also familiarise themselves with the applicable laws, rules, codes and standards. These expectations, supplemented by the statutory duties of a director, necessitate access to information and knowledge. Consequently, the board authorised its members, its committees and committee members to oblige prescribed officers and employees by providing the information they need in the performance of their duties and to consult any prescribed officer or employee.

The company further complies, or is in the process of complying, with the Promotion of Access to Information Act, 2000, and a manual in this regard is available on the company website. Shareholders also have access to minutes of shareholders' meetings and information regarding specific company matters and to such information as may be published on the CTSE News Service. Any queries in this regard may be addressed to the group company secretary as information officer.

REPORTING AND DISCLOSURES

Mutual trust between the company and its stakeholders is of the utmost importance. The board recognises the value of transparent communication with shareholders and other stakeholders and supports the principle of triple bottomline reporting – in other words, economic, social and environmental reporting. The company therefore communicates in various ways with its shareholders.

These include information documents submitted to shareholders at the annual general meeting; the annual report – consisting of a directors' report, the separate and consolidated annual financial statements, and sustainability information; the interim consolidated financial statements; newsletters and reports placed on the website of NWK Limited, and announcements on the CTSE News Service. Although this information and the reports are aimed primarily at the shareholders of the company, the financial statements and reports and, from time to time, some parts of the other information such as changes in the corporate governance structure and directorships are also made available to the financiers, creditors, trade unions and employees upon request.

It is the responsibility of the board to determine the reporting frameworks and standards to be applied in external reports. The board determines the materiality level of disclosures to be included in external reports and ensures the integrity of external reports. It is its duty to ensure that external reports and disclosures inform stakeholders about the performance of the company and its ability to create value in a sustainable manner.

Although the responsibility for the compilation of documents for the annual general meeting and the preparation of reports and announcements on the CTSE News Service is delegated to management and the group company secretary, it is the responsibility of the board to ensure that such documents are relevant, complete and accurate, and are distributed on time.

DEALING IN SECURITIES

A formal policy, established by the board and implemented by the company secretary, prohibiting dealing in securities by directors, officers and other selected employees for a designated period preceding the announcement of its financial results or in any other period considered sensitive, is in place. All dealings by directors are approved in line with the policy.

COMPLIANCE GOVERNANCE

The company is committed to carrying out its operations without contravening the laws and regulations of the jurisdiction in which it operates. The board is responsible for the development and maintenance of an effective compliance framework to ensure that legal provisions and regulations are complied with, and it is its duty to ensure that the risk of violating the law forms part of the risk management plan.

The board determines the non-binding codes and standards that must be applied by the company. During the financial reporting period, a company compliance officer was in the full-time employ of NWK Limited. During the year under review, no material non-compliance matters were reported.

RISK MANAGEMENT

Good governance requires the board to ensure that processes are in place to provide assurance of effective risk management, and to enable complete, timely, relevant and accessible risk disclosure to stakeholders. The group seeks to embed risk management controls in its business processes and functions in a practical way, rather than imposing them as an additional administrative function.



Heinrich Krüger
CHAIRMAN

13 July 2023

The corporate governance report was not audited or independently reviewed.



Certificate by the COMPANY SECRETARY

FOR THE YEAR ENDED 30 APRIL 2023

In accordance with section 88 of the Companies Act, No. 71 of 2008, as amended, for the year ended 30 April 2023, it is hereby certified that the company and its subsidiaries have lodged with the Companies and Intellectual Property Commission all such returns that are required of a public company in terms of the Act and that such returns are true, correct and up to date.



Anna-Marie van Rooyen
GROUP COMPANY SECRETARY

13 July 2023



The certificate by the company secretary was not audited or independently reviewed.



Report by the AUDIT and risk committee

FOR THE YEAR ENDED 30 APRIL 2023

The powers, duties and responsibilities of the audit and risk committee have been delegated to the committee by the board, taking into account the provisions of the Companies Act, the provisions of the memorandum of incorporation, the unique needs of the group, and the accepted principles of good corporate governance. The composition, powers, duties and responsibilities of the committee are set out in a formal charter.

The committee, composed of five non-executive directors appointed annually by the shareholders at the annual general meeting, meets at least three times a year to nominate an independent auditor for appointment. This is done to ensure that the appointment of the auditor complies with the provisions of the Companies Act and other related legislation, and to evaluate the independence and effectiveness of the external and internal audit functions.

It is the responsibility of the committee to ensure the integrity of the financial statements, directors' report and sustainability information, and to evaluate the appropriateness and effectiveness of the combined assurance model, internal financial control system, risk management process and corporate governance process. The committee assists the board with dividend declarations and the concomitant solvency-and-liquidity tests.

At the last annual general meeting, the shareholders appointed five members to serve on the committee of NWK Holdings Limited. The financial information, accounting policies and practices, combined assurance model, internal financial control system, financial function and risk management process of the group were assessed at the committee meetings on behalf of the boards of all operating subsidiaries in the group. The committee also dealt with the statutory functions relating to the audit function, financial statements, accounting practices and internal financial control systems of these subsidiaries. Epko Oil Refinery (Pty) Ltd is dormant and in the process of deregistration.

DECISION-MAKING POWERS

With regard to the nomination, appointment and dismissal of the external auditor, the committee has all the powers conferred upon the committee by law. However, in most cases the committee consults with management and obtains confirmation of these decisions from the board. The committee is also authorised to appoint or dismiss the head of the internal audit function. In all other matters considered by the committee, the committee makes recommendations to the board of directors for their approval.

FUNCTIONING OF THE COMMITTEE

Since the previous separate and consolidated annual financial statements were approved by the board, the committee has met three times. The board expects committee members to attend the meetings; be thoroughly prepared; take part in the discussions frankly and constructively; act with courage and independence of mind; maintain their discretion unhindered; and apply their specific knowledge, experience, capability and ability to the benefit of the company. The group chief executive officer (CEO), group chief financial officer (CFO), group financial manager and group internal auditor attend meetings on a standing invitation.

The committee also invites the external auditor to attend meetings where audit matters are discussed, and at its discretion invites other directors, prescribed officers, employees and independent experts to attend the meetings in an advisory capacity. Although these parties attend the meetings at the invitation of the committee, the committee is obliged in terms of its charter to discuss matters with the external or internal auditor, or both, in closed meetings if any of these parties are of the opinion that the matters should be discussed in a closed meeting.

In accordance with the charter of the committee, directors who are not members of the committee can attend meetings to obtain information, provided that they follow the prescribed protocol.

The company secretary assists the members with the scheduling, planning and organising of meetings, and it is the company secretary's duty to ensure that discussion documents are properly drafted and meetings are fully minuted. The company secretary uses electronic media to circulate to the members the agendas, minutes, reports and other information that the committee needs in the execution of its duties.

In cases where urgent matters are to be dealt with between scheduled meetings, the company secretary circulates the relevant information to the members. The members discuss and vote electronically on the matter under discussion. It is the duty of the company secretary to ensure that these meetings are fully minuted, as is the case with any meeting in session.

To ensure that meetings take place in an orderly manner and that time is utilised effectively, the committee annually assesses its meeting procedures as well as the completeness, quality and timeliness of minutes, agendas and documents submitted to the committee.

QUORUM AND VOTING

At any meeting, three members form a quorum, regardless of whether the committee is in session or assembled by means of electronic media. Although the committee strives to reach consensus on all decisions, the majority of the votes of the members present is sufficient to approve a resolution. A tie of votes means that the matter has been rejected. Resolutions are usually approved by means of a vote by a show of hands. However, the chairman may, at his discretion, order a ballot vote on any matter.

THE CHAIRMAN

The chairman of the committee is appointed annually by the elected members. The chairman provides general guidance to the committee and is responsible for ensuring the integrity and effectiveness of the committee. The chairman leads the committee meetings, determines and formulates – in collaboration with the company secretary – the annual working plan, and is actively involved in compiling agendas for the meetings.

The chairman ensures that appropriate, reliable and comprehensive information is submitted to the members timeously, that meetings proceed in an orderly manner, and that time is utilised effectively. It is the chairman's duty to ensure that the committee's decisions are implemented.

The chairman acts as the liaison between the committee and the board and discusses important matters on the agenda with the external and internal auditors, the company secretary and, if circumstances require, with the CEO and CFO beforehand. The chairman encourages members to participate in discussions, ensures that the members play an active role in the affairs of the committee, and leads the annual performance appraisal of the committee as well as its members.

ACCESS TO INFORMATION AND ADVICE

As is stated in the corporate governance report, the board expects its members to take the necessary steps to ensure that they have sufficient knowledge of the company; the agricultural industry; the economic, social, political, technological, market and natural environment in which the company operates; and the applicable laws, rules, codes and standards. This expectation, supplemented by the statutory duties of an audit committee and the complexity of the matters dealt with by the committee, necessitates access to information and knowledge.

Consequently, the board granted the committee free access to the chairman of the board and authorised the committee as well as the individual committee members to oblige executive directors, prescribed officers and employees to provide the information they require in the performance of their duties, and to consult any executive director, prescribed officer or employee regarding matters within the scope of their responsibility.

The committee is furthermore authorised to consult independent experts at the company's expense. However, the board expects the members to exercise these rights within the prescribed protocol.

REPORTING RESPONSIBILITIES

Although the committee assists the board in meeting its obligations and therefore reports to the board, the provisions of the Companies Act, the committee's charter and accepted principles of good corporate governance require this committee to report to shareholders. Consequently, the audit and risk committee reports to the shareholders through, firstly, this report and, secondly, by verbally answering appropriate questions at the annual general meetings.

PERFORMANCE AND INDEPENDENCE REVIEW

It is the committee's practice to annually investigate and report to the board on the appropriateness of its charter and its independence, expertise and efficacy. On investigating its independence, expertise and effectiveness, the committee confirms that it carries out the duties imposed by the Companies Act, its charter and accepted principles of good corporate governance; that the committee members are not involved in the day-to-day management of the companies in the group; that no personal or business relationship exists between any member of the committee and the external auditor, the CEO, the CFO or any other person who occupies an executive or senior office that could lead an informed third party to conclude that the integrity, impartiality and objectiveness of the member are influenced or may be influenced; that the committee has the necessary knowledge, expertise, experience and skills; and that the committee is effective.

Where the members are suppliers and customers of the group, the committee assesses these business relationships continuously and is of the opinion that no member is a supplier or customer of the group to such an extent that an informed third party can conclude that the integrity, impartiality and objectivity of the member are or may be influenced.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The committee is of the opinion that it acts independently of the board of directors and management, and that it is efficient and has the necessary expertise, experience resources and all members complies with statutory requirements set out in the Companies Act. Furthermore, the committee believes that its charter is appropriate, that it adheres to the provisions of the Companies Act and the accepted principles of good corporate governance, that it takes into account the unique needs of the company, and thoroughly discusses the constitution of the committee, the appointment of committee members and the committee's duties and responsibilities.

FINANCIAL INFORMATION

It is the responsibility of the committee to ensure the integrity of the financial information of the company. In terms of this responsibility, it is the duty of the committee to review the annual financial statements, the interim financial statements, the condensed financial statements, the provisional announcements of results and any price-sensitive financial information that is issued for accuracy and completeness.

It is the duty of the committee to ensure that the separate and consolidated annual financial statements are subjected to an effective audit.

GOING-CONCERN PRINCIPLE

The committee scrutinises the going-concern principle when preparing financial statements and advises the board in this regard.

These investigations take into account the relevant financial statements under review; the financial position, results and ratios of the company; its financial budgets, capital needs, financial assets, financial liabilities, loan agreements, available facilities and cash-generating assets; as well as the general economic and agricultural conditions, prevailing and expected market conditions, the political climate and other significant sustainability matters. The committee is of the opinion that the company is a going concern and has consequently recommended to the board that the separate and consolidated financial statements be prepared in accordance with the going-concern principle.

**THE COMMITTEE SCRUTINISES
THE GOING-CONCERN
PRINCIPLE WHEN PREPARING
FINANCIAL STATEMENTS
AND ADVISES THE BOARD
IN THIS REGARD**

ACCOUNTING ESTIMATES AND ASSUMPTIONS

The committee is of the opinion that the material uncertainties relating to the preparation of the separate and consolidated annual financial statements have been reviewed thoroughly and that management's estimates and assumptions are reasonable, prudent and unprejudiced and that they have taken the available and applicable information into account.

CLASSIFICATIONS AND REPORTING DECISIONS

The committee is of the opinion that the classification of the company's investments in the equity instruments of other entities reliably reflects the relationship between the company and the entities concerned and that management's estimates and assumptions in its assessment of contingent liabilities are reasonable, prudent and unprejudiced, and have taken the available and applicable information into account.

KEY AUDIT MATTERS

The external auditor identified the the accounting treatment and valuation of grain trading contracts as financial assets and financial liabilities measured at fair value through profit and loss as a key audit matter. Although not classified as key audit matters, the auditor also pointed out certain other important issues, including the estimation uncertainty and judgements involved on grain inventory, revenue recognition, journals and derivative instruments. The committee took note of all these matters.

ASSOCIATES AND JOINT VENTURES

Although the committee is not responsible for performing the legally prescribed functions relating to the financial statements of associates and joint ventures, the committee nevertheless assesses the financial statements as well as the accounting policies and practices of these entities to ensure consistent presentation in and the integrity of the consolidated financial statements.

RECOMMENDATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR APPROVAL

The consolidated interim financial statements were published during December 2022. The committee is of the opinion that those financial statements fairly presented the financial position of the company on 31 October 2022, as well as its six-month performance to that date, that they are accurate and complete, comply with the provisions of the Companies Act, and have been prepared in accordance with the requirements of international financial reporting standards and the accounting policies of the company.

Consequently, the committee submitted the consolidated interim financial statements to the board for approval.

RECOMMENDATION OF THE FINANCIAL STATEMENTS FOR APPROVAL

The audit and risk committee is of the opinion that the separate and consolidated annual financial statements are a fair presentation of the financial position of the company on 30 April 2023 and its performance for the year then ended, are accurate and complete, comply with the provisions of the Companies Act, and have been prepared in accordance with the requirements of international financial reporting standards and the accounting policies of the company.

Consequently, the committee submitted these separate and consolidated annual financial statements to the board for approval.

DIRECTORS' REPORT AND SUSTAINABILITY INFORMATION

The committee is of the opinion that the directors' report and sustainability information discuss the business of the company, its sustainability matters, its goals, performance and corporate governance thoroughly; that such matters are accurate and complete; and that there are no inconsistencies with the separate and consolidated annual financial statements.

Consequently, the committee has submitted the directors' report and the sustainability information to the board for approval.



EXTERNAL AUDIT FUNCTION

In terms of the provisions of the Companies Act, the audit and risk committee is responsible for nominating an independent registered auditor annually for appointment as external auditor, for determining the audit fee and the terms of engagement of this auditor, for ensuring that the appointment of an external auditor complies with the applicable legislation, for determining the nature and scope of the non-audit functions that the external auditor may carry out, and for approving beforehand proposed agreements with the external auditor to perform non-audit functions.

The committee assessed the independence and the effectiveness of the external audit function, approved the audit plan of the external auditor, and ensured that the external and internal audit functions co-operate with one another. The assessment was carried out by reviewing the audit plan, discussions with the audit partner and consideration of audit findings reported during meetings.

AUDIT PLAN

The external auditor submitted its audit plan to the audit and risk committee for approval. The committee was satisfied that this plan would ensure a proper audit of the company and consequently approved the plan.

REPORTING AND AUDIT FINDINGS

The external auditor reports on its activities and audit findings at the committee meetings.

STATEMENT OF INDEPENDENCE AND COMPETENCE

In terms of section 94(7)(f)(ii) of the Companies Act of South Africa, Act 71 of 2008, it is stated that the committee is of the opinion that the external auditor, Deloitte & Touche, is independent of the company and that the auditor possesses the necessary skills, expertise and resources. The period under review was the first year audited by the current audit partner. The committee is satisfied with the effectiveness of the external auditor.

NOMINATION

The committee has nominated a new external audit firm, Deloitte & Touche, to replace the previous auditors, Pricewaterhousecoopers Inc., due to the mandatory firm rotation required by the Independent Regulatory Board for Auditors. The new auditor appointment was approved by the shareholders at the annual general meeting in September 2022. Deloitte & Touche will be nominated again as external auditors at the next shareholders meeting.

INTERNAL AUDIT FUNCTION

The committee is responsible for the internal audit function. Therefore, the committee is tasked with appointing the head of the internal audit function, assessing their performance and replacing or dismissing the head of the internal audit function. The authority, scope of internal audit activities and responsibilities of the internal audit function are set out in a formal charter.

The committee annually assesses the appropriateness of the charter and it is the committee's responsibility to ensure that the internal audit function adheres to the Institute of Internal Auditors' mandatory elements, which include the core principles of the professional practice of internal auditing, the code of ethics, the international standards for the professional practice of internal auditing and the definition of internal auditing.

It is the responsibility of the committee to ensure that the internal audit function follows a risk-based audit approach, has the necessary resources, budget and expertise, and is independent. The committee approved audit plans annually. Going forward audit plans will be approved every four months.

The head of the internal audit function has free access to the chairman of the committee and continually reports on their short- and long-term strategy, the effectiveness of the internal audit plan as well as the function's human and other resources, training needs, activities and audit findings at the committee meetings. To ensure direct and open communication, the head of the internal audit function has one-on-one meetings with the committee chairman prior to scheduled meetings and routinely during the year.

QUALITY REVIEW

It is the duty of the committee to ensure that the internal audit quality-assurance programme is designed in line with the Institute of Internal Auditors (IIA) International Professional Practices Framework, which includes the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics. The quality-assurance programme includes a review of every audit engagement, an annual internal review and an independent external quality review.

The first external assessment was conducted in September 2020 and the internal audit activity was assessed as generally conformant and efficient. An independent external quality review will be performed every five years.

CLOSED MEETINGS

According to its charter, the committee is obliged to discuss matters with the head of the internal audit activity in a closed session, without management being present. Such meetings are conducted on an annual basis. At the meeting, the committee makes enquiries to confirm that no inappropriate scope or resource limitations existed.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The audit and risk committee annually assesses the independence, efficiency, expertise and resources of the internal audit function. As part of the process, the committee expects the head of the internal audit function to confirm the function's independence in writing.

The committee believes that the internal audit function is independent, functions effectively and has sufficient resources. The committee is also of the opinion that the charter of the internal audit function is appropriate; that it adheres to the accepted principles of good corporate governance; that it takes into account the unique needs of the company, and thoroughly discusses the duties and responsibilities of the internal audit function.

ACCOUNTING POLICIES AND PRACTICES

The audit and risk committee assists the board in identifying appropriate accounting policies and deals with complaints pertaining to the financial statements or the accounting policies and practices that are received from external and internal sources of information.

INTERNAL FINANCIAL CONTROL SYSTEM

The audit and risk committee supervises the internal financial control system. The committee reviewed the formally documented assessment of the internal financial control system by the internal audit function, the audit reports of the internal and external audit functions as well as the assurance reports of management, and is of the opinion that the internal financial control system is effective.

RISK MANAGEMENT

It is the task of the audit and risk committee to oversee the risk management process and to advise the board on the process. In terms of this responsibility it is the duty of the committee to ensure that the risk management plan is formally documented; that the relevance and effectiveness of the risk management policy and plan are constantly assessed; that the implementation of and adherence to the risk management plan are controlled; that risk assessments are done on an ongoing basis, and that risks are managed within the allowable parameters.

The committee reviewed the formally documented assessment of the risk management process by the internal audit function, the audit reports of the internal and external audit functions as well as the assurance reports of management, and is of the opinion that the risk management process is effective.

FINANCIAL FUNCTION

The audit and risk committee is responsible for assessing and for satisfying itself regarding the expertise and experience of the chief financial officer and senior staff members responsible for the financial function, as well as the expertise, experience and resources of the financial function. The committee is of the opinion that the financial function is effective.

COMBINED ASSURANCE MODEL

It is the responsibility of the audit and risk committee to supervise the combined assurance model and to ensure that the combined assurance model is appropriate, efficient and cost-effective. The committee reviewed the effectiveness of the combined assurance model and is of the opinion that the combined assurance model is effective.

INFORMATION AND TECHNOLOGY (I&T) GOVERNANCE

I&T governance remains a key focus for the group, and the committee is responsible for information and communication technology (ICT) governance on behalf of the board. Management is responsible for executing on ICT governance. The Committee reviews their report, which includes the results of all review and testing conducted by management and internal audit, on an annual basis.

The Group has adopted a governance framework based on the Control Objectives for Information Technology (COBIT). Areas of ICT risks across the Group have been defined as part of the Group's overall risk management framework, and formal policies and procedures are documented and updated regularly for these areas. Cyber security has now become a key component of I&T governance and forms part of the Group's ICT governance and risk agenda.

SOLVENCY-AND-LIQUIDITY TEST

The board tasked the audit and risk committee with assisting the board in determining appropriate dividend distributions. The committee has to apply the solvency-and-liquidity test as part of its investigation into potential dividends and advise the board in this regard.

Thank you



Lemmer Vermooten
CHAIRMAN

03 July 2023

The report by the audit and risk committee was not audited or independently reviewed.

Risk MANAGEMENT

FOR THE YEAR ENDED 30 APRIL 2023



For the year under review, agricultural companies and farmers experienced a unique production year due to the above-average rainfall experienced during the planting season. The total rainfall for the season was 31,50% higher than in the previous crop production year.

The La Niña weather pattern that was experienced during the past three crop production seasons caused this above-average rainfall. For the coming production season, an El Niño weather pattern is predicted, which will cause less rainfall.

The above-average rainfall caused grade losses in crop harvests in certain areas. These grade losses caused lower commodity prices for grain producers. This was very challenging for grain producers, as the crop production input prices were at higher levels than in the past. The Ukraine/Russian war, the double control policy in China and higher diesel prices are some of the factors that contribute to the great rise in prices. The ongoing electricity and load-shedding crises also contribute to higher costs for agricultural companies and their customers.

The spillover effect of rising Brent crude oil prices is higher fuel prices, especially diesel, which is a large component of input costs for agricultural producers. This results in higher food prices, which, in turn, causes inflation to rise. When inflation increases, the interest rates also tend to increase. This is one of the measures from the Monetary Policy Committee (MPC) to get the inflation rate under control.

For the period after the Covid-19 pandemic until November 2021, the repo rate in South Africa was lowered to grant relief to South African citizens. In November 2021 the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB) started to increase the repo rate. For the financial year under review, the repo rate was increased six times by a total of 300 basis points. The repo rate at the beginning of the year was 8,25%, and as at 30 April 2023 the repo rate was 11,25%. According to experts, further increases are expected.

The uncertainty of a continuous onslaught from the government to amend section 25 of the Bill of Rights to legally expropriate land without compensation is still a risk of high concern.

No company can operate in a risk-free environment. As such, NWK aims to be ahead of the curve and to actively manage its risks via the enterprise risk management (ERM) framework. The framework serves as a platform for management to proactively manage the uncertainty experienced in the agricultural environment. In addition, the ERM framework enables management to exploit opportunities that arise from associated risks.

THE ROLE OF RISK MANAGEMENT

Risk management is not intended to impede business, but to assist management in the pursuit of their achievement of strategic goals. Therefore, the company strives to embed supporting and viable solutions into its culture to remain effective at risk management.

Risk management involves achieving an appropriate balance between identifying opportunities while minimising the adverse impacts of risks and, in turn, realising an acceptable level of value.

The company's risk management process is indistinguishably linked to strategy formulation and execution to optimise the risk-return profile of the business, decrease earnings volatility, reinforce management's confidence in business operations and risk monitoring, improve the transparency of decision-making, and maximise profitability. Achievement of the above will lead to an improvement of market and brand reputation, reduce risk premiums, and lower cost of capital when approaching debt and capital markets.

As for the shareholders, a lowered risk premium translates into potentially higher distributable earnings, thus enhancing shareholders' value.



RISK MANAGEMENT PHILOSOPHY

The risk management process is overseen by the board as an element of good corporate governance (King IV™, Principle 11). The board determines the strategy of the company and controls its implementation, therefore the board – even though certain functions are delegated to management – is liable and responsible for risk management. The board is actively involved in identifying and checking key risks, determining the company's risk appetite, identifying the appropriate risk management policy, and approving the risk management plan.

NWK recognises that risk management is not just the responsibility of the board, but rather the responsibility of everyone within NWK. Instead of being an independent, stand-alone process, risk management is integrated into business processes, including but not limited to, strategy development, business planning, capital allocation, investment decisions, internal control, and day-to-day operations.

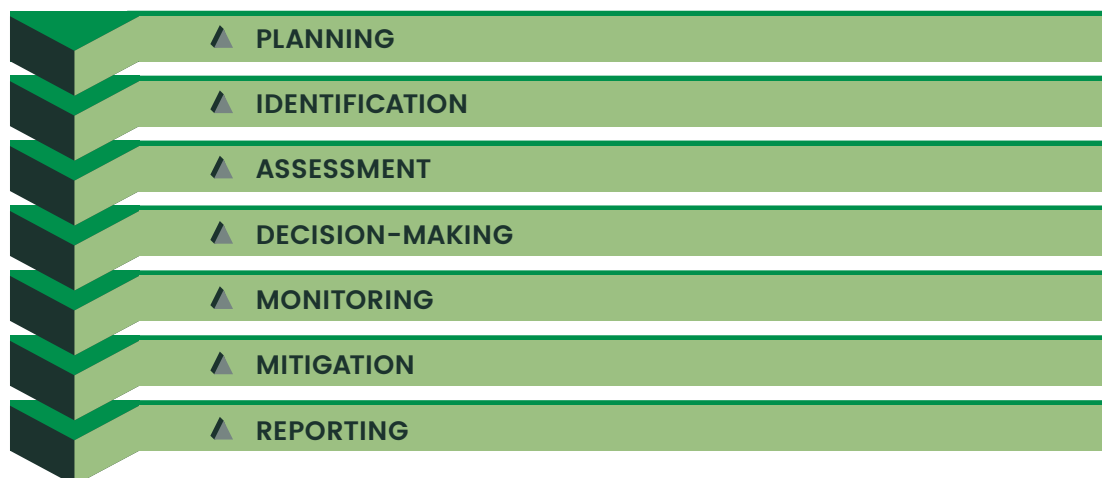
RISK MANAGEMENT FRAMEWORK



Management is responsible for the day-to-day management of the company. The chief executive officer (CEO) is responsible and accountable for the operational activities and achievements of the company, and therefore the responsibility for risk management is delegated to the CEO and his management team. The board expects management to develop an appropriate risk management plan and submit it to the board for approval.

Furthermore, management should document, implement and maintain the risk management plan and assess its effectiveness annually. They should develop systems for monitoring adherence to acts and regulations, appraise the effectiveness of these systems annually, perform a formal risk analysis annually, manage risks within the allowable parameters, and continually communicate the risk management policy and plan to employees so that risk management becomes an integral part of every employee's work practices. Managers should also regularly and with appropriate intervals report on the company's risks and their management.

THE RISK MANAGEMENT PROCESS



RISK IDENTIFICATION

The significant risks to which the company is exposed due to the nature and scope of its business have been identified, documented and, for management purposes, classified into appropriate risk categories. A risk weighting is performed on identified risks, based on the probability that the risk will realise, the possible influence of the risk, and the established control measures to limit the risk.

The company's risk framework encompasses four distinct categories:

STRATEGIC RISK

A strategic risk is an event that could inhibit an organisation's ability to achieve its strategic objectives. The way the board and management choose to approach such strategic risks establishes the organisation's risk management philosophy and culture. The risk philosophy and culture adopted are also influenced by the company's vision, mission, objectives and values, which likewise define the company's risk appetite and risk tolerance.

OPERATIONAL RISK

Operational risks are identified in the same manner as strategic risks – in other words, the same methodology applies. However, due to the nature of the operational risks, they are managed more intensively. The key operational risks identified are assessed by their probability as well as their potential impact on the organisation. Strategies are pinpointed to mitigate the impact of the risks, if and when they arise. Risk management strategies focus on one of four approaches: control, transfer, tolerate or terminate.

REPORTING RISK

Reporting risk is the risk that financial information is inadvertently altered or intentionally manipulated. Management has established systems of internal control to provide reasonable assurance of the validity, accuracy, comprehensiveness and timely accumulation of financial data. Such internal controls are subject to an independent assessment by an internal audit when performing regular business process reviews. Furthermore, a measure of reliance is placed on the external auditor to confirm the fair presentation of the financial information at a statutory reporting level.

COMPLIANCE RISK

Compliance risk involves the primary legislation affecting the group. These risks are identified and documented by the company's compliance officer with the assistance of legal counsel where necessary. The purpose is to determine responsibility within management for compliance with the legislation that impacts the group.

RISK RATING – TOP TEN RISKS

The likelihood and impact values are multiplied to display the inherent risk (impact x likelihood = inherent risk). Specific control measures are then applied to each risk to determine the actual residual risk level to which the group is exposed.

RISK MOVEMENTS

■ UNCHANGED
 ▲ RISK HIGHER
 ▼ RISK LOWER
 ● NEW RISK

NO.	RISK	RISK DESCRIPTION	MITIGATING MEASURES	RISK MOVEMENT FROM 2022
1	Legal risk	Reputational damage, possible jail time and fines	<p>A compliance officer, in collaboration with departmental compliance officers and the group company secretary, monitors and mitigates the risks associated with laws and regulations.</p> <p>Compliance is closely monitored and reported to management, the social and ethics committee and the board, including reporting on relevant legislative amendments, outstanding compliance actions, risks of non-compliance and notices received from relevant regulators or state departments and associated corrective measures, including the drafting, updating and implementation of compliance process documentation under the guidance of the compliance officer.</p> <p>The compliance function has drafted and is in the process of implementing a compliance function maturity model, compliance policy and compliance framework. The compliance committee charter has been updated in line with generally accepted compliance practice and King IV™ reports.</p> <p>The compliance officer drafts and implements an annual compliance training plan and the status of such training and awareness is reported to the compliance committee, management and the social and ethics committee.</p>	■
2	Operational risk	Epko Oil Seed Crushing (Pty) Ltd: The risk of experiencing downtime arising from poor service delivery in the form of electricity disruptions, which can adversely affect our operations	To address this risk, we have implemented alternative power-generation measures to ensure uninterrupted operation during electricity outages. These measures include diesel-run backup generators that can provide electricity during periods of service interruption.	●

NO.	RISK	RISK DESCRIPTION	MITIGATING MEASURES	RISK MOVEMENT FROM 2022
3	Operational risk	Epko Oil Seed Crushing (Pty) Ltd: The risk of production loss arising from potential breakdowns of machinery within the operational processes	<p>To mitigate this risk, we have implemented two primary measures. Firstly, we employ preventative maintenance protocols to ensure regular inspections, servicing and upkeep of our machinery. This proactive approach helps to identify and address potential issues before they escalate into significant breakdowns, minimising the risk of production disruptions.</p> <p>Secondly, we maintain critical spares on hand to enable immediate repairs in the event of machinery breakdowns. By having these essential components readily available, we can swiftly restore functionality and minimise the downtime associated with equipment failures.</p>	●
4	Legal risk	Non-compliance with and non-adherence to legislation, with specific reference to information technology	<p>Legal issues such as licensing as well as operational functions can cause a possible shut down of the business for several days. There is also ICASA legislation that has to be adhered to, where non-compliance can result in significant fines per offence, depending on the impact assessment done by ICASA.</p> <p>These risks are mitigated by the regular reviewing of licence policies and legislation by the legal team and the compliance division. There are also compliance responsibilities regarding the safety of the IT technicians that have to be adhered to. Therefore, IT technologists have an annual health check and safety training. There is also an annual safety and compliance assessment for the technologists.</p> <p>Access controls (site-specific) are also in place to help mitigate this risk.</p> <p>Network: A firewall is in place to regulate accessible websites and domains. There is up-to-date malware and anti-virus protection and live monitoring of network traffic in place.</p> <p>Email backups are being done with a 60-month archive.</p> <p>There are also regular reviews to ensure compliance with the IT framework (COBit) and the ISO 27001 standards.</p>	■
5	Operational risk	The risk of losing market share base due to competitor activity	<p>To maintain market share, NWK believes in its client-orientated focus and resolves possible issues with customers on a timely basis via the CRM portal. Regular communication with the sales teams and continuous reviews of weekly sales reports are also measures put in place to proactively act on possible issues regarding market share. Updated guidelines are also communicated to the sales representatives to ensure a stable market share.</p>	■

NO.	RISK	RISK DESCRIPTION	MITIGATING MEASURES	RISK MOVEMENT FROM 2022
6	Political risk	Deterioration of market conditions	To a certain extent, the risk has to be accepted. However, the supply of farming equipment is closely monitored, and with the expansion to new areas, the market share could be retained. The offering of new farming technology through our product range also promotes the management of this risk.	↓
7	Market risk	Epko Oil Seed Crushing (Pty) Ltd: The risk of not realising expected crush margins arises from market price movements and currency fluctuations	A commercial committee provides oversight of the trading function and assesses the appropriateness of our trading strategy in response to changing market conditions. In addition, a dedicated trading team executes the necessary hedging activities within the management-set mandate, protecting against adverse market movements and currency fluctuations.	↓
8	Weather and climate risk	Unfavourable climate conditions may have a negative impact on the risk profile of the debtors book (yield and price volatility)	Continuous communication with our clients and follow-up on payments due, and close monitoring of weather and climate conditions are being used to manage this risk.	■
9	Political risk	Municipal service delivery and the unavailability of electricity and diesel	With the current situation South Africa is facing continuous electricity load-shedding and poor service delivery on basic infrastructure, alternative power supply sources have to be put in place. Power loss and notification systems are in place to monitor the fluctuations in electricity. An inverter that is installed at head office with failover switches and UPS systems are mitigation measures to ensure continuous service to our clients and workforce. These systems are inspected weekly.	↑
10	Operational risk	Cyber security (ransomware and virus attacks)	This risk is mitigated by firewalls and email filters to prevent attacks. There is also a backup system in place to store critical data on a central storage unit to prevent the loss of data. Live monitoring is also performed through desktop central.	↓



Pieter Kleingeld
GROUP CHIEF FINANCIAL OFFICER (NWK LIMITED)

13 July 2023

Report by the Human CAPITAL committee

FOR THE YEAR ENDED 30 APRIL 2023

PREAMBLE

On behalf of the human capital committee, I am pleased to present the report of the human capital committee for the 2023 financial year. All our stakeholders experienced challenges on a number of fronts and we had to be responsive in motivating, rewarding and retaining high-performing employees.

The remuneration philosophy and reward principles have remained consistent and we continue to focus on maintaining the long-term sustainability of the group and achieving balance for all stakeholders by setting appropriate performance targets that are aligned with the strategy and business objectives of the NWK group.

GOVERNANCE

The human capital committee is a committee of NWK Holdings Limited that attends to the mandated affairs of the NWK group and, as such, reports to the boards within the group. Committee members are appointed by the board of NWK Holdings Limited and the human capital committee has the powers, duties and responsibilities as stated in the King IV™ report on corporate governance for South Africa. Please refer to the corporate governance report contained in this annual report for other governance-specific matters relating to the human capital committee.

The committee is tasked, among other things, with assisting the boards of the subsidiaries of NWK Holdings Limited to ensure that the group remunerates fairly in accordance with principle 14 of King IV™. The committee further assists the board in ensuring that the remuneration policy of the group aligns with the business strategy, complies with all relevant legal requirements and meets best practice standards.

During the 2023 financial year, the human capital committee was tasked mainly with the affairs of its major subsidiary, NWK Limited. From 30 April 2023 Epko Oil Seed Crushing Proprietary Limited is a wholly owned subsidiary of the group, and from 1 May 2023 NWK and IP Makelaars Proprietary Limited is a subsidiary of the group. The committee will in the coming year also perform its applicable duties and responsibilities in this regard.

BACKGROUND STATEMENT

The approach of the NWK group to remuneration is to promote the achievement of the strategic objectives while considering the management of risk of the company and encouraging individual performance through the setting and administration of a group policy and to give effect to fair, responsible and transparent remuneration.

The Remuneration Report for the 2023 financial year provides our shareholders with a comprehensive and transparent account of the remuneration policies and practices of the group. It details the structure and design of how our board and the executive teams of its subsidiaries are remunerated and outlines the link between remuneration, performance, and the group's strategic objectives.

REMUNERATION PHILOSOPHY FOR EMPLOYEES

The group's remuneration philosophy is to attract the best suitable people who can associate themselves with the group's goals and fit in with the organisation's culture, values and philosophies, to compensate at market-related rates and recognise contributions to the organisation's goals in order to retain critical talent. The group strives to inspire ownership and leadership by providing a working environment that stimulates excellent performance. Continuous developmental opportunities are provided to create a culture of lifetime learning.

KEY ELEMENTS OF THE REMUNERATION PACKAGE

TGP (TOTAL GUARANTEED PACKAGE)

The group mainly compensates employees on a total cost to company principle. The total guaranteed package (TGP) includes basic salary (cash), employer pension/provident fund contributions and a guaranteed bonus of 8,33%.

PGV (PENSIONABLE REMUNERATION)

The PGV (pensionable remuneration) includes basic salary (cash), pension/provident fund employer contributions and a travel allowance for employees in job grades 13 and higher.

NWK'S POSITIONING IN THE MARKET

The group participates annually in remuneration surveys and does benchmarking on positions and remuneration practices with 21st Century and Emergence Growth, based on the preceding six month's information regarding the levels of remuneration and benefits of competitors in the agricultural sector and on national level.

Although affordability is important, greater flexibility is built in to pay market-related remuneration to attract and retain critical employees without whom the employer cannot successfully continue.

DETERMINATION OF REMUNERATION AND PAY SCALES

The group uses market-related pay scales per job grade and remuneration for appointments and promotions are determined on the basis of qualifications, experience and predetermined criteria to ensure that remuneration stays market-related.

REMUNERATION ADJUSTMENTS

The recommendations for possible remuneration adjustments are based on grounds of economic trends (inflation and labour trends), market surveys and affordability for the group.

The group operates within the sphere of the bargaining councils for the grain industry and the motor industry and annual remuneration adjustments for employees in job grade 1 to 11 are determined through collective negotiations.

With the assistance of the human capital committee, the board of directors annually grants a mandate for negotiations and also approves the group employees' remuneration adjustments.

PERFORMANCE REMUNERATION

The group is committed to being a performance-driven organisation. The performance management process that has been implemented provides that goals are contracted with management annually.

The NWK group promotes the use of a balanced mix of financial and non-financial key performance indicators to assess performance.

- ▲ Financial key performance indicators include metrics such as revenue, operating profit and return on capital employed.
- ▲ Non-financial key performance indicators focus on strategic objectives such as customer experience, talent development and environmental sustainability.

PERFORMANCE BONUS (SHORT-TERM INCENTIVE AND LONG-TERM INCENTIVES)

Various incentive structures exist within the NWK group. The short- and long-term incentive schemes are currently used as incentive and performance remuneration if the group's goals are reached in accordance with the approved policy. The payment of these incentives is based on the performance of the business and the individual.

The incentive structure for executive directors and senior executives varies across the group and is designed to balance short-term operational performance and long-term sustainable shareholder wealth.

COMMISSION

Commission is paid to categories of employees in the NWK group where this is customary and the trend in the market.

BENEFITS FOR EMPLOYEES

PROVISION FOR RETIREMENT BENEFITS

The group provides retirement benefits in the form of participation in a private pension fund or a central bargained provident fund. All permanent employees have the choice at appointment to participate in one of these funds.

PROVISION FOR MEDICAL DISABILITY BENEFITS

Disability benefits are provided in the form of income continuation policies for members of the pension and provident funds. The schemes provide a monthly income if the member becomes medically disabled for his/her job.

GROUP INSURANCE SCHEMES

The NWK group pension and provident funds offer retirement and death benefits to members. Members of the pension fund can participate in a voluntary group insurance scheme that offers flexible insurance options.

MEDICAL SCHEMES AND MEDICAL INSURANCE

Employees of the NWK group are offered a range of medical scheme options under the five top-rated medical schemes in South Africa. An annual health day is held to ensure employees receive appropriate advice and information to make an informed decision.

The NWK group also implemented two medical insurance products that provide employees with basic healthcare where a medical scheme is unaffordable.

RETIREMENT SEMINARS

Retirement seminars are annually presented by expert consultants to assist employees with planning for their retirement in advance and make the necessary provision for retirement. Employees are also provided with "Fresh from the Press" information to manage their retirement portfolios.

REMUNERATION PHILOSOPHY FOR NON-EXECUTIVE DIRECTORS

The remuneration for the board of directors and non-executive board committee members of the group are considered at least once a year based on the remuneration philosophy and market-related research. The remuneration of non-executive board members is subject to shareholder approval at the annual general meeting.

ANNUAL REMUNERATION REPORT FOR 2023/2024

A remuneration mandate for the annual increase effective 2023-05-01 was recommended by the human capital committee to the relevant board(s) for approval, and was so approved, resulting in an average increase mandate of 6,67% for the 2024 financial year.

Salary scales are normally presented to the human capital committee annually for recommendation to the board and the salary scales for 2023/2024 were approved by the board(s) for implementation.

FOCUS AREAS FOR THE 2023/2024 FINANCIAL YEAR

The human capital committee is committed to ensuring that the group's remuneration policy, practices and decisions support the group in achieving its strategic business objectives and that a fair and balanced remuneration mix is achieved.

The committee will continue to focus on ensuring that top talent and critical skills specialists and key employees are retained and attracted. The committee will also focus on enhanced reporting in relation to the remuneration aspect and enhanced King IV™ compliance. The committee is also closely monitoring the draft amendments to the Companies Act No. 71 of 2008 and will align itself accordingly.



Christo van Niekerk
CHAIRMAN

13 July 2023

Social and ethics COMMITTEE report

FOR THE YEAR ENDED 30 APRIL 2023

INTRODUCTION

The board recognises the responsibility of the company to conduct its affairs with prudence, transparency, accountability, fairness and in a socially and environmentally responsible manner. It is within this context that the social and ethics committee assists the board with monitoring and reporting on social, ethical and transformational practices that are consistent with good and responsible corporate citizenship. The social and ethics committee is also responsible for overseeing compliance with the relevant legislation applicable to the NWK group.

The social and ethics committee operates under terms of reference, which ensures that its statutory responsibilities are aligned with the requirements of the Companies Act and King IV™ Report. The terms of reference were reviewed and updated during the reporting period and approved by the board, ensuring that the terms of reference comply with all regulatory and legislative guidelines and that the social and ethics committee performs its duties.

The mandate of the committee is to:

- ▲ Monitor compliance of the NWK group with relevant social, ethical and legal requirements (economic social and governance – ‘ESG’).
- ▲ Bring any relevant matters within the scope of its mandate to the attention of the board.
- ▲ Report to shareholders on matters that fall within the scope of its mandate.

The NWK group subscribes to the following areas of social responsibility and relevant standards:

- ▲ Social and economic development (relevant standards: United Nations Global Compact, recommendations on corruption by the Organisation for Economic Co-operation and Development (OECD), Employment Equity Act, and the Broad-based Black Economic Empowerment Act).
- ▲ Good corporate citizenship (including promotion of equality, prevention of unfair discrimination, reduction of corruption; contribution to community development; sponsorships, donations and charitable giving; environment, and health and public safety).
- ▲ Impact of the activities, products or services of the NWK group on communities.
- ▲ Consumer relationships (including advertising, public relations and compliance with consumer protection laws).
- ▲ Labour and employment (including employment relationships and contributions towards the educational development of employees. Relevant standards: International Labour Organisation Protocol on decent work and working conditions).

CODE OF ETHICS

The King IV™ Report recommends that the board govern the ethics of the company and the group in a way that supports the establishment of an ethical culture.

The NWK group subscribes to the highest ethical standards and behaviour in conducting its business and related activities. The group has a zero-tolerance policy with respect to employees, contractors or suppliers committing or concealing fraudulent acts. NWK continues to make use of a Whistle Blower Hotline (number: 0800 20 26 06) as a means of reporting possible fraudulent activities.

All employees are encouraged to report fraudulent activities in good faith and are made aware of the Protected Disclosures Amendment Act and the Witness Protection Act in the induction programme to encourage employees to report suspected fraudulent activities.

During the reporting period, five calls were received on the Whistle Blower Hotline. These calls were investigated and were addressed appropriately. No significant theft or fraudulent activities were reported.

The NWK group Assurance Services reports fraud incidents to the audit and risk committee and should significant issues arise, will also report to the social and ethics committee. Stakeholders are advised that the Code of Ethics Policy is available on the NWK group's website at nwk.co.za.

COMPOSITION AND FUNCTIONING OF THE SOCIAL AND ETHICS COMMITTEE

Best practices suggest that a majority of members of the social and ethics committee should be non-executive members. Having considered the size of the NWK group and the operational expertise required from its executive directors for the operational execution of the social and ethics committee's mandate, the social and ethics committee consists of two executive and four non-executive directors. For the year under review, the committee was chaired by a non-executive director.

The current members of the social and ethics committee are as follows:

- ▲ J Mahne, non-executive director
- ▲ AS Badenhorst, non-executive director (appointed September 2022)
- ▲ JJ du Preez, non-executive director
- ▲ MW Schoeman, independent non-executive director
- ▲ DPG Kleingeld, group chief financial officer
- ▲ TE Rabe, group chief executive officer

The following employees attend the social and ethics committee by invitation:

- ▲ Assistant manager of Audit and Advisory – A Marais
- ▲ Director of economic development – TB Modise
- ▲ Group manager of Assurance Services – J Mathews
- ▲ Group manager of Corporate Marketing and Communication – JJ Bezuidenhout
- ▲ Group manager of Human Capital – DJ Coetzee

The NWK group secretary is tasked with the responsibility of secretary of the social and ethics committee. The social and ethics committee brings any relevant matters within the scope of its mandate to the attention of the board. After each meeting, the chairperson submits a formal report on all matters within the duties and responsibilities of the committee to the board. The social and ethics committee makes recommendations to the board on any area within its mandate that members deem appropriate and where action or improvement is required.

During the period under review, the social and ethics committee executed its duties in accordance with the terms of reference.

**THE SOCIAL AND ETHICS
COMMITTEE BRINGS ANY
RELEVANT MATTERS
WITHIN THE SCOPE OF
ITS MANDATE TO THE
ATTENTION OF THE BOARD**

MEETINGS

The social and ethics committee met twice during the year under review – on 26 May 2022 and 22 September 2022. Members attended these meetings and contributed effectively to the deliberations and the committee discharged its responsibilities within its mandate.

KEY ACTIVITIES DURING THE REPORTING PERIOD

The following activities during the reporting period should be noted:

The NWK group:

- ▲ Performed extensive risk assessments based on a risk-based approach for purposes of the controlled removal of asbestos.
- ▲ Launched the Leaders in Agriculture Programme to prepare leaders for functioning in the community and to possibly serve on the board of NWK.
- ▲ Continued to explore possibilities of getting involved in larger emerging farmer projects by recruiting stakeholders who will be interested in partnering with NWK.
- ▲ Embarked on a process for the revision of NWK's Employment Equity Plan.
- ▲ Expanded its capability to provide shareholders with assistance for the completion of registration on A-trade.
- ▲ Investigated an appropriate structure for a B-BBEE transaction for purposes of fuel retail licenses.
- ▲ Investigated alternative energy sources for NWK. In November 2022, the board approved the installation of six solar PV systems with a generation capacity of 1,9 megawatt-hour in total.

The social and ethics committee:

- ▲ Compiled an Annual Plan (2023) for the committee based on the areas to be monitored by the committee in terms of the revised charter and statutory obligations.
- ▲ Performed an internal evaluation of the committee, which will also be used as the basis to determine the future focus of the committee.
- ▲ Reviewed the Risk Management and Compliance Programme in terms of the Financial Intelligence Centre Act, No. 38 of 2001 (FICA).
- ▲ Reviewed the Workplace Skills Plan and the Annual Training Report.
- ▲ Reviewed the report on the performance of an ergonomic risk assessment by an inspection authority approved by the Association of Inspection Authorities (AIA), and incorporated control measures and other requirements for establishing an ergonomics programme in the NWK group.
- ▲ Reviewed and recommended the updated Code of Business Conduct and Ethics.
- ▲ Reviewed an internal audit report on the governance of the committee in order to ensure that the King IV™ objections and the stipulations of the Companies Act and Regulations ('the Act') in relation to the social and ethics committee were complied with. The conclusion was that the applicable King IV™ principles had been applied and that the Act had been complied with.
- ▲ Reviewed the Transformation Report on NWK's progress with transformation.
- ▲ Reviewed the updated PAIA Manual in terms of the Promotion of Access to Information Act, No. 2 of 2000.
- ▲ The NWK environmental officer presented the environmental risk register following consultation with the Risk Department.
- ▲ Reviewed and recommended the updated charter of the management compliance committee.
- ▲ Reviewed the Corporate Social Responsibility Report, Communication with Stakeholders Report, Compliance Report, Responsible and Transparent Tax Practices Report, Customer Relations Report, Ethics Report and Fraud Risk Management Report.
- ▲ Monitored the Tip-Offs Anonymous reports received from third-party whistleblowing reports. No incidences of significant fraud or theft were reported.
- ▲ Reviewed the Corporate Social Responsibility reports detailing the various initiatives that the NWK group supports.
- ▲ Reviewed the charter of the social and ethics committee.

The social and ethics committee is satisfied with the NWK group's progress in the areas of its ESG mandate, and in particular with the continued efforts to engage actively with the local and provincial government, including the North West Department of Public Works, Roads and Transport with the objective of providing assistance to the provincial government to make the province's dirt roads more accessible.

The committee determined that, during the financial year under review, it had discharged its statutory duty and other responsibilities as outlined in the South African Companies Act and in terms of its board-assigned mandate. The social and ethics committee will continue to strive to contribute to the overall sustainability of the NWK group, including improved compliance risk mitigation, ethics management, stronger stakeholder relations and ensuring continued trust from the communities we serve.

FUTURE FOCUS

The social and ethics committee is aware that its function will continue to evolve as it addresses the responsibilities within its mandate and that management's responses will also adapt to relevant changes in the environmental, social and governance agenda. The following key activities are planned for the 2024 reporting period:

- ▲ ESG portion of 2024 Annual Report.
- ▲ Establishing ESG reporting and measurement metrics in consultation with stakeholders over the course of the 2023/2024 calendar year, focusing on appropriate and relevant (limited and focused) measurement and refraining from theoretical measurements.
- ▲ Reporting of suspicious and unusual transactions as required by FICA has been identified as an area for improvement and is receiving attention.
- ▲ Reviewing and, where appropriate, aligning with Sustainability and Climate Disclosure Guidelines published by the JSE.
- ▲ Expansion of the Code of Business Conduct and Ethics pertaining to suppliers; reviewing and following up on the implementation of various activities in the 2023 financial year reporting period.
- ▲ Enhancement of ethics training for staff members.
- ▲ Continued focus on enhancing compliance, where applicable, across the NWK group with the data protection law (Protection of Personal Information Act, POPI Act).
- ▲ Support of leadership in agriculture programmes to promote the development of the skills of identified potential leaders in the agricultural environment so that they can hold potential leadership roles on agricultural forums, farmers' associations and as board members of agricultural and other private companies.

In conclusion, I am pleased to report on activities of the social and ethics committee and confirm NWK's integrated approach to Environmental, Social, and Governance (ESG) activities. NWK's commitment to sustainable and responsible business practices is evident from the additional reports provided on Corporate Social Responsibility (Page 189), Stakeholder Engagement, and other matters covered under Miscellaneous Matters (Page 194).

NWK's integrated approach to ESG reflects NWK's dedication to creating long-term value for all stakeholders, including shareholders, employees, customers, communities, and the environment. By considering the broader impact of our operations and decisions, NWK strive to foster sustainable growth and positive societal contributions.

I would like to take this opportunity to express my appreciation to the members of the executive, particularly the group ceo and the group company secretary and the head legal counsel. Their valued contributions and unwavering support have been instrumental in enabling the social and ethics committee to function effectively. Their commitment to upholding ethical standards and driving social responsibility initiatives has been invaluable to our organization.

I extend my gratitude to the entire executive committee and the dedicated team members who have actively participated in various ESG initiatives and worked diligently to ensure compliance with ethical and legal requirements. Furthermore, I would like to acknowledge the collaborative efforts of NWK's stakeholders, including shareholders, employees, customers, suppliers, and the wider community.

As NWK move forward, we remain committed to continuous improvement and ongoing dialogue with our stakeholders. We recognise that sustainable business practices are essential for long-term success and the creation of shared value. We will continue to focus on integrating ESG considerations in a practical manner.



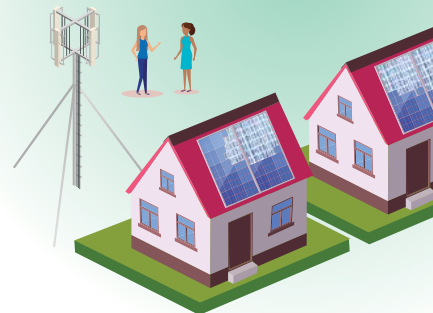
Marius Schoeman
CHAIRMAN

13 July 2023



Corporate SOCIAL responsibility

FOR THE YEAR ENDED 30 APRIL 2023



For NWK it is of the utmost importance to be sustainably involved in the communities in which it operates. With the expansion of NWK's footprint through its NWK Retail and Mechanisation outlets, the responsibility is increasing to improve the lives of communities across NWK's operating area.

NWK strongly believes in investing in educating the youth, as they are future clients, employees and even leaders of the company.

NWK has been partnering with the North-West University's Potchefstroom Campus for the past twelve years to present the Ikateleng (meaning 'to empower yourself' in Setswana) Project. The project has been running for 33 years and has given students from grades 10 to 12 the edge to not only pass matric with distinction, but to excel in their tertiary-education studies and pursue ambitious and successful careers.

Educators provide additional classes in subjects like Mathematics, Accounting, Physical Sciences and English, enabling learners to achieve better results in order to qualify for a tertiary education.

The school career of the matriculants of 2022 was difficult during the Covid-19 pandemic. Despite this, they managed to achieve a pass rate of 80,1%. The top 21 matriculants in the Ditsobotla sub-district were honoured at a function hosted on 31 January 2023 in collaboration with the North-West Department of Education, where they each received a brand-new laptop from NWK.

NWK has been involved in the sponsorship since 2013/2014. To date, 187 laptops valued at more than R1,7 million have been donated. What makes this sponsorship even more valuable to NWK is the fact that some of these matriculants are the products of the Ikateleng Project.

Keamogetswe Pelele from JM Lekgetha Commercial School was ecstatic to receive a laptop. 'I can't believe it! It wasn't easy. I am very happy. I'm proud of myself for working so hard and not giving up. This will help me tremendously in my studies.' She is embarking on a BCom degree, specialising in Human Resources, at the University of Johannesburg (UJ).

NWK's annual School Shoe Project, through which disadvantaged primary school pupils in the Ditsobotla area receive brand-new school shoes, socks, beanies, shoe polish and brushes, took place in July 2022.

About 500 learners from four schools in the Coligny and Lichtenburg areas received these donations, enabling them to attend school with dignity. Since the launch of the project in 2012/2013 in collaboration with the Department of Education, more than 5 000 learners have benefited from the project.

During this time, NWK was also involved in various other community projects, including the following:

In June 2022, NWK and the provincial government joined hands and launched a project through which about 400 km of gravel roads leading to NWK's silo complexes were graded to make them more accessible.

This followed years of negotiations, after which NWK finally signed a memorandum of understanding with the provincial Department of Public Works, Roads and Transport, granting NWK the necessary authorisation to work on these roads.

Roads in the areas of Kameel, Rostrataville, Sannieshof, Boschpoort, Coligny, Grootpan, Lusthof and Taiboschpan were graded.

Not only did NWK's farmer customers benefit from this initiative, but school pupils and labourers frequenting these roads to and from work and school can now travel with greater ease.

This year, about 1 400 km of gravel roads leading to NWK's silos are again being graded to enable the easy transport of harvested grain.

The second phase of this project kicked off on 13 March 2023 and the total cost involved is estimated at about R1,4 million. Roads in the Oppaslaagte, Delareyville, Kameel, Geysdorp, Sannieshof, Coligny, Bodenstein and Koster areas are receiving attention during this phase.

Another major event on NWK's marketing calendar is the annual Grip4Charity Golf Day.

Hosted for the first time in 2006, this charity event has raised R2,4 million for 31 beneficiaries throughout the years. The two beneficiaries of 2022 – Rusoord Ouetehuis Vryburg and Brits Rusoord – received their donations, valued at R145 000 each, on 24 February 2023. This would not have been possible without NWK's good working relationship with its suppliers.

NWK is also assisting Lichtenburg Dierewelsyn on a monthly basis and sponsors cat and dog food for our four-legged friends that are being sheltered here. We have taken this sponsorship, initiated in 2015/2016, a step further since 2022 by sponsoring the Lichtenburg Toyota Night Race in aid of this animal welfare organisation.

On 3 March this year NWK sponsored an outside broadcast by OFM at this event, which turned out to be a huge success. An amount of R65 000 was raised and 1,65 tons of pet food were collected – the result of a great team effort by the community.

Several soccer teams in our operating area received soccer uniforms, which enabled them to proudly participate in their respective soccer leagues.

NWK assisted schools with the upgrading of infrastructure such as borehole pumps and cables. In 2022 we were again involved in the Hart en Hande project of Hoërskool Lichtenburg, through which sanitary products and food parcels were distributed among disadvantaged pupils.

The Itsoseng Eagles Cricket Club, which is affiliated with North West Cricket and participates in the Promotion League, has received cricket equipment such as pads, batting and wicketkeeper gloves, cricket helmets and cricket balls.

During May 2022, NWK collaborated with the North West Department of Agriculture and Rural Development to provide 10 beehives to beekeepers.

In October 2022, NWK was one of the sponsors during the 21st National Agricultural Youth Show that was held at the Lichtenburg Show Grounds. The North West Youth Show acted as the host of the event and walked away with the laurels.

NWK was involved in the Agri Securitas Trust Golf Day hosted by Agri SA in October 2022 and made a financial contribution of R100 000 towards the trust. The trust fund focuses on making financial assistance available to farming communities to improve their safety.

The dilapidated state of roads in NWK's operating area is a massive risk to the company's clients and employees. In January 2023, NWK donated tar and local farmers provided labour to repair potholes on the Ottosdal/Klerksdorp road, the P172/2 road from Zeerust to Koster, as well as the Boschpoort tarred road, in preparation for the annual Ottosdal Draf en Trap – a night running and cycling event that is a massive tourism and economic boost to the area.

This project alone required 700 bags of tar, of which 300 bags were donated by the community.

**NWK STRONGLY BELIEVES
IN INVESTING IN EDUCATING
THE YOUTH, AS THEY ARE
FUTURE CLIENTS, EMPLOYEES
AND EVEN LEADERS OF
THE COMPANY**



NWK extended a helping hand to Athletics Central North West during March/April 2023 by sponsoring golf shirts for the officials during Athletics SA's Senior Athletics Championships held in Potchefstroom. The championships were also broadcast on national television.

NWK has been supplying the Delareyville Laslappie Project with resources like fabric, scissors, sewing machines and cutting boards for several years now. Initiated by members of the North West Women's Agricultural Union, the project aims to uplift women in the local community by teaching them valuable sewing skills. They are taught to make quilts, bags and slippers that they can sell to generate an additional income.

Community Provision and Social Services in Edenvale provide a dignified, homely environment for abused and abandoned women and children. NWK helped with the provision of groceries and toiletries for the children during March 2023.

NWK has also been involved with Thusanang Trauma Centre in Lichtenburg for several years now. The organisation was initiated by community members who were concerned about escalating cases of gender-based violence in Ditsobotla, especially in Blydeville. Last year, NWK provided a generator, water tank, garden tools and seeds to get their green garden going.

The Lichies Omgee town cleaning action involves tasking a group of disadvantaged volunteers once a month to pick up rubbish in a certain area in Lichtenburg. NWK supplies these volunteers with NWK Retail shopping vouchers that they can use to buy groceries.

Emrike Leersentrum is a private home-education centre for learners with learning difficulties, as well as for learners with any special needs. It was founded in May 2019 and is growing at an incredible rate, since it is the only school in the area that can cater to these learners' special needs.

The centre has expanded a lot since 2019 and the construction of extra classrooms has become a matter of urgency. To this end, NWK provided building material for the construction of extra classrooms.

NWK also assisted the Bakerville community with the replacement of a water tank, provided paint for the renovation of their infrastructure, as well as groceries for food parcels that were handed out to disadvantaged families during their Christmas function in December 2022.

Old age homes and non-profit organisations are becoming more and more dependent on donations and communities to assist in the renovation of infrastructure.

During March 2023, NWK supplied Huis Lou van Wyk in Sannieshof with building material to replace and renovate some of the roofs. During April 2023, NWK also came to the rescue of Najaarsrus Ouetehuis in Coligny with the supply of diesel to help keep the lights on.



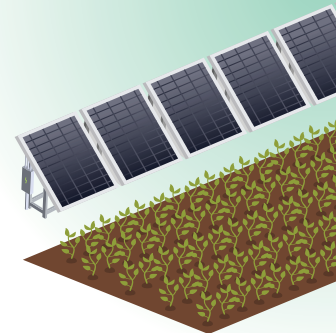
Theo Rabe
GROUP CHIEF EXECUTIVE OFFICER (NWK LIMITED)

13 July 2023



COMMUNICATION with stakeholders

FOR THE YEAR ENDED 30 APRIL 2023



Without effective communication with its various stakeholders, a company is sure to fail. Not only will employees not know where the company is heading and what is expected of them, but clients will not know what products and/or services they can obtain, nor how the company is innovating to keep up with technological advances.

Social media has changed the communications landscape forever. These media enable companies such as NWK to reach thousands of its customers instantly.

NWK has two Facebook pages, namely NWK Limited and NWK Retail. By mid-April, NWK Limited had more than 12 400 followers and NWK Retail more than 10 500. Last year's report will show that NWK Limited's Facebook page had about 10 500 followers in the previous year and NWK Retail had a little over 8 800. The number of followers of both Facebook pages has therefore grown by about 2 000 each in only a year.

On Twitter, the NWK group had 4 044 followers by mid-April. NWK is now also utilising its LinkedIn profile on a more regular basis to advertise vacancies and attract potential future employees. Analytics show that NWK's profile on LinkedIn attracts about 100 new followers every month.

A good working relationship with media houses is crucial in getting the journalists of these institutions to consider company-related content for publication. Agricultural Writers SA is a voluntary, non-profit professional association that promotes the image and standards of agricultural journalism in South Africa.

Since NWK is a corporate member of this association, it is well-positioned in this regard. Nicolene Smalman, communications official of NWK, serves as an additional management member of the northern branch of Agricultural Writers SA.

In this capacity she has nominated Martiens du Plessis, manager of Agricultural Systems and Projects at NWK, as Agricultural Writers SA's Agriculturalist of the Year for 2022. He was announced to be North West's Agriculturalist of the Year and went through to the national competition.

Having served NWK for almost 40 years, Martiens was honoured in the media for his lifelong contribution not only to the company, but to agriculture as an industry. This publicity portrayed NWK as an employer that enables its employees to advance the industry globally and that assists customers in taking their farming operations to profitable levels beyond their dreams.

In total, eight media releases were issued by NWK's Corporate Marketing and Communication Department between May 2022 and April 2023.

To be considered credible, transparent and proactive – by both employees and customers – a business cannot shy away from negative publicity.

On 31 October last year, a vehicle was stolen at the car wash at Lichtenburg Total, a filling station acquired by NWK not long before the incident. The matter went viral on social media and Corporate Marketing and Communication decided to issue a media statement to state the facts and put clients' minds at ease by communicating the measures that had been implemented to prevent similar incidents in future.

NWK's communication policy was also updated to contain a clear strategy to steer crisis communication in events such as negative publicity.

OFM is NWK's main radio partner. Apart from a 30-second-long corporate advertisement, NWK sponsors certain segments in which we highlight specific promotions.



As part of the annual contract's added value, NWK has the opportunity to have six business interviews aired over 12 months. Topics covered during these interviews in the past financial year included drones now available at NWK Mechanisation; solar energy solutions now available at NWK Retail; weather trends and the estimated crop yield; NWK's many corporate social responsibility projects; NWK Mechanisation's successful turnaround strategy, as well as NWK Grain's preparations for the harvesting season.

In addition to NWK's partnership with OFM, the company is getting a lot of exposure on community radio stations in the region. Sharing market information regularly with listeners in their mother tongue aids emerging farmers tremendously in their development.

**THE COMPANY IS
GETTING A LOT
OF EXPOSURE
ON COMMUNITY
RADIO STATIONS
IN THE REGION**

Therefore, Benedict Modise, director of Economic Development at NWK, participates weekly in talk shows on the following stations:

- (1) Mmabatho FM every Monday
- (2) Kopanang FM every Tuesday
- (3) Vaaltar and Ratlou FM every Wednesday
- (4) Modiri FM, Village FM as well as University FM, every Thursday

This platform has also proven to be very useful in sharing the latest information that has a significant impact on the industry. Technical information is shared in an efficient manner with emerging farmers, enabling them to farm more profitably and implement the latest modern farming practices. The community has been reacting quite positively to these radio programmes and frequently engages by sharing their experiences. The number of listeners is currently more than 400 000 and growing speedily.

The NWK Arena website was launched in October 2020 and complements the printed version of this publication beautifully in that it can provide its online readership with news on agricultural developments and events almost immediately. Articles on events such as NWK farmer days and other industry-related functions are available on this website within a day or two.

Links to articles are published on NWK's Facebook pages, and analytics on www.nwkarena.co.za show that this generates most of the traffic on the website. Profiles on prominent NWK customers who implement successful and/or unusual farming practices prove to be the most popular articles on the NWK Arena website. The printed version still appears six times per year, with a print order of 4 800 per edition. A recent opinion survey among readers showed that they prefer a combination of the online version and the printed magazine.

What'sUp! is NWK's own employee newspaper and a team of representatives is responsible for submitting a news list of their departments to the editorial committee for publication. The paper appears four times per year and has a print order of 1 700. The focus is on marketing actions aimed at employees, profiles on employees and their hobbies, achievements by employees and their children, a message from the CEO, as well as messages of congratulation and condolence.

Emails bring employees up to speed with important company news immediately and are sent, where needed, on a weekly or daily basis. These announcements are also printed out and posted on notice boards in the workplace in both Afrikaans and English.

NWK's website, www.nwk.co.za, was revamped and the new look was launched on 1 July 2022. It is modern and more user-friendly and contains links to NWK Arena, NWK Online, as well as second-hand tractors that are for sale.



Theo Rabe
GROUP CHIEF EXECUTIVE OFFICER (NWK LIMITED)

13 July 2023



Miscellaneous MATTERS

FOR THE YEAR ENDED 30 APRIL 2023

HUMAN CAPITAL STRATEGY

Customer focus and service delivery are still considered to be the main priorities to support NWK's overall strategy of focusing on the complete employee value proposition and adding value to the employment life cycle, from recruitment to retirement.

To achieve this goal, a new in-house human capital (HC) management system is in the process of development. This system will not only cater for the group's unique needs, but will also improve efficiency through the automation of all processes and the integration of the various stages in the employment life cycle.

The recruitment process has also been optimised via the inclusion of video interviewing techniques for screening purposes. This method is more time efficient and has proven to shorten the hiring process. In addition, we have moved away from traditional handwritten application forms and now utilise online applications as a digitised application to be signed by applicants. In order to ensure we select the right talent, psychometric assessments are administered for Job Grade 9 and up in order to provide a holistic view of the candidate (in addition to technical skills and power skills identified during the interview).

In-depth recommendations are now also written by the HC department (in addition to the comments from the hiring managers) for non-designated candidates (Job Grade 9 and up), which include competency frameworks and demographic details of applications.

Various initiatives were launched during the year to enhance NWK's brand awareness. Representatives took part in a few career days and presented information to the Ikateleng group on how to compile a professional CV and on how candidates should prepare for and conduct themselves during interviews. The format and aesthetics of job vacancy postings were refreshed to make them more attractive for future talent, and our social media presence was increased with thought-provoking posts.

With the assistance of Regenesys Business School, we also developed an agriculture leadership programme to assist our industry in building leadership capacity. This programme was launched with great success in the past year and will be presented every two years.

We are constantly looking at establishing a more effective and streamlined organisational structure and in a few departments, we managed to flatten the reporting lines.

We compiled and shared a few articles on ethical behaviour and continued with our Betrokka strategy roll-out with articles on leadership behaviour, and with enhancing the understanding of some key behaviours and actions in relation to our vision.

The wellness committee has rolled out initiatives to improve the employees' body, mind and soul.

These initiatives include:

- ▲ Coaching and mentoring
- ▲ Health-related information
- ▲ Health days from medical scheme providers

LEADERSHIP DEVELOPMENT

NWK's own Grow Leadership programme is continuously evolving and being reshaped to stay current and relevant. The programme was run successfully this year by means of a virtual platform.

NWK has trained and qualified coaches and mentors who handle areas like dilemma coaching, career development and planning, leadership development, problem areas in the workplace, executive coaching, team coaching, etc.

In order to enhance the development of employees we have implemented talent interviews to ascertain the employee's current competencies and skills, as well as areas of development for growth within the specific role for which they applied.

We continued with coaching various internal leaders by way of our leadership coaching programme, which was designed in-house. NWK's leaders were further empowered through articles and 'how to' guides in support of NWK's leadership model and involved strategy. We also started a wellness programme with the senior management, focusing on creating habits to ensure sustainable energy to focus on the job at hand.

NWK identified a need to create a talent pipeline to our board of directors, but also to understand the greater need of our industry for leadership development programmes. The programme was redesigned to be delivered via an online platform. The Leadership in Agriculture programme comprises various training programmes and was implemented with success.

We are currently designing NWK's own supervisor/leadership course to enhance NWK's leadership practices.

TRAINING AND DEVELOPMENT

In the past financial year, the group spent 2,23% of the total remuneration costs on employee training. Spending in the previous year amounted to 1,88% of the total remuneration costs.

NWK continued using the e-learning platform introduced in 2021. These platforms will become more dominant in the learning sphere and give employees freedom to choose from a wide variety of skill-enhancing courses.

Over the past financial year, the group again offered several learnerships to section 18(2) learners. These learners are unemployed persons who are appointed temporarily and then trained in specific learnerships. They are also exposed to practical experience in the workplace in order to complete the relevant learnerships successfully.

The following learnerships were offered and completed by the end of April 2023:

- ▲ National Certificate: Generic Management, NQF 4 – 15 learners
- ▲ National Certificate: Business Administration Services, NQF 4 – 15 learners

Africa Skills facilitated our disabled learners remotely and the following programme was presented:

- ▲ National Certificate: New Venture Creations, NQF 2 – 15 learners

A total of 45 section 18(2) learners took part in the training in 2022/2023, of whom 15 were learners with disabilities.

NWK is committed to developing in-house talent for the future, and employees are therefore offered the opportunity via study aid to participate in various postgraduate diplomas, degrees, honours, master's and MBA degrees.



WORKFORCE PROFILE

Statistics for the financial year

Information (metrics) for the annual report for 1 May 2022 to 30 April 2023

OCCUPATION LEVEL	AFRICAN		COLOURED		WHITE		GRAND TOTAL
	F	M	F	M	F	M	
Unskilled and defined decision-making	87	454	3	16	1	6	567
Semi-skilled and discretionary decision-making	75	402	27	24	186	103	817
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	21	3	5	103	193	326
Professionally qualified and experienced specialists and mid-management		2			6	36	44
Senior management		1			1	4	6
Top management/executives						2	2
Grand total	163	880	33	45	297	344	1 762

MARKETING: THE NWK LOYALTY PROGRAMME, NWK ONLINE AND CUSTOMER SERVICE

LOYALTY PROGRAMME

To date there have been 2 542 registrations for The NWK Loyalty Programme, with 4 055 NWK accounts linked to the registrations. For the period of 1 May 2022 to 30 April 2023 there were 507 new registrations, compared to the 363 new registrations in the previous year.

The NWK Loyalty Programme Trust is currently purchasing shares for the 2022/2023 season. The shares purchased for the 2021/2022 season were allocated to the benefiting customers in April 2022.

Since the inception of the programme, customers have earned R54 613 799 in value. A total of 11 708 159 shares have been purchased and distributed and a total value of R3 016 780 has been credited to customer accounts.

PLANNING FOR 2023/2024

- ▲ Targeting of the remaining top unregistered customers to assist them in completing their registration.
- ▲ Using the loyalty programme as an additional vehicle to identify non-account holders.
- ▲ Market the expanded ways in which suppliers can participate and contribute to the programme in order to get more suppliers onboard to contribute value to the programme.
- ▲ Self-service points at major operating points to allow customers to register in-store.
- ▲ Revisit the definition of a bona fide commercial agricultural producer as defined in the memorandum of incorporation in order to determine if testing is still relevant and if changes need to be made to the testing model.
- ▲ Update the terms and conditions as contained on the loyalty programme website so that it is in line with the amended rules and internal policy.

CUSTOMER RELATIONSHIP MANAGEMENT

The customer-service portal is currently being marketed to customers through all available mediums.

PLANNING FOR 2023/2024

- ▲ Expansion of the customer profiling portal.

DYNAMIC PARTNER PROJECT

This involved the identification and visiting of customers who show a large gap between the potential and actual business they do with NWK. Analyses done by the Business Intelligence (BI) Department with the aid of GIS information and the customer's trade and grain business with NWK were used as basis in order to generate possible additional business with NWK and reinforce customer relationships.

PLANNING FOR 2023/2024

- ▲ Explore a new methodology for identification of new customers for the project and conducting customer-focused visits.
- ▲ Conduct training on the CRM customer visits portal and briefings on the use of customer analyses to prepare for and capture visits.

IDENTIFICATION OF SIGNIFICANT UNKNOWN CUSTOMERS

Expansions of the loyalty programme benefits will be used to attract unknown customers to join so that they can be identified.

PLANNING FOR 2023/2024

- ▲ Analyse the percentage of business share of purchases made by unknown customers and the average value per transaction per product group compared to known customers.
- ▲ Explore the possibility of a cash rewards card or system.

NWK ONLINE

The NWK Online application and web service was completely rewritten with additional functionalities, seamless system integration, user customisation and ease of use.

The NWK Online logo and look and feel were subsequently revamped. Management decided that the marketing of NWK Online should be more focused and dedicated and therefore the marketing manager has been assigned this task.

PLANNING FOR 2023/2024

- ▲ Create an identity for NWK Online.
- ▲ Develop a marketing plan and CI manual.
- ▲ Internal launch and training for personnel.
- ▲ External launch for media representatives and customers.
- ▲ Marketing campaign to increase customer uptake.

OCCUPATIONAL SAFETY 2022/2023

NWK is committed to providing a working environment that is safe and without risk to the health and safety of its employees, contractors and others as far as is reasonably practicable by implementing and maintaining an effective health and safety management system.

During the past year, 75 employees received formal safety training, including asbestos training for asbestos workers as per the asbestos regulations. First aid training, as well as working at heights, was conducted at different departments.

Site visits were done during the year, and evaluations were done according to the new safety and health system. The Department of Labour conducted annual inspections on 11 of our premises. No contravention notices were issued. The approved inspection authority conducted site visits as per the ergonomic regulations. Reports were supplied and summarised for the different departments. Actions were taken by departments on the basis of the reports and summaries were supplied to the compliance committee.

During the past year most of the damaged or loose asbestos was removed and disposed of as per the asbestos regulations. Asbestos certificates were issued to NWK by the accredited disposal sites. The last phase of asbestos removal at the liquid fertiliser plant is underway and is to be completed before the next fertiliser production season.

During past year, a lot of effort was put in to minimise accidents at NWK premises. Extensive training was done at departments on work procedures, and risk assessments were updated and revised. The work-related injuries for the year were 70, bringing the total DIIR (Disabling Injury Incident Rate) to 2,02%, which is well below the national industry average of 3%.

ENVIRONMENTAL HEALTH – COVID MANAGEMENT

With the outbreak of the Covid-19 pandemic, NWK appointed a Covid compliance officer to oversee compliance with the directives issued by the Department of Labour and with sectoral directives. The compliance officer liaises with the Department of Health, the Department of Employment and Labour and the National Institute for Occupational Health on Covid-19-related matters.

As of 2022/2023, the Covid workplace plans on Covid-related matters were updated. Fortunately, the new Covid strain was not as severe as the previous strains, therefore fewer cases were reported during this period. The Covid compliance officer still liaises with the department on Covid matters.

Several vaccination drives were held for those who still wanted to be vaccinated. We are hopeful that new outbreaks of the severe strains will not affect our population.

ENVIRONMENTAL REPORT

ENVIRONMENTAL MANAGEMENT

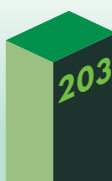
Environmental management within the operations of NWK Limited is becoming more sustainability focused. A draft environmental sustainability policy has been made available for review and approval by management. This policy will serve as the leading document for the planned annual corporate environmental sustainability report.

Environmental awareness continues to increase in the company as the environmental committee gathers for quarterly meetings to discuss various points of concern, risks and mitigation measures. The committee members include representatives from all relevant NWK departments. The committee is chaired by NWK's environmental officer.

No significant environmental incidents were reported at sites operated by NWK staff. Site managers are educated on possible risks and the required mitigation measures through site inspections conducted by NWK's environmental officer.

New projects included issuing non-EIA-compliance letters for grain bunkers at the Biesiesvlei, Nootgedacht and Rostrataville sites. These bunkers are currently fully operational. Another non-EIA-compliance letter was issued for a planned grain bunker that will be situated between Wolmaransstad and Schweizer-Reneke.

**ONE OF OUR MAIN GOALS
FOR THE FUTURE IS TO
IMPLEMENT A UNIVERSAL
ENVIRONMENTAL
COMPLIANCE SYSTEM FOR
THE WHOLE OF NWK**



NWK Liquid Fertilizer has also obtained a tank decommissioning authorisation and an amendment to their current authorisation in order to increase their storage capacity of final product on site. Lottiehalte Silo and Epko are in the ongoing process of obtaining a water use licence for the boreholes on site.

One of our main goals for the future is to implement a universal environmental compliance system for the whole of NWK. This will assist staff and managers to clearly understand the requirements of environmental legislation and will serve as a formal tool to monitor environmental compliance on a continual basis within the operations and activities of NWK Limited.

TRANSFORMATION AND LABOUR RELATIONS

STAKEHOLDER RELATIONSHIPS

NWK respects and values every stakeholder's contribution to our day-to-day operations as we believe that decisions made by the company will have an impact on one or more of the stakeholders in one way or another. Several platforms have been established to locate each stakeholder and engage with them to that effect. Stakeholders that have a significant impact on NWK's business include, but are not limited to, partners in the form of industry associates; local communities, particularly those in which NWK has business interests; customers, who are mostly commercial producers and emerging farmers; its employees, including labour unions; and suppliers.

NWK has working relationships with all three tiers of government in which constant engagement takes place. A healthy relationship with the government is important to create a conducive business environment that will reduce business costs and the risk of doing business, and ultimately promote business growth.

Quality service and value for money are at the heart of our engagement with stakeholders, accomplished through ongoing communication across various internal and external platforms. To determine whether the business strategy is still relevant, regular meetings are held to discuss and address common challenges. Stakeholders have also been given a chance to discuss common problems with the business and to propose possible ways to improve both the relationships and services.

The Labour Relations unit has been instrumental in improving and reinforcing normal communication with the different unions that are represented in NWK. Meetings between management and unions are held every month to ensure that problems and solutions are discussed regularly and actively. These unions and management meetings have cleared a path to achieve mutual goals. This platform is also used by the group's chief executive officer to engage with unions to maintain a good, conflict-free working relationship.

The platform has promoted mutual respect between employers and employees to meet their goals and has facilitated negotiations and ensures neither party will unnecessarily take a hard stance against the other. NWK management and employee unions strive to work together to discuss issues affecting the business, the employers and the employees. This has created a platform on which a common strategy to take the company forward, including its implementation, has been agreed upon by both parties. As a result, employees are more engaged, which has translated into high productivity and employee retention.

Through its position on both the board of directors of the council and the board of trustees of the BCGI Provident Fund, NWK, which is an affiliate and member of the Bargaining Council for the Grain Industry (BCGI), continues to play a significant role in bolstering the BCGI.

EMPLOYMENT EQUITY ACT

NWK adheres to the Employment Equity Act as part of the compliance framework and good business practice. Through the elimination of unfair discrimination at all levels of the workplace, NWK strives to promote equality of opportunity and fair treatment. The company has prepared and submitted a revised five-year Employment Equity Plan to the Department of Employment and Labour (DoEL), which is in effect from 1 October 2019 to 30 September 2024.

The goals and objectives of the Employment Equity Plan are to ensure that annual employment activities are written, organised and communicated to all parties responsible to highlight the achievable date for each activity and to monitor compliance. The Employee Equity Plan will be revised in due course to ensure that it remains relevant and that its objectives can be met in view of operational factors aimed at increasing productivity.

The employment equity and skills development committee (EESDC) in an organisation can be viewed as the vehicle that drives and keeps track of the progress of the company's transformation. The EESDC, which is well representative of gender, all designated groups, non-designated groups, labour unions and all occupational levels, meets quarterly. Its roles and responsibilities can be summarised as implementing and monitoring the employment equity plan, ensuring full compliance with the Employment Equity Act, reporting all discrepancies, keeping records of all meetings, registers, agendas and minutes, and implementing transformation.

Throughout the implementation of the Employment Equity Plan, NWK's values and ethical principles that support diversity and inclusion are upheld. The following procedures are being carried out to guarantee that NWK addresses in a decisive manner obstacles that have the potential to impede the successful implementation of the Employment Equity Plan, namely with respect to recruitment and selection, employee induction, performance management, leadership development, career and succession planning, talent strategy and workforce planning.

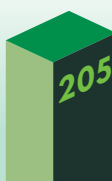
The EEA2 and EEA4 forms for 2022 were submitted electronically on the DoEL website before the deadline prescribed by the Employment Equity Act. Since then, the DoEL has issued acknowledgment letters indicating compliance and NWK has since been included in the public register notice that contains designated employers who reported for the 2022 reporting cycle.

The Employment Equity Amendment Act 4 of 2022 has been signed into law by President Cyril Ramaphosa. The amendments have the aim of allowing the Minister of Employment and Labour to establish sectoral numerical targets to ensure the equitable representation of suitably qualified people from designated groups (blacks, women and persons with a disability) at all occupational levels in the workforce, and enhancing the administration of the Act, including the implementation of section 53 concerning state contracts.

The implication to NWK is that the above-mentioned Employment Equity Plan will fall away on the date that will be communicated by DoEL. As a designated employer, NWK must draft, implement and monitor a five-year employment equity plan indicating achievement towards sectoral targets by year five. The progress made in this area, as well as the implementation date, is being closely followed.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

In addition to its broad-based black economic empowerment (B-BBEE) strategy, NWK remains committed to transformation and sustainability. The goal of the strategy that is being implemented is to make it easier for people who were previously disadvantaged to participate in the economy.



Programmes that encourage equitable access to economic opportunities for urban and rural communities are in place. As part of its B-BBEE initiatives, NWK strives to expand black people's access to economic opportunities, skills-training programmes and infrastructure.

Following the most recent verification, the company has retained its non-compliance BEE level. The B-BBEE improvement plan has been designed and is being implemented. The B-BBEE committee has to improve and change the situation, which is a huge task. The five-element champions make up the committee, which meets quarterly to check on progress toward goals and the financial impact of those goals.

NWK's flagship is its enterprise development programme, in which emerging farmers participate in a development programme. The objective of the programme is to empower individual farmers to become independent producers. The programme managed to deliver commercial producers amid the challenges that both the producers and the programme faced. Emerging farmers from rural areas participating in the programme have the potential to create decent and productive jobs, eradicate poverty, ensure food security and achieve social justice.



Theo Rabe
GROUP CHIEF EXECUTIVE OFFICER (NWK LIMITED)

13 July 2023



Independent AUDITOR'S report

TO THE SHAREHOLDERS OF NWK HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of NWK Holdings Limited (the Group and Company) set out on pages 24 to 154, which comprise the consolidated and separate statements of financial position as at 30 April 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of NWK Holdings Limited and its subsidiaries as at 30 April 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and 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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company 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' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

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



KEY AUDIT MATTER – GROUP

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

The accounting treatment and valuation of grain trading contracts as financial assets and financial liability measured at fair value through profit or loss

The Group records priced and unpriced forward purchase contracts and priced forward sales contracts related to grain trading as financial assets (R100 million) and financial liabilities (R683.7 million) (note C15) measured at fair value through profit or loss as per IFRS 9. Fair-value adjustments on derivative financial instruments recorded in profit or loss, are disclosed as net fair value gains on commodity trading (R513.2 million) (note D5).

The Group initially records an agricultural commodity for unpriced purchase contracts when the grain is delivered and NWK has the obligation to purchase the grain from the agricultural producer. A corresponding liability is recorded as a derivative liability, and is measured at fair value through profit or loss. This financial liability is measured at the net of the SAFEX trading price less the quoted base adjustment stipulated in the contract. The agricultural commodity and financial liability are revalued with reference to the net of the trading SAFEX prices less the base adjustment at the relevant remeasurement dates.

The Group values priced forward purchase contract and forward sales contracts as the difference between the net of the amount priced in the contract less the base adjustment stipulated in the contract and the net of the trading SAFEX price and the base adjustment stipulated in the contract at the relevant trading dates. The classification of the financial instrument as a financial asset or financial liability is dependent on whether the price stipulated in the contract is favourable or unfavourable compared to the trading SAFEX price.

The accounting policy for the forward purchase and sales contracts relating to grain trading is dependent on whether the contract for the underlying agricultural commodity (a non-financial item) is settled on a net basis and must therefore be accounted for as a derivative financial instrument as per IFRS 9, or the contract qualifies for an own use exemption and should be accounted for in terms of IFRS 15.

As the classification, measurement, and recognition is complex and has a significant impact on the financial statements, we identified the accounting treatment of the forward purchase contracts and forward sales contract relating to grain trading as a key audit matter.

In evaluating the accounting treatment of grain trading contracts, our procedures included the following:

- ▲ Inquiries from management to obtain an understanding of the accounting policy and related accounting treatment applied to the grain trading contracts.
- ▲ Inquiries from management to obtain an in-depth understanding of the grain trading business and the different type of contract with commodity customers.
- ▲ Obtained and read relevant documents such as grain trading contracts for the terms and conditions of the contracts and evaluated the terms and conditions of the contracts.
- ▲ Assessed grain trading contracts against IFRS 9s definition of derivative financial instruments and net settlement criteria taking into consideration the terms and conditions of the grain trading contracts and past practices of the entity.
- ▲ Consulted with our internal IFRS specialist regarding the application of IFRS 9.
- ▲ Evaluated the potential for the existence of any contradictory evidence by considering whether any of the terms of the grain trading contract or past practices suggests that the grain trading contract qualifies for the own use exemption and should therefore be accounted for in terms of IFRS 15.
- ▲ Recalculated the value of the relevant financial instruments and the resultant fair value adjustments using the contract terms and independently obtained trading SAFEX price for the commodity as at 30 April 2023.
- ▲ Evaluated the adequacy of the disclosure of the financial asset and financial liabilities measured at fair value through profit or loss and the related fair value adjustments in made in terms of IFRS 9 and IFRS 7.

Based on our audit work performed we found the classification, recognition and measurement of grain trading contracts to be reasonable and the disclosures included in the consolidated financial statements to be appropriate, as set out in notes C11, C15 and D5.

We do not have a key audit matter to report for the Company.

OTHER MATTER

The consolidated and separate financial statements of the Group and Company for the year ended 30 April 2022 were audited by another auditor who expressed an unqualified opinion on those statements on 18 July 2022.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled “NWK Holdings Limited Annual Report 2023”, which includes the Chairman’s overview, Directors’ report, Sustainability information, Corporate governance report, Certificate by the company secretary, Report by the audit and risk committee, Risk management, Report by the human capital committee, Report by the social and ethics committee, Corporate social responsibility, Communication with stakeholders and Miscellaneous matters, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated and separate 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 and separate 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 auditor’s 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 AND SEPARATE FINANCIAL STATEMENTS

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group’s and the Company’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 and / or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 and separate 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 and separate 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 and the Company’s internal control.



- ▲ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▲ 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- ▲ Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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.

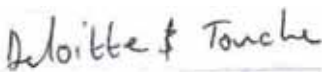
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 4 December 2015, we report that Deloitte & Touche has been the auditor of NWK Holdings Limited for one year.



Deloitte & Touche
REGISTERED AUDITOR
PER: PWM VAN ZIJL
PARTNER

24 July 2023

5 Magwa Crescent, Waterfall City, 2090, South Africa

