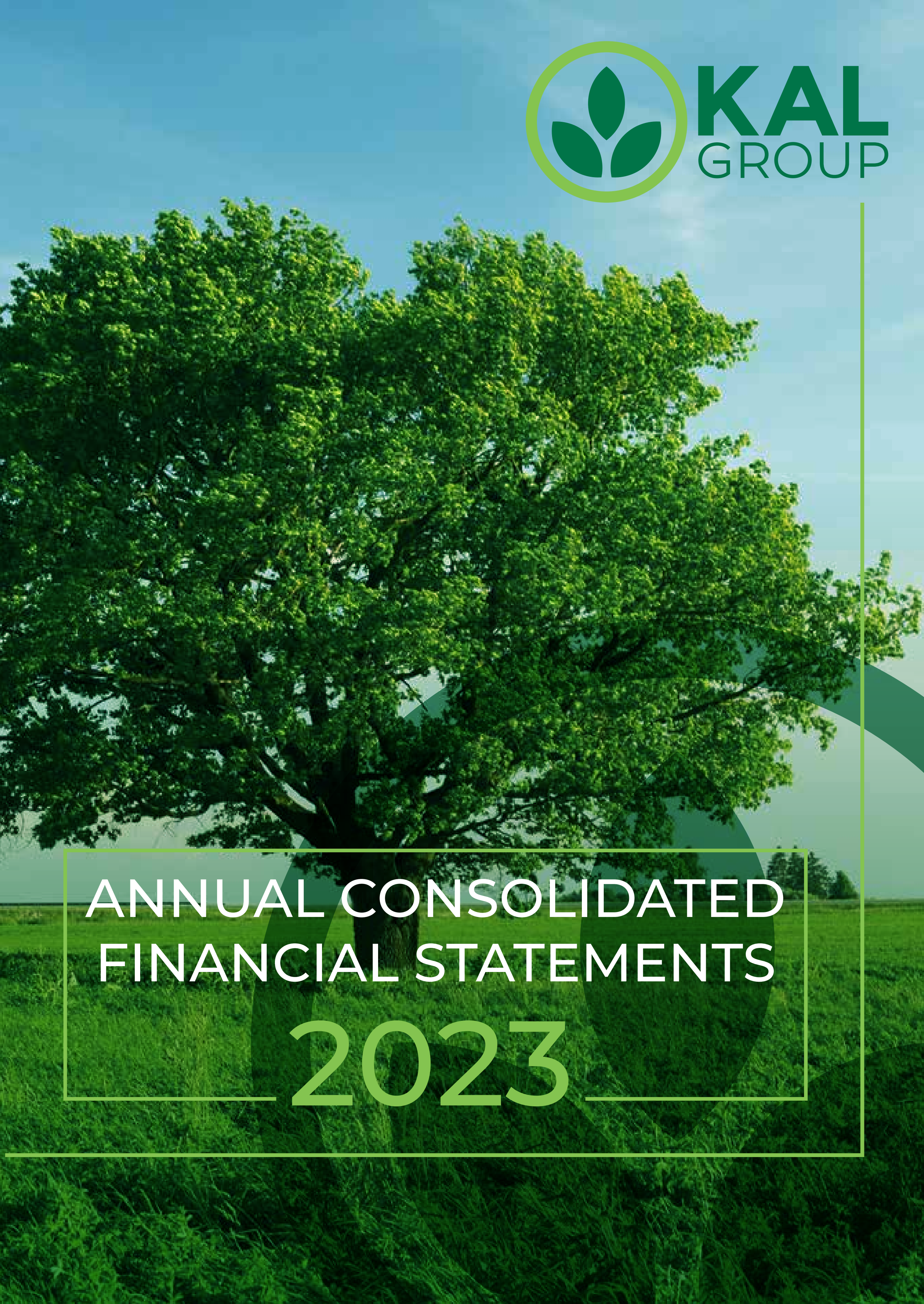
KAL GROUP



ANNUAL CONSOLIDATED FINANCIAL STATEMENTS 2023

Salient features

+42,7%
22 397 058
REVENUE (R'000)
(2022: 15 700 499)

+11,1%
618,31
HEADLINE EARNINGS PER SHARE (CENTS)
(2022: 556,30)

+7,2%
619,69
RECURRING HEADLINE EARNINGS PER SHARE (CENTS)
(2022: 578,23)

+6,6%
130,00
FINAL DIVIDEND PER SHARE (CENTS)
(2022: 122,00)

+7,1%
180,00
TOTAL DIVIDEND PER SHARE (CENTS)
(2022: 168,00)

Contents

Declaration of directors' responsibility and approval

The directors are responsible for the fair presentation of the annual company financial statements and annual Group financial statements of KAL Group Limited. In conducting this responsibility they rely on the information, assessments and estimates of management. The fair presentation and integrity of the company and Group financial statements are also evaluated on the basis of accounting systems and internal financial control measures which are monitored on an ongoing basis during the financial period. The directors' responsibilities also include implementing adequate controls and security to maintain the integrity of the Company's website.

The company and Group annual Financial Statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS), the IFRS Interpretations Committee interpretations, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. These financial statements incorporate accounting policies that have been consistently applied to all periods presented and are consistent with those applied in the previous financial year.

Based on the Group and company financial statements, the present position of the company and the Group, budgets for the coming year and available financing facilities, the directors are satisfied the company and Group have adequate resources to continue trading as a going concern for the foreseeable future. The going concern principle is therefore accepted and applied in the preparation of the Group and company financial statements.

The independent auditing firm PricewaterhouseCoopers Inc. audited the Group and company financial statements to comply with the relevant requirements of the Companies Act. The auditors had unrestricted access to all financial records and related information, minutes of shareholders, directors and Board committee meetings. The directors are of the opinion that all submissions and management declarations presented to the auditors were correct, valid and relevant.

The unqualified report of the auditors appears on page 8 to 13.

The company and Group annual financial statements on pages 14 to 84 were compiled by GC Victor CA(SA) under supervision of GW Sim CA(SA) and approved by the Board of directors on 22 November 2023 and signed on their behalf by:

GM Steyn
Chairman

S Walsh
Chief Executive Officer

Responsibility statement of the Chief Executive Officer and Financial Director

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

(a) the annual financial statements set out on pages 14 to 84, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the Audit and Risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and

(f) we are not aware of any fraud involving directors.

S Walsh
Chief Executive Officer

GW Sim
Financial director

Declaration by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, 71 of 2008, the Company Secretary hereby certifies that all returns of the company and its subsidiaries, as prescribed by the said Act, have been submitted to the Companies and Intellectual Property Commission (CIPC) and that the said returns are true, correct and up to date.

KAL Corporate Services (Pty) Ltd
Company Secretary

22 November 2023

Report of the Audit and Risk committee

to the shareholders of KAL Group Limited

KEY FUNCTIONS AND RESPONSIBILITIES

The responsibilities of the Audit and Risk committee are set out in a formal charter which is revised annually by the Board. The committee has free access to the Chairman of the Board of directors and is empowered to consult independent experts unlimited at company cost. In the execution of its duties according to its mandate and requirements of the Companies Act, the committee is responsible for the discussion and assessment of:

- the effectiveness of internal control systems, risk management and the management of information;
- the internal auditor's audit plan, reports and recommendations;
- the independence, conditions of appointment, audit plan and remuneration of the external auditors;
- the effectiveness and reports of the external auditors;
- the Group's conformance to corporate management rules, risk management and statutory requirements;
- the appropriateness of accounting policies and any matters related to financial reporting;
- the appropriate financial reporting procedures. To ensure they exist and are working, which should include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the issuer to allow the issuer to effectively prepare and report on the financial statements of the issuer in terms of the JSE Listings Requirements paragraph 3.84(g)(ii);
- the separate and consolidated annual financial statements, before these annual financial statements are approved by the board for release;
- ensuring that the external auditor is independent of KAL Group Limited, as set out in section 94(8) of the Companies Act, by considering, *inter alia*, the information stated in paragraph 22.15(h) of the JSE Listings Requirements;
- ensuring that the Group Chief Financial Officer, as well as the group finance function, has the appropriate expertise and experience in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements;
- internal financial controls and reports on the Group's systems of internal financial controls. The committee received assurance on compliance with, and the effectiveness of internal control systems through regular management reviews, engagements, internal audit, as well as from the external auditors who test aspects of these control systems as part of their statutory audit of the annual financial statements; and
- any other prescribed functions the committee is required to perform.

INTERNAL AUDIT

The internal audit function fulfils an important role to give assurance to the Audit and Risk committee that sufficient control measures are in place and are functioning correctly so that the committee can form an opinion on key functions and key responsibilities. Therefore, the internal auditors have direct access to the chairman of the Audit and Risk committee, and the Audit and Risk committee is also responsible to ensure that the internal audit function is independent and that it has the necessary resources, status and authority to perform its duties. The internal and external auditors attend Audit and Risk committee meetings. The committee also regularly meets together and separately with the internal and external auditors to create the opportunity to exchange confidential information. The Audit and Risk committee also oversees the co-operation between internal and external auditors and serves as a link between the Board and these functions.

EXTERNAL AUDIT

The board sets a policy that governs the level and nature of non-audit services, which requires pre-approval by the Audit and Risk committee for all non-audit services. In determining the independence of the external auditors, the committee considers the level and types of non-audit services provided as well as other enquiries and representations. The prospect of mandatory audit firm rotation was also considered by the committee during the current financial year. As required by the Companies Act, the committee has satisfied itself that KAL Group Limited's external auditor, PricewaterhouseCoopers Inc. ("PwC"), was independent of the company, as set out in sections 90(2)(c) and 94(8) of the Companies Act and is thereby able to conduct its audit functions without any undue influence from the company.

The committee has considered the relevant audit quality indicators. The committee was satisfied with the quality of the audit concluded and has nominated, for re-appointment at the annual general meeting, PwC as the external auditor of KAL Group Limited for the financial year ending 30 September 2023 and Mr JA Hugo as the designated individual registered auditor who will undertake the audit of KAL Group Limited on behalf of PwC.

PwC, being the audit firm, as well as Mr JA Hugo, being KAL Group's individual auditor for the 2023 financial year, have been accredited on the JSE list of auditors in terms of the criteria in the JSE Listings Requirements. As required by section 3.84(g)(iii) of the JSE Listings Requirements, the committee has satisfied itself that PwC and Mr JA Hugo are suitable for reappointment as audit firm and appointment as individual auditor, by considering, *inter alia,* the information stated in paragraph 22.15(h) of the JSE Listings Requirements.

Following a comprehensive tender process during the 2023 financial year, the Audit and Risk committee recommended to appoint Deloitte & Touche ("DT") as the new external auditor of KAL Group Limited, with effect from the financial year ending 30 September 2024. The committee nominated, for approval at the AGM on 8 February 2024, DT as external auditor and Mr JHW de Kock as audit partner for the 2024 financial year. The committee is satisfied that Mr JHW de Kock is not on the JSE's list of disqualified individuals.

ANNUAL FINANCIAL STATEMENTS

The committee has evaluated the annual financial statements of the company and Group for the year ended 30 September 2023, with specific consideration of the following significant financial reporting matters during the year:

- the provision for expected credit losses recognised on trade receivables;
- the provision for damaged, old and slow moving stock;
- renewal of lease periods;
- goodwill impairment testing.

The committee reviewed the estimates used and judgements made by management and determines whether they are reasonable in terms of the current macroeconomic climate and in line with assumptions utilised by comparable third parties.

Based on the information provided to the committee, the committee considers that the Group complies, in all material respects, with the requirements of the Companies Act, as amended, and IFRS.

OPINION

Given the functions and responsibilities of the committee, as well as the procedures referred to above, the Audit and Risk committee is of the opinion that:

- the Group's internal control measures and risk management are sufficient;
- the experience and expertise of the Financial Director and the finance function was appropriate;
- appropriate financial reporting procedures are in place and are operating;
- the audit was performed with the necessary independence and competence;
- the company and Group annual financial statements were prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS), the IFRS Interpretations Committee interpretations, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council; and
- there are no other matters which are to be revealed to shareholders which have not been covered in the annual financial statements.
- nothing has come to the attention of the committee indicating that the internal financial controls were not operating effectively during the year under review.

CA Otto
Chairman: Audit and Risk committee

22 November 2023

Directors' report

for the year ended 30 September

NATURE OF ACTIVITIES

The Group specialises in trading in agricultural-, fuel- and related retail markets in Southern Africa. With its strategic footprint, infrastructure, facilities and client network, it follows a differentiated market approach. In support of the core retail business, the Group also offers grain handling and agency services.

FINANCIAL RESULTS

The profit after tax of the Group amounted to R480,0 million (2022: R413,0 million) while the gross assets increased to R8,290 billion (2022: R8,339 billion). The results of the Group are presented in detail in the financial statements.

SHARE CAPITAL

The authorised share capital consists of 1 000 000 000 ordinary shares with no par value of which 74 319 837 (2022: 74 567 680) shares are currently issued, of which 3 708 514 shares are issued to Empowerment and Transformation Investments (Pty) Ltd and 491 865 issued to Kaap Agri Bedryf Limited. These shares are accounted for as treasury shares.

During the year the company repurchased a total of 247 843 KAL ordinary shares from qualifying shareholders (Odd-lot offer).

DIVIDENDS

A gross final dividend of R96,6 million (2022: R91,0 million) has been approved and declared by the board from income reserves, which represents 130,00 cents (2022: 122,00 cents) per share. The dividend is payable on 19 February 2024 to shareholders registered on 16 February 2024 (the record date) as shareholders of the company. The last date of trade cum dividend will be 13 February 2024.

The total dividend for the year amounts to R133,8 million (2022: R125,3 million), representing 180,0 cents (2022: 168,0 cents) per share.

SUBSIDIARIES AND JOINT VENTURE

The interests in subsidiaries and joint venture are presented in note 46 of the financial statements.

DIRECTORS

Full details of the directors appear in the integrated report.

DIRECTORS' INTERESTS

The directors' interest in shares of the company appear in the integrated report.

EVENTS AFTER REPORTING DATE

The directors are not aware of any further matters or circumstances that occurred between the end of the financial year and the date on which the financial statements were approved that have not been dealt with in the Group and company financial statements and which may have a significant influence on the activities of the Group and company or results of those activities.

Independent auditor's report

to the shareholders of KAL Group Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of KAL Group Limited (the Company) and its subsidiaries (together the Group) as at 30 September 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

KAL Group Limited's consolidated and separate financial statements set out on pages 14 to 84 comprise:

- the consolidated and Company statements of financial position as at 30 September 2023;
- the consolidated income statement for the year then ended;
- the consolidated and Company statements of comprehensive income for the year then ended;
- the consolidated and Company statements of changes in equity for the year then ended;
- the consolidated and Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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.

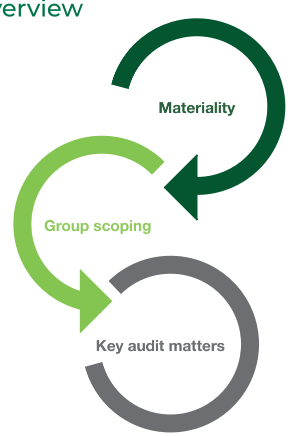
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach

Overview



Overall group materiality

- Overall group materiality: R179 million, which represents 0,8% of consolidated revenue.

Group audit scope

- Full scope audits were performed for three components;
- Audit of balances of Tego Plastics (Pty) Ltd non-current asset and
- Analytical procedures were performed over the remaining non-significant components

Key audit matters

- Goodwill and indefinite useful life intangible assets impairment assessment

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	*R179 million*
How we determined it	*0,8% of total consolidated revenue*
Rationale for the materiality benchmark applied	*We selected total consolidated revenue as the benchmark because, in our view, it most appropriately reflects the size of the group. It is a benchmark against which the performance of the group can be consistently measured and thus would be most relevant to users of the consolidated financial statements, given the relatively low profit margins over the last five years, whilst the other key elements of the consolidated financial statements have remained constant.* *We chose 0,8% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that would typically apply when using consolidated revenue to compute materiality.*

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our scoping included three components, which were either financially significant components, based on contribution to consolidated revenue, or components of which an identified financial statement line item or items were considered to be significant. Full scope audits were performed on these components. There was an audit of balances of the Tego Plastics (Pty) Ltd non-current assets The remainder of the components were considered to be non-significant, individually and in aggregate. We performed analytical procedures on these remaining non-significant components.

Group instructions were communicated to the component auditors. The instructions covered those areas that we required the component auditors to focus on, as well as information that we required them to report to us. We examined the reporting received from the component auditors and assessed the impact thereof on the consolidated financial statements. We examined the working papers of component auditors of significant components relating to areas of significant risks in the consolidated financial statements.

Key audit matters

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 were 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.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

Key audit matter	How our audit addressed the key audit matter
Goodwill and indefinite useful life intangible asset impairment assessment ***(Refer to note 5 (Intangible assets) and note 4 of the accounting policies to the consolidated financial statements)*** The Group's net assets include goodwill amounting to R1,344 million at 30 September 2023 (2022: R1,400 million) and indefinite useful life intangible assets, classified as Fuel retail licences of R194 million for both years. As required by IAS 36: Impairment of assets, management performs an annual impairment test to assess the recoverability of the carrying value of goodwill and indefinite useful life assets. The assessment in the current year was performed using value-in-use calculations for the relevant fuel clusters and for the Partridge Building Supplies cash generating unit (“CGU”).	We held discussions with management to obtain an understanding of the methodology applied in performing its impairment test for each of the relevant CGUs and we found the approach adopted by management in the valuation models to be consistent with market practice and the applicable requirements of IAS 36: Impairment of assets. We tested management's calculation for each model by performing the following: > Tested the mathematical accuracy of management's impairment calculations and noted no exceptions. > Using our valuation expertise, we challenged management's key assumptions by comparing terminal growth rates and pre-tax discount rates to industry benchmarks and economic forecasts. Management's assumptions fell outside our independent range, however we noted no material impairment when using our independent inputs.

Key audit matter	How our audit addressed the key audit matter
Goodwill and indefinite useful life intangible asset impairment assessment (continued) Management performed a sensitivity analysis on the goodwill and indefinite useful life intangible asset balance by varying the key assumptions used (i.e., pre-tax discount rates and growth rates) to assess the impact on the valuation and the available headroom. We considered the impairment assessment of goodwill to be a matter of most significance to our audit due to the following: > The estimates and assumptions applied by management in their impairment assessment; and > The magnitude of the goodwill balance	> We agreed cash flows to the business plans approved by the respective boards. No inconsistencies were noted. > In assessing management's forecasts for reasonableness, we considered the historical accuracy of forecasts by comparing the actual results for the current year to the original forecasts. Where variances were noted, we followed up with management and assessed the reasonability of the variances. We noted no aspects in this regard requiring further consideration. > We performed independent sensitivity calculations on the impairment assessments in order to ascertain the impact of changes to the key assumptions on the available headroom. The results of our sensitivity analyses were consistent with management's conclusions. > We evaluated the appropriateness of the disclosures in the consolidated financial statements against the requirements of IFRS, specifically relating to the sensitivity of the key assumptions on the recoverable amount.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “KAL Group Annual Consolidated Financial Statements 2023”, which includes the Directors’ Report, the Report of the Audit and Risk committee and the Declaration by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor’s report, and the other sections of the document titled “2023 Integrated Report”, which is expected to be made available to us after that date. The other information does not include the consolidated or the 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 identified above 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 that we 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 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 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 PricewaterhouseCoopers Inc. has been the auditor of KAL Group Limited for 87 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: JA Hugo
Registered Auditor

Stellenbosch, South Africa
22 November 2023

Consolidated statement of financial position

at 30 September

	Notes	GROUP 2023 R'000	Restated 2022 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	**1 412 006**	1 317 415
Right-of-use assets	4	**552 220**	617 701
Intangible assets	5	**1 560 646**	1 618 207
Investment in joint venture	7	**50 648**	41 377
Loans	8	**20 249**	17 573
Financial assets at fair value through other comprehensive income	9	**5 580**	5 580
Deferred tax	10	**33 039**	12 912
Trade and other receivables	12	**35 865**	52 433
		3 670 253	3 683 198
Current assets			
Inventory	11	**1 641 992**	1 627 370
Trade and other receivables	12	**2 580 828**	2 661 293
Derivative financial instruments	13	**–**	2 492
Short-term portion of loans	8	**1 513**	4 915
Cash and cash equivalents	16	**285 926**	359 484
		4 510 259	4 655 554
Assets classified as held for sale	6	**109 206**	–
		4 619 465	4 655 554
Total assets		**8 289 718**	8 338 752
EQUITY AND LIABILITIES			
Capital and reserves			
Stated Capital	17	**440 963**	451 316
Other reserves	18	**21 279**	15 129
Retained profit		**2 467 580**	2 224 588
Equity attributable to shareholders of the holding company		**2 929 822**	2 691 033
Non-controlling interest		**156 405**	131 444
Total equity		**3 086 227**	2 822 477
Non-current liabilities			
Instalment sale agreements	20	**28 821**	45 402
Lease liabilities	4	**583 103**	628 772
Employee benefit obligations	21	**14 033**	14 526
Financial liability at fair value through profit or loss	14	**137 674**	82 396
Deferred taxation	10	**76 573**	56 330
Borrowings*	23	**–**	212 500
		840 204	1 039 926
Current liabilities			
Trade and other payables	22	**2 315 131**	2 504 155
Short-term portion of Instalment sale agreements	20	**31 036**	28 030
Short-term portion of lease liabilities	4	**54 451**	50 019
Short-term portion of Employee benefit obligations	21	**2 153**	2 032
Short-term borrowings*	23	**1 892 806**	1 882 770
Income tax		**11 292**	9 343
		4 306 869	4 476 349
Liabilities directly associated with assets classified as held for sale	6	**56 418**	–
		4 363 287	4 476 349
Total liabilities		**5 203 491**	5 516 275
Total equity and liabilities		**8 289 718**	8 338 752

* *The prior year amounts were restated. Refer to Note 50 for further details.*

Consolidated income statement

for the year ended 30 September

		GROUP	
	Notes	**2023 R'000**	2022 R'000
Revenue	28	**22 397 058**	15 700 499
Cost of sales		**(19 478 711)**	(13 697 089)
Gross profit		**2 918 347**	2 003 410
Other operating income	29	**273 452**	234 159
Movement on expected credit loss allowance	12	**(9 048)**	10 247
Selling and distribution costs	30	**(184 766)**	(138 929)
Administrative expenses	30	**(1 268 001)**	(929 444)
Other operating expenses	30	**(809 868)**	(484 220)
Operating profit		**920 116**	695 223
Share in profit of joint venture	7	**9 271**	7 454
Finance income		**42,088**	–
Finance costs	33	**(279 654)**	(145 387)
Profit before tax		**691 821**	557 290
Income tax	34	**(211 819)**	(144 331)
		480 002	412 959
Profit attributable to shareholders of the holding company		**426 945**	396 368
Non-controlling interest		**53 057**	16 591
Earnings per share – basic (cents)	35	**607,45**	562,54
Earnings per share – diluted (cents)	35	**603,23**	553,23

Consolidated statement of comprehensive income

for the year ended 30 September

	GROUP	
	2023 R'000	2022 R'000
Profit for the year	**480 002**	412 959
Other comprehensive income:		
Cash flow hedges (can be classified to profit or loss)	**(1 477)**	844
Gross	**(2 023)**	1 155
Tax	**546**	(311)
	478 525	413 803
Total comprehensive income attributable to shareholders of the holding company	**425 468**	397 212
Non-controlling interest	**53 057**	16 591

Consolidated statement of changes in equity

for the year ended 30 September

		GROUP						
	Notes	Stated capital R'000	Share-based payment reserve R'000	Hedge reserve R'000	Retained profit R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
Balance 1 October 2021		446 571	12 513	39	1 829 321	2 288 444	109 722	2 398 166
Gross shares issued		480 347						
Treasury shares		(33 776)						
Total comprehensive income		–	–	844	396 368	397 212	16 591	413 803
Shares issued		19 500	–	–	–	19 500	–	19 500
Share-based payments		(14 755)	1 733	–	–	(13 022)	–	(13 022)
Sale of share in subsidiary		–	–	–	–	–	(34 467)	(34 467)
Acquisition of minority shares in subsidiary		–	–	–	22 462	22 462	(22 462)	–
Addition through business acquisition		–	–	–	–	–	96 462	96 462
Change in ownership		–	–	–	17 116	17 116	(17 116)	–
Put Options relinquished		–	–	–	80 400	80 400	–	80 400
Put Options lapsed		–	–	–	(10 544)	(10 544)	–	(10 544)
Dividends paid		–	–	–	(110 535)	(110 535)	(17 286)	(127 821)
Balance 30 September 2022		**451 316**	**14 246**	**883**	**2 224 588**	**2 691 033**	**131 444**	**2 822 477**
Gross shares issued		**496 664**						
Treasury shares		**(45 348)**						
Total comprehensive income		**–**	**–**	**(1 477)**	**426 945**	**425 468**	**53 057**	**478 525**
Share-based payments		**(261)**	**7 627**	**–**	**–**	**7 366**	**–**	**7 366**
Odd lot offer – shares repurchased		**(10 092)**	**–**	**–**	**–**	**(10 092)**	**–**	**(10 092)**
Share Incentive scheme – shares purchased (note 14)		**–**	**–**	**–**	**(59 888)**	**(59 888)**	**–**	**(59 888)**
Change in ownership		**–**	**–**	**–**	**(3 157)**	**(3 157)**	**(2 303)**	**(5 460)**
Dividends paid		**–**	**–**	**–**	**(120 908)**	**(120 908)**	**(25 793)**	**(146 701)**
Balance 30 September 2023		**440 963**	**21 873**	**(594)**	**2 467 580**	**2 929 822**	**156 405**	**3 086 227**
Gross shares issued		**486 191**						
Treasury shares		**(45 228)**						
Refer to notes		17	18	18				

Consolidated statement of cash flows

for the year ended 30 September

		GROUP	
	Notes	**2023 R'000**	2022 R'000
Cash flow from operating activities		**809 850**	213 072
Net cash profit from operating activities	37	**864 613**	709 832
Interest received		**242 620**	148 731
Working capital changes	38	**(85 590)**	(419 934)
Income tax paid	39	**(211 793)**	(225 557)
Cash flow from investment activities		**(164 675)**	(427 375)
Purchase of property, plant and equipment		**(173 135)**	(217 571)
Proceeds on disposal of property, plant and equipment		**7 734**	6 641
Acquisition of operations	40	**–**	(44 526)
Acquisition of shares in subsidiary	41	**–**	(639 350)
Proceeds on disposal of subsidiary	4	**–**	455 949
Repayment received on loans	8	**726**	11 482
Cash flow from financing activities		**(718 733)**	522 253
Increase in overdraft facility/short-term borrowings	42	**3 615**	262 924
Gross increase in borrowings	45	**–**	725 000
Repayment of borrowings	45	**(206 079)**	(97 750)
Lease payments	44	**(45 805)**	(32 401)
Repayment of Instalment sale agreements	43	**(26 997)**	(29 367)
Acquisition of shares from non-controlling shareholders	15	**–**	(15 068)
Treasury shares acquired		**(2 410)**	(19 869)
Odd lot offer – shares repurchased		**(10 092)**	–
Share incentive scheme – Future forwards		**(13 139)**	–
Interest paid	33	**(271 125)**	(143 395)
Dividends paid		**(146 701)**	(127 821)
Net increase/(decrease) in cash and cash equivalents for the year		**(73 558)**	307 950
Cash and cash equivalents at the beginning of the year		**359 484**	51 534
Cash and cash equivalents at the end of the year		**285 926**	359 484
Comprising of:			
– Bank and cash on hand	16	**285 926**	359 484

Notes to the consolidated annual financial statements

for the year ended 30 September

1 ACCOUNTING POLICIES

The principal accounting policies incorporated in the preparation of these financial statements are set out on pages 68 to 84. These policies are in terms of International Financial Reporting Standards (IFRS) and have been consistently applied to all the years presented, unless stated otherwise.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom precisely equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

Properties

Properties are depreciated over their useful lives, taking into account their residual values at the end of their useful lives. The residual values and useful lives are estimated and assessed based on industry knowledge and past experience with similar assets, taking into account the location and current condition of the properties. Properties are continuously maintained and kept up to standard. Refer to note 6 of the Group's accounting policy.

Loss allowance on trade receivables

In estimating the loss allowance on trade receivables, management makes certain estimates and judgements relating to the estimated recovery rate of debtors. This includes an assessment of current and expected future payment profiles and customer specific risk factors such as economic circumstances, geographical location and the value of security held. Refer to note 12 and 25 for more information.

Financial liabilities related to put options

The measurement of these financial instruments is based on various valuation calculations requiring estimated inputs and assumptions as disclosed in notes 14 and 15.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Judgements

Inventory provisions for slow-moving and obsolete stock

The Group makes certain judgements relating to the provision of inventory, based on the frequency of movement in different inventory types. This determines the rates applied per age bucket in calculating the inventory provision to be recognised.

Goodwill and indefinite useful life assets

The Group makes certain judgements relating to the impairment testing of goodwill and indefinite useful life assets, based on projections and assumed growth rates in income, expenses and terminal growth rates while using a pre-tax discount rate determined by management. These judgements are used to determine if an impairment of goodwill or indefinite useful life assets are applicable. Given that the retail licences remain valid for as long as the licence holder operates as a going concern, the estimated useful life of the individual retail licences is considered to be indefinite. Refer to note 5.

Extension periods with regards to lease contracts

The Group makes certain judgements relating to the extension periods of leases during the IFRS 16 right-of-use asset and lease liabilities calculations. If it is more likely than not that the lease will be extended based on all the available factors, the extension option is taken into account in determining the lease. Most of the rent paid is for Agrimark stores and based on the history of the relationship with lessors and the group's strategies with the stores, the contracts will be extended. Most of the store leases are renewed based on the fact that the stores are at strategic locations, and most have been there for some time and it will disrupt business if moved to different locations. Where the lease is not beneficial to the group, the extension option will not be applied. The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. As at 30 September 2023, future cash outflows of R737,8 million (2022: R690,3 million) is not included in the lease liability because it is not reasonably certain that it will be extended.

Margin on direct transactions

The Group makes certain judgements relating to direct sales, where goods purchased by clients are directly delivered to the client by the suppliers of the Group. Only the margin earned on direct sales is recognised as revenue. The Group assessed the treatment of these sales and concluded that the Group is acting as an agent, rather than a principal. Refer to note 28 in the accounting policy for further details.

	GROUP	
	2023 R'000	2022 R'000

3 PROPERTY, PLANT AND EQUIPMENT

	2023 R'000	2022 R'000
Cost		
Land and buildings	**894 519**	852 124
Grain silos	**87 410**	72 217
Machinery and equipment	**497 531**	443 539
Vehicles	**123 485**	106 564
Office furniture and equipment	**396 719**	368 406
Assets under construction	**56 367**	48 468
	2 056 031	1 891 318
Accumulated depreciation		
Land and buildings	**(25 569)**	(23 863)
Grain silos	**(49 331)**	(46 040)
Machinery and equipment	**(233 713)**	(202 723)
Vehicles	**(68 714)**	(61 414)
Office furniture and equipment	**(266 698)**	(239 863)
	(644 025)	(573 903)
Total carrying value	**1 412 006**	1 317 415
Depreciation has been allocated in the income statement as follows:		
Cost of sales	**(11 826)**	(11 636)
Other operating expenses	**(70 017)**	(55 247)
	(81 843)	(66 883)
Refer to note 51 for the reconciliation of movements in carrying value.		
Vehicles include the following amounts where the Group has instalment sale agreements:		
Cost	**45 948**	45 468
Accumulated depreciation	**(14 843)**	(16 022)
Total carrying value	**31 105**	29 446
Machinery and equipment include the following amounts where the Group has instalment sale agreements:		
Cost	**107 548**	107 548
Accumulated depreciation	**(17 684)**	(12 306)
Total carrying value	**89 864**	95 242

Properties to the value of R551,9 million serve as security for the first ranking covering mortgage bonds. Refer to note 23.

	GROUP	
	2023 R'000	2022 R'000

4 RIGHT-OF-USE ASSETS AND LEASE LIABILITY

	2023 R'000	2022 R'000
Right-of-use assets		
Buildings	**548 553**	612 806
Cost price	**856 495**	807 557
Accumulated depreciation	**(307 942)**	(194 751)
Vehicles	**3 667**	4 895
Cost price	**6 701**	7 584
Accumulated depreciation	**(3 034)**	(2 689)
	552 220	617 701

	GROUP	
	2023 R'000	2022 R'000

4 RIGHT-OF-USE ASSETS AND LEASE LIABILITY (CONTINUED)

	2023 R'000	2022 R'000
Reconciliation of movements in carrying value:		
Carrying value at beginning of year	**617 701**	253 804
Additions	**7 948**	441 230
Assets held for sale	**(56 453)**	–
Modification of lease contracts	**53 692**	(22 315)
Depreciation charge of Right-of-use assets	**(70 668)**	(55 018)
Buildings	**(69 273)**	(53 480)
Vehicles	**(1 395)**	(1 538)
Carrying value at end of year	**552 220**	617 701
Lease liabilities		
Current	**54 451**	50 019
Non-current	**583 103**	628 772
	637 554	678 791
Interest expense (included in finance costs)	**50 347**	37 917
Expense relating to short-term leases and low value assets (included in other operating expenses)	**21 256**	17 060
Buildings – variable lease payments (included in other operating expenses)	**146 701**	–
Cashflow expense for leases and low value and short-term leases	**264 108**	49 461

The Group's leasing activities and how these are accounted for

The Group leases various retail stores, storage sites and vehicles. Rental contracts are typically entered into for fixed periods of 3 to 12 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

During the year there has been modifications at Kaap Agri Bedryf Ltd that amounted to R32,6 million as a result of increase in scope and change in assessment of lease term. Modifications at TFC Operations (Pty) Ltd ("TFC") amounted to R25,9 million as a result of the change in index effective 1 March 2023.

Variable lease payments in respect of the premises in use by each fuel site is based on either the number of litres fuel dispensed or as a percentage of turnover. These agreements contain a wide range of different terms and conditions. Due to the variable nature of these lease payments, the expense is classified as an operating expense.

Sale and leaseback transaction

During the prior year the subsidiary TFC Properties (Pty) Ltd ("TFC Properties") was sold to an external party. The historical rationale for acquiring retail fuel and convenience properties was aligned with the strategic drive of footprint growth in this new market. Given that TFC had now successfully entered the retail fuel and convenience markets, and upon reviewing the returns generated on capital invested, it was decided to dispose of TFC Properties, and in doing so enter long-term leases to ensure tenure on its fuel retail sites. Proceeds from the disposal of TFC Properties was used as funding for higher return generating acquisition opportunities, namely the acquisition of the PEG Retail Group.

All of the properties sold are being leased back by the group thus concluding a Sale and Leaseback transaction. The new lease agreements will endure for 12 years from the Effective Date. The rental will escalate at the higher of 1) escalation attributable to the CAPEX portion of the RAS Schedule or 2) the consumer price index, from time to time.

4 RIGHT-OF-USE ASSETS AND LEASE LIABILITY (CONTINUED)

The impact of the Group's sale and leaseback transaction is disclosed below:

	GROUP	
	2023 R'000	2022 R'000
Cash proceeds received	–	455 949
Carrying amount of subsidiary at disposal date	–	(386 278)
Right-of-use asset recognised	–	345 688
Lease liability recognised	–	(412 447)
Profit on sale and leaseback transaction	–	2 912

5 INTANGIBLE ASSETS

	GROUP	
	2023 R'000	2022 R'000
Goodwill	**1 344 746**	1 399 631
Fuel retail licences	**193 738**	193 738
Tradename	**14 015**	14 405
Cost	**15 596**	15 596
Accumulated amortisation	**(1 581)**	(1 191)
Customer relations	**1 744**	3 359
Cost	**8 077**	8 077
Accumulated amortisation	**(6 333)**	(4 718)
Computer software	**6 403**	7 074
Cost	**8 560**	8 711
Accumulated amortisation	**(2 157)**	(1 637)
	1 560 646	1 618 207
Reconciliation of movements in carrying value:		
Goodwill	**1 344 746**	1 399 631
Carrying value at beginning of year	**1 399 631**	497 995
Additions through business combinations	**(4 775)**	992 949
Impairment*	**(15 266)**	–
Assets classified as held for sale	**(34 844)**	–
Disposals of subsidiary	–	(91 313)
Fuel retail licence	**193 738**	193 738
Carrying value at beginning of year	**193 738**	–
Additions through business combinations	–	193 738
Computer software	**6 403**	7 074
Carrying value at beginning of year	**7 074**	–
Additions through business combinations	–	7 623
Additions	**1 303**	–
Amortisation recognised in profit or loss	**(1 974)**	(549)
Tradename	**14 015**	14 405
Carrying value at beginning of year	**14 405**	14 795
Amortisation recognised in profit and loss	**(390)**	(390)
Customer relations	**1 744**	3 359
Carrying value at beginning of year	**3 359**	4 974
Amortisation recognised in profit and loss	**(1 615)**	(1 615)
	1 560 646	1 618 207

* *This impairment relates to the TFC sites that have been classified as assets held for sale. Refer to note 6 for further detail.*

In order to assess the goodwill and retail fuel licences that originated from business acquisitions in the Agrimark and The Fuel Company segments, a value in use calculation was done per Cash Generating Unit ("CGU"). More information with regards to each segment is disclosed below.

5 INTANGIBLE ASSETS (CONTINUED)

The Fuel Company acquisition strategy is cluster based, focusing on increasing scale in identified geographic locations and grouped as such based on geographic location, the nature and how the clusters are managed and monitored. The goodwill and retail fuel licences are monitored for impairment based on these clusters. The fuel clusters are included in The Fuel Company segment.

The retail fuel licences is included in the Highway cluster which amounts to R193,7 million (2022: R193,7 million).

The most significant clusters to which goodwill has been allocated include the clusters listed below:

	GROUP	
	2023 R'000	2022 R'000
Carrying value:		
Eastern Cape cluster	**45 469**	56 475
Northern Cape cluster	**127 108**	111 016
Northern Province cluster	**158 333**	213 528
Western Province cluster	**38 145**	38 145
Highway cluster	**950 029**	954 804

The following table sets out the key assumptions applied in determining the recoverable amount of each CGU used per cluster:

	GROUP	
	2023 %	2022 %
Pre-tax discount rate	**13,0 – 14,0**	11,4 – 12,5
Gross profit growth rate	**9,0 – 12,0**	9,5 – 13,5
Expenses growth rate	**5,0 – 8,0**	7,5 – 8,5
Terminal growth rate	**6,0**	6,0

The approved budget for the next financial year was used as base data after which the relevant inputs were extrapolated for the next 4 years with the long-term growth rate being applied in the terminal year. The growth rate in gross profit is more or less the same as the prior year based on sustainable strategic plans in place to focus on the growth of the sites in the clusters. The expenses changed considering current inflation, offset by plans to curb spend on sites within clusters given strategic plans in place. Projected future cash flows are discounted at a pre-tax discount rate that reflects both current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The rate is independent of the way in which the asset is financed.

Management has performed sensitivity analyses on the key assumptions in the impairment model using possible changes in these key assumptions including pre-tax discount rates, gross profit percentage, expenses growth rate and terminal growth rate used. Listed below is the increase/decrease in assumptions applied per year in the forecast, required to deplete the headroom after which a portion of goodwill will start to be impaired:

	PRE-TAX DISCOUNT RATE		GROSS PROFIT PERCENTAGE		EXPENSES GROWTH RATE	
	2023	2022	**2023**	2022	**2023**	2022
Eastern Cape cluster	**+6,4%**	+6,8%	**-5,0%**	-6,5%	**+5,0%**	+5,9%
Northern Cape cluster	**+10,0%**	+12,9%	**-9,3%**	-11,7%	**+9,5%**	+12,1%
Northern Province cluster	**+4,8%**	+5,0%	**-5,1%**	-5,6%	**+5,3%**	+5,6%
Western Province cluster	**+22,2%**	+16,5%	**-7,8%**	-6,5%	**+8,8%**	+7,3%
Highway sites cluster	**+21,9%**	+18,3%	**-2,3%**	-2,2%	**+7,8%**	+7,2%

Even if the terminal growth rate is zero, no impairment is identified. There is sufficient headroom and no risk of impairment noted.

The Agrimark acquisition strategy focuses on increasing scale in identified geographic locations and diversifying the business. The Forge and Farmsave branded branches are included in the Agrimark segment for the group. The goodwill raised through the business combination with Partridge Building Supplies (Pty) Ltd ("PBS") in previous years was tested for impairment using a value in use calculation.

5 INTANGIBLE ASSETS (CONTINUED)

	GROUP	
	2023 R'000	2022 R'000
Carrying value:		
Goodwill – business combination relating to PBS	**22 033**	22 033
Goodwill – business combination relating to Farmsave	**1 186**	1 186

The following table sets out the key assumptions applied in determining the recoverable amount of the goodwill raised:

Goodwill – business combination relating to PBS and Farmsave	**%**	%
Pre-tax discount rate	**13,0 – 14,0**	11,4
Revenue growth rate	**10,0 – 12,0**	10,0 – 12,0
Expenses growth rate	**7,0**	8,5 – 9,0
Terminal growth rate	**6,0**	6,0

The approved budget for the next financial year was used as base data after which the relevant inputs were extrapolated for the next 4 years with the long-term growth rate being applied in the terminal year. The pre-tax discount rate is in line with the rest of the group's pre-tax discount rate. Growth in revenue is in line with prior years. Expenses growth based on inflation and budgeted growth in expenses. No impairment was noted.

Management has performed sensitivity analyses on the key assumptions in the impairment model using possible changes in these key assumptions including pre-tax discount rates, revenue percentage, expenses growth rate and terminal growth rate used. Listed below is the increase/decrease in assumptions applied per year in the forecast, required to deplete the headroom after which a portion of goodwill will start to be impaired:

	PRE-TAX DISCOUNT RATE		REVENUE PERCENTAGE		EXPENSES GROWTH RATE	
	2023	2022	**2023**	2022	**2023**	2022
Business combination relating to PBS	**+2,5%**	+7,2%	**-5,5%**	-8,2%	**+4,6%**	+6,2%

Even if the terminal growth rate is zero, no impairment is identified. Thus, there is sufficient headroom and no risk of impairment.

The remaining CGU in the Agrimark segment was also assessed for goodwill impairment and sufficient headroom noted. Carrying amount of R2,4 million (2022: R2,4 million).

6 ASSETS HELD FOR SALE

	GROUP	
	2023 R'000	2022 R'000
Assets and liabilities of disposal groups as held for sale		
Intangible assets	**34 844**	–
Property, plant and equipment	**5 456**	–
Right-of-use assets	**56 453**	–
Lease liabilities	**(56 418)**	–
Inventory	**11 628**	–
Deferred tax	**825**	–
	52 788	–
Assets classified as held for sale	**109 206**	–
Liabilities directly associated with assets classified as held for sale	**(56 418)**	–
	52 788	–

During the year four TFC Operations sites (Caltex Nova, Caltex Gabros, Caltex Autostar and Total Summit) were earmarked for disposal within the next 12 months and are actively being marketed. The reason for the disposal is due to the fact that the sites are not fulfilling our expectations of returns based on the invested capital. This resulted in an impairment of goodwill – refer to note 5 and 30.

	GROUP	
	2023 R'000	2022 R'000

7 INVESTMENT IN JOINT VENTURE

Beginning of the year	**41 377**	33 923
Share in total comprehensive income	**9 271**	7 454
End of the year	**50 648**	41 377
The nature of the business is supplying of farming requisites, general retail and fuel. The Company is incorporated in Namibia.		
Kaap Agri (Namibia) (Pty) Ltd		
Number of issued shares: 502 (2022: 502)		
Shareholding: 50% (2022: 50%)		
251 (2022: 251) Shares at cost	**40 156**	40 156
Share in post-acquisition accumulated profit	**10 492**	1 221
	50 648	41 377
Summarised Statement of financial position as prepared under IFRS		
Non-current assets	**80 165**	75 750
Current assets	**227 821**	215 335
Cash and cash equivalents	**3 326**	8 493
Other current assets	**224 495**	206 842
Total assets	**307 986**	291 085
Non-current liabilities		
Loans and lease liabilities	**14 670**	18 172
Current liabilities	**189 973**	188 111
Short-term borrowings	**15 430**	14 323
Other current liabilities	**174 543**	173 788
Total liabilities	**204 643**	206 283
Net assets	**103 343**	84 802
Group's share in percentage	**50,00%**	50,00%
Group's share in Net assets of joint venture at fair value	**51 672**	42 401
Summarised Income statement		
Revenue	**1 141 452**	885 697
Depreciation	**14 358**	12 845
Interest income	**12 511**	7 446
Interest expense	**6 385**	5 398
Profit before taxation	**27 263**	21 205
Income tax	**(8 721)**	(6 297)
Profit attributable to ordinary shareholders	**18 542**	14 908
Joint Guarantee for bank overdraft facility of investment in joint venture		
Kaap Agri (Namibia) (Pty) Ltd	**70 000**	45 500
The Group provides a limited guarantee (limited to R70,0 million (2022: R45,5 million)) for the bank overdraft facility of Kaap Agri (Namibia) (Pty) Ltd at Bank Windhoek.		
Guarantee for suppliers of subsidiaries		
Vivo Energy Namibia Limited	**20 000**	10 000
The Group provides a limited guarantee (limited to R20 million (2022: R10 million)) for the supply of fuel to Kaap Agri (Namibia) (Pty) Ltd.		

	GROUP	
	2023 R'000	2022 R'000
8 LOANS		
Kaap Agri (Namibia) (Pty) Ltd	**547**	3 127
Opening balance	**3 127**	6 732
Decrease in loan	**(2 580)**	(3 605)
Lionshare Holdings (Pty) Ltd	**21 215**	19 361
Opening balance	**19 361**	27 238
Increase/(Decrease) in loan	**1 854**	(7 877)
	21 762	22 488
Short-term portion carried over to current assets	**(1 513)**	(4 915)
	20 249	17 573

The carrying value of the loans approximates its fair value at the reporting date.

Kaap Agri (Namibia) (Pty) Ltd

The loan is unsecured and bears interest at the Namibian prime rate. There are no specific repayment terms. Repayment is determined by the shareholders as and when funds are available. Repayment of the loan will take place before any dividends are declared.

The expected credit loss allowance was assessed based on the exposure, probability of default and loss given default. The general model is followed in terms of IFRS 9. Strategies are in place to improve profitability and will lead to improved cashflows. As such, no expected credit loss provision has been created as this loan is considered fully recoverable in the future. A 12-month expected credit loss was considered, and no material loss allowance was identified. Refer to accounting policy note 10.

Lionshare Holdings (Pty) Ltd

The loan bears interest at prime plus 1,5%. The loan is repayable in yearly instalments after payment of a dividend by TFC Operations (Pty) Ltd, with final repayment on 28 February 2029.

The loan is secured by:

> A first-ranking mortgage bond over the immovable property of C-Max Investments 71 (Pty) Ltd, held under Deed of Transfer T19459/2012.

> A second-ranking mortgage bond over the immovable property of C-Max Investments 71 (Pty) Ltd, held under Deed of Transfer T51438/2014.

> A suretyship agreement, binding itself, by C-Max Investments 71 (Pty) Ltd.

> A suretyship agreement, binding itself, by Mezibase (Pty) Ltd.

The expected credit loss allowance was assessed based on the exposure and probability of default and loss given default but based on the security value the expected credit loss allowance was considered immaterial. Refer to note 10.

	GROUP	
	2023 R'000	2022 R'000

9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 R'000	2022 R'000
Signafi Capital (Pty) Ltd – unlisted	**5 580**	5 580

Information about the Group's exposure to price risk is provided in note 25. For information about the methods and assumptions used in determining the fair value also refer to note 25.

The shares are encumbered as security as set out in note 23.

10 DEFERRED TAXATION

	GROUP	
	2023 R'000	Restated 2022 R'000
Movement of deferred tax		
Balance beginning of year	**(43 418)**	(101 502)
Balance through business combination	**–**	(49 719)
Disposal of subsidiary	**–**	82 707
Assets held for sale	**(825)**	–
Income statement credit	**1 923**	18 730
Credit/(debit) against reserves	**(1 214)**	6 366
Balance end of year	**(43 534)**	(43 418)
Due to the following temporary differences:		
Property, plant and equipment	**(86 597)**	(72 687)
Intangible assets	**(53 066)**	(54 426)
Currency translation differences	**220**	(327)
Tax loss	**42 217**	28 914
Provisions and accrued expenses	**36 968**	42 351
IFRS 16 Right-of-use asset and liability	**16 724**	12 757
Right-of-use asset*	**(155 594)**	(170 516)
Lease liability*	**172 318**	183 273
	(43 534)	(43 418)
Sufficient taxable earnings are expected to be earned in the future to utilise the deferred tax asset.		
Movements for the year		
Opening balance	**(43 418)**	(101 502)
Property, plant and equipment	**(13 910)**	89 559
Intangible assets	**1 360**	(54 779)
Currency translation differences	**546**	(312)
Tax loss	**13 303**	8 068
Provisions and accrued expenses	**(5 382)**	11 916
IFRS 16 right-of-use asset and liability	**3 967**	3 632
Right-of-use asset*	**14 923**	(110 512)
Lease liability*	**(10 956)**	114 144
	(43 534)	(43 418)

* *Disaggregated in the prior year in order to correctly satisfy the disclosure requirements under IAS 12.*

	2023 R'000	Restated 2022 R'000
The tax loss for the year in R107,1 million and has no expiry date. For purposes of the statement of financial position deferred taxation is presented as follows:		
Non-current assets	**33 039**	12 912
Non-current liabilities	**(76 573)**	(56 330)
	(43 534)	(43 418)

	GROUP	
	2023 **R'000**	2022 R'000

11 INVENTORY

Merchandise	**1 618 318**	1 594 472
Raw materials	**21 442**	30 251
Consumable goods	**2 232**	2 647
	1 641 992	1 627 370
Inventory carried at the lower of cost or net realisable value	**78 483**	54 581
Provision for slow-moving and obsolete stock included in inventory	**43 773**	37 568
Inventory written off during the year	**14 873**	10 410

The inventory is encumbered as security as set out in note 23.

12 TRADE AND OTHER RECEIVABLES

Trade Receivables	**2 563 130**	2 583 856
Expected credit loss allowance	**(53 261)**	(44 213)
	2 509 869	2 539 643
VAT	**41 212**	94 053
Other debtors	**65 612**	80 030
	2 616 693	2 713 726
Trade and other receivables – current	**2 580 828**	2 661 293
Trade and other receivables – non-current	**35 865**	52 433
	2 616 693	2 713 726

Included in the non-current portion of trade and other receivables are long-term facilities granted to producers to assist in capital expansion related to the establishment and/or expansion of production. The nature of these accounts are the same as normal trade debtors. These facilities vary in duration between 2 and 5 years, are suitably secured and bear interest in line with the policies regarding interest for all trade receivables and are considered to be market related.

Trade and other receivables are categorised as debt instruments at amortised cost.

The Group applies the simplified approach for providing for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables.

A loss allowance is recognised for all receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. Refer to note 25 for the detail regarding the process for identifying the specific and contingency loss allowance. In addition to the loss allowance, receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Receivables which have been written off are not subject to enforcement activities. The general model was used to identify any expected credit losses for deposits and other receivables and no material loss allowance identified.

The carrying value of trade and other receivables approximates its fair value at the reporting date.

The trade debtors are encumbered as security as set out in note 23.

	GROUP	
	2023 R'000	2022 R'000

12 TRADE AND OTHER RECEIVABLES (CONTINUED)

	2023 R'000	2022 R'000
Movement in the expected credit loss allowance		
Opening balance	**(44 213)**	(54 460)
Movement in the expected credit loss allowance	**(9 048)**	10 247
Bad debts written off	**3 541**	25 343
Additional provision raised	**(12 589)**	(15 096)
Balance at the end of the year	**(53 261)**	(44 213)

13 DERIVATIVE FINANCIAL INSTRUMENTS

	2023 R'000	2022 R'000
Firm commitment – Grain purchases		
Assets/(Liabilities)		
Forward purchase contracts	**–**	2 497
Options	**–**	(5)
	–	2 492

The forward purchase contracts ('Physically settled derivatives') and options represent contracts with producers for the acquisition of physical commodities in the future, which will be delivered within the next twelve months after year-end. These contracts are regarded as financial instruments under IFRS 9 and recorded at fair value through profit and loss.

The Group manages its price risk by entering into back-to-back transactions whereby firm commitments on physical positions are hedged with derivative instruments thereby ensuring limited price risk as all contracts with buyers and sellers are fully hedged on SAFEX.

There is a formal grain trading policy in place which is adhered to at all times. A functional grain marketing committee meets on a monthly basis to monitor the Group's hedging position.

As at 30 September 2023 nil tons (2022: 47 400 tons) wheat were hedged. The risk of the producer not delivering the contracted tonnages is very low as the Group takes into account the current harvest estimates and historic harvest volumes per producer and only contracts for a portion of the historic and harvest estimates, thus taking a very conservative approach. Good long-standing relationships exist with all producers and the Group has expert skills and knowledge in this particular field. If the producer under delivers, the Group can buy and sell the tonnages directly on SAFEX. The group has entered into a purchase and sale agreement which determines that the tons procured daily are immediately sold to an independent third party. There is an economic hedge in place and the transactions results in offsetting positions in profit and loss.

	GROUP	
	2023 R'000	2022 R'000

14 FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 R'000	2022 R'000
Written Put Option		
C-Max Investments (Pty) Ltd		
Opening balance	**–**	(76 100)
Remeasurement through profit and loss	**–**	(4 300)
Put relinquished through equity	**–**	80 400
	–	–

During the previous year the financial liability was relinquished. A new Memorandum of Incorporation was created for TFC Operations and in terms of the agreement C-Max Investments (Pty) Ltd no longer has the contractual right to put the shares to KAL Group, thus the financial liability relinquished through equity.

	2023 R'000	2022 R'000
Low risk retention payment – contingent consideration		
Balance beginning of the year	**82 396**	–
Purchase	**–**	80 778
Interest	**8 529**	1 618
	90 925	82 396

The low risk retention payment resulted with the purchase of the subsidiary PEG Retail Holdings (Pty) Ltd. A contingent consideration amount has been allocated in respect of certain sites where a required 5 year renewal of the lease agreement should be obtained. Within five business days of receipt by TFC of the signed renewal agreement, TFC will make the relevant payments. The low risk retention payment will be increased by a factor equal to prime less 1% calculated from effective date to the date of actual payment. Management is of the opinion that based on history and the current relationships with the Oil companies, the probability of the lease agreements to be renewed and the low risk retention payment to be made in full is highly probable. This liability is expected to be settled before 31 December 2025. On 3 November 2023 a partial payment of R57,8 million was made.

	2023 R'000	2022 R'000
Share Incentive Scheme – Future Forwards		
Purchase	**59 888**	–
Repayment	**(13 139)**	–
	46 749	–

During the year the Group entered into an arrangement with a counter party to acquire KAL shares in the market and deliver these shares directly to the participants of the share incentive scheme ("SIS") on vesting. This financial liability at fair value through profit and loss relates to all the future forwards required for the SIS.

	2023 R'000	2022 R'000
	137 674	82 396

	GROUP	
	2023 R'000	2022 R'000

15 FINANCIAL LIABILITY AT AMORTISED COST

	2023 R'000	2022 R'000
Written Put Option		
Partridge Building Supplies (Pty) Ltd		
Opening balance	–	(23 651)
Put exercised during the year	–	15 068
Interest (refer to note 33)	–	(114)
Put unexercised, thus lapsed through equity	–	8 697
Minority Put Option		
Partridge Building Supplies (Pty) Ltd		
Put option raised through equity	–	(19 240)
Interest (refer to note 33)	–	(260)
Put exercised during the year	–	19 500
	–	–
As a result of the acquisition of the minority shares in the subsidiary the non-controlling interest was derecognised	–	22 462

Through the acquisition of the 60% shareholding in Partridge Building Supplies (Pty) Ltd in prior years, the Group entered into a once-off written put agreement over the remaining 40% interest in the aforementioned Company. The option was exercisable after the finalisation of the financial statements for the year ending 30 September 2021. During the prior financial period 25% of the remaining 40% shareholding was purchased as part of the Written Put Option, and the rest of the Written Put Option was not exercised. This portion of the written put option lapsed and the liability was derecognised with a corresponding adjustment to equity.

A new Minority Put Option was raised in January 2022 as a financial liability at amortised cost. The amount that may become payable under the option on exercise date was initially recognised at the present value of the redemption amount. The corresponding charge was accounted for directly as a reduction in the parent's equity since the risks and rewards have not been transferred to the parent until the option is exercised. The liability was subsequently adjusted for changes in the estimated performance and increased/decreased up to the redemption amount that is payable at the date at which the option is exercised. As at the end of the prior year this option was exercised and shares were issued as payment method to settle the liability as at 31 March 2022.

	GROUP	
	2023 R'000	2022 R'000

16 CASH AND CASH EQUIVALENTS

	2023 R'000	2022 R'000
Cash on hand	**4 831**	4 549
Bank balances	**281 095**	354 935
	285 926	359 484

The cash balances are encumbered as security as set out in note 23.

The credit quality of cash at bank, excluding cash on hand that is neither past due nor impaired can be assessed by reference to external credit ratings:

> ABSA Bank Limited – counterparty risk rated Ba1 by Moody's

> First National Bank Limited – counterparty risk rated Ba1 by Moody's

> Standard Bank of South Africa Limited – counterparty risk rated Ba1 by Moody's

> Nedbank Limited - counterparty risk rated Ba1 by Moody's

	GROUP	
	2023 R'000	2022 R'000

17 STATED CAPITAL

Authorised:
1 000 000 000 (2022: 1 000 000 000) ordinary shares with no par value
Issued:
74 319 837 (2022: 74 567 680) ordinary shares with no par value

	2023 R'000	2022 R'000
Ordinary shares	**486 191**	496 664
Treasury shares	**(45 228)**	(45 348)
	440 963	451 316

	Number	Number
Total number of ordinary shares – issued	**74 320**	74 568
Treasury shares – issued	**(4 200)**	(4 200)
	70 120	70 368

During the year, the company repurchased a total of 247 843 KAL ordinary shares from qualifying shareholders (Odd-lot offer) at an average price of R40,72. The KAL ordinary shares repurchased in terms of the Offer were delisted and accordingly the total issued ordinary share capital of the Company was reduced from 74 567 680 to 74 319 837 KAL ordinary shares.

18 OTHER RESERVES

	2023 R'000	2022 R'000
Hedge reserve Derivative financial instruments that are designated and qualify as cash flow hedges are shown in the statement of financial position at fair value. This includes foreign exchange contracts pertaining to imports of inventory. The effective portion of changes in the fair value are recognised in other comprehensive income in the hedge reserve.	**(594)**	883
Share-based payment reserve The equity impact in relation to the management share incentive scheme is shown in the share-based payment reserve.	**21 873**	14 246
	21 279	15 129

19 EQUITY SETTLED MANAGEMENT SHARE INCENTIVE SCHEME

	2023		2022	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
Granted during the year – based on old LTI scheme	–	–	44,44	585 884
Granted during the year – based on modified LTIP scheme (NCOs)	–	**986 238**	–	1 324 779

The expense recognised in profit or loss is R13 500 285 (2022: R8 066 453).

19 EQUITY SETTLED MANAGEMENT SHARE INCENTIVE SCHEME (CONTINUED)

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Vesting date	Exercise price	Fair value at grant date	Share options 2023	Share options 2022
Old LTI scheme					
20 March 2018	1 October 2022	48,27	16,18	**25 050**	25 050
15 January 2019	1 October 2022	36,72	14,14	**46 839**	46 839
15 January 2019	1 October 2023	36,72	15,29	**46 839**	46 839
15 January 2020	1 October 2022	27,31	5,28	**390 201**	46 839
15 January 2020	1 October 2023	27,31	5,96	**390 201**	390 201
15 January 2020	1 October 2024	27,31	6,48	**390 201**	390 201
12 January 2021	1 October 2022	24,53	4,65	**85 440**	390 201
12 January 2021	1 October 2023	24,53	5,56	**85 440**	85 440
12 January 2021	1 October 2024	24,53	6,23	**85 440**	85 440
12 January 2021	1 October 2025	24,53	6,74	**85 440**	85 440
20 January 2022	1 October 2023	44,44	11,01	**131 051**	85 440
20 January 2022	1 October 2024	44,44	13,51	**131 051**	131 051
20 January 2022	1 October 2025	44,44	15,34	**131 051**	131 051
20 January 2022	1 October 2026	44,44	16,72	**131 051**	131 051
Modified LTI scheme – Nil Cost Option ("NCO")					
29 September 2022	29 September 2024	–	33,08	**331 195**	331 195
29 September 2022	29 September 2025	–	31,02	**331 195**	331 195
29 September 2022	29 September 2026	–	28,90	**331 195**	331 195
29 September 2022	29 September 2027	–	26,74	**331 195**	331 195
2 December 2022	2 December 2024	–	40,52	**23 225**	
2 December 2022	2 December 2025	–	38,34	**23 226**	
2 December 2022	2 December 2026	–	36,08	**23 226**	
2 December 2022	2 December 2027	–	33,76	**23 226**	
24 May 2023	24 May 2025	–	32,45	**223 333**	
24 May 2023	24 May 2026	–	30,71	**223 334**	
24 May 2023	24 May 2027	–	28,97	**223 334**	
24 May 2023	24 May 2028	–	27,24	**223 334**	
				4 466 313	3 480 075

Fair value of options granted

Old LTI scheme

The fair value of the grant is determined using the Black-Scholes-Merton model using six different inputs that would have an effect on the fair value of the grant. The inputs are the exercise price of the option, the share price at grant date, the expected life of the option, the expected volatility, the expected dividend yield and the risk-free interest rate.

19 EQUITY SETTLED MANAGEMENT SHARE INCENTIVE SCHEME (CONTINUED)

Fair value of options granted (continued)

Modified LTIP scheme – Nil Cost Option ("NCO")

The awards granted during the year are conditional upon specific non-market conditions and the completion of a service period. We refer to the fair value of these awards, prior to taking into account the probability of achieving the non-market performance conditions, as the "unconditional fair value". The shares are obtained for no consideration upon the achievement of the service condition (i.e. no strike price) and award holders will not be entitled to dividends on the ordinary shares underlying their share options prior to the exercise date.
The "unconditional fair value" is thus equal to the share price at the grant date, less the present value of estimated dividends paid prior to the time of exercise. Inputs taken into account are share price, life of the option, dividend yield rate and the risk-free interest rate.

	GROUP	
	2023	2022
Model inputs:		
Old LTI scheme		
Exercise price (Rand)	**24,53**	44,44
Share price at grant date (Rand)	**24,53**	44,44
Expected life of option (years)	**2 – 5**	2 – 5
Expected volatility (%)	**27,6 – 55,9**	27,6 – 55,9
Expected dividend yield (%)	**4,0 – 5,0**	4,0 – 5,0
Risk-free interest rate (%)	**8,1 – 8,8**	8,1 – 8,8
Modified LTIP scheme – Nil Cost Option ("NCO")		
Share price at grant date (Rand)	**36,73**	36,73
Expected life of option (years)	**2 – 5**	2 – 5
Expected dividend yield (%)	**5,2 – 6,4**	5,2 – 6,4
Risk-free interest rate (%)	**8,1 – 8,9**	8,1 – 8,9

In the prior year KAL Group adopted a modified share incentive scheme, namely the modified LTIP (NCO), which is a non-dilutionary equity-settled long-term incentive plan.

The LTIP is an NCO scheme, which mitigates the risk participants previously had with share price changes due to market volatility. The rights previously granted under the KAL Group Equity Settled Management Share Incentive Scheme were migrated and converted to NCOs governed by the amended rules of the abovementioned non-dilutionary LTIP, although the vesting dates and performance hurdles applicable to such grants will remain in place for these converted NCOs.

Participation is limited to the executive directors and other executive committee members, which may also include the Managing Director of a subsidiary. Participants will be awarded NCOs, which are conditional rights to receive Company shares on a future date after the fulfilment of the performance and other conditions, to the extent applicable. The vesting is not dependent on the share price growth. Each year the participants are awarded NCOs, based on a multiple of the participant's annual TGP. The NCOs vest in tranches of 25% each on the later of the 2nd, 3rd, 4th and 5th anniversary of the date of award; and to the extent applicable, the date on which the remuneration committee determines that the performance condition(s) has been met; and to the extent applicable, any other conditions imposed have been satisfied. On the vesting date, shares will be awarded to a participant.

	GROUP	
	2023 R'000	2022 R'000

20 INSTALMENT SALE AGREEMENTS

Instalment sale agreements liabilities	**59 857**	73 432
Short-term portion Instalment sale agreements liabilities	**(31 036)**	(28 030)
	28 821	45 402
Commitments in relation to Instalment sale agreements payable as follows:		
Within one year	**36 045**	33 408
Later than one year but not later than five years	**31 051**	48 871
Minimum instalment payments	**67 096**	82 279
Future finance charges	**(7 239)**	(8 847)
Recognised as liability	**59 857**	73 432
The present value of Instalment sale agreements liabilities is as follows:		
Within one year	**31 036**	28 030
Later than one year but not later than five years	**28 821**	45 402
Minimum lease payments	**59 857**	73 432

Instalment sale agreement liabilities include vehicles and forklifts. The nature of instalment sale agreements is that the ownership of assets is already transferred to the Group.

21 EMPLOYEE BENEFIT OBLIGATIONS

Post-retirement medical benefits		
Balance beginning of year	**16 558**	17 044
Interest costs recognised in the income statement	**1 747**	1 475
Actuarial gain recognised in the income statement	**–**	168
Employer contributions	**(2 119)**	(2 129)
	16 186	16 558
Short-term portion carried over to current liabilities	**(2 153)**	(2 032)
	14 033	14 526

Amounts recognised in the income statement are shown under other operating expenses.

Existing provisions are based on the following important assumptions:

Post-retirement medical benefits		
Cost of medical inflation (%)	**9,00**	9,00
Discount rate (%)	**11,25**	11,25
Average retirement age (years)	**65**	65
Expected membership continuance at retirement (%)	**100**	100
Post-retirement mortality	**2 Years +1%**	2 years +1%
Weighted average duration of obligation (years)	**6,83**	6,83
Total expected contributions for the coming year (R'000)	**2 153**	2 032

21 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Sensitivity analysis:

The method of calculation remains unchanged.

Effect of a 1% movement in the assumed cost of medical inflation and discount rate:

	GROUP	
	+1% **R'000**	**-1%** **R'000**
Cost of medical inflation		
Aggregate of current service cost and interest cost – increase/(decrease)	**128**	**(109)**
Liability – increase/(decrease)	**1 080**	**(979)**
Discount rate		
Liability – increase/(decrease)	**(916)**	**1 025**

	2023 **R'000**	2022 R'000	2021 R'000	2020 R'000	2019 R'000
Trend information:					
Present value of liabilities	**16 186**	16 558	17 044	17 603	17 952
Present value of plan assets	**–**	–	–	–	–
Present value of obligations above plan assets	**16 186**	16 558	17 044	17 603	17 952
Experience adjustments:					
Present value of liabilities	**–**	(49)	–	(947)	–
Present value of plan assets	**–**	–	–	–	–
Actuarial profit/(loss) before changes in assumptions	**–**	(49)	–	(947)	–

22 TRADE AND OTHER PAYABLES

	GROUP	
	2023 **R'000**	2022 R'000
Trade creditors	**2 075 530**	2 220 823
Employee accruals	**96 367**	136 427
Other creditors	**143 234**	146 905
	2 315 131	2 504 155

The carrying value of trade and other payables approximate its fair value at the reporting date.

	GROUP	
	2023 R'000	Restated 2022 R'000

23 BORROWINGS

	2023 R'000	Restated 2022 R'000
Long-term bank borrowings	**–**	212 500
Borrowings	**877 921**	1 084 000
Short-term portion of long-term bank borrowings	**(877 921)**	(871 500)
The current long-term bank facilities bear interest at fixed rates between 6,37% to 6,43%, as well as JIBAR plus 2,20%. The borrowings are repayable based on a schedule as set out in the agreement between the Company and the bank and will be fully repaid by 30 June 2026.		
Short-term bank borrowings	**1 892 806**	1 882 770
Overdraft facility	**1 014 885**	1 011 270
Short-term portion of long-term bank borrowings	**877 921**	871 500
The current short-term bank facilities bear interest from prime less 1,75% to prime less 2,00% and are renewed annually.		

The carrying value of borrowings approximate its fair value at the reporting date.

As there was a technical breach of covenants in the year, the long-term borrowings moved from long-term to short-term, as the Group did not have the unconditional right to defer payment past 12 months. The Group is in the process of negotiating a waiver from the Bank. The negotiation around the waiver of the covenants that have been breached is progressing positively given that the group is not significantly leveraged, is liquid and solvent.

The prior year figures were restated, refer to note 50 for further details.

In addition, the comparative notes did not include the disclosure of the covenants for the loan between TFC Operations (Pty) Ltd and ABSA, as well as the loan between Kaap Agri Bedryf (Pty) Ltd and ABSA. Refer below for the debt covenants:

	2023	2022
Kaap Agri Bedryf Limited covenants		
Name of Covenant:		
Asset Cover Ratio (required to be equal or higher than 1,25 (2022: 1,25))	**4,82**	4,46
Leverage Ratio (required to be equal or lower than 3,25 (2022: 3,50))	**1,82**	3,04
Interest Cover Ratio (required to be equal or higher than 3,50 (2022: 3,25))	**5,18**	5,64
Debt Service Cover Ratio (required to be equal or higher than 1,20 (2022: 1,20))	**0,90**	1,22
TFC Operations (Pty) Ltd covenants		
Name of Covenant:		
Leverage Ratio (required to be equal or lower 3,00 (2022: 3,75))	**2,82**	4,04
Interest Cover Ratio (required to be equal or higher than 3,50 (2022: 3,50))	**3,67**	15,76
Debt Service Cover Ratio (required to be equal or higher than 1,25 (2022: 1,25))	**1,12**	4,40

23 BORROWINGS (CONTINUED)

Asset cover ratio is the PLF facility covered by the value of debtors and stock.

Leverage Ratio is the consolidated total net borrowings divided by adjusted consolidated EBITDA.

Interest cover ratio is the adjusted consolidated EBITDA divided by consolidated finance costs.

Debt service cover ratio is the consolidated total free cashflow to the consolidated total debt service.

Securities held:

The bank facilities of R2 780,3 million are secured by:

- A pledge and cession of all shares, securities and other ownership interests in any affiliate, associate company or another person in which it is invested.
- First-ranking covering mortgage bonds over certain immovable property of which that KAL Group is the registered owner.
- A cession of all its rights and claims in respect of bank accounts maintained in South Africa.
- A general notarial bond over the stock and moveable assets of Kaap Agri Bedryf Limited to the value of R200 million for the facility of Kaap Agri Bedryf Limited.
- A cession of trade debtors and stock of Kaap Agri Bedryf Limited for the facility of Kaap Agri Bedryf Limited (limited to R1 200 million).
- A cession of trade debtors of Agriplas (Pty) Ltd as well as a limited guarantee by Kaap Agri Bedryf Limited (limited to R20,0 million) for the facilities of Agriplas (Pty) Ltd.
- A limited guarantee by Kaap Agri Bedryf Limited (limited to R25,0 million) for the facilities of TFC Operation (Pty) Ltd.
- First-ranking covering mortgage bonds over certain immovable property of Kaap Agri Bedryf Limited.
- A cession of all its insurance taken out and any proceeds receivable.
- A cession of bank accounts opened with any bank and all the proceeds standing to the credit of such accounts – PEG Retail Holdings (Pty) Ltd.
- A limited guarantee of R30 million by PEG Retail Holdings (Pty) Ltd.
- A cession of all rights, title and interest in the management contracts held of PEG Management Services (Pty) Ltd.

24 RELATED PARTY TRANSACTIONS

	GROUP 2023 R'000	GROUP 2022 R'000
The following transactions were carried out with related parties:		
Transactions with related parties and outstanding balances		
Income		
Interest received		
Lionshare Holdings (Pty) Ltd	**2 498**	2 225
Sales of goods		
Capespan SA (Pty) Ltd*	**–**	6 100
African Seed Group (Pty) Ltd*	**–**	423
Agricol (Pty) Ltd*	**–**	828
Curro Holdings Ltd*	**–**	102
Novo Fruit Packers Pty Ltd*	**–**	11 814
Valam Boerdery (Pty) Ltd*	**–**	29 021
Expenses		
Purchases of goods		
Capespan SA (Pty) Ltd*	**–**	318
African Seed Group (Pty) Ltd*	**–**	31
Energy Partners Holdings (Pty) Ltd*	**–**	166
Farm-Ag International (Pty) Ltd*	**–**	255
Grayston Elliot (Pty) Ltd*	**–**	40
Limagrain Zaad South Africa (Pty) Ltd*	**–**	5 820
Nuvance (Pty) Ltd*	**–**	1 316
ZAR Seed Production (Pty) Ltd*	**–**	607
Zeder Investments Ltd*	**–**	337
M Pupkewitz & Sons (Pty) Ltd	**1 297**	1 710
Professional services		
PSG Corporate Services*	**–**	32 181
Balances		
Trade debtors		
Capespan SA (Pty) Ltd*	**–**	24
Loans receivable/(payable)		
Lionshare Holdings (Pty) Ltd	**21 215**	19 361
Transactions with directors and outstanding balances:		
Sales	**102 093**	92 265
Purchases	**454**	3 540
Trade receivables	**16 414**	15 864
Transactions with joint venture and outstanding balances		
Kaap Agri (Namibia) (Pty) Ltd		
Sales of goods	**4 775**	7 901
Interest received	**189**	328
Purchases of goods	**210**	369
Trade receivables	**555**	138
Trade payables	**25**	6
Loan	**547**	3 127

* *These companies are no longer related parties due to the unbundling of Zeder Investments Limited's and PSG Group's shares in KAL Group Limited on 4 April 2022 and 12 September 2022, respectively.*

Refer to note 7 and 8 for disclosures relating to the investment in joint venture and loans granted to related parties.

24 RELATED PARTY TRANSACTIONS (CONTINUED)

The relationships between the various companies in the Group are disclosed in note 46.

KAL Group Limited is the ultimate holding company of the group.

M Pupkewitz & Sons (Pty) Ltd holds the other 50% shareholding in the Joint Venture. Refer to note 7.

Lionshare Holdings (Pty) Ltd is a related Company to one of the non-executive directors.

C-Max Investments 71 (Pty) Ltd is a related Company as the Company is a shareholder in subsidiary companies of the Group and the director of C-Max serves on the KAL Group Limited board.

Refer to executive directors' remuneration as disclosed in note 31 for key management compensation.

The number of shares directly and indirectly held by directors of the KAL Group was 1 210 224 at 30 September 2023 (value: R41,8 million).

The companies in the Group sell products in the normal course of business to directors and all other related companies on terms and conditions applicable to all clients.

25 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks like market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The accounting policy for financial instruments are applied to the following line items according to the statement of financial position: trade and other receivables, financial assets at fair value through other comprehensive income, financial liabilities at amortised cost, derivative financial instruments, cash and cash equivalents, loans, trade and other payables, borrowings, finance lease liabilities and financial liabilities at fair value through profit or loss.

The carrying value according to the statement of financial position differs from the values disclosed in this note because of items included in the carrying value according to the statement of financial position which do not meet the definition of a financial instrument or which are excluded from the scope of IFRS 7: Financial Instruments: Disclosures. These items include statutory receivable (VAT) amounts of R41,2 million (2022: R94,1 million), statutory liabilities of R17,2 million (2022: R15,4 million) and liabilities in respect of employee benefits of R66,6 million (2022: R109,4 million).

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk primarily arises from inventory and asset purchases in other countries. Forward exchange contracts are used to manage the foreign exchange risk.

Kaap Agri (Aussenkehr) (Pty) Ltd is currently the only foreign subsidiary within the Group. The functional currency of Kaap Agri (Aussenkehr) (Pty) Ltd is the Namibian Dollar. The exchange rate between the Namibian Dollar and South African Rand is fixed at 1 Namibian Dollar for 1 South African Rand. Consequently, no foreign exchange rate differences arise due to the translation of this foreign subsidiary.

All imports in foreign currency are hedged with the corresponding foreign exchange contract asset and liability, and reserves are addressed. No effect on profit or loss, thus foreign currency risk is managed through hedge accounting.

Cash flow interest rate risk

The Group finances its operations through a combination of shareholders' funds and bank borrowings. The Group's interest rate exposure and the effective interest rates can be summarised as follows:

	INTEREST-BEARING			
	Rate 2023 %	**Amount 2023 R'000**	Rate 2022 %	Amount 2022 R'000
Assets:				
Trade debtors	**11,50 – 16,50**	**2 509 868**	9,50 – 14,50	2 619 673
Loan Kaap Agri (Namibia) (Pty) Ltd	**11,50**	**547**	9,25	3 127
Loan Lionshare Holdings (Pty) Ltd	**13,25**	**21 215**	11,25	19 361
Cash and cash equivalents	**7,9 – 9,4**	**242 918**	5,14 – 5,33	354 935
Liabilities:				
Short-term borrowings	**9,90**	**1 014 885**	7,75 – 9,75	1 011 270
Low risk retention payment	**10,75**	**90 925**	8,75	82 396
Instalment sale agreements	**10,75 – 12,77**	**59 857**	8,45 – 10,77	73 432
Borrowings	**6,37 – 10,70**	**877 921**	6,37 – 11,98	1 084 000

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Cash flow interest rate risk (continued)

	NON-INTEREST-BEARING	
	Amount 2023 R'000	Amount 2022 R'000
Assets:		
Other receivables	**65 612**	80 030
Cash and cash equivalents	**43 008**	4 549
Liabilities:		
Trade- and other payables	**2 231 079**	2 391 893

	GROUP	
	2023 R'000	2022 R'000
To illustrate the company's exposure to interest rate changes, the influence of interest rate changes on the carrying values of interest-bearing financial assets and financial liabilities and resulting profit after taxation, are illustrated as follows:		
Interest-bearing assets	**2 774 549**	2 997 096
Interest-bearing liabilities	**(2 043 587)**	(2 251 098)
Net interest-bearing assets	**730 962**	745 998
Increase/(decrease) in profit after tax and equity		
Half a percentage point increase in interest rates	**2 668**	2 686
Half a percentage point decrease in interest rates	**(2 668)**	(2 686)

Price risk

The Group is involved in the trading of grain commodities in order to optimise the utilisation of its silo infrastructure. It is the Group's intent to hedge any price risk arising from fluctuations in commodity prices during the trading of grain commodities. The Group uses commodity contracts, option contracts or other derivative financial instruments to hedge the commodity price risk. Commodities are hedged within the limits approved by the Board of directors. The hedging policy is sufficiently flexible to allow management to rapidly adjust hedges following possible changes in the commodity market.

Equity price risk

The equity price risk exposure arises from the investment made in Signafi Capital (Pty) Ltd shares. Equity price risk is the risk that the fair values of equities decrease or increase as a result of changes in the levels of equity indices and the value of individual stocks. Please refer to note 7 for the investment. A 10% difference in the share price could affect other comprehensive income with R558 000.

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Potential concentrations of credit risk consist mainly within cash and cash equivalents, deposits, all other receivables, loans receivables and trade debtors.

In terms of IFRS 9: Financial Instruments, all financial assets at amortised cost need to be assessed for expected credit losses. Refer to the accounting policy note 10 for more information.

The Group limits its counterparty exposures arising from cash current accounts by only dealing with well-established financial institutions of high-quality credit standing. Refer to note 16.

Expected credit loss allowances on cash and cash equivalents, deposits and all other receivables were assessed based on the general model and no expected credit loss allowance was created as this was immaterial. Refer to note 12 and 16.

Trade receivables

Trade debtors consist of a large number of clients, the majority of whom are long standing reputable clients with strong trading history with the business. Clients are well diversified across geographical regions as well as product types, thus lowering the concentration risk. The cash flows are also spread throughout the year as the clients are well diversified and the different product types results in different seasons with the cash flows, not happening all at one point in time, thus lowering the concentration risk. Credit is granted to customers in the form of facilities to purchase from KAL Group outlets and not in the form of loan funding. The terms of credit is monthly to seasonal accounts plus limited establishment credit (longer term).

Credit terms, interest rates and other applicable terms are determined based on the calculated risk profile of the credit taker(s). A strict credit policy is followed which includes the ongoing revision of credit limits, security assessments and credit evaluations of the financial position of clients. The credit policy is approved by the finance committee, which meets three times per year to review the credit positions. The largest credit default risks are associated with natural causes or sequestration and are mitigated through these actions. The Group is of the opinion that these measures reduce residual credit risk to acceptable levels. Considering that the vast majority of the trade debtors are associated with the agricultural sector, the recoverability of these financial assets can be negatively influenced by natural disasters, consecutive poor production seasons and lower than expected commodity prices. These factors have been taken into consideration on an individual and collective basis when determining the recoverability of debtors. Based on the payment history of debtors within terms at year-end, management is of the opinion that the credit quality of this category of debtors is good. Steps for collection are immediately implemented if a debtor does not conform to his limit or repayment terms.

The Group has a specific expected credit loss allowance and a contingency expected credit loss allowance. Refer to note 10 in the accounting policy for more information.

	GROUP	
	2023 R'000	2022 R'000
The total expected credit loss allowance is made up of		
– specific expected credit loss allowance	**(43 806)**	(34 673)
– contingency expected credit loss allowance	**(9 455)**	(9 540)
Balance at the end of the year calculated under IFRS 9	**(53 261)**	(44 213)

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (continued)

The credit risks related to trade debtors are further limited by taking up a wide range of securities as shown below. The nature of the security held is a determining factor in the size of the facility granted, as well as to the value attributed to such security in the credit risk assessment. The value of the securities are determined based on the type of security. The securities that are readily convertible into cash, are for example bank guarantees, deed of pledge, cessions and bonds.

The spread across the different forms of security:

	Surety	Guarantee/ Indemnity	Bond	Cession	Deed of pledge	General
Security type – 2023	**56%**	**6%**	**13%**	**21%**	**1%**	**3%**
Security type – 2022	53%	7%	13%	21%	1%	5%

General securities include bank guarantees and credit guarantees.

	Rate 2023	Rate 2022	Rate 2021	Rate 2020
Bad debts written off – default rate	**0,14%**	0,98%	0,21%	0,16%

Trade debtors are presented net of the loss allowance recognised. Interest on trade debtors is calculated on a base rate plus a factor for the risk associated with each client. Overdue debtors incur a penalty interest charge.

Trade debtors are divided into the following categories: Debtors within terms and not credit impaired, Debtors outside terms but not credit impaired and Debtors which are credit impaired. The identification of the respective risk categories is based on the agricultural commodity sectors in which the respective debtors operate. Debtors within a specific agricultural commodity sector are considered to have similar risk characteristics.

	Grain R'000	Fruit R'000	Other Agri R'000	Non-Agri R'000	Total R'000
30 September 2023					
Debtors within terms					
Balance	**644 395**	**760 249**	**417 350**	**302 882**	**2 124 876**
Debtors for which collateral are held	**(575 773)**	**(545 631)**	**(303 142)**	**(55 188)**	**(1 479 734)**
Exposure to credit risk	**68 622**	**214 618**	**114 208**	**247 694**	**645 142**
Debtors outside terms but not credit impaired					
Balance	**35 482**	**244 905**	**73 701**	**6 758**	**360 846**
Debtors for which collateral are held	**(35 361)**	**(211 336)**	**(50 810)**	**(2 416)**	**(299 923)**
Exposure to credit risk	**121**	**33 569**	**22 891**	**4 342**	**60 923**
Debtors which are credit impaired					
Balance	**19 370**	**27 073**	**18 917**	**12 048**	**77 408**
Debtors for which collateral are held	**(6 434)**	**(3 242)**	**(5 843)**	**(914)**	**(16 433)**
Exposure to credit risk	**12 936**	**23 831**	**13 074**	**11 134**	**60 975**

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (continued)

The contingency loss allowance per category (included in the total expected credit loss allowance as disclosed below) is as follows:

	Grain R'000	Fruit R'000	Other Agri R'000	Non-Agri R'000	Total R'000
Balance of debtors not specifically provided for	**679 877**	**1 005 154**	**491 051**	**309 640**	**2 485 722**
Expected credit loss risk factor	**0,15%**	**0,57%**	**0,48%**	**0,13%**	**0,38%**
Total contingency loss allowance	**986**	**5 680**	**2 374**	**415**	**9 455**
Total specific loss allowance	**10 236**	**16 341**	**9 046**	**8 183**	**43 806**
Total expected credit loss allowance	**(11 222)**	**(22 021)**	**(11 420)**	**(8 598)**	**(53 261)**
Balance beginning of year	**(8 924)**	**(14 877)**	**(11 037)**	**(9 375)**	**(44 213)**
Provision written back/(created)	**(2 298)**	**(7 144)**	**(383)**	**777**	**(9 048)**
Total balance	**699 247**	**1 032 228**	**509 967**	**321 687**	**2 563 130**
Total collateral held	**(617 568)**	**(760 209)**	**(359 795)**	**(58 518)**	**(1 796 090)**
Total loss allowance	**(11 222)**	**(22 021)**	**(11 420)**	**(8 598)**	**(53 261)**

	Grain R'000	Fruit R'000	Other Agri R'000	Non-Agri R'000	Total R'000
30 September 2022					
Debtors within terms					
Balance	650 280	873 881	451 071	295 202	2 270 434
Debtors for which collateral are held	(556 016)	(601 860)	(311 832)	(49 618)	(1 519 326)
Exposure to credit risk	94 264	272 021	139 239	245 584	751 108
Debtors outside terms but not credit impaired					
Balance	9 277	174 212	63 315	7 390	254 194
Debtors for which collateral are held	(8 622)	(144 146)	(39 647)	(2 944)	(195 359)
Exposure to credit risk	655	30 066	23 668	4 446	58 835
Debtors which are credit impaired					
Balance	13 670	21 105	11 941	12 512	59 228
Debtors for which collateral are held	(5 487)	(5 869)	(2 815)	(848)	(15 019)
Exposure to credit risk	8 183	15 236	9 126	11 664	44 209

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (continued)

The contingency loss allowance per category (included in the total expected credit loss allowance as disclosed below) is as follows:

	Grain R'000	Fruit R'000	Other Agri R'000	Non-Agri R'000	Total R'000
Balance of debtors not specifically provided for	659 557	1 048 093	514 386	302 592	2 524 628
Expected credit loss risk factor	0,15%	0,53%	0,36%	0,38%	0,38%
Total contingency loss allowance	972	5 528	1 877	1 163	9 540
Total specific loss allowance	7 952	9 349	9 160	8 212	34 673
Total expected credit loss allowance	(8 924)	(14 877)	(11 037)	(9 375)	(44 213)
Balance beginning of year	(12 020)	(9 439)	(29 055)	(3 946)	(54 460)
Provision written back/ (created)	3 096	(5 438)	18 018	(5 429)	10 247
Total balance	673 227	1 069 198	526 327	315 104	2 583 856
Total collateral held	(570 125)	(751 875)	(354 294)	(53 410)	(1 729 704)
Total loss allowance	(8 924)	(14 877)	(11 037)	(9 375)	(44 213)

Liquidity risk

In order to mitigate any liquidity risk that the Group may face, the Group's policy has been to maintain substantial unutilised banking facilities and reserve borrowing capacity. The Group tends to have significant fluctuations in short-term borrowings due to seasonal factors. Consequently, the Group policy requires that sufficient borrowing facilities are available to provide sufficient liquidity during projected peak borrowing periods.

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average ("ZARONIA") as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group.

	GROUP	
	2023 R'000	2022 R'000
The Group's unutilised borrowing facilities are as follows:		
Total borrowing facilities	**2 842 778**	2 474 933
Interest-bearing debt	**(1 952 662)**	(2 251 098)
	890 116	223 835

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The contractual maturity periods of the Group's liabilities on reporting date are as follows:

	Carrying amount R'000	Contractual cash flows R'000	0 to 12 months R'000	13 to 60 months R'000	More than 60 months R'000
30 September 2023					
Non-derivative financial liabilities					
Trade and other payables	**2 231 079**	**2 231 079**	**2 231 079**	**–**	**–**
Financial liability at fair value through profit or loss	**90 925**	**122 162**	**–**	**–**	**122 162**
Lease liabilities	**637 554**	**964 233**	**103 840**	**378 642**	**481 751**
Short-term borrowings	**1 014 885**	**1 137 132**	**1 137 132**	**–**	**–**
Instalment sales agreements	**59 857**	**67 096**	**36 045**	**31 051**	**–**
Financial guarantees	**–**	**90 000**	**90 000**	**–**	**–**
Borrowings	**877 921**	**947 338**	**947 338**	**–**	**–**
	4 912 221	**5 559 040**	**4 545 434**	**409 693**	**603 913**
Derivative financial liabilities/(assets)					
Derivative financial instruments					
Outflow	**–**	**–**	**–**	**–**	**–**
Inflow	**–**	**–**	**–**	**–**	**–**
Forward exchange contracts					
Outflow	**(2 024)**	**(36 779)**	**(36 779)**	**–**	**–**
Inflow	**2 024**	**36 779**	**36 779**	**–**	**–**
	–	**–**	**–**	**–**	**–**
30 September 2022					
Non-derivative financial liabilities					
Trade and other payables	2 391 893	2 391 893	2 391 893	–	–
Financial liability at fair value through profit or loss	82 396	109 431	–	–	109 431
Lease liabilities	678 791	988 381	97 592	372 435	518 354
Short-term borrowings	1 011 270	1 084 671	1 084 671	–	–
Instalment sale agreements	73 432	82 279	33 408	48 871	–
Borrowings*	1 084 000	1 102 379	871 500	230 879	–
	5 321 782	5 759 034	4 479 064	652 185	627 785
Derivative financial liabilities/(assets)					
Derivative financial instruments					
Outflow	2 492	331 210	331 210	–	–
Inflow	(2 492)	(331 210)	(331 210)	–	–
Forward exchange contracts					
Outflow	1 155	79 800	79 800	–	–
Inflow	(1 155)	(79 800)	(79 800)	–	–
	–	–	–	–	–

* *This has been restated as a result of the R625 million which is payable on demand at 30 September 2022 given the debt covenant breach that occurred in the prior year. Refer to Note 50 for details.*

The standard credit terms for trade creditors are 30 days with the exception that some are deferred to 60 days, thus most trade and other payables are paid within 30 to 60 days.

Management has assessed the maximum credit risk exposure relating to the guarantees. Refer to Note 7.

25 FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value estimation

Investments and derivative financial instruments

Level 1

> Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2

> Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3

> Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments and derivative financial instruments (continued)

Please refer to the equity risk disclosure for more information regarding the investment in Signafi Capital (Pty) Ltd at fair value. The investment in Signafi Capital (Pty) Ltd is a level 3 financial instrument as the shares are not listed and unobservable. The financial liability at fair value through profit or loss comprising the redemption obligation for a written put option is recorded at fair value.

	GROUP	
	2023 R'000	2022 R'000
Level 2 – Financial instruments for hedging:		
Financial instruments at fair value through profit or loss	**–**	2 492
Level 3 – Loans	**21 762**	22 488

Trade debtors and trade creditors

The nominal value of trade receivables, less expected credit losses, and trade payables are assumed to approximate their fair values.

Financial liabilities

The nominal value of financial liabilities for disclosure purposes are assumed to approximate their fair values.

Capital maintenance:

The Group considers total equity, which includes share capital, reserves and treasury shares, as capital. The ratio between capital and debt is the capital ratio. Debt includes short-term borrowings. The Group's objective with the management of the capital ratio is to ensure that the Group continues to trade as a going concern and to create wealth for its shareholders and other stakeholders. The influence on the capital ratio is considered with decisions on the declaration of dividends, repurchase of shares, issue of shares, purchase and disposal of assets and investments and the acquiring or repayment of debt. The movement in capital is presented in the Statement of changes in equity.

	GROUP	
	2023	2022
Ratios		
Total shareholders' equity: Total assets employed	**35,53%**	36,89%
Net interest bearing debt: Total assets employed	**22,00%**	21,95%
EBITDA: Net assets	**25,16%**	21,71%

Net interest-bearing debt includes bank borrowings and cash balances.

EBITDA is the headline earnings before interest, tax, depreciation and amortisation.

Net assets are total assets less total liabilities.

	GROUP	
	2023 R'000	2022 R'000

26 LOW VALUE AND SHORT-TERM LEASE COMMITMENTS

Lease payments		
Payable within one year	**11 073**	9 610
Payable between one and five years	**7 387**	5 108
	18 460	14 718

Within various lease contracts, the Group has the option to renew.

27 CAPITAL COMMITMENTS

Contracted	**102 836**	73 366

These commitments have been approved by the board of directors. The commitments will be financed by own and borrowed funds. The Group remains focused on disciplined cash management, specifically in the areas of working capital, capital expenditure and cost control.

28 REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales of goods	**22 126 379**	15 417 266
– Agrimark	**8 004 906**	7 647 108
– The Fuel Company	**12 892 808**	6 274 506
– Agrimark Grain	**1 030 563**	1 290 884
– Manufacturing	**198 102**	204 768
Sale of services	**116 161**	133 400
– Agrimark	**26 850**	35 646
– Agrimark Grain	**89 311**	97 754
Margin on direct transactions	**154 518**	149 833
– Agrimark	**151 378**	146 541
– Agrimark Grain	**3 140**	3 292
	22 397 058	15 700 499

Refer to note 16 in the accounting policy and note 47 for details regarding the different revenue streams.

29 OTHER OPERATING INCOME

Interest received	**200 345**	147 496
– Trade debtors that are not impaired	**183 053**	122 955
– Trade debtors that are impaired	**9 338**	1 245
– Banks	**152**	8 715
– Other	**7 802**	14 581
Profit on sale of property, plant and equipment	**3 067**	1 810
Profit with sale and leaseback transaction	**–**	2 912
Transport income	**13 227**	9 375
Rent received	**14 205**	11 348
Bad debts recovered	**167**	81
Manufacturing income	**2 295**	3 268
AgriSETA and ETI income	**5 174**	4 547
Training income	**428**	307
Weighbridge income	**834**	823
Management fees	**–**	227
Commission received	**8 938**	10 469
Business interruption claim	**715**	24 263
Profit with termination of IFRS 16 lease contracts	**2 029**	2 666
Other income	**22 028**	14 567
	273 452	234 159

30 EXPENSES BY NATURE

	GROUP 2023 R'000	GROUP 2022 R'000
Cost of products sold	**19 351 049**	13 578 198
Foreign exchange differences	**160**	(282)
Depreciation	**152 583**	121 902
Amortisation of intangible assets	**3 979**	2 554
Directors' emoluments	**15 241**	23 980
Staff costs	**1 165 399**	879 848
– Salaries, wages and bonuses	**1 073 449**	803 438
– Equity settled management share incentive scheme	**13 500**	8 036
– Employer's contribution to pension fund (defined contribution plan)	**57 452**	51 544
– Employer's contribution to medical benefits	**2 119**	2 129
– Decrease in provision for post–retirement medical benefits	**(372)**	(481)
– Increase in provision for leave	**4 598**	3 357
– Training expenses	**14 653**	11 825
Skills development levy	**26 556**	8 115
Auditor's remuneration	**10 276**	7 279
– For audit	**10 255**	7 189
– Other services	**21**	90
Rent paid	**167 957**	17 060
– Buildings (variable lease payments)	**149 718**	7 493
– Vehicles	**3 957**	1 426
– Machinery and equipment	**14 282**	8 141
Other occupancy expenses	**278 448**	164 466
– Repairs and maintenance	**49 472**	56 039
– Water, electricity and municipal services	**183 218**	80 865
– Insurance and security	**45 758**	27 562
Revaluation of Financial liability at amortised cost	**–**	4 300
Information technology expenses	**81 657**	64 458
Marketing related expenses	**199 533**	137 646
Transport/distribution	**88 289**	80 125
Other administrative expenses	**140 870**	87 772
Bad debts written off	**3 541**	25 343
COVID-19 related expenses	**–**	791
Corporate transactions related expenses	**970**	17 307
Goodwill impairment	**15 266**	–
Other expenses	**39 572**	28 820
	21 741 346	15 249 682

	Number	Number
Number of employees in service at year-end	**7 423**	7 365

31 REMUNERATION PAID TO DIRECTORS

	Salary R'000	Bonuses R'000	Share Incentive Scheme vested R'000	Pension contri-butions R'000	Directors' fees R'000	Expense allowance R'000	Total R'000
2023							
Executive directors							
GW Sim	**3 845**	**92**	**886**	**289**	**–**	**7**	**5 119**
S Walsh	**5 975**	**142**	**2 100**	**450**	**–**	**–**	**8 667**
	9 820	**234**	**2 986**	**739**	**–**	**7**	**13 786**
Non-executive directors							
I Chalumbira					**209**	**6**	**215**
BS du Toit					**365**	**5**	**370**
D du Toit					**495**	**4**	**499**
B Mathews					**399**	**3**	**402**
JH le Roux*					**366**	**2**	**368**
EA Messina					**732**	**2**	**734**
WC Michaels					**105**	**–**	**105**
CA Otto					**784**	**4**	**788**
HM Smit					**154**	**2**	**156**
GM Steyn					**839**	**1**	**840**
					4 448	**29**	**4 477**
Total							**18 263**
2022							
Executive directors							
GW Sim	3 424	3 784	1 880	372	–	11	9 471
S Walsh	5 344	6 735	4 431	402	–	50	16 962
	8 768	10 519	6 311	774	–	61	26 433
Non-executive directors							
I Chalumbira					192	3	195
BS du Toit					336	4	340
D du Toit					456	3	459
JH le Roux*					336	1	337
EA Messina					676	1	677
WC Michaels					192	1	193
CA Otto					718	4	722
HM Smit					282	6	288
GM Steyn					731	1	732
					3 919	24	3 943
Total							30 376

The terms of service of the executive directors are coupled to their terms of service as employees, while the non-executive directors rotate on a three-year basis. No director or employee has a fixed-term contract with the Group. The remuneration of the non-executive directors consists of a fixed annual remuneration for services as a director, an additional fixed remuneration for duties on committees and reimbursement for travelling and other costs. The remuneration of executive directors consists of remuneration as employees, and they receive no additional remuneration as directors.

There are no further prescribed officers in the view of the Board.

* *Payable to Zeder Corporate Services (Pty) Ltd*

32 DIRECTORS' EQUITY SETTLED SHARE INCENTIVE SCHEME OPTIONS

	Grant date	Vesting date	Exercise price	Fair value at grant date	**Share options 2023**	Share options 2022
S Walsh	*Old LTI scheme*					
	20 March 2018	1 October 2022	48,27	16,18	**3 360**	3 360
	15 January 2019	1 October 2022	36,72	14,14	**22 593**	22 593
	15 January 2019	1 October 2023	36,72	15,29	**22 593**	22 593
	15 January 2020	1 October 2022	27,31	5,28	**194 232**	194 232
	15 January 2020	1 October 2023	27,31	5,96	**194 232**	194 232
	15 January 2020	1 October 2024	27,31	6,48	**194 232**	194 232
	12 January 2021	1 October 2022	24,53	4,65	**37 647**	37 647
	12 January 2021	1 October 2023	24,53	5,56	**37 647**	37 647
	12 January 2021	1 October 2024	24,53	6,23	**37 647**	37 647
	12 January 2021	1 October 2025	24,53	6,74	**37 647**	37 647
	20 January 2022	1 October 2023	44,44	11,01	**58 756**	58 756
	20 January 2022	1 October 2024	44,44	13,51	**58 756**	58 756
	20 January 2022	1 October 2025	44,44	15,34	**58 756**	58 756
	20 January 2022	1 October 2026	44,44	16,72	**58 756**	58 756
	Modified LTIP scheme – Nil Cost Option ("NCO")					
	29 September 2022	29 September 2024	–	33,08	**133 115**	133 115
	29 September 2022	29 September 2025	–	31,02	**133 115**	133 115
	29 September 2022	29 September 2026	–	28,90	**133 115**	133 115
	29 September 2022	29 September 2027	–	26,74	**133 115**	133 115
	24 May 2023	24 May 2025	–	32,45	**68 091**	–
	24 May 2023	24 May 2026	–	30,71	**68 092**	–
	24 May 2023	24 May 2027	–	28,97	**68 091**	–
	24 May 2023	24 May 2028	–	27,24	**68 092**	–
GW Sim	*Old LTI scheme*					
	20 March 2018	1 October 2022	48,27	16,18	**5 465**	5 465
	15 January 2019	1 October 2022	36,72	14,14	**10 602**	10 602
	15 January 2019	1 October 2023	36,72	15,29	**10 602**	10 602
	15 January 2020	1 October 2022	27,31	5,28	**77 378**	77 378
	15 January 2020	1 October 2023	27,31	5,96	**77 378**	77 378
	15 January 2020	1 October 2024	27,31	6,48	**77 378**	77 378
	12 January 2021	1 October 2022	24,53	4,65	**19 253**	19 253
	12 January 2021	1 October 2023	24,53	5,56	**19 253**	19 253
	12 January 2021	1 October 2024	24,53	6,23	**19 253**	19 253
	12 January 2021	1 October 2025	24,53	6,74	**19 253**	19 253
	20 January 2022	1 October 2023	44,44	11,01	**28 440**	28 440
	20 January 2022	1 October 2024	44,44	13,51	**28 440**	28 440
	20 January 2022	1 October 2025	44,44	15,34	**28 440**	28 440
	20 January 2022	1 October 2026	44,44	16,72	**28 440**	28 440
	Modified LTIP scheme – Nil Cost Option ("NCO")					
	29 September 2022	29 September 2024	–	33,08	**63 460**	63 460
	29 September 2022	29 September 2025	–	31,02	**63 460**	63 460
	29 September 2022	29 September 2026	–	28,90	**63 460**	63 460
	29 September 2022	29 September 2027	–	26,74	**63 460**	63 460
	24 May 2023	24 May 2025	–	32,45	**35 605**	–
	24 May 2023	24 May 2026	–	30,71	**35 606**	–
	24 May 2023	24 May 2027	–	28,97	**35 605**	–
	24 May 2023	24 May 2028	–	27,24	**35 606**	–

For more information on the equity settled share incentive scheme refer to note 19.

	GROUP	
	2023 **R'000**	2022 R'000

33 FINANCE COSTS

	2023 R'000	2022 R'000
Banks and other	**220 778**	105 478
Lease liabilities	**50 347**	37 917
Redemption liabilities (refer to note 14 and 15) (non-cash)	**8 529**	1 992
	279 654	145 387

34 INCOME TAX

	2023 R'000	2022 R'000
Tax expenditure:		
Current taxation – current year	**(213 849)**	163 061
Current taxation – previous year over provided	**107**	–
Deferred taxation – current year	**1 923**	(18 730)
Taxation for the year	**(211 819)**	144 331

	%	%
The tax on the company's profit before tax differs from the theoretical amount that would arise using the statutory rate as follows:		
Statutory tax rate	**27,00**	28,00
Adjusted for:		
Non-deductible expenses of a capital nature	**4,44**	1,40
Non-taxable Employment Tax Incentive	**(0,14)**	(0,07)
Non-taxable revaluation of Put Option	**–**	0,24
Learnership allowances	**(0,29)**	(0,33)
Capital gain on sale of subsidiary	**–**	(2,71)
Share in profit of joint venture	**(0,42)**	(0,35)
Over provision previous year	**(0,01)**	–
Rate adjustment in deferred tax	**–**	(0,28)
Different tax rates used in companies	**0,04**	
Effective rate	**30,62**	25,90

Non-deductible expenses of a capital nature include legal and consultation fees relating to new business development, impairment of goodwill and non-deductible interest.

	GROUP	
	2023 R'000	2022 R'000

35 EARNINGS PER SHARE

Basic
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

Reconciliation between earnings and headline earnings

	2023 R'000	2022 R'000
Net profit	**480 002**	412 959
Attributable to shareholders of the holding Company	**426 945**	396 368
Non-controlling interest	**53 057**	16 591
Net profit on disposal of assets	**(2 280)**	(4 419)
Gross	**(3 067)**	(4 722)
Tax effect	**787**	303
Goodwill impairment	**15 266**	–
Headline earnings	**492 988**	408 540
Attributable to shareholders of the holding Company	**434 579**	391 972
Non-controlling interest	**58 409**	16 568
Non-recurring items	**970**	21 981
Non-recurring expenses	**970**	17 307
Revaluation of Put Options	**–**	4 674
Recurring headline earnings	**493 958**	430 521
Attributable to shareholders of the holding Company	**435 549**	407 421
Non-controlling interest	**58 409**	23 100

	GROUP	
	2023 R'000	2022 R'000
	Number	
Weighted average number of ordinary shares ('000)	**70 285**	70 460
Weighted average number of diluted ordinary shares ('000)	**70 777**	71 646
	Cents	
Earnings per share	**607,45**	**562,54**
Diluted earnings per share	**603,23**	**553,23**
Headline earnings per share	**618,31**	**556,30**
Diluted headline earnings per share	**614,02**	**547,10**
Recurring headline earnings per share	**619,69**	**578,23**

Headline earnings are calculated based on Circular 1/2023 issued by the South African Institute of Chartered Accountants.

Non-recurring expenses consists predominantly of costs associated with corporate transactions (legal and external consultation costs).

	GROUP	
	2023 R'000	2022 R'000

36 DIVIDEND PER SHARE

	2023 R'000	2022 R'000
Interim		
50,00 cents per share (2022: 46,00 cents per share)	**35 060**	32 523
Final		
130,00 cents per share (2022: 122,00 cents per share)	**91 155**	85 848
	126 215	118 371

Dividends payable are not accounted for until they have been declared by the Board of directors. The Statement of Changes in Equity does not reflect the final dividend payable in respect of the current year. The final dividend for the year ended 30 September 2023 will be accounted for as an appropriation of retained profit in the year ended 30 September 2024.

37 NET CASH PROFIT FROM OPERATING ACTIVITIES

	2023 R'000	2022 R'000
Operating profit per income statement	**962 204**	695 223
Adjusted for:		
– Interest received	**(242 433)**	(147 496)
– Depreciation	**152 583**	121 902
– Amortisation of intangible assets	**3 979**	2 554
– Profit on disposal of property, plant and equipment	**(3 067)**	(1 810)
– Profit on disposal of subsidiary	**–**	(2 912)
– Profit on modifications of IFRS 16	**(2 029)**	(2 666)
– Revaluation of Put Option	**–**	4 300
– Goodwill impairment	**15 266**	–
– (Decrease)/Increase in share-based payment reserve	**(243)**	170
– (Decrease)/Increase in provisions	**(21 647)**	40 567
	864 613	709 832

38 WORKING CAPITAL CHANGES

	2023 R'000	2022 R'000
Increase in inventory	**(32 454)**	(288 358)
Decrease/(Increase) in trade and other receivables	**87 985**	(552 109)
(Decrease)/Increase in trade and other payables	**(141 121)**	420 533
	(85 590)	(419 934)

39 INCOME TAX PAID

	2023 R'000	2022 R'000
Balance owing at the beginning of the year	**(9 343)**	(16 909)
Income tax expense in income statement	**(213 742)**	(163 061)
Acquisition of subsidiary	**–**	(54 930)
Balance owing at the end of the year	**11 292**	9 343
	(211 793)	(225 557)

	GROUP 2023 R'000	GROUP 2022 R'000

40 ACQUISITION OF BUSINESSES

	2023 R'000	2022 R'000
Non-current assets	–	39 600
Current assets	–	4 926
Purchase consideration – paid in cash	–	44 526

The Group acquired the assets of Engen False Bay in the prior year through a business combination. This is in line with the Group's growth strategy to acquire businesses in the fuel sector.

41 ACQUISITION OF SHARE IN SUBSIDIARY

	2023 R'000	2022 R'000
Non-current assets	–	1 232 182
Current assets	–	469 325
Inventory	–	112 756
Debtors	–	46 783
Cash and cash equivalents	–	309 786
Non-current liabilities	–	(109 884)
Current liabilities	–	(465 250)
Non-controlling interest	–	(24 345)
Purchase consideration	–	1 102 028
– paid in cash	–	949 136
– paid in shares issued	–	72 114
– deferred payment	–	80 778
Net outflow of cash in investment activities	–	639 350
Purchase consideration paid in cash	–	949 136
Less: Cash acquired	–	(309 786)

The Group acquired 100% of the ordinary shares in PEG Retail Holdings (Pty) Ltd in the prior year. The transaction has been concluded as part of TFC Operations' strategy to expand its portfolio of service stations operated within South Africa.

42 INCREASE IN OVERDRAFT FACILITY/ SHORT-TERM BORROWINGS

	2023 R'000	2022 R'000
Opening balance	**1 011 270**	748 346
Business combination short term loans (non-cash) opening balance	–	(309 786)
Cash flow movements		
Drawdowns	**20 621 524**	23 260 930
Repayments	**(20 725 483)**	(22 740 593)
Interest	**107 574**	52 373
Closing balance	**1 014 885**	1 011 270

43 REPAYMENT OF INSTALMENT SALE AGREEMENTS

	2023 R'000	2022 R'000
Opening balance	**73 432**	92 080
New instalment sale agreements	**13 422**	10 719
Capital repayment	**(26 997)**	(29 367)
Instalments	**(33 792)**	(35 282)
Interest	**6 795**	5 915
Closing balance	**59 857**	73 432

	GROUP	
	2023 R'000	2022 R'000

44 LEASE PAYMENTS

	2023 R'000	2022 R'000
Opening balance	**678 791**	256 035
New leases	**5 643**	441 230
Liabilities classified as held for sale	**(56 418)**	–
Modifications and cancellations	**55 343**	13 927
Capital repayment	**(45 805)**	(32 401)
Lease payments	**(96 152)**	(70 318)
Interest	**50 347**	37 917
Closing balance	**637 554**	678 791

45 (DECREASE)/INCREASE IN BORROWINGS

	2023 R'000	2022 R'000
Opening balance	**1 084 000**	418 750
Purchase of subsidiary	**–**	38 000
Gross increase	**–**	725 000
Repayment	**(206 079)**	(97 750)
Closing balance	**877 921**	1 084 000

46 INTEREST IN RELATED ENTITIES

	NUMBER OF ISSUED SHARES		SHAREHOLDING (%)	
	2023	2022	**2023**	2022
Name of subsidiary				
Directly held:				
Shares held by KAL Group Limited				
Kaap Agri Bedryf Limited	**74 170 277**	74 170 277	**100,00**	100,00
Shares held by Kaap Agri Bedryf Limited				
Kaap Agri (Aussenkehr) (Pty) Ltd	**100**	100	**100,00**	100,00
Agriplas (Pty) Ltd	**7 000**	7 000	**100,00**	100,00
TFC Operations (Pty) Ltd	**125 825 126**	125 825 126	**58,20**	58,20
Partridge Building Supplies (Pty) Ltd	**14 400**	14 400	**100,00**	100,00
Tego Plastics (Pty) Ltd	**1 000**	1 000	**100,00**	100,00
Shares held by TFC Operations (Pty) Ltd				
PEG Retail Holdings (Pty) Ltd	**6 667**	6 667	**100,00**	100,00
Indirectly held:				
Shares held by Empowerment and Transformation Investments (Pty) Ltd				
TFC Operations (Pty) Ltd	**125 825 126**	125 825 126	**3,19**	3,19
Name of joint venture				
Shares held by Kaap Agri Bedryf Limited				
Kaap Agri (Namibia) (Pty) Ltd	**502**	502	**50,00**	50,00

The shares indirectly held are held by an empowerment trust which, for accounting purposes, is considered to be controlled by the Group as the Group has the ability to direct the relevant activities of the trust and, as such, it is consolidated by the Group.

46 INTEREST IN RELATED ENTITIES (CONTINUED)

Details of non-wholly owned subsidiaries that have material non-controlling interests ("NCI").

	2023 R'000	2022 R'000
TFC Operations Group		
Ownership held by NCI (%)	**38,61%**	38,61%
Accumulated NCI interest in statement of financial position	**133 721**	110 291
Profit allocated to NCI	**27 258**	9 543
Summarised financial information in respect of the Group's subsidiaries that have material NCI is set out below. The summarised financial information below represents amounts before inter-group eliminations.		
Non-current assets	**2 193 294**	2 155 857
Current assets	**679 824**	268 683
Non-current liabilities	**(1 227 142)**	(1 237 480)
Current liabilities	**(1 228 567)**	(807 418)
Revenue	**12 906 283**	6 285 198
Profit for the year	**96 247**	41 178
Net cash inflow from operating activities	**379 297**	185 188
Net cash outflow from investing activities	**(32 901)**	(1 003 923)
Net cash (outflow)/inflow from financing activities	**(403 116)**	818 635
Net decrease in cash and cash equivalents	**(56 720)**	(100)
Dividends paid	**(16 125)**	(1 602)
Included in the TFC Operations Group figures above is the subsidiary, PEG Retail Holdings (Pty) Ltd.		
PEG Retail Holdings Consolidated Group		
Ownership held by NCI (%)	**15,78%**	15,19%
Accumulated NCI interest in statement of financial position	**22 684**	21 153
Profit allocated to NCI	**25 649**	5 675
Summarised financial information in respect of the Group's subsidiaries that have material NCI is set out below. The summarised financial information below represents amounts before inter-group eliminations.		
Non-current assets	**243 981**	260 887
Current assets	**393 033**	425 327
Non-current liabilities	**28 492**	317 129
Current liabilities	**761 200**	490 267
Revenue	**8 241 210**	2 105 480
Profit for the year	**162 491**	37 372
Net cash inflow from operating activities	**272 752**	13 335
Net cash outflow from investing activities	**(96 708)**	(7 381)
Net cash outflow from financing activities	**(236 171)**	(11 607)
Net decrease in cash and cash equivalents	**(60 127)**	(5 653)
Dividends paid	**(180 501)**	(8 869)

47 INFORMATION ABOUT OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Executive committee (whom are considered to be the Chief Operating Decision Maker (CODM)) that are used to make strategic decisions as well as the fact that they share similar economic characteristics. The Executive committee considers the business from a divisional perspective. The performance of the following divisions are separately considered: Agrimark, The Fuel Company, Agrimark Grain as well as Manufacturing. The performance of the operating segments are assessed based on a measure of revenue and net profit before taxation.

Agrimark provides a complete range of production inputs, mechanisation equipment and services, and other goods to agricultural producers as well as the general public.

The Fuel Company provides a full retail fuel offering to a diverse range of customers and includes convenience store and quick service restaurant outlets of TFC Operations (Pty) Ltd ("TFC") and PEG Retail Holdings (Pty) Ltd ("PEG"). The nature of products, services, type of customers and regulatory environment of both TFC and PEG have similar economic characteristics and are thus aggregated into one reporting segment.

Agrimark Grain includes the sale of grain products and provides a complete range of services including storage and handling of grain products.

Manufacturing, manufactures and sells dripper pipe, other irrigation equipment, food grade plastic bulk bins for the agricultural market and distributes other irrigation parts.

Corporate includes all assets and liabilities not specifically used by the other identified segments to generate income or expenses.

	GROUP			
	SEGMENT REVENUE		SEGMENT RESULTS	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
Segment revenue and results				
Agrimark	**8 183 134**	7 829 295	**481 277**	481 343
The Fuel Company	**12 892 808**	6 274 506	**201 348**	100 462
Agrimark Grain	**1 123 014**	1 391 930	**62 300**	70 939
Manufacturing	**198 102**	204 768	**3 074**	7 443
Total for reportable segments	**22 397 058**	15 700 499	**747 999**	660 187
Corporate	**–**	–	**(56 178)**	(102 897)
Total external revenue	**22 397 058**	15 700 499	**–**	
Profit before tax			**691 821**	557 290
Income tax			**(211 819)**	(144 331)
Profit after tax			**480 002**	412 959

Included in the Agrimark segment's results is the share in profit of joint venture of R9,3 million (2022: profit of R7,5 million). Refer note 7.

	GROUP			
	SEGMENT ASSETS		SEGMENT LIABILITIES	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
Segment assets and liabilities				
Agrimark	**4 899 293**	4 901 360	**2 581 573**	2 774 111
The Fuel Company	**2 794 079**	2 910 698	**2 216 057**	2 373 086
Agrimark Grain	**89 549**	94 630	**26 791**	30 545
Manufacturing	**320 563**	338 407	**257 462**	252 698
Total for reportable segments	**8 103 484**	8 245 095	**5 081 883**	5 430 440
Corporate	**153 195**	80 745	**98 924**	75 826
Deferred taxation	**33 039**	12 912	**22 684**	10 009
	8 289 718	8 338 752	**5 203 491**	5 516 275

Included in the Agrimark segment's assets is the Investment in Joint Venture of R50,6 million (2022: R41,4 million). Refer note 7.

47 INFORMATION ABOUT OPERATING SEGMENTS (CONTINUED)

	GROUP			
	CAPITAL EXPENSES		DEPRECIATION	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
Other segment information				
Agrimark	**97 373**	166 969	**51 996**	51 657
The Fuel Company	**36 202**	43 150	**68 801**	39 655
Agrimark Grain	**15 130**	15 700	**6 886**	6 840
Manufacturing	**12 963**	18 230	**11 912**	12 131
Total for reportable segments	**161 668**	244 049	**139 595**	110 283
Corporate	**24 889**	20 301	**12 988**	11 619
	186 557	264 350	**152 583**	121 902

Geographical revenue for the Group is attributed to countries on the basis of the customers' location. No single customer contributes more than 10% of the Group's revenue.

Geographical revenue for the Group is as follows:

	GROUP	
	2023 R'000	2022 R'000
South Africa	**22 299 034**	15 653 845
Namibia	**98 024**	46 654
Total	**22 397 058**	15 700 499
Non-current assets (excluding deferred taxation) are located in the following countries:		
South Africa	**3 622 568**	3 661 096
Namibia	**14 645**	9 190
Total	**3 637 213**	3 670 286

48 GOING CONCERN

Based on the financial statements, the present financial position of the Group, budgets for the coming year and available financing facilities, the directors have no reason to believe that the Group will not be a going concern. The going concern principle is therefore accepted and applied in the preparation of the financial statements.

49 EVENTS AFTER REPORTING DATE

A gross final dividend of 130,00 cents (2022: 122,00 cents) per share has been approved and declared by the Board from income reserves, for the year ended 30 September 2023.

The directors are not aware of any further matters or circumstances that occurred since the end of the financial year up to the date of this report that have not been dealt with in the report or financial statements and which may have a significant influence on the activities of the group or the results of those activities.

50 RESTATEMENT OF COMPARATIVE AMOUNTS

Reclassification between non-current liabilities and current liabilities

As there was a technical breach of the leverage ratio covenant (refer note 23) at TFC subsidiary level in the prior year, the classification of long-term borrowings has accordingly been corrected reclassifying long-term liabilities to short-term liabilities (see amounts below). The Company did obtain a waiver in January 2023 from ABSA (the lender), but given the technical breach that existed at year-end, the Company did not have the unconditional right to defer payment past 12 months. No third balance sheet for 30 September 2021 has been presented as the loan only came into effect during July 2022. Classification has thus been corrected and the long-term borrowings has moved from non-current liabilities to current liabilities on the statement of financial position.

The effect on the statement of financial position for 2022 is set out below:

	ORIGINAL BALANCE	RESTATEMENT	RESTATED BALANCE
	R'000	R'000	R'000
Effect on Statement of financial position:			
Non-current liabilities			
Borrowings	837 813	(625 313)	212 500
Current liabilities			
Short-term borrowings	1 257 457	625 313	1 882 770
	2 095 270	–	2 095 270

In addition, the portion that was restated and moved to short-term borrowings in the prior year, moved to the 0-12 months bucket in note 25 under the Liquidity risk disclosure.

The comparative notes also did not include the disclosure of the covenants for the loan between TFC Operations (Pty) Ltd and ABSA, as well as the loan between Kaap Agri Bedryf Ltd and ABSA. Refer to note 23 for more information.

51 RECONCILIATION OF MOVEMENTS IN CARRYING VALUE

	Total R'000	Land and buildings R'000	Grain silos R'000	Machinery and equipment R'000	Vehicles R'000	Office furniture and equipment R'000	Assets under construction R'000
30 September 2023							
Carrying value at 1 October 2022	**1 317 415**	**828 261**	**26 177**	**240 816**	**45 150**	**128 543**	**48 468**
Additions*	**186 557**	**44 511**	**356**	**59 618**	**18 723**	**18 045**	**45 304**
Assets held for sale	**(5 456)**	**–**	**–**	**(4 139)**	**–**	**(1 317)**	**–**
Transfers	**–**	**–**	**14 837**	**2 665**	**–**	**18 372**	**(35 874)**
Disposals	**(4 667)**	**(2 116)**	**–**	**(152)**	**(237)**	**(631)**	**(1 531)**
Depreciation	**(81 843)**	**(1 706)**	**(3 291)**	**(34 990)**	**(8 865)**	**(32 991)**	**–**
Carrying value 30 September 2023	**1 412 006**	**868 950**	**38 079**	**263 818**	**54 771**	**130 021**	**56 367**
30 September 2022							
Carrying value at 1 October 2021	1 545 524	1 143 791	24 193	213 364	41 941	109 951	12 284
Additions	228 290	93 487	602	37 221	14 473	15 186	67 321
Additions through business combinations	36 060	–	–	16 454	151	19 123	332
Transfers	–	15 339	4 543	2 161	–	9 426	(31 469)
Disposals	(425 576)	(422 679)	–	(360)	(2 477)	(60)	–
Depreciation	(66 883)	(1 677)	(3 161)	(28 024)	(8 938)	(25 083)	–
Carrying value 30 September 2022	1 317 415	828 261	26 177	240 816	45 150	128 543	48 468

* *Included in additions is an amount of R13,4 million relating to new instalment sale agreements. Refer to note 43.*

KAL Group Limited

Statement of financial position

at 30 September

	Notes	COMPANY 2023 R'000	2022 R'000
ASSETS			
Non-current assets			
Investment in subsidiary companies	2	**819 988**	642 604
Current assets			
Loan to subsidiary company	4	**667**	1 602
Total assets		**820 655**	644 206
EQUITY			
Capital and reserves			
Stated Capital	3	**466 051**	476 143
Retained profit		**354 604**	168 063
Total equity		**820 655**	644 206

Statement of comprehensive income

for the year ended 30 September

	Notes	COMPANY 2023 R'000	2022 R'000
Revenue	7	**318 626**	115 338
Other operating expenses		**–**	(9)
Impairment of investment in subsidiary		**(7 142)**	(11 604)
Profit before taxation		**311 484**	103 725
Income tax	8	**–**	–
Net profit for the year		**311 484**	103 725

Statement of changes in equity

for the year ended 30 September

	COMPANY	
	Stated capital R'000	Retained profit R'000
Balance 1 October 2021	456 643	178 057
Net profit for the year	–	103 725
Shares issued	19 500	–
Dividends declared	–	(113 719)
Balance 30 September 2022	**476 143**	**168 063**
Net profit for the year	**–**	**311 484**
Odd lot offer – shares repurchased	**(10 092)**	**–**
Dividends declared	**–**	**(124 943)**
Balance 30 September 2023	**466 051**	**354 604**

The reason why the stated capital in KAL Group Limited differs from the Group's issued stated capital is as a result of shares repurchased by a subsidiary of KAL Group Limited.

Statement of cash flows

for the year ended 30 September

		COMPANY	
	Note	**2023 R'000**	2022 R'000
Cash flow from operating activities			
Dividends received	9	**134 100**	115 329
		134 100	115 329
Cash flow from financing activities			
(Increase)/decrease in loan in subsidiary company		**935**	(1 610)
Odd lot offer – shares repurchased		**(10 092)**	–
Dividends paid		**(124 943)**	(113 719)
		(134 100)	(115 329)
Net increase in cash and cash equivalents		**–**	–

Notes to the financial statements

for the year ended 30 September

1 ACCOUNTING POLICIES

The principal accounting policies incorporated in the preparation of these financial statements, are set out on pages 68 to 84, these are consistent with that of the Group unless otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements of the company.

	COMPANY	
	2023 R'000	2022 R'000
2 INVESTMENT IN SUBSIDIARY COMPANY		
Unlisted:		
Kaap Agri Bedryf Limited		
Number of issued shares:		
74 170 277 (2022: 74 170 277)		
Shareholding: 100% (2022: 100%)		
Shares at cost	**634 708**	634 708
Agriplas (Pty) Ltd*		
Number of issued shares:		
7 000 (2022: 7 000)		
Shareholding: 100% (2022: 0%)		
Shares at cost	**43 486**	–
Tego Plastics (Pty) Ltd*		
Number of issued shares:		
1 000 (2022: 1 000)		
Shareholding: 100% (2022: 0%)		
Shares at cost	**141 040**	–
KAL Corporate Services (Pty) Ltd		
Number of issued shares:		
100 (2022: 100)		
Shareholding: 100% (2022: 100%)		
Shares at cost	**–**	–
Partridge Building Supplies (Pty) Ltd		
Number of issued shares:		
2 160 (2022: 2 160)		
Shareholding: 15% (2022: 15%)		
Shares at cost less impairment	**754**	7 896
Opening balance	**7 896**	–
Investment obtained during the year	**–**	19 500
Impairment of investment	**(7 142)**	(11 604)
Even though the Company KAL Group Limited holds 15% directly in Partridge Building Supplies (Pty) Ltd, it also holds 85% indirectly through its subsidiary, Kaap Agri Bedryf Limited. Management assessed the fair value less cost of disposal of the company compared to the cost of the investment at 30 September 2023 which resulted in an impairment to its recoverable amount.		
	819 988	642 604

* *On 1 July 2023 the initial shareholder, Kaap Agri Bedryf Limited, unbundled its shareholding in Agriplas (Pty) Ltd and Tego Plastics (Pty) Ltd to its holding company, KAL Group Limited.*

	COMPANY 2023 R'000	2022 R'000
3 STATED CAPITAL		
Authorised:		
1 000 000 000 (2022: 1 000 000 000) ordinary shares with no par value		
Issued:		
74 319 837 (2022: 74 567 680) ordinary shares with no par value	**466 051**	476 143
4 LOAN TO SUBSIDIARY COMPANY		
Kaap Agri Bedryf Limited	**667**	1 602

The carrying value of the loan approximates its fair value at the reporting date.

The loan is unsecured, interest-free and there are no specific repayment terms.

The gross movement in the loan is reflected in the cash flow statement. Although the company does not have its own bank account, Kaap Agri Bedryf Limited is considered to act as the agent of the company in administrating its cash flows.

5 RELATED PARTY TRANSACTIONS

Refer to notes 2, 4 and 7.

6 FINANCIAL RISK MANAGEMENT

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The company's interest rate exposure and the effective interest rates can be summarised as follows:

	NON-INTEREST-BEARING			
	Rate 2023 %	**Amount 2023 R'000**	Rate 2022 %	Amount 2022 R'000
Assets				
Loan: Kaap Agri Bedryf Limited	**–**	**667**	–	1 602

Fair value estimation:

Financial liabilities

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Capital maintenance

The company considers total equity, which includes share capital and reserves, as capital. The ratio between capital and debt is the capital ratio. The company's objective with the management of the capital ratio is to ensure that the company continues to trade as a going concern and to create wealth for its shareholders and other stakeholders. The influence on the capital ratio is considered with decisions on the declaration of dividends, repurchase of shares, issue of shares, purchase and disposal of assets and investments and the acquiring or repayment of debt. The movement in capital is presented in the statement of changes in equity.

	COMPANY	
	2023 R'000	2022 R'000

7 REVENUE

	2023 R'000	2022 R'000
Dividends received – cash	**133 433**	113 727
Dividends received – in specie	**184 526**	–
Dividends forfeited	**667**	1 611
	318 626	115 338

Dividends are received from Kaap Agri Bedryf Limited, a subsidiary of the company.

The revenue reflected is not considered to be Revenue from Contracts with Customers in terms of IFRS 15 considering the nature of the revenue earned (dividends received).

8 INCOME TAX

	COMPANY	
	2023 R'000	2022 R'000
Tax expenditure		
Current taxation – current year	**–**	–
The tax on the company's profit before tax differs from the theoretical amount that would arise using the statutory rate as follows:		
	%	%
Statutory tax rate	**27,00**	28,00
Adjusted for:		
Non-taxable dividend income	**(27,00)**	(28,00)
Effective rate	**–**	–

9 DIVIDENDS RECEIVED

	COMPANY	
	2023 R'000	2022 R'000
Operating profit per income statement	**311 484**	103 725
Adjusted for:		
– Dividends received in specie	**(184 526)**	–
– Goodwill written off	**7 142**	11 604
Dividends received	**134 100**	115 329

10 GOING CONCERN

Based on the financial statements, the present financial position of the company and budgets for the coming year, the directors have no reason to believe that the company will not be a going concern. The going concern principle is therefore accepted and applied in the preparation of the financial statements.

11 EVENTS AFTER REPORTING DATE

A gross final dividend of 130,00 cents (2022: 122,00 cents) per share has been approved and declared by the Board from income reserves, for the period ended 30 September 2023.

The directors are not aware of any matter or circumstance that occurred since the end of the financial year up to the date of this report that has not been dealt with in the report or financial statements and which may have a significant influence on the activities of the company or the results of those activities.

Accounting policies to the financial statements

for the year ended 30 September

1 BASIS OF PREPARATION

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS), the IFRS Interpretations Committee interpretations, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

These financial statements incorporate accounting policies that have been consistently applied to all periods presented and are consistent with those applied in the previous financial year. Various other changes in IFRS became effective for the financial year under review but did not impact the Group.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the notes of the accounting policies.

2 NEW, AMENDED AND IMPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS EFFECTIVE DURING THE CURRENT FINANCIAL YEAR

The following standards, amendments and interpretations have been adopted by the Group and became effective for the current reporting period beginning on 1 October 2022:

Amendments to Standards

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (effective 1 January 2022)

Amendments to IFRS 3, 'business combinations' update a reference in IFRS 3 to the conceptual framework for financial reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related costs in profit or loss.

Amendments to IAS 37, 'provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

2 NEW, AMENDED AND IMPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS EFFECTIVE DURING THE CURRENT FINANCIAL YEAR (CONTINUED)

Amendments to Standards (continued)

IFRIC Agenda decision – Lessor forgiveness of lease payments (IFRS 9 and IFRS 16)

In October 2022, the IASB finalised the agenda decision approved by the IFRS Interpretation Committee (IFRS IC) on 'Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16)'. The agenda decision addresses the accounting from the perspective of the lessor, and in particular:

> how the expected credit loss ("ECL") model in IFRS 9 should be applied to the operating lease receivable when the lessor expects to forgive payments due from the lessee under the lease contract before the rent concession is granted.

> whether to apply the derecognition requirements in IFRS 9 or the lease modification requirements in IFRS 16 when accounting for the rent concession.

The following new accounting standards, interpretations and amendments will not have an impact on the financial statements:

Amendment to IAS 12 – International tax reform – pillar two model rules

Amendments to these amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

3 NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations are not yet effective and have not been early adopted by the Group (the effective dates stated below refer to financial reporting periods beginning on or after the stated dates):

Amendments to Standards

Narrow scope amendments to IAS 1, Practise statement 2 and IAS 8 (effective 1 January 2023)

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction (effective 1 January 2023)

These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to IAS 1 – Non-current liabilities with covenants (effective 1 January 2024)

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

3 NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE (CONTINUED)

Amendments to Standards (continued)

Amendment to IAS 7 and IFRS 7 Supplier finance (effective 1 January 2024)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The following new accounting standards, interpretations and amendments will not have an impact on the financial statements:

IFRS 17, 'Insurance contracts' (effective 1 January 2023)

This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendments to IAS 21 – Lack of Exchangeability(effective 1 January 2025)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 30 September 2023 but not yet effective on that date.

4 BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

4 BASIS OF CONSOLIDATION (CONTINUED)

Subsidiaries (continued)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9: Financial Instruments in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the stand-alone financial statements of the holding company, the investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investments.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in equity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Treasury shares

The cost of treasury shares is presented as a deduction from equity. Shares under option already allocated to employees and unallocated shares are considered as treasury shares and are consolidated as such as part of the Group's results.

4 BASIS OF CONSOLIDATION (CONTINUED)

Joint ventures

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits and losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests, that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Any additional capitalisation or increase in the investment (not resulting in a change in the percentage equity held) are accounted for at cost. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Consolidation of Special Purpose Entities

The special purpose entities ("SPEs") established in terms of the B-BBEE equity transaction implemented in 2011 have been consolidated in the Group results. The substance of the relationship between the company and these entities has been assessed and the conclusion was made that they are controlled entities, mainly due to the fact that the Group retains residual or ownership risks relating to the SPEs.

5 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive committee. The Executive committee is responsible for allocating resources and assessing performance of the operating segments and is therefore considered to be the Chief Operating Decision Maker of the Group.

6 PROPERTY, PLANT AND EQUIPMENT

Land and buildings mainly comprise retail outlets and offices. Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to write off the cost to a value equal to the residual values over their estimated useful lives, as follows:

> Buildings	50 years
> Grain silos	10 – 50 years
> Machinery and equipment	4 – 10 years
> Injection moulding machines	5 – 20 years
> Vehicles	4 – 5 years
> Office furniture and equipment	2 – 10 years
> Leasehold improvements	Period of lease

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Assets under construction is defined as assets still in the construction phase and not yet available for use. These assets are carried at initial cost and are not depreciated. Depreciation on these assets commences when they become available for use and depreciation periods are based on management's assessment of their useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

Gains and losses on disposals of fixed assets are determined by comparing proceeds with the carrying amounts and are included in the income statement as other operating income or other operating expenses.

7 INTANGIBLE ASSETS

Goodwill

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates/joint venture is included in investment in associated companies/joint ventures. Separately recognised goodwill is reviewed annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Customer relations

Customer relations consist of non-contractual customer relationships. Customer relations acquired in a business combination are recognised at fair value at the acquisition date.

The customer relations have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment. Amortisation is calculated on the straight-line method to allocate the cost of customer relations over the estimated useful life of five years.

Tradename

A tradename has been recognised by the Group as part of a business combination. Tradenames are capitalised at the fair value initially identified and amortised on a straight-line basis over their estimated useful lives of 10 to 50 years. Tradenames are carried at cost less accumulated amortisation and accumulated impairment. Expenditure to maintain tradenames is accounted for against income as incurred.

Fuel retail licences

The fuel retail licences are contractual in nature and has been recognised by the Group as part of a business combination. Given that the fuel retail licences remain valid for as long as the licence holder operates as a going concern, the estimated useful life of the individual fuel retail licences are considered to be indefinite. This intangible assets is reviewed annually for impairment and carried at cost less accumulated impairment losses in terms of IAS 36.

8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

9 LEASES

The Group leases various retail stores, storage sites and vehicles. Rental contracts are typically made for fixed periods of 3 to 12 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments
- Lease payments to be made under reasonably certain extension options

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date

Leasehold improvements are accounted for as part of right-of-use assets.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mostly comprise information technology equipment and other similar assets.

Right-of-use assets are depreciated over the lowest of the lease term (including the extension period if applicable) or the useful life.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the lessee as a starting point and adjusts the rate to reflect changes in financing conditions since the third-party financing was received. The Group also adjusts the rate relating to the specific lease based on the term and security and nature of the asset.

9 LEASES (CONTINUED)

The lease term is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised.

The majority of the extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

Sale and leaseback transactions

A sale and leaseback transaction is where the Group sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer. A sale occurs when control of the underlying asset passes to the buyer. This accounting policy thus applies in instances where the Group, as the seller-lessee, has transferred control of the asset to the buyer-lessor in terms of an IFRS 15 sale.

Sale and leaseback transactions (continued)

As the Group is the lessee in the subsequent arrangement, a lease liability is recognised, the associated property, plant and equipment asset is derecognised, and a right-of-use asset is recognised at the proportion of the previous carrying amount of the asset relating to the right-of-use retained. The gain (or loss) that the seller-lessee recognises is limited to the proportion of the total gain (or loss) that relates to the rights transferred to the buyer-lessor. Any difference between the sale consideration and the fair value of the asset is either a prepayment of lease payments (if the purchase price is below market terms) or additional financing (if the purchase price is above market terms). Any gain or loss that relates to the rights transferred to the buyer-lessor is recorded within items of a capital nature.

In other instances, where there is no transfer of control, the transaction amounts to a collateralised borrowing, which is covered by the existing accounting policies pertaining to financial liabilities.

10 OTHER FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Initial recognition is measured at fair value including directly attributable transaction costs for financial instruments not measured at fair value through profit and loss. Transaction costs of financial instruments carried at fair value through profit and loss are expensed in profit or loss.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is discharged, cancelled, expires or when a substantial modification of the terms occurs.

10 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Classification and subsequent measurement

Financial assets

The Group classifies its financial assets in the following measurement categories:

- Financial assets measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (FVPL))
- Financial assets measured at amortised cost

The classification depends on the business model for managing the financial assets and the contractual term of the cash flows. Management determines the classification of its investment at initial recognition. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in relation to the instrument held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through other comprehensive income (OCI) are recognised in OCI in the statement of comprehensive income. Where management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Upon derecognition of these equity investments, any balance within the FVOCI reserve is reclassified to retained earnings. Dividends from such investments are recognised in profit or loss as other gains and losses when the Group's right to receive payments is established. Currently the Group has elected to designate equity instruments at FVOCI.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows representing solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income under other operating income using the effective interest rate method. Trade receivables, cash and cash equivalents and loans receivable are classified as debt instruments measured at amortised cost.

Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss is recognised in profit or loss and presented in the income statement as part of other gains and losses in the period in which it arises. Interest income from these financial assets is included in finance income. Debt instruments are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

10 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Impairment

The Group has the following financial assets that are subject to the expected credit loss impairment model in terms of IFRS 9:

- Trade and other receivables
- Loans receivable
- Cash and cash equivalents

The Group determines loss allowances by considering available forward-looking information which could adversely impact a debtor's ability to pay.

Financial assets subject to impairment are written off when there is no reasonable expectation of recovery, and the amount is recognised in profit or loss within "operating expenses".

Trade receivables

The Group elected to apply the simplified approach for measuring impairment provisions for trade receivables. In terms of this approach, the loss allowances are calculated with reference to lifetime expected credit losses. The Group determines expected credit loss allowances both on a specific (credit impaired) and a contingency (not credit impaired) basis.

Credit terms, interest rates and other applicable terms are determined based on the calculated risk profile of the credit taker(s). A strict credit policy is followed which includes the ongoing revision of credit limits, security assessments and credit evaluations of the financial position of clients. These factors have been taken into consideration on an individual and collective basis when determining the recoverability of debtors. The Group has a specific loss allowance and a contingency loss allowance. The group defines "outside terms" debtors as all debtors more than 90 days outside terms. The specific loss allowance is determined on all "outside terms" debtors as their risks are different than the rest of the debtors' book within terms and they are assessed individually. The assessment for the specific loss allowance considers security held, reputation and expected payments in the future to determine the value of the specific loss allowance. Regarding the contingency loss allowance, the group divides the rest of the debtors' book (after considering the specific loss allowance) into different categories with risk factors applied to each category. The categories are based on different type of produce commodities mostly in the agricultural sector (grain, fruit, other agri and non-agri). The percentage expected credit loss applied to each category depends on the forward-looking risk of default and expectations on macro-economic factors including market share, competitor strength, industry risk, profitability, price volatility risks and climate changes.

Cash and cash equivalents

Cash comprises cash on hand and cash at banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Interest on cash and cash equivalents is recognised in the statement of comprehensive income as interest received from bank account balances. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Other financial assets

Loss allowances relating to loans receivable, cash and cash equivalents, deposits and other receivables are determined in terms of the general expected credit loss model, considering a 12-month expected credit loss.

In terms of this model the Group considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date compared to the credit risk at initial recognition date. It considers available reasonable and supportive forwarding-looking information that could be indicative of a deterioration in the counterparty's ability to pay. The Group assesses factors such as credit ratings, actual/adverse conditions in the industry or changes in value of security held.

10 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Other financial assets (continued)

For these financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses. In calculating the expected credit loss rates, the Group considers the exposure at default, probability of default and loss given default. The impact of the adoption of IFRS 9 and at the end of the reporting period was not material for other financial assets.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost, using the effective interest rate method. The effective interest rate amortisation is recognised in the statement of comprehensive income as finance costs. In relation to acquisition of KAL shares in the market, the financial liability is initially recognised at the present value of the redemption amount. Subsequent measurement at fair value is recognised through profit and loss.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Instalment sale agreements

Instalment sale agreements are recognised where the Group will become the legal owner of the assets after the purchase payment agreement is completed. The instalment sale agreements are recognised as a financial liability from the date of recognition and measured at amortised cost using the effective interest rate method. Instalment sale agreements are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Any subsequent remeasurements are recognised in the income statement as finance costs.

Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value. Trade payables are subsequently stated at amortised cost using the effective interest rate method.

Trade payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Contingent consideration

The Group shall classify an obligation to pay contingent consideration that meets the definition of a financial instrument as a financial liability.

Changes in the fair value of contingent consideration that the Group recognises after the acquisition date may be the result of additional information that the Group obtained after that date about facts and circumstances that existed at the acquisition date. Such changes are measurement period adjustments. However, changes resulting from events after the acquisition date, such as meeting an earnings target, reaching a specified share price or reaching a milestone, are not measurement period adjustments.

Changes in the fair value of contingent consideration, that are not measurement period adjustments, which falls within the scope of IFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with IFRS 9.

11 INVENTORY

Merchandise, raw materials and consumable goods are valued at the lower of cost, calculated on the average cost basis, or net realisable value, taking into account obsolescence and saleability. Implement stock (included in merchandise) is valued at the specific cost price or net realisable value, whichever is the lower. Finished goods (included in merchandise) are valued at the lower of cost, including cost of raw materials, direct costs and related production overheads, but excluding finance costs, determined on the average cost basis, or net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

12 STATED CAPITAL

Ordinary shares are classified as equity. Additional costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any company in the Group purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable additional costs (net of income taxes) is deducted from equity attributable to the Group's equity holders until the shares are cancelled, re-issued, or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable additional transaction costs and the related income tax effects, is included in equity attributable to the Group's shareholders.

13 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources which entail economic benefits will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

14 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivatives are designated as hedging instruments, and if so, the nature of the item being hedged. The Group designates hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

14 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Certain derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

15 EMPLOYEE BENEFITS

Pension scheme arrangements

The Group operates a pension fund consisting of a defined contribution plan registered in terms of the Pension Funds Act, 1956, and the assets are administered separately by trustees. Funding is in terms of conditions of employment by means of contributions by the participating subsidiaries in the Group as well as employees. The Group has no further obligations to the fund once the contributions have been paid. Contributions are recognised in the income statement when they are due.

Post-retirement medical benefits

Certain in-service members and retired employees are members of the post-retirement medical subsidy scheme of the Group. The Group pays the monthly contributions in respect of the retired members over to the medical fund. The valuation method used to value the liability is the projected unit method. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Valuations of these obligations are carried out by independent qualified actuaries. Any actuarially determined profits or losses are recognised in the income statement.

In terms of the Group's present policy the benefits are only available to certain in-service members and retired staff and not to future employees.

Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised under accounts payable when there is no realistic alternative but to settle the liability, and at least one of the following conditions is met:

- there is a formal plan; or
- past practice has created a valid expectation by employees that they will receive a bonus or profit share.

It is expected that the liability will be paid within 12 months.

15 EMPLOYEE BENEFITS (CONTINUED)

Equity settled management share incentive scheme

The Group operates an equity settled management share incentive scheme ("the scheme"). In terms of IFRS 2, the fair value of the equity instrument is determined at grant date and the corresponding expense is recognised over the vesting period. The fair value of the grant is determined using the Black-Scholes-Merton model using six different inputs that would have an effect on the fair value of the grant. The inputs are the exercise price of the option, the current share price, the expected life of the option, the expected volatility, the expected dividend yield and the risk-free interest rate.

16 REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15) AND OTHER OPERATING INCOME

According to IFRS 15, revenue is recognised at a point in time or over time depending on the performance obligations linked to separate elements of the contract with the customer. Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services. The Group's revenue consists mostly of sales of products delivered to customers at the point of sale and does not have multiple element arrangements included in it. Therefore, the timing and measurement of the Group's revenue will not change as a result of the implementation of IFRS 15.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax and trade discounts and after elimination of sales within the Group. Revenue is recognised as follows:

Sales of goods

The Group specialises in trading in agricultural-, fuel- and related retail markets in Southern Africa. At the point-of-sale in the trade and manufacturing environment, the client takes ownership of the goods bought. Revenue is thus recognised at that point when control of the products has transferred, the customer has accepted inventory risk related to the products and there is no unfulfilled obligation that could affect the customer's acceptance of the products and the Group has a present right to payment. In these segments, prices are determined centrally. Fuel sales follow the same principles as the client takes ownership once the product is sold and transferred to the customer. Fuel prices are regulated. Grain sales follow a similar process as over-the-counter sales as the product is delivered to the client and the revenue is recognised at that point in time when the customer takes ownership of the goods sold. Grain sales prices are based on fixed contract SAFEX prices. Invoicing occurs as soon as control of the goods has been transferred to the customer.

Revenue for the sale of merchandise from ordinary Group-operating activities, net of value added tax and trade discounts and after eliminating sales within the Group are recognised at a point in time, upon delivery of products and customer acceptance. Customers have a choice to pay cash (via cash, debit card or credit card) or on account. Related card transaction costs are recognised in the income statement as other expenses.

Payment terms for normal over the counter credit sales are mostly 30 days. Seasonal accounts are provided to agricultural debtors on longer terms, these terms do not exceed 12 months. Limited establishment accounts are also provided on longer terms (up to five years) with the purpose to assist the customer in establishing farming operations. Interest is charged on these accounts at market related rates and accounted for accordingly.

Sales of services

Sale of services include grain handling revenue which is revenue received for the storage and handling of the client's grains. The other services are provided within the mechanisation division where labour is invoiced as a service to repair and maintain client's machinery or vehicles. Revenue received for these services is recognised over time. Revenue is recognised at a fair value (determined based on a fixed price per tonnage/hour charged) of services rendered and are invoiced on a regular basis as the services are rendered.

16 REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15) AND OTHER OPERATING INCOME (CONTINUED)

Variable consideration

The Group assessed if the contracts entered into include variable consideration, but none were noted, other than trade discounts provided at the point-of-sale.

Margin on direct transactions

Direct sales relate to sales made, where goods purchased by clients are directly delivered to the client by the suppliers of the Group. Only the margin earned on direct sales is recognised as revenue. The margin is recognised on delivery of products by the supplier to the customer. The group assessed the treatment of these sales as agent or principal in terms of IFRS 15.

The supplier has the primary responsibility for providing the goods to the client.

KAL Group has no control before the product is delivered to the client and the Group does not recognise the inventory in their books. There is no recourse by the customer to the group for defects, non-performance for example short delivery.

The supplier takes the inventory risk up until inventory is delivered to the client.

The price is determined by the supplier. The Group acts as intermediary and earns commission for the administration of the process. All the indicators according to the standard indicate that the Group is acting as an agent, rather than a principal, thus the net amount is recognised as revenue. Thus, the treatment under IFRS 15 stays consistent to the prior year.

Other operating income is recognised as follows:

Interest income

Under IFRS 9, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). When a receivable is written off, the Group reduces the carrying amount to its recoverable amount. Interest is recognised using the original effective interest rate.

Interest income is accounted for as other income as it is not part of the ordinary revenue activities of the Group and is an incidental benefit from the group's ordinary activities.

Dividend income

Dividend income is recognised when the right to receive payment is established and is treated as revenue for the company but is not considered to be revenue from contracts with customers (IFRS 15).

Dividend in specie income is recognised as the fair value of the underlying assets.

17 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

> Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
> Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

17 BORROWING COSTS (CONTINUED)

The capitalisation of borrowing costs commences when:

- Expenditures for the asset have occurred.
- Borrowing costs have been incurred.
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

18 FOREIGN CURRENCY TRANSACTIONS

Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Rand, which is the holding company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

19 CURRENT AND DEFERRED INCOME TAX

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets relating to unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused losses can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates/joint venture, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group determines the deferred income tax asset and deferred income tax liability that arise on the initial recognition of a lease to be integrally linked and recognise the temporary difference on a net basis.

20 RECURRING HEADLINE EARNINGS

The Group monitors headline earnings as earning less non-recurring costs. Non-recurring costs are defined as once off costs or transactions as a result of *ad hoc* transactions or IFRS valuations that do not form part of ordinary business operations, and which causes fluctuations year-on-year.

21 DIVIDEND DISTRIBUTIONS

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved.

22 RELATED PARTIES

Individuals, as well as their close family members, or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions or if the parties are jointly controlled in a joint venture.

23 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets and/or disposal groups are classified as assets held for sale and are stated at the lower of the carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction rather than through continued use and this sale is considered highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position.

The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

Assets and liabilities of abandoned disposal groups are not classified as held for sale because the carrying amounts will not be recovered principally through a sale transaction.

Corporate information

KAL GROUP LIMITED

Incorporated in the Republic of South Africa
Registration number: 2011/113185/06
Income tax number: 9312717177
Share code: KAL
ISIN code: ZAE000244711

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GM Steyn (Chairman)*#
S Walsh (Chief Executive Officer)
GW Sim (Financial Director)
I Chalumbira*
BS du Toit*#
D du Toit*#
JH le Roux*#
B Mathews*#
EA Messina*#
WC Michaels*# (resigned 9 February 2023)
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HM Smit*# (retired 9 February 2023)

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PEG

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TEGO PLASTICS

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