2024

Annual report

Your
dynamic partner

NWK
HOLDINGS LIMITED

NWK

achieves set strategies – now geared for the future

After a strong El Niño effect in the NWK region during the year under review, the record results of 2023 could not be repeated. However, the sustainable results delivered for the year ending 30 April 2024 confirm that the strategies followed over the past six years have been successfully implemented – with a new phase now being entered.

Producers' conservative purchasing patterns amidst below-average rainfall and poor rain distribution throughout the season, particularly contributed to the Trade and Mechanisation segments' significantly lower performance. The Grain segment performed excellently due to the record harvest received the previous year, while the Logistics division delivered a steady contribution to profit.

The sunflower oil press performed adequately amidst the effect of challenging municipal conditions, and the other segments performed satisfactorily to well. The new AgTech@NWK business's focus on technology, drone equipment and services are exciting and confirms the group's commitment to technology and innovation.

The group's lasting presence and progressive approach in agriculture is unmistakable and offers our stakeholders a promising future in partnership and innovation. Exactly what you can expect from NWK – your dynamic partner.

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Chairman's overview

for the year ended 30 April 2024

Historically, farming has been a way of life and mainly family-oriented. It is also regarded as the oldest occupation, in spite of the response of certain prophets of doom to this statement. The modern producer runs a business in his own right and science and technology have changed so rapidly that the producer who wants to survive financially necessarily has to make certain adjustments.

People in agribusinesses were also regarded as typically traditional, with a resistance to change, but a company like NWK would not have survived for 115 years if it did not adjust. In fact, modern agribusinesses – and here I include the producer – are sophisticated and dynamic, and change that takes place is also driven by rapid progress in technology, communication and globalisation. The change in technology, demographics, economics and climate can lead to dramatic change in the demand for and supply of food. Consumers across the world are more informed and have more requirements. The total agricultural sector is faced by an enormous challenge, namely to feed the rapidly growing global population and at the same time preserve the environment in the extreme weather conditions offered by nature these days.

It is also becoming increasingly clear that the invisible factors that determine the success of agribusinesses like NWK in the new environment are not physical and economic resources, but rather human capital. The human capital, or the persons working in the different industries of the food production chain, should be properly trained and have the ability to adjust. This includes everyone – from the staff member at the lowest job grade to those at the level of executive management. The persons who do not understand or do not want to understand these dynamics will unfortunately have to make way for those who do understand. Those who can transform the change into improvement are way ahead of their opponents and are strategically good for NWK.

NWK should have the ability to communicate with its traditional audience, namely shareholders, customers, suppliers and staff. However, we will also have to reach out to other people involved, like consumers and those who could have an influence with regulatory institutions and the media, be it in the traditional manner or by using the media in their new format.

It remains strange to me that agriculture as such – including agribusinesses – are constantly in the sights of the authorities. With the general elections held recently, we find ourselves in uncertain times with a new political dispensation that is being established. A large number of productive hours are lost in constantly providing the perspective, and unnecessary costs are incurred in the process. I believe and trust that the consultations between Agbiz on behalf of the agribusinesses and the authorities will bear fruit in the end.

Corporate governance

The various board committees meet on a regular basis to provide the board with feedback and recommendations on certain matters. In my opinion, the activities are of a high quality and add enormous value to the business. The requirements for directors as set by the Companies Act and King IV necessitate a regular look at the functioning of the various directors and the board committees.

Julius Mahne, director of Ward 1, is retiring as a result of the requirements of the memorandum of incorporation of NWK Holdings. He served on the board for 17 years and served on the audit and risk committee, the nomination committee, human capital committee and social and ethics committee – for some as chairman. Furthermore, he was the chairman of the board of trustees of NWK's Umbrella Pension Fund.

The contract of Theo Rabe, group chief executive officer (group CEO) of NWK Limited, was extended by only one year to 30 April 2025 at his request. His successor, the current group chief financial officer for NWK Limited, Pieter Kleingeld, has already been appointed to take over from him. The process of filling his position has commenced. Pieter Coetzer, senior manager for Trade, is retiring on 31 July and his successor has already been appointed.

The composition of the board is also starting to change and will do so considerably in the next year or two. However, it is of great concern to me that the younger generation of shareholders and producers are not as actively involved in organised agriculture and its structures. This is where greater exposure can be obtained and networks can be built to prepare to make meaningful contributions to other organisations, agricultural structures or boards. The potential among our young producers is very good, and only a small change in priorities is required to be more focused on NWK – the company in which they are shareholders.

Results

NWK's results after tax for the financial year ended 30 April 2024 are just more than 10% lower than for the record year of 2023. In certain departments, write-offs on certain products had to be made because of drops in prices so that values could be brought closer to net realised values. Unfortunately, this had a negative effect on the group's results.

The good grain yields in 2023 were a welcome injection for producers and capital goods could be replaced. The warnings of a possible El Niño in 2024 placed a damper on possible business that could have been done, however. The western part of NWK's service area in particular was greatly affected by below-average rainfall and poor distribution of rain throughout the season. At the time of going to press, there might be a better picture of what really happened with respect to crop prospects. It is clear that production loans will not all be redeemed and that carry-over debt will unfortunately increase to a certain extent. NWK will, like in the past and on merit, walk the extra mile to assist producers under these circumstances.

The potential among our young producers is very good and only a small change in priorities is required to be more focused on NWK.

Other matters

The strategy and policy on which the board and management decided a few years ago have been successfully completed or are close to completion. The next phase is being implemented and I believe that, true to its values and sound financial base over many decades, NWK will also succeed under the new management that will soon take the lead.

The board's policy on dividends and the loyalty programme is unchanged and the focus on providing the shareholders with a fair return on its investment is still one of the board's priorities.

The buyback of shares from shareholders of 70 years and older was not as popular as that of the previous year. The board is planning to propose such a scheme again in the 2025 financial year. The challenging production year that has passed and its effect on the cashflow of NWK will be thoroughly taken into account before such a scheme is perhaps recommended in the second part of the financial year.

Acknowledgements

I would like to use this opportunity to thank our heavenly Father for his grace and blessing to NWK for another successful year. Thank you to all shareholders, customers and suppliers for your support.

Thank you to the deputy chairman, Pieter Jansen van Vuuren, and other fellow directors for your loyal support. Your ongoing commitment and support facilitate my task in facing challenges. My gratitude also to the various committee members for your contribution and valuable inputs.

For the hard work of all staff members to allow NWK to grow – thank you very much. A special word of thanks to Theo Rabe, the group CEO, and other executive members for the diligence with which you carry out your task and help to ensure that NWK is and remains a respected agribusiness. Thank you for the joint vision and support to me too. I greatly appreciate this.

A special word of thanks to Julius Mahne and Pieter Coetzer for their services to the benefit of NWK and all its partners. I wish you well in your retirement – or rather your entry of new fields and new opportunities that might cross your paths. Theo Rabe is still with us for a while and we will say goodbye to him on another occasion.

I trust that each and everyone of you will have a prosperous season and that NWK will be and remain your dynamic partner in a changing business environment.

Heinrich Krüger
Chairman NWK Holdings

18 July 2024

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

Directors' report

for the year ended 30 April 2024

The group delivered sustainable results for the financial year, which indicated that the strategies followed over the past six years had been implemented successfully. The record results for 2023 could not be repeated because of factors that will be discussed further on in the report.

The profit of R245 million (2023: R283 million) for the year after tax, represents a decrease of R38 million or 13%.

As the group mainly operates its business in the agricultural environment, climate is a major risk. Even with the previous report we were aware that a possible El Niño effect causing drier weather conditions would prevail during the 2023/2024 planting season. The weather conditions realised and the western areas of the group in particular were severely affected. Producers were well informed about the risks and we experienced that the Trade segment performed materially poorer than in the previous few years. This was the result of a conservative approach by the producers that led to a significant decline in producers' buying patterns.

Input costs for the producer stabilised after the previous years' high percentage of increases, and in many cases large cost reductions were passed on to the producers. Because of strategic purchases in the previous financial year and the prices of chemicals that had dropped, there were high levels of stock that had to be written off to net realisable value during the year and at year end. Mechanisation had made a significantly negative contribution to the group's results in the midst of record unit sales of farming implements, mainly because of the carrying of stock of too high a value and writing off of second-hand stock values to net realisable value. Management has already introduced controls to minimise a repetition of the problems.

The Grain segment performed excellently on the basis of the record harvest received the previous year. The segment is still growing and is going from strength to strength. The Logistics department also showed outstanding performance and they deserve to be commended for improving profitability. The effect of the current El Niño climate phenomenon will only reflect in the results of the Grain segment in the 2025 financial year.

The Epko sunflower oil press performed satisfactorily under very challenging conditions. Because of load-shedding and municipal electrical infrastructure problems, production was halted for more than eight weeks. Half the lost production time was in periods where good margins could have been realised on sunflower crude oil. The board considered various risk-mitigating solutions to the power crisis, but eventually decided to construct a direct powerline to an Eskom substation together with other businesses. The direct acquisition of power from Eskom was eventually approved by the Ditsobotla Municipality.

The other segments performed satisfactorily to well. Here we also have to highlight the growth of Agtech (agricultural services) within NWK, with the focus on technology, drone equipment and services.

Board and management

Succession planning in the modern era is vital to the survival of a business. It is not always a process for which you can make provision at all levels. Various changes will necessarily occur over the next three years. Most of the changes occur because of a maximum age that is reached. Four independent ward directors will retire over the next three years, including the chairman of the board.

The group chief executive officer decided to retire no later than 30 April 2025, and the current group chief financial officer was designated to succeed him at a date no later than 1 May 2025. After the required processes, a new group chief financial officer will therefore also be appointed. The senior manager: Retail will retire due to age at the end of July 2024 and a successor has already been appointed and commenced service on 1 May.

Thank you in advance to all the office-bearers for their selfless service to the NWK group.

Focus areas of the board

- Board member training;
- Development and appointment of non-ward director(s);
- Review of board and board committee charters;
- Review of the Memorandum of Incorporation;
- Chairperson succession planning;
- Investigating a suitable ESG reporting framework;
- Filling of the Group Chief Financial Officer vacancy;
- Establishment of the NWK Development Trust;

Agricultural commodities

WEATHER

The 2023/2024 production season started off with sufficient rain from October 2022 to December 2022. Even though we hit a dry spell from January 2023, timely rain during February 2023 was the perfect recipe for a record harvest. The eastern region’s average rainfall was 756 mm for the 2022/2023 period. Compared to the east, the western region had a lower average rainfall, which is normal. The average rainfall for 2022/2023 for the western region was 584 mm. Overall, the average rainfall for 2022/2023 was 615 mm, which is consistent with historical trends.

Producers started harvesting soy and sunflower crops from middle March 2023, finishing up early in June 2023. Maize deliveries started late in May 2023 and continued until early September 2023.

GRAIN DIVISION

During the 2023/2024 season we saw less volatile maize prices up until November 2023. From mid-November, prices increased due to the drought effect as caused by the El Niño, as well as increased export demand, especially maize, to African countries. The CBOT corn price decreased from a record high of $6,71/bushel during June 2023 to $4,65/bushel in May 2024. The rand/dollar exchange rate was quite volatile during the period from May 2023 to July 2023. The rand/dollar started to strengthen from the end of May following the South African interest rate hike by another 50 basis points and the US interest rate hike cycle being paused. The inflation rate decreased from 6,8% to 6,3% and the load-shedding stages were reduced, which had a positive effect on the rand/dollar. From July 2023 onward the rand/dollar kept moving between R19,2/$ and R18,2/$. Due to high demand, maize prices were less sensitive to both the CBOT corn price and rand/dollar changes. However, oil seed prices traded more volatilely. The reason was mostly changes in the six port prices of sunflower oil and CBOT prices for soybean oil and meal.

The segment managed to achieve a profit of R241 million for the 2023/2024 financial year. The profit was R58 million or 32% more compared to the previous financial year.

SILO SERVICES

Silo Services operates 39 storage facilities in and around North West. These grain facilities are equipped to receive, store and dispatch grain efficiently and also offers various grain handling services such as sieving and drying of grain.

The profitability is highly dependent on the volume and quality of grain received, and a large contributing factor is the rate of dispatching as required by the market. The beginning of the season saw carryover stock at 27% less than in the previous season, putting income from storage under pressure. During the previous three seasons NWK saw record dispatch on a year-to-year basis and the past season was no exception. Again, a record amount of grain in excess of two million tons was dispatched. The high demand for dispatching was mainly fuelled by strong exports to countries such as Zimbabwe, Namibia and Botswana. The export market also saw local millers increasing throughput and requiring more deliveries.

Challenges with load-shedding was as prevalent as ever and the use of generators is imperative to ensure operational effectiveness. The associated cost led to three silos being equipped with solar energy systems, and more are being considered. Maintenance of concrete silo bins and ageing equipment continue to put margins under pressure as the cost to repair and maintain infrastructure increases yearly, even beyond inflation rates. Security costs to protect assets have risen sharply due to the need to protect our infrastructure and the solar energy system as more acts of theft are noted.

The grain receipts for the past agricultural season amount to 3,2% less than the previous season.

Engineering Services forms an integral part of keeping the gears turning and the silo systems operating at maximum efficiency. A strong focus is directed at improving cost effectiveness while still making sure that repairs and maintenance are done properly to ensure the longevity of our assets. The strategic planning takes into consideration the use of the correct and cost-effective materials and processes of production as well as the efficient application of labour.

We have seen great progress, among other places in the upgrading of PLC systems and infrastructure – crucial to keeping silos operational. The aim of doing preventative maintenance rather than only repairs and experiencing the associated downtime involved is deemed as very important. Infrastructure also receives attention, for example the repair and maintenance of access roads to silos and the surrounding dirt roads throughout North West.

GRAIN MARKETING

Grain Trading has become a significant contributor to the segment by not only generating profit through sensible transactions but also creating market access and channels to producers, traders and end users. The past season has seen the highest volume of grain procured and traded, and financial results to match. Profitability was supported by a strong export market into North Africa and the ability to cover the largest portion of loss on carrying through successful pricing strategies and hedging stock.

The past season has seen the highest volume of grain procured and traded, and financial results to match.

Financial performance increased significantly on the back of a very challenging previous 2021/2022 season, which was characterised by large volumes of lower-quality grain and sharp increases in interest rates.

The Trading division continued to build on established strategic partnerships, especially regarding mill-door contracts, with the focus on managing risk for both the customer and NWK. Contracts beyond the historically geographically serviced areas have been accessed and further growth is expected. Any expansion is thoroughly researched and only engaged if it will fit in with NWK's core business ethics and Betrokka strategy of mutual benefit to all parties involved.

Export markets are expected to remain strong in the coming year due to production coming under pressure following below-average rainfall in the largest parts of Africa. At the same time the risk of high losses due to insufficient carry in the market may put margins under pressure.

LOGISTICS

The Logistics fleet consists of 35 trucks and operates mostly bottom dumpers and side tippers, as well as oil tankers and a lowbed truck for transporting machinery and tractors.

Grain tonnage transported was 20% more than in the previous financial year due to high demand from specifically the grain sector during the period from November 2023 to March 2024. Profitability improved, mainly due to transporting more tonnage and a directed focus to engage in longer-haul routes.

Logistics plays a vital role in the overall growth strategy of the segment, be it local transport or transporting goods beyond our historical service area. This supports the effective execution of mill-door grain contracts and building strong relationships with strategic partners to be a service delivery partner of choice, especially in North West and neighbouring regions. Partnerships help in negotiating the seasonal trends that are characteristic of the grain market.

The recently acquired trucks made a significant difference to the overall performance of the division with their improved fuel efficiency. Diesel prices increased significantly in the first six months between May 2023 and October 2023, which also included the harvest season. Better fuel efficiency helped to mitigate the cost brought on by these higher fuel prices. Margins in the transport sector came under pressure later in the season due to surplus trucks entering the grain market from other industries such as the mining sector. Improved tyre management and related optimum procurement of tyres contributed to the overall results.

Standing time, costly repairs, breakdowns and uncompetitive fuel consumption on remaining used and outdated trucks continue to put margins and effectiveness under pressure and will be addressed in the actively managed replacement plan. Rendering transport services to other industries is constantly researched as part of the growth strategy.

Trade

RETAIL

The drought in the western area in particular had a major impact on the turnover of the department. Sales for virtually all the product ranges were lower as a result of this.

Irrigation performed better over the past year, probably because of the drought and the installation of solar systems, which offset the negative effect of load-shedding.

There was a considerable increase in fuel sales, which can be attributed to the performance of new filling stations like Vryburg and Total Lichtenburg. In addition, from the government's side, tests had been done on fuel samples at several filling stations. The results of this testing showed that NWK's diesel complied with the standards at all times, which supported sales.

The contribution of the agencies to the profit of the department increased by 27% over the past year. Because of structural changes in the Purchases division, stock could be managed within norms and the targets for finance charges were achieved, despite the interest rates remaining high.

MECHANISATION

In spite of the fact that the department achieved a good turnover, the net result was disappointing. Excellent sales in the first part of the year declined drastically, so that there were too many new and second-hand items in stock. Second-hand items were revalued and cost prices were adjusted downwards. This meant that Mechanisation made a negative contribution to the results of the segment.

MIDCHEM, NWK SEED AND FERTILISER

It was decided to combine Midchem and NWK Seed into one department, together with Granular and Liquid Fertiliser.

Despite the challenging year, NWK Seed achieved good results.

The two fertiliser divisions were constantly under pressure because of a decline in prices, but still achieved very favourable results.

Because of the drastic global decline in glyphosate prices in particular, Midchem had to make price adjustments to net realisable values. The result was that this division closed the year with a loss for the first time since it was incorporated into NWK.

However, all problem products have now been managed out and will not have an effect on the new year.

AGRICULTURAL LIMESTONE MINING

The 2023/2024 year delivered satisfying results, with the highest contribution ever of R17,5 million to the group profit. This was mainly due to sales volumes that were boosted by the favourable agricultural market conditions, as well as good cost management. Bastion had a very strong net operating cashflow performance, allowing it to reduce debt levels and fund capital projects with no additional debt.

The production plants produced solid operational performance, with an increase in production capacity in response to the higher demand. However, load-shedding did affect the production capacity on some of the operations, and shifts were implemented to mitigate the risk of losing sales due to inadequate stock levels. Good levels of opening stock on all operating sites increased the ability to honour orders even in difficult production conditions.

Increased production costs, especially fuel, electricity and gypsum prices, put pressure on margins, and operational efficiency remains a key strategy, which includes an improved maintenance strategy.

The marketing approach to expand the geographic footprint to other areas resulted in an extended reach for the Bastion lime products. Customer centricity and high-quality customer service levels for all the various sales channels remain a key focus area.

The outlook for the next season is uncertain due to a large portion of Bastion's customers being affected by a mid-summer drought, resulting in lower grain yields. However, commodity prices are expected to remain strong, which partially mitigates the risk of lost sales volumes. The focus for the next season will remain on good customer service, operational efficiencies and prudent cost management.

Financial services

FINANCING AND TREASURY

This segment performed fairly well because of the higher average outstanding balance of the debtors book compared to the 2022/2023 financial year. The average higher balance is the result of higher input costs as well as market expansion. Settlement of accounts by customers was delayed due to rising commodity prices late in the season, which also contributed to the higher average outstanding book.

The El Niño weather conditions caused a mid-summer drought, which led to expected decreased crop yields overall. Our risk models necessitated an increased allowance for credit losses.

The focus on a more efficient process led to lower staff costs over the past number of years. The Agricultural Management Services advisers were successfully incorporated into the Financing division. Unlocking other internal synergies and other avenues to add value to customers will still be pursued.

INSURANCE INDUSTRY

The insurance industry is constantly chancing and brokers are therefore confronted by an environment that is increasingly complex and challenging. In spite of the challenges, NWK4Sure Brokers showed growth in turnover of 13% and growth in net profit before tax of 40% compared to the previous year.

The short-term division experienced growth of 11% in premium income. During the year, NWK4Sure Brokers received a Santam Gold Award and a Safire Platinum Award.

Fewer hectares were insured compared to the previous season because of many challenges that the season posed. Although there was a 12% decline in the total hectares insured, the effect on the total harvest commission at year end was insignificant.

The medical division also grew, and NWK4Sure Brokers received an award from Medshield during the year.

During the year, NWK4Sure Brokers received a Santam Gold Award and a Safire Platinum Award.

The long-term insurance division was established during 2024 and also did good work in establishing the division in the market.

Management remains focused on using opportunities to create visibility and satisfaction in order to keep on growing, in spite of the changing industry.

The performance of the cell in Molemi Sele Management, aligns with prior years, even after the fact that there was one less shareholder in the cell compared to the prior years.

These results were obtained by a higher average debtor book resulting in more credit life insurance premiums received, the inclusion of an external party's credit life insurance on their debtors book and a better premium to claims ratio than the prior year.

Oil press

During the current financial year, the local South African crude sunflower oil market has faced significant challenges due to an influx of well-priced imports from the Black Sea region. This situation has led many large crushers in South Africa to halt their crushing operations, opting instead to import crude sunflower oil for their refining processes. The price of sunflower seeds on Safex has not decreased sufficiently to reach an equilibrium with the cost of importing crude sunflower oil and sunflower oilcake.

Epko has not performed to expectations but still managed to deliver a positive result. In addition, municipal infrastructure failures have resulted in excessive downtime – the most severe to date. To mitigate these issues, measures are being implemented to address downtime caused by municipal failures.

Epko is currently in the process of commissioning its crude oil refinery plant, which will diversify its product and customer base. The drought has left sunflower seed production in the NWK production area at below-average levels, leaving a procurement challenge and risk for Epko in the new financial year.

A special acknowledgment goes out to our grain producers, who have persevered despite challenging external factors. Their efforts have contributed positively to the overall performance of Epko during this difficult period.

Group

Financial position

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Non-current assets	**1 480**	1 351	1 105	1 020	988
Current assets	**4 626**	4 363	3 966	3 234	1 956
Non-current assets held for sale	**-**	-	5	5	5
Assets	**6 106**	5 714	5 076	4 259	2 949
Equity	**2 086**	1 905	1 681	1 487	1 372
Liabilities	**4 020**	3 809	3 395	2 772	1 577
Non-current liabilities	**282**	277	40	24	19
Current liabilities	**3 738**	3 532	3 355	2 748	1 558
Equity and liabilities	**6 106**	5 714	5 076	4 259	2 949

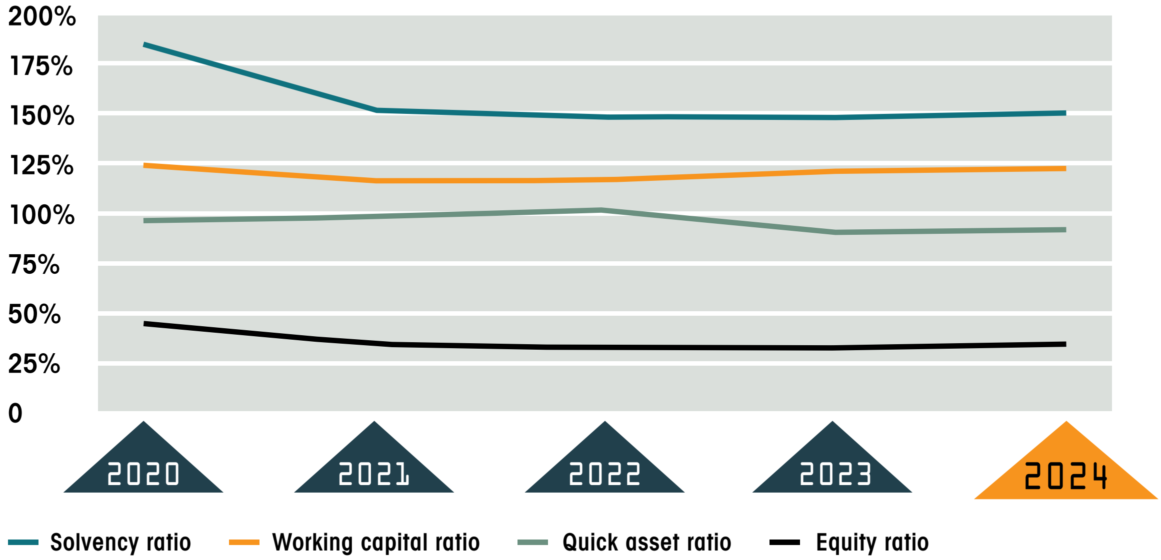
Capital ratios

	2024 %	2023 %	2022 %	2021 %	2020 %
Equity ratio	**34**	33	33	35	46
Solvency ratio	**152**	150	150	154	187
Current ratio	**124**	124	118	118	126
Quick ratio (acid test)	**93**	92	97	99	97
Leverage ratio (debt-to-equity ratio)	**191**	198	201	186	114

Formulae

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

Capital ratios



Group

Liabilities

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Borrowings	**3 881**	3 651	3 220	2 655	1 502
Payable within a year	**3 643**	3 423	3 193	2 638	1 496
Payable after a year, but not exceeding two years	**70**	53	17	14	5
Payable after two years, but not exceeding five years	**153**	115	9	3	1
Payable after five years, but not exceeding ten years	**15**	60	1	-	-
Other liabilities	**139**	158	175	117	75
Deferred tax liabilities	**40**	40	-	-	7
Current tax liabilities	**6**	7	18	16	-
Provisions	**21**	18	29	26	11
Accumulating compensated absences	**38**	38	36	38	33
Liabilities from contracts with customers	**34**	55	92	37	24
Total liabilities	**4 020**	3 809	3 395	2 772	1 577

Borrowings

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Bank loans and overdrafts payable within a year	**1 912**	1 859	2 011	1 551	1 182
Short-term loans (commodity-based)	**315**	360	800	567	108
Overdrafts	**1 597**	1 499	1 211	984	1 074
Lease liabilities and long-term loans	**312**	282	49	29	16
Payable within a year	**74**	54	22	12	10
Payable after a year, but not exceeding two years	**70**	53	17	14	5
Payable after two years, but not exceeding five years	**153**	115	9	3	1
Payable after five years, but not exceeding ten years	**15**	60	1	-	-
Other borrowings payable within a year	**1 657**	1 510	1 160	1 075	304
Trade payables payable	**707**	770	479	477	208
Fiduciary liabilities	**-**	-	1	-	-
Derivative financial liabilities	**876**	684	627	535	58
Short-term loans (demand deposits)	**74**	56	53	63	38
Total borrowings	**3 881**	3 651	3 220	2 655	1 502

Group

Financial performance

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Revenue	**5 856**	4 870*	3 840#	3 075@	2 339@
Operating profit before finance costs	**607**	557	420	321	185
Finance costs	**(310)**	(255)	(121)	(116)	(93)
Operating profit	**297**	302	299	205	92
Proportionate share of the profit's joint ventures	**26**	58	47	20	10
Profit before taxation	**323**	360	346	225	102
Taxation	**(77)**	(77)	(79)	(57)	(29)
Profit for the year	**246**	283	267	168	73
Other comprehensive income	**2**	(1)	(8)	3	(2)
Total comprehensive income	**248**	282	259	171	71

Restated in the 2023 financial year.

Profit for the year

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Profit attributable to the owners of the holding company	**245**	283	267	154	47
Profit attributable to non-controlling interests	**1**	-	-	14	26
Profit for the year	**246**	283	267	168	73

Comprehensive income

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Comprehensive income attributable to the owners of the holding company	**247**	282	259	157	45
Comprehensive income attributable to non-controlling interests	**1**	-	-	14	26
Total comprehensive income	**248**	282	259	171	71

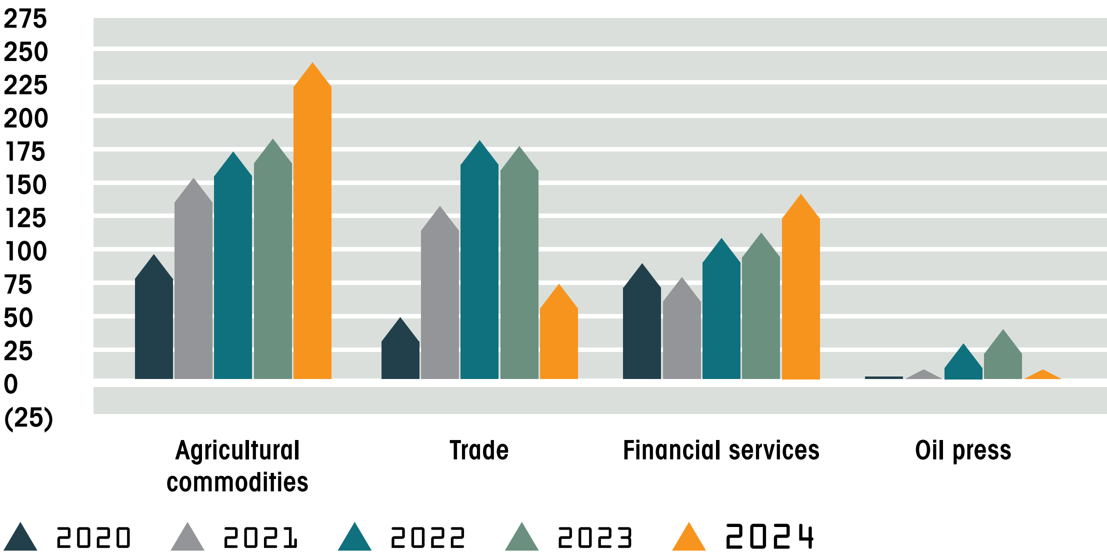
Restated in the 2023 financial year.
* Refer to note F3
@ The group restated revenue in the 2023 financial year.

Group

Financial performance per segment

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Agricultural commodities	**241**	183	174	154	96
Trade	**74**	178	182	133	49
Financial services	**142**	112	109	79	89
Oil press	**9**	41	29	9	(1)
Profit of the operating segments	**466**	514	494	375	233
Corporate	**(143)**	(154)	(148)	(150)	(131)
Pre-tax profit	**323**	360	346	225	102
Taxation	**(77)**	(77)	(79)	(57)	(29)
Profit for the year	**246**	283	267	168	73
Other comprehensive income	**2**	(1)	(8)	3	(2)
Total comprehensive income	**248**	282	259	171	71

Segmental results (R'm)



Group

Earnings per share

	2024	2023	2022	2021	2020
	Cents	Cents	Cents	Cents	Cents
Basic and diluted earnings	**242**	273	249	160	61
Basic and diluted earnings from continued operations	**242**	273	249	160	61

Formulae

Basic and diluted earnings per share, basic and diluted earnings per share from continued operations and basic and diluted earnings per share from discontinued operations were calculated by dividing the profit attributable to the owners of the holding company, the profit from continued operations attributable to the owners of the holding company and the profit or loss from discontinued operations attributable to the owners of the holding company, respectively, by the weighted average number of issued ordinary shares during the respective years, namely 101 091 429, 103 580 291, 107 457 664, 95 886 675 and 76 212 831.

Earnings

	2024	2023	2022	2021	2020
	R'm	R'm	R'm	R'm	R'm
Earnings	**246**	283	267	168	73
Earnings before tax	**323**	360	346	225	102
Earnings before interest and tax	**633**	615	467	341	195
Earnings before interest, tax, depreciation and amortisation	**736**	683	518	379	227

Interest coverage ratio

	2024	2023	2022	2021	2020
	Times	Times	Times	Times	Times
Interest coverage ratio	**2,4**	2,7	4,3	3,3	2,4

Formulae

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

Yield rates

	2024	2023	2022	2021	2020
	%	%	%	%	%
Return on equity	**12,3**	15,7	16,9	11,8	5,0
Return on investment	**10,7**	11,4	10,0	9,5	6,8

Formulae

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

Group

Equity

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Equity attributable to the owners of the holding company	**2 078**	1 905	1 681	1 487	1 038
Equity attributable to non-controlling interests	**8**	-	-	-	334
Total equity	**2 086**	1 905	1 681	1 487	1 372

Changes in equity

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Total comprehensive income	**248**	282	259	171	71
Profit for the year	**246**	283	267	168	73
Other comprehensive income	**2**	(1)	(8)	3	(2)
Change of interest in subsidiaries	**-**	-	-	(25)	(211)
Share issue	**-**	-	-	176	-
Effects of change of interest in subsidiaries	**-**	-	-	(198)	(204)
Transaction costs relating to the acquisition of non-controlling interests in subsidiaries	**-**	-	-	(3)	(7)
Non-controlling interest arising on business combination	**7**	-	-	-	-
Share buyback	**(22)**	-	(23)	-	-
Dividends paid	**(52)**	(58)	(42)	(31)	(23)
Net change in equity	**181**	224	194	115	(163)
Equity at the beginning of the year	**1 905**	1 681	1 487	1 372	1 535
Equity	**2 086**	1 905	1 681	1 487	1 372

Share information

	2024 Cents	2023 Cents	2022 Cents	2021 Cents	2020 Cents
Year-end share price	**540**	530	525	360	550
Net asset value per share	**2 056**	1 840	1 623	1 375	1 362
Dividends paid per share	**52**	56	39	29	18

Formulae

Net asset value per share was calculated by dividing the equity attributable to the owners of the holding company by the number of issued ordinary shares on the respective reporting dates, namely 101 091 429, 103 580 291, 103 580 291, 108 182 828 and 76 212 831.

Price/earnings ratio

	2024 Times	2023 Times	2022 Times	2021 Times	2020 Times
Price/earnings ratio	**2**	2	2	2	9

Group

Cashflow analysis

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Cashflow from operating activities	**310**	119	(322)	(290)	(152)
Cashflow from operations	**508**	341	(189)	(188)	(165)
Interest received	**226**	180	113	105	147
Interest paid	**(309)**	(254)	(121)	(116)	(93)
Dividends received from equity-accounted investments	**-**	-	2	3	5
Tax paid	**(63)**	(90)	(85)	(63)	(23)
Dividends paid	**(52)**	(58)	(42)	(31)	(23)
Cashflow from investing activities	**(353)**	(106)	(63)	(62)	(61)
Investment in non-current assets	**(361)**	(137)	(63)	(64)	(63)
Proceeds on the disposal of non-current assets	**8**	31	-	2	2
Dividends received	**-**	-	-	-	-
Cashflow from financing activities	**39**	22	389#	442	(334)
Net cashflow for the year	**(4)**	35	4#	90	(547)

Free cashflow

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Cashflow from operating activities	**310**	119	(322)	(290)	(152)
Cashflow from investing activities	**(353)**	(106)	(63)	(62)	(61)
Free cashflow for the year	**(43)**	13	(385)	(352)	(213)

Revenue

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Revenue from the sale of goods	**4 667**	3 816	3 069	2 453	1 837
Revenue from services rendered	**366**	380	256	180	123
Revenue from the handling and storage of commodities	**272**	291	179	115	77
Revenue from other services rendered	**94**	89	77	65	46
Revenue from contracts with customers	**5 033**	4 196	3 325	2 633	1 960
Net fair value gains on commodity trading	**614**	513	412#	348@	240@
Interest income	**209**	161	103	94	139
Revenue	**5 856**	4 870	3 840	3 075	2 339

Restated in the 2023 financial year.

@ The group restated revenue in the 2023 financial year.

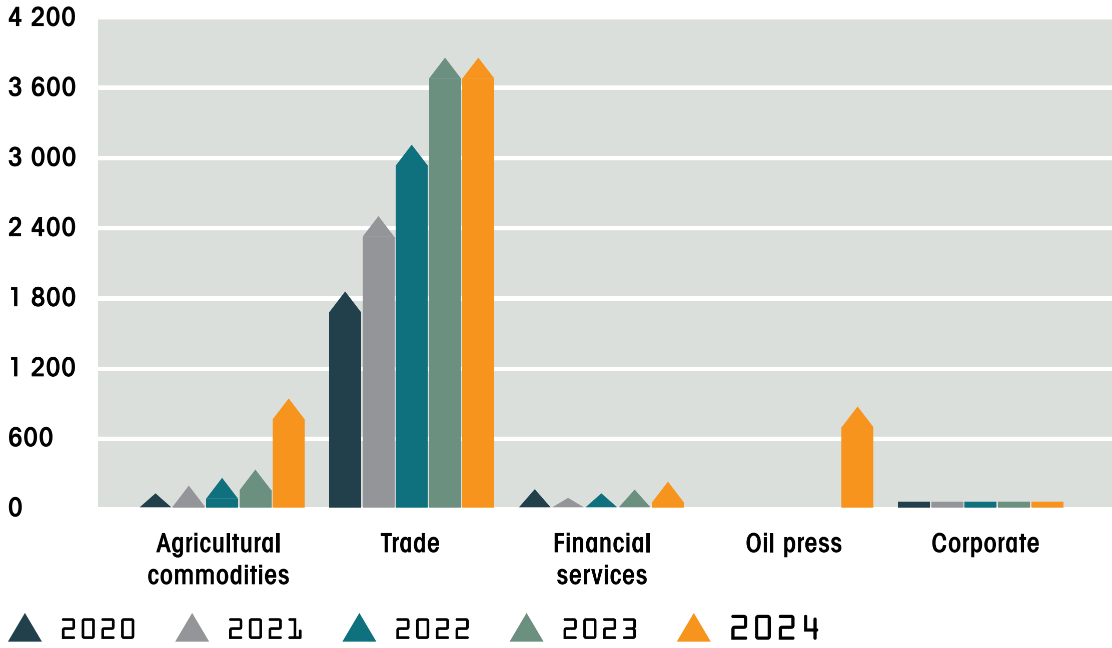
Group

Revenue earned from external customers

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Agricultural commodities	**943**	863	644#	514@	366@
Trade	**3 837**	3 839	3 084	2 462	1 834
Financial services	**228**	159	101	90	131
Oil press	**859**	-	-	-	-
Revenue of the operating segments	**5 867**	4 861	3 829	3 066	2 331
Corporate revenue	**24**	11	11	9	8
Segmental revenue earned	**5 891**	4 872	3 840	3 075	2 339
Adjustment for intersegmental revenue	**(35)**	(2,0)	-	-	-
Revenue earned from external customers	**5 856**	4 870	3 840	3 075	2 339

Restated in the 2023 financial year.
@ The group restated revenue in the 2023 financial year.

Revenue earned from external customers (R'm)



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

Projections

Climate conditions in our service area can probably mean drier weather conditions over the next decade. As climate is one of our biggest risks, a more conservative business approach will be followed and cashflow management will receive more attention. Opportunities for growth will be utilised when meaningful opportunities for the group can be realised. Furthermore, the group will focus on expanding further into alternative power supply projects where meaningful.

A word of thanks

All the honour goes to our Heavenly Father for blessings on our business and wider agriculture. Thank you to the chairman for purposeful guidance, and also to the board, management and staff for the way in which the different duties were carried out during the year. To our customers, thank you for your loyal support, and we wish you all the best in the challenging climate conditions in which you have to run your business.

TE

Theo Rabe
Group Chief Executive Officer (NWK Limited)

18 July 2024

The directors' report was prepared by TE Rabe, was not audited or independently reviewed, was approved by the board of directors on 18 July 2024, and was published on 25 July 2024.

Seperate and consolidated annual financial statements

for the year ended 30 April 2024

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The separate and consolidated annual financial statements were prepared by H vd Westhuizen, were audited by the independent auditor, Deloitte & Touche, were approved by the board of directors on 18 July 2024, and were published on 25 July 2024.

Approval of the annual financial statements

for the year ended 30 April 2024

The board of directors is responsible for the financial statements. In terms of this responsibility, it is the directors' duty to ensure that the financial statements fairly present the financial position and performance of the company, are accurate and complete, comply with the provisions of the Companies Act of South Africa and have been prepared in accordance with the requirements of the International Financial Reporting Standards and the accounting policies of the company. The International Financial Reporting Standards require that the directors scrutinise the going-concern principle when preparing the financial statements, identify relevant accounting policies to account for assets, liabilities, income and expenses, use their judgement and make accounting estimates and assumptions regarding the future.

Internal financial control system

The board is responsible for the development, implementation and maintenance of an effective internal financial control system. The internal financial control system comprises all internal policies and financial controls and has been designed to ensure the integrity of financial information – thus, to provide reasonable assurance that transactions are concluded according to policies and procedures; assets are protected; mistakes and fraud are prevented; the accounting records, financial statements and reports are accurate and complete, and that the applicable laws, financial reporting standards, listing requirements and codes are adhered to. The board is responsible for establishing and maintaining an independent audit committee, and it is its duty to ensure that the group has an independent internal audit function that has the necessary resources and expertise, is efficient and follows a risk-based audit approach.

External assurance

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

Approval

The board is of the opinion that the separate and consolidated financial statements fairly present the financial position and performance of the company, are accurate and complete, comply with the provisions of the Companies Act, and have been prepared in accordance with the requirements of the IFRS and the accounting policies of the company. The board is of the opinion that the accounting policies are appropriate; that the material uncertainties relating to the preparation of the separate and consolidated annual financial statements have been duly assessed, and that accounting estimates and assumptions are reasonable, prudent and unbiased and take into account the available and applicable information. The separate and consolidated annual financial statements for the year ended 30 April 2024 – as set out on pages 22 to 136 – were approved by the board on 18 July 2024 and signed on the board's behalf by:

Lemmer Vermooten
Director

18 July 2024

Statement of financial position

at 30 April 2024

	Note	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Non-current assets		**2 114,8**	1 932,7	**1 479,7**	1 351,4
Property, plant and equipment	C1	**-**	-	**951,5**	832,2
Investment property	C2	**-**	-	**12,8**	12,3
Intangible assets	C3	**-**	-	**67,9**	42,0
Investment in subsidiaries	C4	**2 114,8**	1 932,7	**-**	-
Investment in joint ventures	C5	**-**	-	**96,9**	80,3
Investment in equity instruments	C7	**-**	-	**6,5**	4,6
Loans and lease receivables	C8	**-**	-	**336,4**	357,6
Deferred tax assets	C9	**-**	-	**7,7**	22,4
Current assets		**8,8**	18,0	**4 626,3**	4 362,9
Inventory	C10	**-**	-	**1 145,5**	1 097,1
Agricultural commodities	C11	**-**	-	**1 605,9**	1 091,6
Trade and other receivables	C12	**8,8**	17,9	**1 804,5**	2 018,5
Prepaid expenses		**-**	-	**0,2**	4,1
Assets from contracts with customers	C13	**-**	-	**1,2**	3,6
Current tax assets		**-**	-	**2,5**	-
Fiduciary assets		**-**	-	**-**	0,9
Financial assets at fair value through profit or loss	C14	**-**	-	**23,6**	100,0
Cash and cash equivalents	C15	**-**	0,1	**42,9**	47,1
Assets		**2 123,6**	1 950,7	**6 106,0**	5 714,3
Equity attributable to the owners of the holding company		**2 123,6**	1 950,7	**2 078,3**	1 905,5
Share capital	C16	**214,8**	237,2	**173,9**	196,3
Distributable reserves	C17	**1 908,8**	1 713,5	**1 904,4**	1 709,2
Equity attributable to non-controlling interests	C18	**-**	-	**7,4**	-
Total equity		**2 123,6**	1 950,7	**2 085,7**	1 905,5
Non-current liabilities		**-**	-	**282,4**	276,0
Long-term provisions	C19	**-**	-	**10,8**	14,8
Long-term loans	C20	**-**	-	**190,9**	179,0
Lease liabilities	C21	**-**	-	**40,2**	42,4
Deferred tax liability	C9	**-**	-	**40,5**	39,8
Current liabilities		**-**	-	**3 737,9**	3 532,8
Trade and other payables	C22	**-**	-	**707,3**	770,3
Accumulating compensated absences		**-**	-	**38,1**	37,6
Liabilities from contracts with customers	C23	**-**	-	**33,9**	54,9
Short-term provisions	C19	**-**	-	**9,9**	3,5
Current portion of long-term loans	C20	**-**	-	**43,5**	22,6
Current portion of lease liabilities	C21	**-**	-	**37,6**	38,1
Current tax liabilities		**-**	-	**5,7**	7,1
Financial liabilities at fair value through profit or loss	C14	**-**	-	**875,7**	683,7
Short-term loans	C24	**-**	-	**388,8**	416,3
Overdrafts	C25	**-**	-	**1 597,4**	1 498,7
Equity and liabilities		**2 123,6**	1 950,7	**6 106,0**	5 714,3

Statement of comprehensive income

for the year ended 30 April 2024

	Note	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Revenue from the sale of goods	D2	**-**	-	**4 666,6**	3 815,8
Purchases of inventory		**-**	-	**(4 108,0)**	(3 643,5)
Movement in finished goods		**-**	-	**48,3**	371,5
Revenue from the handling and storage of commodities	D3	**-**	-	**271,4**	291,1
Revenue from other services rendered	D4	**-**	-	**94,2**	89,1
Net fair-value gains on commodity trading	D5	**-**	-	**614,4**	513,2
Interest income	D6	**-**	-	**209,4**	160,4
Other income	D7	**1,5**	0,9	**172,9**	89,7
Impairment gains and losses on financial assets	D8	**-**	-	**(13,8)**	(11,8)
Employees' remuneration	D9	**(0,5)**	(0,4)	**(502,3)**	(461,2)
Other expenses	D10	**(0,9)**	(0,8)	**(846,2)**	(658,1)
Finance costs	D11	**-**	-	**(310,0)**	(254,5)
Operating profit		**0,1**	(0,3)	**296,9**	301,7
Proportionate share of the profits of equity-accounted entities		**249,9**	287,7	**25,8**	57,7
Proportionate share of the profits of subsidiaries	C4	**249,9**	287,7	**-**	-
Proportionate share of the profits of joint ventures	C5	**-**	-	**25,8**	57,7
Profit before tax		**250,0**	287,4	**322,7**	359,4
Taxation	D12	**(0,1)**	-	**(76,8)**	(76,7)
Profit for the year		**249,9**	287,4	**245,9**	282,7
Other comprehensive income		**2,3**	(0,4)	**2,3**	(0,4)
Items that cannot be reclassified to profit or loss:	D13				
Fair-value adjustment of the investment in equity instruments		**-**	-	**1,9**	-
Proportionate share of the other comprehensive income of subsidiaries		**2,3**	(0,4)	**0,4**	-
Items that will be reclassified to profit or loss:					
Proportionate share of the other comprehensive income of joint ventures		**-**	-	**-**	(0,4)
Total comprehensive income for the year		**252,2**	287,0	**248,2**	282,3

Statement of comprehensive income (continued)

	Note	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Profit attributable to the owners of the holding company		**249,9**	287,0	**244,7**	282,3
Profit attributable to non-controlling interests		**-**	-	**1,2**	-
Profit for the year		**249,9**	287,0	**245,9**	282,3
Total comprehensive income attributable to the owners of the holding company		**252,2**	287,0	**247,0**	282,3
Total comprehensive income attributable to non-controlling interests		**-**	-	**1,2**	-
Total comprehensive income for the year		**252,2**	287,0	**248,2**	282,3

Earnings per share

	Note	Group 2024 Cents	Group 2023 Cents
Basic and diluted earnings	D14	**242**	273

Separate statement of changes in equity

for the year ended 30 April 2024

	Company			
	Share capital	Retained earnings	Other reserves	Equity
	R'm	R'm	R'm	R'm
Equity at 30 April 2022	237,2	1 345,8	143,4	1 726,4
Total comprehensive income for the year	-	287,0	-	287,0
Profit for the year	-	287,4	-	287,4
Other comprehensive income	-	(0,4)	-	(0,4)
Dividends	-	(62,7)	-	(62,7)
Equity at 30 April 2023	237,2	1 570,1	143,4	1 950,7
Total comprehensive income for the year	-	250,3	1,9	252,2
Profit for the year	-	249,9	-	249,9
Other comprehensive income	-	0,4	1,9	2,3
Share buyback	(22,4)	-	-	(22,4)
Dividends	-	(56,9)	-	(56,9)
Equity at 30 April 2024	214,8	1 763,5	145,3	2 123,6

Dividends paid during the year

	2024	2023
	Cents	Cents
Year-end dividend per share	**17**	25
Interim dividend per share	**35**	31
Total distribution per share	**52**	56

Consolidated statement of changes in equity

for the year ended 30 April 2024

Group

	Share capital	Retained earnings	Other reserves	Non-controlling interest	Equity
	R'm	R'm	R'm	R'm	R'm
Equity at 30 April 2022	196,3	1 341,5	143,4	-	1 681,2
Total comprehensive income for the year	-	282,3	-	-	282,3
Profit for the year	-	282,7	-	-	282,7
Other comprehensive income	-	(0,4)	-	-	(0,4)
Dividends	-	(58,0)	-	-	(58,0)
Equity at 30 April 2023	196,3	1 565,8	143,4	-	1 905,5
Non-controlling interest arising on business combination	-	-	-	6,2	6,2
Total comprehensive income for the year	-	245,1	1,9	1,2	248,2
Profit for the year	-	244,7	-	1,2	245,9
Other comprehensive income	-	0,4	1,9	-	2,3
Shares purchased from retiring shareholders	(22,4)	-	-	-	(22,4)
Dividends	-	(51,8)	-	-	(51,8)
Equity at 30 April 2024	173,9	1 759,1	145,3	7,4	2 085,7

Dividends paid during the year

	2024	2023
	Cents	Cents
Year-end dividend per share	**17**	25
Interim dividend per share	**35**	31
Total distribution per share	**52**	56

Statement of cashflows

for the year ended 30 April 2024

	Note	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Cashflow from operations		**7,7**	(18,5)	**507,7**	340,5
Cashflow from operating profit	E1	**(1,4)**	(1,2)	**542,2**	483,2
Cashflow from change in operating capital	E2	**9,1**	(17,3)	**(34,5)**	(142,7)
Net cashflow from interest	E3	**1,5**	0,9	**(83,4)**	(74,2)
Interest received	E3	**1,5**	0,9	**225,5**	180,0
Interest paid	E3	**-**	-	**(308,9)**	(254,2)
Dividends received from equity-accounted entities		**70,1**	80,1	**-**	-
Subsidiaries		**70,1**	80,1	**-**	-
Joint ventures		**-**	-	**-**	-
Tax paid	E4	**(0,1)**	-	**(62,8)**	(89,4)
Dividends paid		**(56,9)**	(62,7)	**(51,8)**	(58,0)
Cashflow from operating activities		**22,3**	(0,2)	**309,7**	118,9
Cashflow from investing activities		**-**	-	**(352,4)**	(105,7)
Property, plant and equipment acquired	E5	**-**	-	**(179,4)**	(141,0)
Upgrading of investment property	E5	**-**	-	**(0,2)**	(0,3)
Investment property acquired	E5	**-**	-	**(1,0)**	(4,2)
Intangible assets acquired	E5	**-**	-	**(0,4)**	(1,1)
Assets and liabilities acquired through business combinations	E6	**-**	-	**-**	(24,5)
Acquisition of subsidiaries	E6	**-**	-	**(179,2)**	34,4
Repayment of shareholder loan by joint venture		**-**	-	**-**	0,4
Dividends received from listed and unlisted entities		**-**	-	**0,1**	0,1
Proceeds on the disposal of property, plant and equipment	E7	**-**	-	**7,7**	6,4
Proceeds on the disposal of investment property	E7	**-**	-	**-**	24,1
Cashflow from financing activities		**(22,4)**	-	**38,5**	21,9
Share buyback		**(22,4)**	-	**(22,4)**	-
Proceeds from long-term loans	E8	**-**	-	**54,7**	200,0
Repayments of long-term loans	E8	**-**	-	**(21,9)**	-
Repayments of lease liabilities	E8	**-**	-	**(43,1)**	(30,6)
Increase in overdrafts	E8	**-**	-	**98,7**	287,5
Proceeds from commodity-based loans and Absa	E8	**-**	-	**3 626,6**	5 591,6
Repayments of commodity-based loans and Absa	E8	**-**	-	**(3 672,3)**	(6 030,9)
Proceeds from demand deposits	E8	**-**	-	**132,3**	63,7
Repayments of demand deposits	E8	**-**	-	**(114,1)**	(59,4)
Change in cash and cash equivalents		**(0,1)**	(0,2)	**(4,2)**	35,1
Cash and cash equivalents at the beginning of the year		**0,1**	0,3	**47,1**	12,0
Cash and cash equivalents at the end of the year		**-**	0,1	**42,9**	47,1

Notes to the annual financial statements

for the year ended 30 April 2024

A1. Corporate information

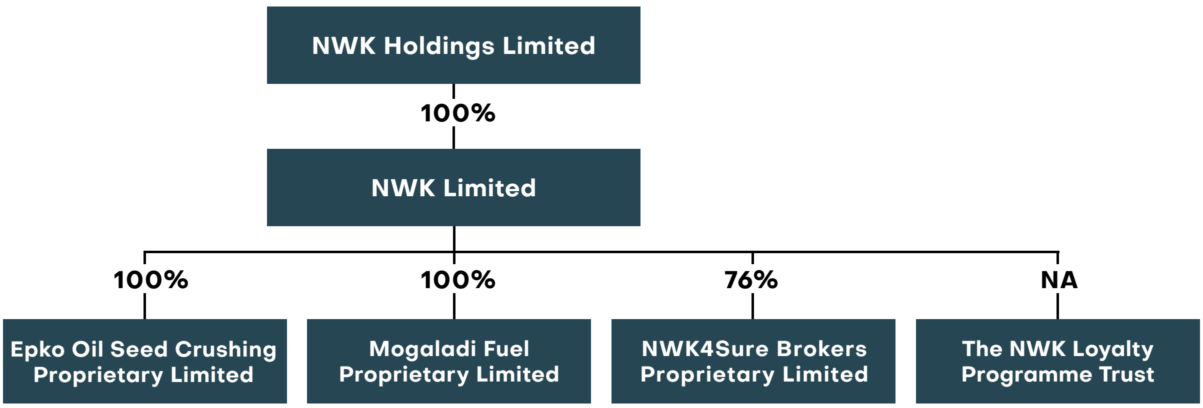
NWK Holdings Limited is a listed public company registered in the Republic of South Africa with the registration number 1998/007243/06. The objective of the group is to trade in agricultural and related products, resources and services, and to undertake associated activities. Flowing from this objective, the group specialises in the storing, handling and marketing of agricultural commodities, runs stores as a trader in farming requisites and consumer goods, and provides financing to agricultural producers and other customers. NWK Holdings Limited executes its principal activities from its registered office – 81 Scholtz Street, Lichtenburg, North West, Republic of South Africa.

TRADING PLATFORM

The company's issued ordinary shares trade on the trading platform of The Cape Town Stock Exchange Proprietary Limited. The relevant Cape Town Stock Exchange share code is 4ANWKH and the company's International Securities Identification Number is ZAE400000028. CTSE Registry Services Proprietary Limited acts as transfer secretary.

HOLDING COMPANY AND SUBSIDIARIES

NWK Holdings Limited has no holding company. NWK Limited, Epko Oil Seed Crushing Proprietary Limited, Mogaladi Fuel Proprietary Limited and NWK4Sure Brokers Proprietary Limited (previously NWK and IP Makelaars) are subsidiaries of the company. Although the company does not hold any shares in The NWK Loyalty Programme Trust, the company controls the trust. Consequently, this bewind trust is also classified as a subsidiary.



B1. Presentation of financial statements and basis of consolidation

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

GOING-CONCERN PRINCIPLE

When preparing financial statements, the board of directors investigates – on the basis of the financial information under review – the company's financial position, its financial and operating results; capital ratios; capital needs; financial obligations and their settlement dates; borrowing capacity; financial assets and their recoverability; cash-generating assets and cashflows; customer base and supply chain, as well as the general economic and agricultural conditions, current and expected market conditions, the political climate, existing and proposed legislation, and other significant sustainability matters. The board is of the opinion that the company is a going concern. The separate and consolidated annual financial statements have therefore been prepared according to the going-concern principle.

B1. Presentation of financial statements and basis of consolidation (continued)

BASIS OF PRESENTATION

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

BASIS OF CONSOLIDATION

Entities over which the company exercises control are classified as subsidiaries. Entities over which the company exercises significant influence but no control or joint control are classified as associates.

Subsidiaries

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

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

Non-controlling interests, comprising the non-controlling parties' share of the fair value of the net assets of a subsidiary on the acquisition date and their share of the changes in the equity of the subsidiary since the acquisition date, are identified and disclosed separately from the equity attributable to the owners of the company. Impairment losses recognised in the separate financial statements of the company against the carrying amount of its net investment in the subsidiary are adjusted against the profit or loss for the period. Intercompany transactions and balances, as well as unrealised intercompany gains and losses, are eliminated. Although unrealised intercompany losses are eliminated, such losses are viewed as an indication of possible impairment losses.

Changes in the interest that holding companies hold in subsidiaries are treated as equity transactions if, and only if, these changes do not lead to a loss of control over a subsidiary.

If the company relinquishes control over a subsidiary, the subsidiary is deconsolidated from the date that control is relinquished. If the company relinquishes control over a subsidiary but retains an interest in the entity, the remaining interest is measured at fair value and classified as an investment in either a joint venture, an associate or a financial asset, whichever is applicable.

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

Associates and joint ventures

Investments in associates and joint ventures are initially recognised at cost.

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

At subsequent measurements the investment in associates and joint ventures is accounted for in the financial statements by using the equity method. The group's proportionate share in the other comprehensive income of the associate or joint venture is included in other comprehensive income. Post-acquisition losses are recognised to a maximum determined as the sum of the investment in the equity instruments of the associate or joint venture and unsecured loans to the associate or joint venture. Dividends declared by an associate or joint venture are recognised on the last day of registration to qualify for them as a shareholder, and are accounted for as a recovery of the carrying amount of the investment. Unrealised profits on transactions between the group and an associate or joint venture are eliminated in proportion to the group's interest in the associate or joint venture. Unrealised losses are eliminated if the transaction is not viewed as an indication of an impairment loss on the asset.

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

B1. Presentation of financial statements and basis of consolidation (continued)

If the group relinquishes joint control or significant influence over an associate or joint venture, the carrying amount of the investment is derecognised on the disposal date. If the group relinquishes joint control and significant influence over an associate or joint venture but retains an interest in the entity, the remaining interest is measured at fair value and classified as a financial asset.

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

C1. Property, plant and equipment

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Land	-	-	**45,9**	42,1
Buildings and improvements	-	-	**447,3**	352,3
Computer equipment	-	-	**21,5**	14,8
Office equipment	-	-	**5,7**	4,5
Machinery and equipment	-	-	**284,2**	249,5
Vehicles	-	-	**115,6**	108,6
Capital works in progress	-	-	**31,3**	60,4
Carrying amount of property, plant and equipment	-	-	**951,5**	832,2

ACCOUNTING POLICIES

Land, buildings and improvements, computer equipment, office equipment, machinery and equipment, and vehicles held for performing operational activities, for rental to other parties and for administrative purposes are recognised as property, plant and equipment. If the asset is expected to be used for more than one year, the future economic benefits associated with the asset will probably flow to the group, and the costs of the asset can be measured reliably. Property, plant and equipment include right-of-use assets held under leases. However, as a practical expedient, the group chose not to recognise assets acquired under a short-term lease – in other words, a lease with a lease term of twelve months or less – or assets acquired under a lease for which the underlying asset is of low value.

Property, plant and equipment are initially recognised at the cost to get the asset ready for its intended use. Expenses relating to capital projects are capitalised as they are incurred until the asset is ready for its originally intended use.

The carrying amounts of components that have been replaced are derecognised. Expenses relating to the repair and maintenance of assets are recognised in profit or loss in the period in which they are incurred.

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

Property, plant and equipment are reviewed at the end of reporting periods for impairment indicators. In the event of impairment, carrying amounts are reduced by the impairment loss.

C1. Property, plant and equipment (continued)

CALCULATION OF CARRYING AMOUNT

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Cost	-	-	**1 520,5**	1 328,1
Land	-	-	**46,4**	42,3
Buildings and improvements	-	-	**615,7**	497,1
Computer equipment	-	-	**72,3**	61,2
Office equipment	-	-	**18,7**	15,7
Machinery and equipment	-	-	**548,6**	478,9
Vehicles	-	-	**187,5**	172,6
Capital works in progress	-	-	**31,3**	60,3
Accumulated depreciation	-	-	**(569,0)**	(495,9)
Land	-	-	**(0,5)**	(0,2)
Buildings and improvements	-	-	**(168,4)**	(144,8)
Computer equipment	-	-	**(50,8)**	(46,4)
Office equipment	-	-	**(13,0)**	(11,1)
Machinery and equipment	-	-	**(264,4)**	(229,4)
Vehicles	-	-	**(71,9)**	(64,0)
Carrying amount of property, plant and equipment	-	-	**951,5**	832,2

C1. Property, plant and equipment (continued)

MOVEMENTS FOR THE YEAR	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Cost at the beginning of the year	-	-	**1 328,1**	811,4
Land	-	-	**42,3**	26,5
Buildings and improvements	-	-	**497,1**	355,2
Computer equipment	-	-	**61,2**	57,4
Office equipment	-	-	**15,7**	13,1
Machinery and equipment	-	-	**478,9**	217,5
Vehicles	-	-	**172,6**	136,2
Capital works in progress	-	-	**60,3**	5,5
Accumulated depreciation at the beginning of the year	-	-	**(495,9)**	(335,2)
Land	-	-	**(0,2)**	(0,1)
Buildings and improvements	-	-	**(144,8)**	(110,5)
Computer equipment	-	-	**(46,4)**	(42,2)
Office equipment	-	-	**(11,1)**	(8,7)
Machinery and equipment	-	-	**(229,4)**	(107,3)
Vehicles	-	-	**(64,0)**	(66,4)
Opening balance	-	-	**832,2**	476,2
Property, plant and equipment acquired	-	-	**219,8**	202,9
Land	-	-	**4,1**	12,1
Buildings and improvements	-	-	**83,9**	44,6
Computer equipment	-	-	**14,6**	5,7
Office equipment	-	-	**2,5**	1,0
Machinery and equipment	-	-	**74,3**	44,1
Vehicles	-	-	**22,5**	53,7
Capital works in progress	-	-	**17,9**	41,7
Property, plant and equipment acquired through business combinations	-	-	**0,8**	219,4
Land	-	-	**-**	7,7
Buildings and improvements	-	-	**0,1**	82,1
Computer equipment	-	-	**-**	0,1
Office equipment	-	-	**0,5**	0,6
Machinery and equipment	-	-	**-**	115,7
Vehicles	-	-	**0,2**	0,1
Capital works in progress	-	-	**-**	13,1
Buildings and improvements transferred to or from investment property (note C2)	-	-	**0,4**	0,1
Depreciation	-	-	**(93,5)**	(60,5)
Land	-	-	**(0,3)**	(0,1)
Buildings and improvements	-	-	**(32,0)**	(22,5)
Computer equipment	-	-	**(7,7)**	(5,9)
Office equipment	-	-	**(1,8)**	(1,4)
Machinery and equipment	-	-	**(38,4)**	(20,2)
Vehicles	-	-	**(13,3)**	(10,4)
Carried over to the next page	-	-	**959,7**	838,1

C1. Property, plant and equipment (continued)

MOVEMENTS FOR THE YEAR (CONTINUED)

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Brought forward from the previous page	-	-	959,7	838,1
Impairment charges	-	-	(0,7)	(1,5)
Buildings and improvements	-	-	(0,2)	(0,4)
Computer equipment	-	-	(0,1)	(0,2)
Office equipment	-	-	(0,1)	-
Machinery and equipment	-	-	(0,2)	(0,1)
Vehicles	-	-	(0,1)	(0,8)
Disposals	-	-	(7,5)	(4,4)
Land	-	-	(3,9)	-
Buildings and improvements	-	-	(0,1)	(0,1)
Computer equipment	-	-	(1,3)	(0,3)
Vehicles	-	-	(2,2)	(4,0)
Carrying amount of property, plant and equipment	-	-	951,5	832,2

The acquisition of assets under leases, the depreciation charges on these right-of-use assets and the impairment charges on these right-of-use assets are included in the applicable line items above. These are non-cash transactions.

In the current year, the group obtained assets with a fair value of R0,8 million as part of the acquisition of NWK4Sure Brokers Proprietary Limited. The group obtained the additional interest to enhance the group's footprint in the insurance industry.

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

The group recognised impairment losses of R0,7 million (2023: R1,5 million) in the year under review after assets had been damaged, lost or withdrawn from active service.

RIGHT-OF-USE ASSETS

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

The terms over which the land, buildings and improvements are leased may be extended. Extension periods range from two to ten years. In the event that the group is reasonably certain that the extension option will be exercised, the related lease payments are included in the measurement of the cost of the asset concerned. Short-term leases and low-value asset leases are not capitalised and are disclosed in note K1.

C1. **Property, plant and equipment (continued)**

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
CARRYING AMOUNT OF RIGHT-OF-USE ASSETS				
Land	-	-	**2,6**	1,7
Buildings and improvements	-	-	**8,5**	12,8
Computer equipment	-	-	**7,9**	2,8
Office equipment	-	-	**0,1**	0,1
Machinery and equipment	-	-	**14,7**	16,9
Vehicles	-	-	**84,0**	76,1
Carrying amount of right-of-use assets	-	-	**117,8**	110,4
CALCULATION OF CARRYING AMOUNT OF RIGHT-OF-USE ASSETS				
Cost of right-of-use assets	-	-	**140,5**	131,1
Land	-	-	**3,1**	1,9
Buildings and improvements	-	-	**8,5**	18,1
Computer equipment	-	-	**13,2**	7,4
Office equipment	-	-	**0,2**	0,2
Machinery and equipment	-	-	**17,7**	20,4
Vehicles	-	-	**97,8**	83,1
Accumulated depreciation on right-of-use assets	-	-	**(22,7)**	(20,7)
Land	-	-	**(0,5)**	(0,2)
Buildings and improvements	-	-	**-**	(5,2)
Computer equipment	-	-	**(5,2)**	(4,6)
Office equipment	-	-	**(0,1)**	(0,1)
Machinery and equipment	-	-	**(3,1)**	(3,5)
Vehicles	-	-	**(13,8)**	(7,1)
Carrying amount of right-of-use assets	-	-	**117,8**	110,4
ADDITIONS TO RIGHT-OF-USE ASSETS				
Land	-	-	**1,1**	-
Buildings and improvements	-	-	**1,7**	-
Computer equipment	-	-	**8,4**	1,8
Office equipment	-	-	**-**	-
Machinery and equipment	-	-	**7,3**	7,4
Vehicles	-	-	**21,9**	52,7
Additions to right-of-use assets	-	-	**40,4**	61,9

C1. Property, plant and equipment (continued)

DEPRECIATION CHARGES ON RIGHT-OF-USE ASSETS

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Land	-	-	0,3	0,1
Buildings and improvements	-	-	2,1	3,2
Computer equipment	-	-	3,0	1,8
Office equipment	-	-	0,1	0,2
Machinery and equipment	-	-	2,3	1,8
Vehicles	-	-	8,6	5,5
Depreciation charges on right-of-use assets	-	-	16,4	12,6

CAPITAL COMMITMENTS AND THE PLANNED FINANCING THEREOF

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Assets that in all likelihood will be leased	-	-	1,9	53,0
Assets likely to be funded with general borrowing facilities	-	-	74,5	64,4
Commitment to obtain or improve property, plant and equipment	-	-	76,4	117,4

ENCUMBRANCES

Mortgages of R400 million have been registered on the land, buildings and improvements, as well as the majority of the machinery and equipment of the group. For this purpose, land, buildings and improvements include the investment property set out in note C2, but exclude all right-of-use assets. Right-of-use assets set out above serve as security for the concomitant lease liabilities set out in note C21.

THE USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

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

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

Depreciation commences when the asset is available for its intended use.

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

C2. Investment property

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Land	-	-	**0,2**	0,2
Buildings and improvements	-	-	**12,6**	12,1
Carrying amount of investment property	-	-	**12,8**	12,3

ACCOUNTING POLICIES

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

Investment property is initially recognised at the cost to obtain the investment property.

Investment property is reviewed at the end of reporting periods for indicators of impairment. In the event of impairment, carrying amounts are reduced by the impairment loss.

CALCULATION OF CARRYING AMOUNT	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Cost	-	-	**14,1**	13,4
Land	-	-	**0,2**	0,2
Buildings and improvements	-	-	**13,9**	13,2
Accumulated depreciation on buildings and improvements	-	-	**(1,3)**	(1,1)
Carrying amount of investment property	-	-	**12,8**	12,3
FAIR VALUE OF INVESTMENT PROPERTY				
Fair value measured by using level three input data	-	-	**12,8**	12,3
MOVEMENTS FOR THE YEAR				
Cost at the beginning of the year	-	-	**13,4**	13,7
Land	-	-	**0,2**	0,2
Buildings and improvements	-	-	**13,2**	13,5
Accumulated depreciation on buildings and improvements at the beginning of the year	-	-	**(1,1)**	(1,1)
Opening balance	-	-	**12,3**	12,6
Buildings and improvements acquired	-	-	**1,0**	4,2
Upgrading of buildings and improvements	-	-	**0,2**	0,3
Buildings and improvements transferred to or from property, plant and equipment (note C1)	-	-	**(0,4)**	(0,1)
Disposed investment property	-	-	**-**	(4,4)
Depreciation and impairment on buildings and improvements	-	-	**(0,3)**	(0,2)
Impairment on buildings and improvements	-	-	**-**	(0,1)
Carrying amount of investment property	-	-	**12,8**	12,3

C2. Investment property (continued)

CAPITAL COMMITMENTS

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

ENCUMBRANCES

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

THE USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

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

Buildings and improvements	5 - 90 years

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

FAIR-VALUE MEASUREMENTS

The fair value of investment property is measured at market prices, if available. However, the majority of these assets are located in the rural areas of North West and consequently do not trade in an active market. Cost-effective fair-value measurements of these assets are therefore a significant problem. Since the fair value of investment property is presented as supplementary information and the price fluctuations of property in the open market do not influence the carrying amounts thereof, the group does not use independent valuators for this purpose.

The potential costs relating to the valuation of investment property by independent valuators do not justify the benefits that would be obtained from the information. Consequently, the group uses valuation methods to estimate the fair value of investment property. These valuation methods include fair-value measurement using the market prices of similar property in the same municipal district and the estimated security value that financiers place on property in the district concerned. In exceptional cases, the cost of the asset is considered to be its fair value.

C3. Intangible assets

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Brands and licences	-	-	**1,0**	1,2
Software	-	-	**6,7**	12,5
In-house-developed software	-	-	**10,3**	11,4
Goodwill	-	-	**37,7**	16,9
Other intangible assets	-	-	**12,2**	-
Carrying amount of intangible assets	-	-	**67,9**	42,0

ACCOUNTING POLICIES

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

Intangible assets that meet the above recognition criteria are initially recognised at the cost to get the asset ready for its intended use. The identified intangible assets of an acquired subsidiary are measured and recognised separately from goodwill at fair value on the acquisition date.

Expenses relating to the research phase of in-house projects are recognised in profit or loss as and when they are incurred. Expenses relating to the developmental phase of in-house projects are capitalised as they are incurred if the group has the ability and resources to complete the asset, intends to complete and use the asset, has the ability and resources to use the asset, and the recognition criteria have been met. Subsequent costs are recognised in profit or loss in the period in which they are incurred. Expenses relating to research and internally developed goodwill, trademarks, logos and publications are recognised in profit or loss in the period in which they are incurred.

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

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

C3. Intangible assets (continued)

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
CALCULATION OF CARRYING AMOUNT				
Cost	-	-	**102,5**	64,1
Brands and licences	-	-	**7,5**	7,3
Software	-	-	**21,6**	20,4
In-house-developed software	-	-	**18,2**	19,5
Goodwill	-	-	**37,7**	16,9
Other intangible assets	-	-	**17,5**	-
Accumulated amortisation	-	-	**(34,6)**	(22,1)
Brands and licences	-	-	**(6,5)**	(6,1)
Software	-	-	**(14,9)**	(9,2)
In-house-developed software	-	-	**(7,9)**	(6,8)
Other intangible assets	-	-	**(5,3)**	-
Carrying amount of intangible assets	-	-	**67,9**	42,0
MOVEMENTS FOR THE YEAR				
Cost at the beginning of the year	-	-	**64,1**	50,0
Brands and licences	-	-	**7,3**	6,2
Software	-	-	**20,4**	20,4
In-house-developed software	-	-	**19,5**	18,2
Goodwill	-	-	**16,9**	3,9
In-house-developed software not yet available for use	-	-	**-**	1,3
Accumulated amortisation at the beginning of the year	-	-	**(22,1)**	(14,6)
Brands and licences	-	-	**(6,1)**	(5,6)
Software	-	-	**(9,2)**	(3,4)
In-house-developed software	-	-	**(6,8)**	(5,6)
Opening balance	-	-	**42,0**	35,4
Intangible assets acquired	-	-	**0,4**	1,1
Brands and licences	-	-	**0,2**	1,0
Software	-	-	**0,2**	0,1
In-house-developed software	-	-	**-**	-
Goodwill acquired through business combinations	-	-	**20,8**	13,0
Other intangible assets acquired through business combinations	-	-	**14,0**	-
Amortisation	-	-	**(9,3)**	(7,5)
Brands and licences	-	-	**(0,4)**	(0,5)
Software	-	-	**(6,0)**	(5,9)
In-house-developed software	-	-	**(1,1)**	(1,1)
Other intangible assets	-	-	**(1,8)**	-
Carrying amount of intangible assets	-	-	**67,9**	42,0

The acquisition of assets under leases, the amortisation charges on these right-of-use assets and the impairment charges on these right-of-use assets are included in the applicable line items above.

C3. Intangible assets (continued)

During the current year, the group recognised goodwill of R20,8 million as part of the acquisition of an additional interest in NWK4Sure Brokers Proprietary Limited. The cashflows related to this acquisition are set out in note E6. During the previous year, the group recognised goodwill of R13,0 million as part of the acquisition of a business unit. The cashflows relating to these acquisitions are set out in note E6.

RIGHT-OF-USE ASSETS

The group concluded leases to acquire software to conduct operating activities and administrative functions. These right-of-use assets are leased over five years after the commencement date of the lease concerned. The software remains the property of the lessor. Short-term leases and low-value asset leases are not capitalised and are disclosed in note K1.

	Company		Group	
	2024	2023	**2024**	2023
	R'm	R'm	**R'm**	R'm
CARRYING AMOUNT OF RIGHT-OF-USE ASSETS				
Cost of software	**-**	-	**16,8**	16,8
Accumulated amortisation on software	**-**	-	**(11,2)**	(5,6)
Carrying amount of right-of-use assets	**-**	-	**5,6**	11,2
AMORTISATION CHARGES ON RIGHT-OF-USE ASSETS				
Software	**-**	-	**5,6**	5,6

ENCUMBRANCES

The right-of-use assets set out above serve as security for the concomitant lease liabilities set out in note C21. There are no other encumbrances on the intangible assets of the group.

THE USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

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

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

The expected useful lives of intangible assets are reviewed at the end of reporting periods. If the expected useful life of an asset differs significantly from the original estimate, amortisation is adjusted for current and future periods.

C4. Investment in subsidiaries

	Company					
	Shares held		Interest held		Carrying amount	
	2024	2023	2024	2023	2024	2023
	Shares	Shares	**%**	%	**R'm**	R'm
NWK Limited	**143 031 971**	143 031 971	**100**	100	**2 114,8**	1 932,7

ACCOUNTING POLICIES

Investments in subsidiaries are initially recognised at cost. Cost is measured as the aggregate of the fair value of the consideration transferred on acquiring the interest in the subsidiary, plus direct transaction costs.

At subsequent measurements the investments in subsidiaries are accounted for by using the equity method. In terms of this method, the carrying amount of the investment is increased or decreased to recognise the company's proportionate share of the post-acquisition profits or losses of the subsidiary. The post-acquisition profits or losses of a subsidiary are accounted for by including the company's proportionate share of the post-acquisition profits or losses of the subsidiary in the profit or loss for the period in which it arises. The company's proportionate share in the other comprehensive income of the subsidiary is included in other comprehensive income.

Dividends declared by a subsidiary are recognised on the last day of registration to qualify for them as a shareholder, and are accounted for as a recovery of the carrying amount of the investment. Unrealised gains on transactions between the company and a subsidiary are eliminated in proportion to the company's interest in the subsidiary. Unrealised losses are eliminated if the transaction is not viewed as an indication of an impairment loss on the asset.

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

	Company	
	2024	2023
CALCULATION OF CARRYING AMOUNT	**R'm**	R'm
Investment in NWK Limited, at cost	**502,0**	502,0
Proportionate share of the post-acquisition reserves of NWK Limited	**1 612,8**	1 430,7
Carrying amount of the investment in subsidiaries	**2 114,8**	1 932,7
MOVEMENTS FOR THE YEAR		
Opening balance	**1 932,7**	1 725,5
Equity-accounted earnings	**252,2**	287,3
Equity-accounted earnings recognised in profit or loss	**249,9**	287,7
Equity-accounted earnings recognised in other comprehensive income	**2,3**	(0,4)
Recovery of investment from dividend income	**(70,1)**	(80,1)
Carrying amount of the investment in subsidiaries	**2 114,8**	1 932,7

C4. Investment in subsidiaries (continued)

ACQUISITIONS AND DISPOSALS

NWK4Sure Brokers Proprietary Limited, an unlisted private company registered in the Republic of South Africa, and its subsidiary, Arximark Proprietary Limited, act as an insurance broker. NWK4Sure Brokers Proprietary Limited executes its principal activities from its registered office – 48 Van Riebeeck Street, Ventersdorp, North West. Flowing from its main objective, NWK4Sure Brokers Proprietary Limited acts as the insurance broker of the group and a large portion of the group's customers.

On 1 May 2023, the group acquired an additional 26% interest in NWK4Sure Brokers Proprietary Limited. This acquisition resulted in the company obtaining control of NWK4Sure Brokers Proprietary Limited, as it now holds a 76% interest. This acquisition qualifies as a business as defined in IFRS 3 Business Combinations. The additional interest was acquired to enhance NWK's footprint in the insurance industry. The cashflows relating to this acquisition are set out in note E6.

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

	Fair value
	R'm
Property, plant and equipment	0,8
Other intangible assets	14,0
Cash and cash equivalents	0,4
Deferred tax asset	0,9
Financial assets	3,9
Financial liabilities	(15,0)
Total identifiable assets acquired and liabilities assumed	**5,0**
Cash consideration transferred	**6,7**
Non-controlling interest	6,2
Fair value of pre-existing interest held	12,9
Total identifiable assets and liabilities assumed	(5,0)
Goodwill	**20,8**

The fair value of the financial assets includes trade and other receivables of R3,9 million and a gross contractual value of R3,9 million. The best estimate at acquisition date of the contractual cashflows not to be collected is R0 million.

On 30 April 2023, the group acquired an additional 50% interest in Epko Oil Seed Crushing Proprietary Limited. This acquisition resulted in the company obtaining control of Epko Oil Seed Crushing Proprietary Limited, as it now holds a 100% interest.

On 21 December 2023, the Registrar of Companies removed Epko Oil Refinery Proprietary Limited from the registers. Epko Oil Refinery Proprietary Limited did not conduct any business in the year under review. The group did not receive cash on the deregistration of this entity.

NWK LIMITED

NWK Limited, an unlisted company registered in the Republic of South Africa, trades in agricultural and related products, resources and services. NWK Limited executes its principal activities from its registered office – 81 Scholtz Street, Lichtenburg, North West. In the year under review, NWK Limited realised a consolidated revenue of R5 856 (2023: R4 870 million) and a consolidated after-tax profit of R250 million (2023: R287 million).

Epko Oil Seed Crushing Proprietary Limited, Mogaladi Fuel Proprietary Limited and NWK4Sure Brokers Proprietary Limited are subsidiaries of NWK Limited and thus also subsidiaries of the company. Although the company does not hold any shares in The NWK Loyalty Programme Trust, the company controls the trust. Consequently, this bewind trust is also classified as a subsidiary.

EPKO OIL SEED CRUSHING PROPRIETARY LIMITED

Epko Oil Seed Crushing Proprietary Limited, an unlisted private company registered in the Republic of South Africa, extracts vegetable oils at its plant and registered office – First Avenue Extension, Lottiehalte, Lichtenburg, North West. The company is a significant customer of the group, and in particular of the agricultural commodity segment. From the point of view of Epko Oil Seed Crushing Proprietary Limited, the group is a major supplier of raw materials and storage facilities. In the year under review, the subsidiary realised an after tax profit of R6,2 million.

C4. Investment in subsidiaries (continued)

NWK4SURE BROKERS PROPRIETARY LIMITED

NWK4Sure Brokers Proprietary Limited, an unlisted private company registered in the Republic of South Africa, and its subsidiary, Arximark Proprietary Limited, act as an insurance broker. NWK4Sure Brokers Proprietary Limited executes its principal activities from its registered office – 48 Van Riebeeck Street, Ventersdorp, North West. Flowing from its main objective, NWK4Sure Brokers Proprietary Limited acts as the insurance broker for a large portion of the group's customers. In the year under review, the subsidiary realised an after-tax profit of R5,0 million.

MOGALADI FUEL PROPRIETARY LIMITED

Mogaladi Fuel Proprietary Limited, an unlisted private company registered in the Republic of South Africa, sells fuel at its premises in Lichtenburg, North West. The registered office of Mogaladi Fuel Proprietary Limited is at 81 Scholtz Street, Lichtenburg, North West. In the year under review, the subsidiary realised an after-tax loss of R0,9 million (2023: R0,8 million loss).

THE NWK LOYALTY PROGRAMME TRUST

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

RESTRICTIONS IMPOSED BY THE MEMORANDUM OF INCORPORATION

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

OTHER RESTRICTIONS

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

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

FINANCIAL ASSISTANCE TO SUBSIDIARIES

The financial guarantee to Epko Oil Seed Crushing Property Limited, for future loans and overdraft facilities at commercial banks is R56 million. The group will only be required to step in as guarantor if Epko Oil Seed Crushing (Pty) Ltd does not have sufficient funds to settle amounts due. To assess the potential exposure of the group, the Loss Given Default was estimated and the assessment resulted in a Loss Given Default of 0%.

A financial guarantee has also been granted to Epko Oil Seed Crushing (Pty) Ltd amounting to $1,200,000 issued to LDC Suisse. This relates to a facility in place for the procurement and sales of Crude Sunflower Oil in the 6Ports paper market. The group will only be required to step in as guarantor if Epko Oil Seed Crushing (Pty) Ltd does not have sufficient funds to settle amounts due.

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

C5. Investment in joint ventures

	Group					
	Shares held		Interest held		Carrying amount	
	2024	2023	2024	2023	2024	2023
	Shares	Shares	%	%	R'm	R'm
Joint ventures					**96,9**	80,3
Bastion Lime Proprietary Limited	**788 400**	788 400	50	50	**69,1**	51,6
NWK4Sure Brokers Proprietary Limited	**-**	500	-	50	**-**	9,2
Molemi Sele Management Proprietary Limited	**2 945**	2 945	50	50	**27,8**	19,5
Carrying amount of investment					**96,9**	80,3

*Refer to note C4 for the additional interest acquired in NWK4Sure Brokers Proprietary Limited.

CALCULATION OF CARRYING AMOUNT

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Investment in joint ventures, at cost	-	-	**2,3**	9,4
Bastion Lime Proprietary Limited	-	-	**1,3**	1,3
Molemi Sele Management Proprietary Limited	-	-	**1,0**	1,0
NWK4Sure Brokers Proprietary Limited	-	-	**-**	7,1
Investment in joint ventures, at cost	-	-	**2,3**	9,4
Investment in joint ventures, at cost less accumulated impairments	-	-	**2,3**	9,4
Proportionate share of the post-acquisition reserves of joint ventures	-	-	**94,6**	70,9
Bastion Lime Proprietary Limited	-	-	**67,8**	50,3
Molemi Sele Management Proprietary Limited	-	-	**26,8**	18,5
NWK4Sure Brokers Proprietary Limited	-	-	**-**	2,1
Carrying amount of investment	-	-	**96,9**	80,3

C5. Investment in joint ventures (continued)

MOVEMENTS FOR THE YEAR	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Opening balance	-	-	**80,3**	196,4
Bastion Lime Proprietary Limited	-	-	**51,6**	40,0
Epko Oil Seed Crushing Proprietary Limited	-	-	-	133,0
NWK4Sure Brokers Proprietary Limited	-	-	**9,2**	7,7
Molemi Sele Management Proprietary Limited	-	-	**19,5**	15,7
Equity-accounted earnings recognised in profit or loss	-	-	**25,8**	57,7
Bastion Lime Proprietary Limited	-	-	**17,5**	12,0
Epko Oil Seed Crushing Proprietary Limited	-	-	-	40,3
NWK4Sure Brokers Proprietary Limited	-	-	-	1,5
Molemi Sele Management Proprietary Limited	-	-	**8,3**	3,9
Equity-accounted earnings of Epko Oil Seed Crushing Proprietary Limited recognised in other comprehensive income	-	-	-	(0,4)
Disposal of Epko Oil Seed Crushing Proprietary Limited at fair value	-	-	-	(172,9)
Disposal of NWK4Sure Brokers Proprietary Limited at fair value	-	-	**(9,2)**	-
Repayment of shareholder loan by Bastion Lime Proprietary Limited	-	-	-	(0,4)
Carrying amount of investment	-	-	**96,9**	80,3

BASTION LIME PROPRIETARY LIMITED

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

MOLEMI SELE MANAGEMENT PROPRIETARY LIMITED

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

FINANCIAL ASSISTANCE TO JOINT VENTURES

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

C6. Financial information of joint ventures

FINANCIAL POSITION OF JOINT VENTURES	Bastion Lime Proprietary Limited		*Epko Oil Seed Crushing Proprietary Limited		*NWK4Sure Brokers Proprietary Limited	
	2024	2023	2024	2023	2024	2023
	R'm	R'm	R'm	R'm	R'm	R'm
Non-current assets – non-financial assets	**46,7**	57,6	-	-	-	29,1
Current assets	**155,3**	117,7	-	-	-	4,3
Cash and cash equivalents	**132,9**	95,6	-	-	-	0,4
Other current assets	**22,4**	22,1	-	-	-	3,9
Non-current liabilities	**(7,7)**	(7,9)	-	-	-	(12,2)
Deferred tax liabilities	**(3,5)**	(3,8)	-	-	-	-
Provisions	**(4,2)**	(4,0)	-	-	-	-
Financial liabilities	**-**	(0,1)	-	-	-	(12,2)
Current liabilities	**(36,3)**	(45,4)	-	-	-	(2,8)
Trade and other payables	**(31,1)**	(36,7)	-	-	-	(2,8)
Other financial liabilities	**(5,2)**	(8,7)	-	-	-	-
Equity (including non-controlling interest)	**158,0**	122,0	-	-	-	18,4
RECONCILIATION OF EQUITY WITH CARRYING AMOUNTS						
The group's share of the above equity, based on its shareholding in the entity	**79,0**	61,0	-	-	-	9,2
Interest-free loans	**-**	-	-	-	-	-
Adjustment for non-controlling interest	**(9,9)**	(9,4)	-	-	-	-
Carrying amount of investment	**69,1**	51,6	-	-	-	9,2
FINANCIAL PERFORMANCE OF JOINT VENTURES						
Revenue	**145,9**	109,9	-	1 518,6	-	18,0
Earnings before interest, tax, depreciation and amortisation	**53,4**	39,3	-	114,3	-	7,5
Depreciation and amortisation	**(9,4)**	(9,4)	-	(13,2)	-	(1,9)
Finance income	**11,0**	6,1	-	9,5	-	-
Finance costs	**(0,1)**	(0,1)	-	(0,2)	-	(1,5)
Pre-tax profit or loss	**54,9**	35,9	-	110,4	-	4,1
Tax	**(18,9)**	(9,7)	-	(29,8)	-	(1,1)
Profit or loss for the year	**36,0**	26,2	-	80,6	-	3,0
Other comprehensive income	**-**	-	-	(0,7)	-	-
Profit or loss for the year	**36,0**	26,2	-	79,9	-	3,0

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

* Refer to note C4 for additional interest acquired in NWK4Sure Brokers Proprietary Limited in the current year, as well as the additional interest in Epko Oil Seed Crushing Proprietary Limited acquired during the previous year

C6. Financial information of joint ventures (continued)

	Molemi Sele Management Proprietary Limited	
	2024	2023
FINANCIAL POSITION OF JOINT VENTURES	**R'm**	R'm
Non-current assets – financial assets	**-**	0,8
Current assets	**56,5**	50,2
Cash and cash equivalents	**-**	1,0
Other current assets	**56,5**	49,2
Non-current liabilities – deferred tax liabilities	**(0,7)**	(8,0)
Current liabilities – trade and other payables	**(0,2)**	(4,0)
Equity	**55,6**	39,0
RECONCILIATION OF EQUITY WITH CARRYING AMOUNTS		
The group's share of the above equity, based on its shareholding in the entity	**27,8**	19,5
Carrying amount of investment	**27,8**	19,5
FINANCIAL PERFORMANCE OF JOINT VENTURES		
Earnings before interest, tax, depreciation and amortisation	**7,9**	14,3
Finance income	**1,8**	1,9
Pre-tax profit	**9,7**	16,2
Tax	**6,9**	(3,9)
Profit for the year	**16,6**	12,3

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

C7. Investment in equity instruments

Group

	Shares held		Carrying amount	
	2024	2023	2024	2023
	Shares	Shares	R'm	R'm
Investment in the equity instruments of listed entities			0,9	1,0
JSE Limited	10 000	10 000	0,9	1,0
BKB Limited	2 880	2 880	-	-
Investment in the equity instruments of unlisted entities			5,6	3,6
Agribel Holdings Limited	25 558	25 558	0,2	0,2
Obaro Holdings Limited	35 941	35 941	0,2	0,3
Senwes Limited	16 666	16 666	0,3	0,3
The Cape Town Stock Exchange Proprietary Limited	57 214	57 214	4,9	2,8
Carrying amount of the investment in equity instruments			6,5	4,6

ACCOUNTING POLICIES

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

Investments in listed and unlisted entities are initially recognised at fair value plus, where applicable, direct transaction costs. These assets are subsequently measured at fair value. The fair value of the equity instruments of listed companies is determined by using the closing price of the equity instrument on the relevant stock exchange on the last day of the reporting period. The fair value of the equity instruments of unlisted companies is measured at market prices as determined by arm's-length transactions in the open market, if available.

Upon the disposal of these instruments, the accumulated accrued fair-value adjustments in other comprehensive income are transferred directly to retained earnings.

Dividends declared by listed and unlisted entities are recognised as income on the last day of registration to qualify for them as a shareholder.

FAIR-VALUE HIERARCHY

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Fair value measured by using level one input data	-	-	0,9	1,0
Fair value measured by using level two input data	-	-	0,7	0,8
Fair value measured by using level three input data	-	-	4,9	2,8
Carrying amount of the investment in equity instruments	-	-	6,5	4,6

C7. Investment in equity instruments (continued)

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	4,6	4,6
Fair-value adjustment (note D13)	-	-	1,9	-
JSE Limited	-	-	(0,1)	(0,1)
Obaro Holdings Limited	-	-	(0,1)	0,1
The Cape Town Stock Exchange Proprietary Limited	-	-	2,1	-
Carrying amount of the investment in equity instruments	-	-	6,5	4,6

SECURITIES PRICE RISKS

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

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Carrying amount of the investment in equity instruments	-	-	6,5	4,6
Influence of a general increase of 10% in security prices on other comprehensive income:				
Pre-tax other comprehensive income	-	-	0,7	0,5
After-tax other comprehensive income	-	-	0,5	0,4
Influence of a general decrease of 10% in security prices on other comprehensive income:				
Pre-tax other comprehensive income	-	-	(0,7)	(0,5)
After-tax other comprehensive income	-	-	(0,5)	(0,4)

C8. Loans and lease receivables

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Lease receivables	-	-	**15,0**	7,7
Present value of lease receivables	-	-	**15,2**	7,8
Allowance for expected credit losses	-	-	**(0,2)**	(0,1)
Term loans to agricultural customers	-	-	**361,5**	383,3
Present value of term loans	-	-	**368,9**	389,1
Allowance for expected credit losses	-	-	**(7,4)**	(5,8)
Carrying amount of instalment plans	-	-	**376,5**	391,0
Loan to NWK4Sure Brokers Proprietary Limited	-	-	**-**	12,2
Carrying amount before transfer to current assets	-	-	**376,5**	403,2
Current portion of loans and lease receivables transferred to trade and other receivables (note C12)	-	-	**(40,1)**	(45,6)
Lease receivables	-	-	**(7,1)**	(2,8)
Term loans to agricultural customers	-	-	**(33,0)**	(38,5)
Loan to NWK4Sure Brokers Proprietary Limited	-	-	**-**	(4,3)
Carrying amount of loans and lease receivables	-	-	**336,4**	357,6

ACCOUNTING POLICIES

Loans and lease receivables are classified as financial assets at amortised cost. The principal is the fair value of the asset at its initial recognition, and interest is defined as compensation for the time value of money.

Loans are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the asset. Subsequent measurement is at amortised cost using the effective-interest method. A lease receivable is initially measured at an amount equal to the net investment in the lease. At initial measurement the net investment in the lease is measured at the present value of the lease payments receivable – calculated at the interest rate implicit in the lease. The incremental costs of obtaining the lease are recognised as expenditure in the same period in which the income from the sale of the goods is recognised as revenue. Subsequently the net investment in the lease is measured as the lease payments receivable less unearned finance income. Lease payments are divided between the principal and finance income on a basis that reflects a constant periodic rate of return on the net investment in the lease.

Loans and lease receivables are classified as current assets if the outstanding amounts are expected to be recovered within either the normal operating cycle of the group or a year.

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

FAIR VALUE OF LOANS AND LEASE RECEIVABLES

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Fair value measured by using level two input data	-	-	**376,5**	403,2

C8. Loans and lease receivables (continued)

LEASE RECEIVABLES

The group uses instalment-sale agreements to finance the sale of capital goods to customers. The amounts owing are payable in annual, half-yearly, quarterly or monthly instalments over one to five years after the inception of the lease and bear interest at fixed or variable interest rates that varied between 13,2% and 14,2% (2023: 12,2% - 13,7%) per annum. The contracts determine that although the risks and benefits attached to ownership of the product are transferred to the buyer, the product remains the property of the group until all outstanding amounts have been recovered. In addition, the product may be used only on the agreed-upon site for the purpose it was manufactured or sold for, and, lastly, where applicable, the purchaser has to register and license the product. The contracts furthermore require the purchaser to insure the product against theft, fire and damage and effect credit life insurance, and cede the proceeds to the group. The buyer is entitled to terminate the agreement without prior notice by settling the amounts owing.

	Company		Group	
	2024	2023	2024	2023
PRESENT VALUE OF LEASE RECEIVABLES	R'm	R'm	R'm	R'm
Lease payments receivable	-	-	18,4	9,3
Receivable within a year	-	-	7,1	2,8
Receivable after a year, but not exceeding two years	-	-	4,6	2,7
Receivable after two years, but not exceeding three years	-	-	4,3	1,4
Receivable after three years, but not exceeding four years	-	-	1,7	1,2
Receivable after four years, but not exceeding five years	-	-	0,7	1,2
Unearned finance income	-	-	(3,2)	(1,5)
Present value of lease receivables	-	-	15,2	7,8

MATURITY ANALYSIS OF THE PRINCIPAL PORTION OF LEASE RECEIVABLES

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Receivable within a year	-	-	5,6	2,1
Receivable after a year, but not exceeding two years	-	-	3,6	2,3
Receivable after two years, but not exceeding three years	-	-	3,8	1,1
Receivable after three years, but not exceeding four years	-	-	1,5	1,1
Receivable after four years, but not exceeding five years	-	-	0,7	1,2
Present value of lease receivables	-	-	15,2	7,8

TERM LOANS TO AGRICULTURAL CUSTOMERS

Term loans to agricultural customers, mainly mortgage loans, livestock loans and rescheduled debt consolidation loans, are payable in annual, half-yearly, quarterly or monthly instalments over three to ten years after the inception of the contract and bear interest at fixed or variable interest rates that varied between 12,7% and 15,7% (2023: 12,2% - 15,2%) per annum. The contracts require the customers to effect life or credit life insurance and cede the proceeds on this to the group. The customer is entitled to terminate the contract without prior notice by settling the amounts owing.

C8. Loans and lease receivables (continued)

PRESENT VALUE OF TERM LOANS TO AGRICULTURAL CUSTOMERS

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Instalments receivable	-	-	**554,1**	577,6
Receivable within a year	-	-	**80,2**	77,2
Receivable after a year, but not exceeding two years	-	-	**95,4**	97,7
Receivable after two years, but not exceeding five years	-	-	**246,4**	236,8
Receivable after five years, but not exceeding ten years	-	-	**132,1**	165,9
Unearned finance income	-	-	**(185,2)**	(188,6)
Present value of term loans to agricultural customers	-	-	**368,9**	389,0

MATURITY ANALYSIS OF THE PRINCIPAL PORTION OF TERM LOANS

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Receivable within a year	-	-	**33,0**	30,2
Receivable after a year, but not exceeding two years	-	-	**55,6**	58,9
Receivable after two years, but not exceeding five years	-	-	**170,7**	160,6
Receivable after five years, but not exceeding ten years	-	-	**109,6**	139,3
Present value of term loans to agricultural customers	-	-	**368,9**	389,0

LOAN TO NWK4SURE BROKERS PROPRIETARY LIMITED

The loan to NWK4Sure Brokers Proprietary Limited is partially secured by a cession on the shares of the other shareholders of this joint venture, bears interest at the prime interest rate plus 0,95 percentage points – calculated daily and capitalised on a monthly basis – and is repayable in five equal instalments over the five years ending 30 June 2026.

ENCUMBRANCES

The loans and lease receivables, along with the trade and other receivables set out in note C12, have been ceded to the financiers of the group. This cession, together with mortgages of R400 million on the land, buildings and improvements, as well as the majority of the machinery and equipment of the group, a notarial bond on the group's inventory and a cession on the policies insuring these assets, serves as security for the overdraft facilities set out in note C25.

FINANCIAL RISKS

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

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

C9. Deferred tax

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Taxable temporary differences	-	-	**(82,2)**	(68,2)
Allowance for lease receivables	-	-	**(0,3)**	(0,2)
Wear-and-tear allowances	-	-	**(81,9)**	(68,0)
Deductible temporary differences	-	-	**48,6**	50,2
Accumulating compensated absences	-	-	**10,1**	10,2
Allowance for expected credit losses on financial assets	-	-	**11,3**	7,7
Impairment losses on the investment in joint ventures	-	-	**0,1**	0,1
Liabilities from contracts with customers	-	-	**2,3**	3,3
Provision for environmental rehabilitation	-	-	**0,9**	1,8
Provision for grade and weight losses	-	-	**6,4**	7,3
Provision for long-term incentives	-	-	**4,7**	3,2
Provision for retirement benefits	-	-	**2,0**	1,6
Short-term incentives owing to employees	-	-	**8,0**	14,4
Other provisions	-	-	**2,8**	0,6
Unused tax losses of Mogaladi Fuel Proprietary Limited	-	-	**0,8**	0,6
Deferred tax asset	-	-	**7,7**	22,4
Deferred tax liability	-	-	**(40,5)**	(39,8)
Net deferred tax asset or liability	-	-	**(32,8)**	(17,4)

ACCOUNTING POLICIES

A deferred tax liability is recognised for all taxable temporary differences except for those taxable temporary differences that arise from the initial recognition of goodwill. Deductible temporary differences and unused tax losses are used to reduce the deferred tax liability. Deferred tax assets are recognised to the extent that it is probable that future taxable profit against which the deferred tax assets can be utilised will be available. Legal restrictions on the deductibility of deferred tax assets are taken into account when assessing future taxable profits. Deductible temporary differences relating to capital losses are only recognised to the extent that it is probable that future capital gains against which the capital losses can be utilised will be available.

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

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

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

C9. Deferred tax (continued)

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
CURRENT AND NON-CURRENT DISTINCTION				
Temporary differences likely to reverse within a year	-	-	3,6	3,9
Temporary differences not likely to reverse within a year	-	-	(36,4)	(21,3)
Net carrying amount	-	-	(32,8)	(17,4)
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	(17,4)	21,3
Adjustment of opening balance of subsidiary's deferred tax liability	-	-	1,6	-
Temporary differences recognised in profit or loss (note D12)	-	-	(17,9)	1,1
Allowance for lease receivables	-	-	(0,2)	(0,1)
Wear-and-tear allowances	-	-	(13,7)	0,9
Accumulating compensated absences	-	-	-	(0,1)
Allowance for expected credit losses on financial assets	-	-	3,6	2,7
Liabilities from contracts with customers	-	-	(0,9)	(8,3)
Provision for environmental rehabilitation	-	-	(0,9)	0,5
Provision for grade and weight losses	-	-	(0,9)	2,8
Provision for legal claims	-	-	(0,7)	-
Provision for long-term incentives	-	-	1,6	2,2
Provision for retirement benefits	-	-	0,3	0,4
Short-term incentives owing to employees	-	-	(6,4)	(0,2)
Other temporary differences	-	-	0,1	-
Unused tax losses of Mogaladi Fuel Proprietary Limited	-	-	0,2	0,3
Deferred tax asset acquired with acquisition of NWK4Sure Brokers Proprietary Limited (note C4)	-	-	0,9	-
Deferred tax liability acquired with acquisition of Epko Oil Seed Crushing Proprietary Limited	-	-	-	(39,8)
Net carrying amount at the end of the year	-	-	(32,8)	(17,4)

ESTIMATION OF FUTURE TAXABLE INCOME

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

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Unused capital losses not recognised	-	-	8,1	8,2

C10. Inventory

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Farming requisites and merchandise	**-**	-	**1 076,5**	1 035,3
Raw materials	**-**	-	**9,3**	35,8
Finished goods	**-**	-	**32,1**	7,3
By-products	**-**	-	**1,8**	0,8
Consumables	**-**	-	**25,8**	17,9
Carrying amount of inventory	**-**	-	**1 145,5**	1 097,1

ACCOUNTING POLICIES

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

Inventory is measured at the lower of cost or net realisable value. Cost is determined on the weighted average basis and includes the purchase price and other costs that can be directly attributed to bringing the inventory item to its present location and condition. Net realisable value is determined by reducing expected selling prices – based on contract prices and selling prices in the ordinary course of business – by the estimated costs necessary to complete or repair the inventory item and the estimated costs necessary to make the sale. Farming requisites and merchandise older than four years, damaged or spoilt items, obsolete inventory and inventory items past their expiry date are written off as and when such losses occur.

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

CURRENT AND NON-CURRENT DISTINCTION

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

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Farming requisites and merchandise that in all likelihood will not be sold within a year	**-**	-	**103,9**	101,5

ENCUMBRANCES

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

C11. Agricultural commodities

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Agricultural commodities at fair value less costs to sell	-	-	**1 605,9**	1 091,6

ACCOUNTING POLICIES

Agricultural commodities held for sale in the near future in order to generate either a profit from commodity price fluctuations in the open market or a broker-trader margin are measured at fair value less costs to sell. The fair value of agricultural commodities is determined by using commodity prices on the derivatives market for agricultural commodities of the JSE, reduced by the applicable transport differential and the appropriate discount rate for grade differences. As a result of the risks inherently relating to storing agricultural commodities, the mass of maize, sorghum, soybeans and wheat, including such stored on behalf of producers and customers, is reduced on receipt thereof to make provision for grade and weight losses during storage. The weight adjustments are recognised as inventory on the date of receipt and measured at fair value less costs to sell. The concomitant income is included in revenue from the handling and storage of agricultural commodities, after reducing it with the expected grade and weight losses.

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

GRADE AND WEIGHT LOSSES

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

SIGNIFICANT ESTIMATES RELATING TO THE PROVISION FOR GRADE AND WEIGHT LOSSES

The table below illustrates the estimated provision, for grade and weight losses, of the theoretical weight at hand:

	Company 2024 %	Company 2023 %	Group 2024 %	Group 2023 %
Maize	-	-	**0,18**	0,18
Sunflower	-	-	**3,55**	3,55
Sorghum	-	-	**2,10**	2,10
Wheat	-	-	**0,95**	0,95
Soybeans	-	-	**1,39**	1,39

C11. Agricultural commodities (continued)

SIGNIFICANT ESTIMATES RELATING TO AGRICULTURAL COMMODITIES

The group uses rates to determine estimated losses on commodities held in storage, based on historical data. The group evaluates annually, the rates at which the estimated losses are determined and makes adjustments if recent history indicates that the rates needs to be adjusted. Nevertheless, the actual grade and weight losses will still differ from the estimated losses. To illustrate the group's exposure to this risk, the effect of deviations compared to the standard on the carrying amount of agricultural commodities, and consequently profit or loss, is illustrated below:

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Sensitivity analysis				
Influence of a 0,02 percentage point change on profitability				
Increase/(decrease) in profit before taxation	**-**	-	**(7,4)**	(4,4)

The table above illustrates the negative effect on profitability if an increase of 0,02 percentage point is made on the estimated losses on agricultural commodities. A decrease of 0,02 percentage point would therefore have the same effect, but only a positive effect on profitability.

FAIR-VALUE HIERARCHY

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

ENCUMBRANCES

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

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Agricultural commodities held under sale and buyback agreements	**-**	-	**332,6**	387,9

These commodities serve as security for the concomitant commodity-based short-term loans set out in note C24.

MARKET PRICE RISKS

Agricultural commodities are measured at fair value less costs to sell. This valuation method is based on commodity prices, and consequently, this inventory exposes the group to the price fluctuations of agricultural commodities in the open market. In order to limit commodity price risks, it is policy to hedge agricultural commodities in most, but not all, cases with contracts on the derivatives market for agricultural commodities of the JSE. The commodity price risks to which the group is exposed are disclosed in note I11.

C12. Trade and other receivables

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Amounts owing by agricultural customers	-	-	**1 524,9**	1 634,0
Production accounts	-	-	**992,6**	1 197,8
Interest-free deferred payments	-	-	**1,0**	3,4
Credit-insured production accounts	-	-	**352,0**	316,5
Production accounts past due	-	-	**138,2**	65,9
Monthly production accounts	-	-	**41,1**	50,4
Allowances for expected credit losses	-	-	**(51,1)**	(35,9)
Amounts owing by agricultural customers, net of loss allowances	-	-	**1473,8**	1 598,1
Amounts owing by non-agricultural customers, net of loss allowances	-	-	**58,6**	101,6
Amounts owing by non-agricultural customers	-	-	**60,8**	101,9
Allowance for expected credit losses	-	-	**(2,2)**	(0,3)
Amounts owing by commodity customers, net of loss allowances	-	-	**116,1**	114,0
Amounts owing by commodity customers	-	-	**118,2**	115,7
Allowance for expected credit losses	-	-	**(2,1)**	(1,7)
Trade receivables	-	-	**1 648,5**	1 813,7
Other receivables	**8,8**	17,9	**115,9**	159,2
Contract assets	-	-	**2,6**	2,5
Rebates owing by suppliers	-	-	**14,3**	14,2
Short-term deposits on commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	**42,9**	79,5
Short-term deposits on mortgage loans	-	-	**17,5**	45,4
Short-term loan to subsidiaries	**8,8**	17,9	**-**	-
Sundry receivables	-	-	**38,6**	17,6
Carrying amount before transfers from non-current assets	**8,8**	17,9	**1 764,4**	1 972,9
Current portion of loans and lease receivables transferred from loans and lease receivables (note C8)	-	-	**40,1**	45,6
Lease receivables	-	-	**7,1**	2,8
Term loans to agricultural customers	-	-	**33,0**	38,5
Loan to NWK4Sure Brokers Proprietary Limited	-	-	**-**	4,3
Carrying amount of trade and other receivables	**8,8**	17,9	**1 804,5**	2 018,5

C12. Trade and other receivables (continued)

ACCOUNTING POLICIES

Trade and other receivables are classified as financial assets at amortised cost. The principal is the fair value of the asset at its initial recognition, and interest is defined as compensation for the time value of money.

Trade and other receivables are initially recognised at fair value plus, where applicable, transaction costs that are directly attributable to the acquisition of the asset. Subsequently, these assets are measured at amortised cost using the effective-interest method.

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

The interest earned on trade receivables is classified as interest income. Interest earned on other receivables is classified as other income.

CURRENT AND NON-CURRENT DISTINCTION

Assets are classified as current assets if their carrying amounts are expected to be recovered within either the normal operating cycle of the group or a year after the reporting period. On the initial recognition of assets, the group must therefore estimate the period over which or the dates on which they will be recovered. Trade and other receivables have agreed-upon settlement dates, therefore the classification of these financial assets is usually straightforward. However, in the event that assets classified as current assets contain a significant component that is expected to be recovered more than one year after the reporting period, it is the group's practice to disclose such a component. Therefore, the group estimates the long-term component included in the amounts owing by agricultural customers. The vast majority of these accounts are seasonal and consequently payable annually. For this reason, defaults give rise to recoveries taking longer than a year after the reporting period. Although the group takes general farming conditions and expected commodity prices into account when assessing the amounts owing by agricultural customers, the estimation of expected defaults poses significant problems.

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Production accounts that are not likely to be recovered within a year	-	-	51,2	49,5

AMOUNTS OWING BY AGRICULTURAL CUSTOMERS

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

C12. Trade and other receivables (continued)

	Interest rates on accounts within terms		Interest rates on past-due accounts	
	2024	2023	2024	2023
	%	%	%	%
Preferential production customers	**11,7**	11,2	**n/a**	n/a
Low-risk production accounts secured by high-security values	**12,7**	12,2	**19,7**	19,2
Low-risk production accounts secured by low-security values	**13,2**	12,7	**20,2**	19,7
High-risk production accounts and credit-insured production accounts	**15,2**	14,7	**21,2**	20,7
Monthly production accounts	**n/a**	n/a	**19,7**	19,2

AMOUNTS OWING BY NON-AGRICULTURAL CUSTOMERS

These facilities are granted to customers for the purchase of consumer goods. These accounts are payable 30 days after statement and are interest-free if the conditions for payment concerned are adhered to. Past-due accounts bear interest at 19,7% (2023: 19,2%) per annum.

AMOUNTS OWING BY COMMODITY CUSTOMERS

These facilities are granted to customers such as mills, extruders of vegetable oils and other processors of agricultural products for the purchase of agricultural commodities. These accounts are subject to the prime interest rate less one percentage point, for low-risk customers, to the prime bank rate plus four percentage points for high-risk customers. At the reporting date interest rates varied between 8,2% and 11% (2023: 8,2% to 11%) per annum.

OTHER RECEIVABLES

The short-term deposits on commodity contracts on the derivatives market for agricultural commodities of the JSE are unsecured and payable on demand. These deposits bear interest at 8,2% (2023: 7,6%) per annum.

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

The amounts owing by the subsidiary NWK Limited on demand deposits are unsecured, without agreed-upon limits and settlement dates, and bear interest at the repo rate plus one percentage point, calculated daily and capitalised on a monthly basis. At the reporting date this rate was 9,25% (2023: 8,75%) per annum.

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

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

CONTRACT ASSETS

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

C12. Trade and other receivables (continued)

MOVEMENTS IN CONTRACT ASSETS FOR THE YEAR	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Opening balance	-	-	**2,5**	3,9
Materials, parts, consumables and labour recognised as revenue	-	-	**48,9**	50,1
Cash received	-	-	**-**	(1,2)
Transferred to other inventory items	-	-	**(5,4)**	(7,1)
Transferred to trade receivables	-	-	**(43,4)**	(43,2)
Carrying amount of assets from contracts with customers	-	-	**2,6**	2,5

IMPAIRMENT AND THE ALLOWANCES FOR EXPECTED CREDIT LOSSES

The group assesses contract assets independently and collectively at the end of reporting periods to determine whether any asset should be written off or whether there is any indication of a change in the credit risk on an asset or group of assets. The significant judgements and accounting estimates made during the assessment of contract assets are discussed in notes I6 to I8.

ENCUMBRANCES

The trade and other receivables of the group, along with the loans and lease receivables set out in note C8, have been ceded to the financiers of the group. This cession, together with mortgages of R400 million on the land, buildings and improvements, as well as the majority of the machinery and equipment of the group, a notarial bond on the group's inventory and a cession on the policies insuring these assets, serves as security for the overdraft facilities set out in note C25.

RELATED-PARTY BALANCES

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

FINANCIAL RISKS

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

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

C13. Assets from contracts with customers

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Storage fees on agricultural commodities	-	-	**1,2**	3,6

ACCOUNTING POLICIES

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

The group assesses these assets in a manner similar to the assessment of trade receivables and lease receivables. After this, the loss allowances for expected credit losses on assets from contracts with customers are measured at an amount equal to the lifetime expected credit losses – regardless of whether the credit risks have increased or not. Adjustments to the loss allowances for expected credit losses on contracts with customers are recognised in profit or loss as an impairment gain or loss.

NATURE OF ASSETS FROM CONTRACTS WITH CUSTOMERS

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

MOVEMENTS FOR THE YEAR	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Opening balance	-	-	**3,6**	0,6
Recognised as revenue	-	-	**1,2**	3,6
Transferred to trade receivables	-	-	**(3,6)**	(0,6)
Amounts recognised in the previous year	-	-	**(3,6)**	(0,6)
Amounts recognised in the current year	-	-	**-**	-
Carrying amount of assets from contracts with customers	-	-	**1,2**	3,6

ENCUMBRANCES

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

C14. Financial instruments at fair value through profit or loss

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Derivative financial instruments at fair value through profit or loss classified as current assets	-	-	**23,6**	100,0
Commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	**17,4**	4,7
Commodity contracts with agricultural producers	-	-	**8,4**	-
Commodity contracts with customers	-	-	**1,9**	91,2
Option contracts with agricultural producers	-	-	**-**	5,5
Allowance for expected credit losses on commodity contracts with agricultural producers	-	-	**(2,7)**	-
Allowance for expected credit losses on commodity contracts with customers	-	-	**(1,4)**	(1,4)
Derivative financial instruments at fair value through profit or loss classified as current liabilities	-	-	**(875,7)**	(683,7)
Commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	**-**	(5,5)
Commodity contracts with agricultural producers	-	-	**-**	(74,5)
Commodity contracts with customers	-	-	**(11,4)**	-
Option contracts with agricultural producers	-	-	**(10,6)**	-
Unpriced purchase contracts with agricultural producers	-	-	**(853,7)**	(603,7)
Net carrying amount of derivative financial instruments at fair value	-	-	**(852,1)**	(583,7)

ACCOUNTING POLICIES

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

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

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

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

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

C14. Financial instruments at fair value through profit or loss (continued)

FAIR-VALUE HIERARCHY

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

CURRENT AND NON-CURRENT DISTINCTION

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

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Unpriced purchase contracts that are not likely to be paid within a year	-	-	46,3	39,1

ENCUMBRANCES

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

FINANCIAL RISKS

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

C15. Cash and cash equivalents

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Cash on hand	**-**	-	**12,3**	7,4
Bank balances #	**-**	0,1	**30,6#**	39,7#
Cash and cash equivalents in the statement of financial position	**-**	0,1	**42,9**	47,1

Included in the bank balance is a restricted cash balance of R2,2 million (2023: R2,4 million).

ACCOUNTING POLICIES

Cash and cash equivalents include cash on hand, demand deposits and favourable bank balances.

The interest earned on bank balances and term deposits is classified as other finance income.

TERMS AND CONDITIONS

Bank balances earn interest at 4,8% (2023: 4,3%) per annum.

C16. Share capital

ISSUED SHARE CAPITAL	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
108 003 980 ordinary no-par-value shares	**214,8**			
112 048 380 ordinary no-par-value shares		237,2		
99 535 891 ordinary no-par-value shares			**173,9**	
103 580 291 ordinary no-par-value shares				196,3

ACCOUNTING POLICIES

The consideration received or paid on the issue, repurchase or cancellation of the company's shares is recognised directly in equity.

Transaction costs, including tax, relating thereto, are recognised directly in equity. The transaction costs of an equity transaction that is abandoned are recognised in profit or loss. In the event that transaction costs are incurred in anticipation of an equity transaction, but the proceeds relating to the equity transaction are expected after the end of the reporting period, such transaction costs are recognised directly in equity in the period during which they arise. If the anticipated equity transaction is abandoned during the following reporting period, the transaction costs are reclassified as an expense.

AUTHORISED SHARES

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

C16. Share capital (continued)

MOVEMENTS IN THE ISSUED SHARE CAPITAL FOR THE YEAR	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Opening balance	**237,2**	237,2	**196,3**	196,3
Shares purchased from retiring shareholders	**(22,4)**	-	**(22,4)**	-
Issued share capital	**214,8**	237,2	**173,9**	196,3

The NWK Loyalty Programme Trust buys ordinary no-par-value shares in NWK Holdings Limited and distributes such shares, or where applicable, customer credits, to its beneficiaries based on their participation ratio in the group's loyalty programme. Flowing from this objective, during the year, the trust purchased 2 486 909 (2023: 2 571 743) of the company's issued shares at a price of R5,69 (2023: R5,32) per share and transferred 2 653 117 (2023: 2 418 961) of the company's issued shares to its beneficiaries at a price of R5,64 (2023: R5,32) per share.

The necessary approval for the repurchase of shares held by retiring shareholders (as defined per the company's MOI), was obtained from shareholders. The company made an offer to all shareholders 70 years and older to buy such shares from those shareholders. On 12 September 2023, as a result of this offer, 4 044 400 ordinary no-par-value shares were purchased at R5,50 per share and consequently cancelled and delisted.

The announcement for this share buyback was published on CTSE on the 1st of August 2023.

In the 2023 Annual Report, the number of shares repurchased in prior years was disclosed.

SHARES HELD BY CONTROLLING SHAREHOLDERS AND SIGNIFICANT SHAREHOLDERS

NWK Holdings Limited has no holding company. The subsidiary NWK Limited (a wholly owned subsidiary of the company), holds an interest of 8% in the issued ordinary shares of the company. No other shareholder has an interest of 5% or more in the issued shares of the company.

SHARES HELD BY SUBSIDIARIES	Number of shares held directly 2024	Number of shares held directly 2023	Number of shares held indirectly# 2024	Number of shares held indirectly# 2023
NWK Limited	**8 468 089**	8 468 089	**-**	-
The NWK Loyalty Programme Trust	**9 959**	176 167	**-**	-
Number of ordinary shares held by subsidiaries	**8 478 048**	8 644 256	**-**	-

In the consolidated financial statements, the number of ordinary no-par-value shares issued by the company is reduced by the 8 468 089 ordinary shares held by the subsidiary NWK Limited and by the 9 959 ordinary shares held by The NWK Loyalty Programme Trust. The carrying amount of the company's share capital is also reduced by the purchase price and the direct transaction costs incurred in acquiring these treasury shares.

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

C16. Share capital (continued)

SHARES HELD BY DIRECTORS AND OTHER KEY EMPLOYEES	Number of shares held directly		Number of shares held indirectly#	
	2024	**2023**	**2024**	**2023**
Directors	**2 345 201**	2 276 692	**2 766 054**	2 619 360
AS Badenhorst	**70 935**	69 077	**-**	-
JJ du Preez	**892 231**	831 008	**411 712**	334 611
JP du Preez	**531 568**	531 568	**712 781**	701 189
H Krüger	**356 375**	355 964	**1 011 652**	984 233
J Mahne	**235 000**	230 000	**1 122**	24 995
PN Jansen van Vuuren	**-**	-	**528 028**	459 957
CF van Niekerk	**257 907**	257 890	**66 408**	90 346
L Vermooten	**1 185**	1 185	**34 351**	24 029
Other key employees	**278 097**	241 402	**533 394**	528 989
DPG Kleingeld	**267 541**	241 402	**-**	-
TE Rabe	**731**	-	**-**	
AM van Rooyen	**9 825**	-	**533 394**	528 989
Number of ordinary shares held by directors and other key employees	**2 623 298**	2 518 094	**3 299 448**	3 148 349

By the nature of the matter, the vast majority of the directors and key employees are beneficiaries of The NWK Loyalty Programme Trust. This trust transferred 128 903 (2023: 93 931) of the company's ordinary no-par-value shares to the directors and key employees during the year.

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

C17. Distributable reserves

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
General reserve	**149,9**	149,9	**149,9**	149,9
Fair-value reserve	**(4,6)**	(6,5)	**(4,6)**	(6,5)
Opening balance	**(6,5)**	(6,5)	**(6,5)**	(6,5)
Fair-value adjustment of the investment in equity instruments	**-**	-	**1,9**	-
Fair-value adjustment of the investment in equity instruments of subsidiaries	**1,9**	-	**-**	-
Retained earnings	**1 763,5**	1 570,1	**1 759,1**	1 565,8
Opening balance	**1 570,1**	1 345,8	**1 565,8**	1 341,5
Profit for the year	**249,9**	287,4	**244,7**	282,7
Proportionate share of the other comprehensive income subsidiaries	**0,4**	-	**0,4**	-
Proportionate share of the other comprehensive income joint ventures	**-**	(0,4)	**-**	(0,4)
Dividends paid	**(56,9)**	(62,7)	**(51,8)**	(58,0)
Total distributable reserves	**1 908,8**	1 713,5	**1 904,4**	1 709,2

GENERAL RESERVE

The general reserve comprises past profits reserved for financing assets.

FAIR-VALUE RESERVE

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

RESTRICTIONS ON THE DISTRIBUTION OF RESERVES

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

DIVIDEND DECLARED AFTER THE REPORTING DATE

On 18 July 2024 the board declared a dividend of R28,1 million – 26 cents per share – for distribution to the shareholders.

C18. Equity attributable to non-controlling interests

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Non-controlling interest arising on business combination	-	-	**6,2**	-
Retained earnings	-	-	**1,2**	-
Opening balance	-	-	-	-
Profit for the year	-	-	**1,2**	-
Dividends paid	-	-	-	-
Total equity attributable to non-controlling interests	-	-	**7,4**	-

C19. Provisions

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Long-term provisions classified as non-current liabilities	-	-	**10,8**	14,8
Environmental rehabilitation	-	-	**3,2**	6,6
Long-term incentives	-	-	**7,6**	8,2
Short-term provisions classified as current liabilities	-	-	**9,9**	3,5
Long-term incentives	-	-	**9,9**	3,5
Present value of provisions	-	-	**20,7**	18,3

ACCOUNTING POLICIES

Provisions are recognised when, due to past events, the group has a present, legal or constructive obligation that will probably lead to an outflow of economic resources if a reliable estimate of the obligation can be made. Provisions are measured at the present value of the expected expense to settle the liability. The present value of provisions is calculated at a pre-tax rate that reflects the current market assessments of the time value of money.

Changes in the discounted value of provisions that arise as a result of the effluxion of time or adjustments in the discount rate are recognised as finance costs. Provisions are reviewed at the end of reporting periods, ensuring that the latest information is continually considered when making the estimates. Provisions are classified as current liabilities, unless the group has an unconditional right to postpone payment thereof to more than a year after the reporting period.

C19. Provisions (continued)

ENVIRONMENTAL REHABILITATION

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

LONG-TERM INCENTIVES

The group is contractually obligated to pay long-term incentives to its executive directors and key employees. These benefits are based on the performance of these employees over a three-year cycle. The incentives are awarded annually by the board. The amounts allocated vest annually, subject to reversal by the board if targets achieved in year one or two are, in the opinion of the board, at the expense of the third year's targets.

Amounts due bear interest at the prime interest rate, compounded annually, and are payable within three months of the expiry of the three-year cycle. If an executive director or key employee ceases to be employed by the group before the payment date for any reason other than death or end of the three-year cycle, the amounts accumulated will be forfeited.

	Company		Group	
	2024	2023	**2024**	2023
MOVEMENTS IN PROVISIONS FOR THE YEAR	**R'm**	R'm	**R'm**	R'm
Opening balance	-	-	**18,3**	29,4
Environmental rehabilitation	-	-	**6,6**	4,9
Long-term incentives	-	-	**11,7**	3,5
Retirement benefits (gratuities)	-	-	-	4,5
Grade and weight losses	-	-	-	16,5
Provisions created	-	-	**8,2**	11,3
Environmental rehabilitation	-	-	-	3,4
Long-term incentives	-	-	**8,2**	7,9
Opening balance of retirement benefits recognised as trade and other payables	-	-	-	(4,5)
Opening balance of provision for grade and weight losses, recognised as agricultural commodities	-	-	-	(16,5)
Finance costs on long-term incentives	-	-	**1,1**	0,3
Utilisation			**(6,9)**	(1,7)
Long-term incentives	-	-	**(3,4)**	(1,7)
Environmental rehabilitation	-	-	**(3,5)**	-
Present value of provisions	-	-	**20,7**	18,3

C20. Long-term loans

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Amounts owing to financial institutions	-	-	**234,4**	201,6
Payable within a year	-	-	**43,5**	22,6
Payable after a year, but not exceeding two years	-	-	**44,8**	31,7
Payable after two years, but not exceeding five years	-	-	**132,1**	90,3
Payable after five years, but not exceeding seven years	-	-	**14,0**	57,0
Carrying amount before transfers to current liabilities	-	-	**234,4**	201,6
Current portion of loans transferred to current liabilities	-	-	**(43,5)**	(22,6)
Carrying amount of long-term loans	-	-	**190,9**	179,0

ACCOUNTING POLICIES

With the exclusion of derivative financial instruments and financial guarantees, all the financial liabilities are classified as financial liabilities at amortised cost. Loans owed to financial institutions and other entities are therefore initially recognised at fair value less direct transaction costs. Subsequently, long-term loans are measured at amortised cost, using the effective-interest method.

AMOUNT OWING TO FINANCIAL INSTITUTION

During the previous year, the company borrowed funds from Absa Bank Limited for the purpose of acquiring an additional 50% interest in Epko Oil Seed Proprietary Limited, a joint venture of the company. The loan is subject to JBAR plus 2,75% interest. Capital and interest are payable quarterly. The capital and final interest payment is payable on 1 May 2028.

MOVEMENTS FOR THE YEAR

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Opening balance	-	-	**201,6**	-
Long-term loans raised	-	-	**54,7**	201,6
Finance costs	-	-	**23,1**	-
Repayments of long-term loans	-	-	**(45,0)**	-
Carrying amount before transfers to current liabilities	-	-	**234,4**	201,6
Current portion of loans transferred to current liabilities	-	-	**(43,5)**	(22,6)
Carrying amount of long-term loans	-	-	**190,9**	179,0

FINANCIAL RISKS

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

C21. Lease liabilities

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Outstanding lease payments	-	-	**90,3**	94,1
Payable within a year	-	-	**37,6**	38,1
Payable after a year, but not exceeding two years	-	-	**28,6**	24,6
Payable after two years, but not exceeding five years	-	-	**22,6**	28,5
Payable after five years, but not exceeding ten years	-	-	**1,5**	2,9
Outstanding finance costs	-	-	**(12,5)**	(13,6)
Present value of leases	-	-	**77,8**	80,5
Non-current portion of lease liabilities	-	-	**40,2**	42,4
Current portion of lease liabilities	-	-	**37,6**	38,1
Present value of leases	-	-	**77,8**	80,5

ACCOUNTING POLICIES

The group concluded leases to acquire land, buildings and improvements, computer equipment, office equipment, machinery, vehicles and software to conduct operating activities and administrative functions. Where assets are acquired in terms of a lease, such assets are recognised as property, plant and equipment or intangible assets, whichever is applicable, and the discounted lease payments are recognised as a financial liability.

The lease liability is measured as the present value of the lease payments that are not paid at the commencement date of the lease – calculated at the interest rate implicit in the lease. However, if the interest rate implicit in the lease cannot be readily determined, the present value of the lease payments is calculated at the group's incremental borrowing rate. In the event that the lease contains a purchase option, the exercise price of the purchase option is included in the lease payments if it is reasonably certain that the option will be exercised. The incremental costs of obtaining the lease are capitalised as part of the cost of the right-of-use assets.

In the event that a lease is modified after its initial recognition and the lease modification increases the scope of the lease by adding one or more right-of-use assets, and increases the consideration for the lease by an amount proportional to the stand-alone price of such assets, the lease modification is treated as a separate lease. In the event that a lease is modified and the lease modification decreases the scope of the lease, the lease liability is remeasured by discounting the revised lease payments using the interest rate implicit in the lease for the remainder of the lease term. If that rate cannot be readily determined, the lease liability is remeasured by discounting the revised lease payments using the group's incremental borrowing rate at the effective date of the modification.

The carrying amounts of the right-of-use assets are decreased to reflect the termination or partial termination of the lease. Any gains or losses relating to the termination or partial termination of the lease are recognised in profit or loss. In the case of other modifications, the lease liability is remeasured and the carrying amounts of the right-of-use assets are adjusted accordingly.

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

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

C21. Lease liabilities (continued)

	Company		Group	
	2024	2023	**2024**	2023
	R'm	R'm	**R'm**	R'm
MATURITY ANALYSIS OF THE PRINCIPAL PORTION OF LEASES				
Payable within a year	**-**	-	**31,0**	31,7
Payable after a year, but not exceeding two years	**-**	-	**24,9**	21,0
Payable after two years, but not exceeding five years	**-**	-	**20,6**	25,2
Payable after five years, but not exceeding ten years	**-**	-	**1,3**	2,6
Present value of leases	**-**	-	**77,8**	80,5
MOVEMENTS FOR THE YEAR				
Opening balance	**-**	-	**80,5**	49,3
Leases entered into	**-**	-	**40,4**	61,8
Finance costs on leases	**-**	-	**8,9**	6,2
Repayment of leases	**-**	-	**(52,0)**	(36,8)
Present value of leases	**-**	-	**77,8**	80,5

TERMS AND CONDITIONS

The leases are payable in monthly instalments over two to ten years after the commencement date of the lease concerned. In most cases, the lease payments are linked to the prime interest rate. Some leases have predetermined annual adjustments in their instalments, and in exceptional cases the instalments are adjusted annually at an inflation-linked rate.

The leases contain no residual value guarantees. The leases bear interest at rates that varied between the prime interest bank rate less 0,5 percentage points and the prime interest rate less 5,38 percentage points. At the reporting date the prime interest rate was 11,75% (2023: 11,25%) per annum.

The right-of-use assets held under leases are set out in notes C1 and C3.

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

FINANCIAL RISKS

The liquidity and interest rate risks relating to financial liabilities such as leases are disclosed in note I2 and note I10 respectively.

SHORT-TERM LEASES AND LOW-VALUE ASSET LEASES

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

C22. Trade and other payables

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Trade payables	-	-	**547,5**	451,6
Other payables	-	-	**159,8**	318,7
Amounts owing to the loyalty programme customers	-	-	**16,3**	16,4
Retirement benefits (gratuities)	-	-	**7,3**	6,1
Short-term incentives owing to employees	-	-	**32,4**	59,0
Amount payable to seller for 50% interest in Epko Oil Seed Crushing Proprietary Limited	-	-	**-**	172,9
Sundry payables	-	-	**103,8**	64,3
Carrying amount of trade and other payables	-	-	**707,3**	770,3

ACCOUNTING POLICIES

With the exclusion of derivative financial instruments and financial guarantees, all the financial liabilities are classified as financial liabilities at amortised cost. Trade and other payables are therefore initially recognised at fair value less direct transaction costs. Subsequently, trade and other payables are measured at amortised cost, using the effective-interest method.

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

TERMS AND CONDITIONS

The trade payables of the group are essentially unsecured monthly accounts. Some suppliers, especially small suppliers, are paid for products and services on a fortnightly basis, on a weekly basis or even on an invoice basis. Trade payables are interest-free if the relevant conditions for payment are adhered to.

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

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

RETIREMENT BENEFITS (GRATUITIES)

The group pays gratuities to retiring employees if the employee retires at the age of 63 years in the case of members of the NWK Umbrella Pension Fund, and 60 years in the case of the Grain Industry Provident Fund, and the employee has 15 or more continuous years of service on the date of retirement. The group also pays gratuities to retiring employees who retire before these age limits if the employee has 25 or more years of continuous service on the retirement date.

Gratuities are based on the pensionable remuneration and completed years of service of eligible employees on retirement. The measurement of the liability therefore compels the group to identify employees who are expected to qualify and estimate their expected pensionable remuneration.

RELATED-PARTY BALANCES

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

FINANCIAL RISKS

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

C23. Liabilities from contracts with customers

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Obligation to deliver goods under bill-and-hold arrangements	-	-	**22,4**	41,4
Obligation to handle and store agricultural commodities	-	-	**10,4**	12,6
Obligation to render after-sales services	-	-	**0,9**	0,7
Other income received in advance	-	-	**0,2**	0,2
Carrying amount of liabilities from contracts with customers	-	-	**33,9**	54,9

ACCOUNTING POLICIES

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

OBLIGATION TO DELIVER GOODS UNDER BILL-AND-HOLD ARRANGEMENTS

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

OBLIGATION TO HANDLE AND STORE AGRICULTURAL COMMODITIES

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

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

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

Where the customer is liable for payment before the service is rendered, the cash received or due is recognised as a contract liability.

OBLIGATION TO RENDER AFTER-SALES SERVICES

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

C23. Liabilities from contracts with customers (continued)

MOVEMENTS FOR THE YEAR	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Opening balance	-	-	**54,9**	92,3
Obligation to deliver goods under bill-and-hold arrangements	-	-	**41,4**	80,5
Obligation to handle and store agricultural commodities	-	-	**12,6**	10,5
Obligation to render after-sales services	-	-	**0,7**	1,2
Other income received in advance	-	-	**0,2**	0,1
Compensation received	-	-	**162,5**	189,0
Obligation to deliver goods under bill-and-hold arrangements	-	-	**22,4**	41,4
Obligation to handle and store agricultural commodities	-	-	**139,4**	146,8
Obligation to render after-sales services	-	-	**0,5**	0,6
Other income received in advance	-	-	**0,2**	0,2
Compensation received in the previous year recognised as revenue	-	-	**(55,3)**	(92,2)
Obligation to deliver goods under bill-and-hold arrangements	-	-	**(41,4)**	(80,5)
Obligation to handle and store agricultural commodities	-	-	**(12,5)**	(10,5)
Obligation to render after-sales services	-	-	**(1,1)**	(1,1)
Other income received in advance	-	-	**(0,3)**	(0,1)
Compensation received in the current year recognised as revenue	-	-	**(128,2)**	(134,2)
Obligation to handle and store agricultural commodities	-	-	**(129,0)**	(134,2)
Obligation to render after-sales services	-	-	**0,8**	-
Carrying amount of liabilities from contracts with customers	-	-	**33,9**	54,9

C24. Short-term loans

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Commodity-based loans	-	-	**314,7**	360,1
Short-term loan Absa	-	-	**0,3**	0,6
Demand deposits	-	-	**73,8**	55,6
Agricultural customers	-	-	**73,5**	50,5
Joint ventures	-	-	**0,3**	5,1
Carrying amount of short-term loans	-	-	**388,8**	416,3

ACCOUNTING POLICIES

Short-term loans are initially recognised at fair value less direct transaction costs. Subsequently, short-term loans are measured at amortised cost, using the effective-interest method.

FAIR VALUE

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

COMMODITY-BASED LOAN FACILITIES

The group has commodity-based loan facilities at commercial banks. In terms of these facilities the group can transact short-term loans with the commercial banks, secured by sale and repurchase agreements over agricultural commodities. Commodity-based loans are subject to interest at rates that varied between the prime interest rate less 2,2 percentage points and the prime interest rate less 2,35 percentage points. At the reporting date the prime interest rate was 11,75% (2023: 11,25%) per annum.

DEMAND DEPOSITS

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

The amounts owing to the joint ventures are unsecured and payable on demand. The group pays interest to its joint ventures on the amounts owing to them at rates that are negotiated with each individual joint venture. At the reporting date this rate was 9,15% (2023: 8,65%) per annum.

C24. Short-term loans (continued)

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	**416,3**	851,3
Commodity-based loans	-	-	**360,1**	800,0
Short-term loan Absa	-	-	**0,6**	-
Demand deposits	-	-	**55,6**	51,3
Proceeds from short-term loans	-	-	**3 758,9**	5 655,3
Commodity-based loans and Absa	-	-	**3 626,6**	5 591,6
Demand deposits	-	-	**132,3**	63,7
Finance costs	-	-	**178,6**	155,0
Commodity-based loans	-	-	**172,6**	149,9
Demand deposits	-	-	**6,0**	5,1
Repayments of short-term loans	-	-	**(3 965,0)**	(6 245,3)
Commodity-based loans and Absa	-	-	**(3 844,9)**	(6 180,8)
Demand deposits	-	-	**(120,1)**	(64,5)
Carrying amount of short-term loans	-	-	**388,8**	416,3
DETAILED MOVEMENTS IN DEMAND DEPOSITS FOR THE YEAR				
Opening balance	-	-	**55,6**	51,3
Customers	-	-	**50,5**	23,9
Joint ventures	-	-	**5,1**	-
Associates	-	-	**-**	27,4
Proceeds from demand deposits	-	-	**132,3**	63,7
Customers	-	-	**88,6**	63,7
Joint ventures	-	-	**43,7**	-
Finance costs	-	-	**6,0**	5,1
Customers	-	-	**5,4**	3,2
Joint ventures	-	-	**0,6**	1,9
Repayments of demand deposits	-	-	**(120,1)**	(64,5)
Customers	-	-	**(71,1)**	(40,2)
Joint ventures	-	-	**(49,0)**	(24,3)
Carrying amount of demand deposits	-	-	**73,8**	55,6

C25. Overdrafts

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Overdrafts	**-**	-	**1 597,4**	1 498,7

ACCOUNTING POLICIES

Overdrafts are initially recognised at fair value less direct transaction costs. Subsequently, overdrafts are measured at amortised cost, using the effective-interest method.

The net movement in the overdraft is shown as part of cashflow from financing activities in the Statement of Cashflows as the group utlises the overdraft to finance operations.

FAIR VALUE

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

OVERDRAFT FACILITIES

The group has overdraft facilities at Absa Bank Limited that, depending on the cashflow needs, fluctuates between R600 million and R2 000 million (2023: R1 800 million). When utilised, the facilities are subject to interest at the prime interest rate less 1,5 to 1,7 percentage points. At the reporting date the prime interest rate was 11,75% (2023: 11,25%) per annum. Absa Bank Limited is entitled to terminate the facilities, which are negotiated annually, at any time by means of a written notice. At 30 April 2024, this notice period is 370 days.

These facilities have been secured by mortgages of R400 million on the land, buildings and improvements, a cession on the group's loans and receivables and a cession on the policies insuring these assets. These facilities are supported by a continuing covering mortgage bond by the company for R1 000 million to be registered over various silo properties of the NWK group. For this purpose, land, buildings and improvements include the investment property set out in note C2, but exclude all right-of-use assets.

UNUTILISED FACILITIES	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Overdraft facilities	**-**	-	**2 000,0**	1 800,0
Overdrafts	**-**	-	**(1 597,4)**	(1 498,7)
Unutilised overdraft facilities	**-**	-	**402,6**	301,3

FINANCIAL RISKS

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

D1. Revenue from contracts with customers

The group sells a wide range of agricultural inputs as well as capital goods and consumer goods. The group acts as a commodity broker-trader, stores agricultural commodities on behalf of customers and provides a variety of services to support its range of products like the cleaning, drying, weighing and grading of agricultural commodities, delivery and transport services and workshop services.

ACCOUNTING POLICIES

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

Revenue is recognised as and when performance obligations are satisfied by transferring control over the agreed-upon goods or services to customers.

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

At the inception of the contract, the group determines whether it satisfies the performance obligations over time or at a point in time. Revenue is recognised over time if the customer receives and consumes the benefits provided by the group's performance as it performs, or if the group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. This means that the customer has the ability to direct the use of, and obtain substantially all the benefits from, the asset, or that the group's performance does not create an asset with an alternative use to the group.

The group should have an enforceable right to payment for performance completed to date. If a performance obligation is not satisfied over time, it is satisfied at a point in time, and consequently revenue is recognised at a point in time. Legal title, the group's right to payment, the transfer of the physical possession of the asset to the customer, and the transfer of the significant risk and rewards of the asset to the customer are all used as indicators to determine the point in time at which the customer obtains control of the promised goods or services and, accordingly, at which time the group satisfied the performance obligation.

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

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

D1. Revenue from contracts with customers (continued)

ACCOUNTING POLICIES (CONTINUED)

In the case of a contract modification, the modification is accounted for as a separate contract if the scope of the contract increases because of the addition of promised goods or services that are distinct, and the price of the contract increases by an amount that reflects the stand-alone selling prices of the additional goods and services. In this scenario the consideration promised by the customer as part of the contract modification is regarded as the transaction price and is allocated between the additional performance obligations.

If a contract modification is not accounted for as a separate contract and the remaining goods or services are distinct from the goods and services transferred on or before the date of the modification, the modification is accounted for as if it were a termination of the existing contract and the creation of a new contract. In this scenario the sum of the consideration promised by the customer in the original contract that had been included in the transaction price and that had not been recognised as revenue and the consideration promised as part of the modification is regarded as the transaction price and is allocated between the remaining performance obligations.

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

The group is a provider of a variety of goods and services. On the other hand, it is also the group's objective to finance agricultural producers. The group therefore acts as an agent between customers and suppliers of farming requisites, consumer goods and services.

These activities compel the group to distinguish between revenue accounted for as revenue from the sale of goods and revenue accounted for on a commission basis. The group accounts for transactions on a commission basis where the group does not obtain control of the goods and services before those goods and services are despatched to the customer. This typically means that the group has no responsibility to deliver the inventory or a service to the customer; carries no risks attached to the inventory, and, lastly, does not determine the selling price of the product or the service and consequently earns income on an agreed fee or a percentage basis.

The incremental cost of obtaining a contract with a customer is recognised as an asset if, and only if, the group expects to recover these costs. After the initial recognition, the asset is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates. As a practical expedient, the incremental cost of obtaining a contract is recognised as an expense when incurred if the amortisation period of the asset that would be recognised is less than a year. This practice means that the incremental cost of obtaining a contract is almost always recognised as an expense when incurred.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Identifying the group's performance obligations; determining the transaction price; allocating the transaction price between the performance obligations and determining the date on which the performance obligations are met, are generally relatively straightforward. The measurement and allocation of the transaction price require little judgement.

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

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

The transaction price for significant delivery services is rarely unspecified and the transaction price normally allocated to after-sales and custodial services is relatively small compared to the total compensation promised in contracts.

D2. Revenue from the sale of goods

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Agricultural inputs	-	-	**1 833,2**	1 865,1
Fuel	-	-	**731,5**	647,9
Capital goods	-	-	**604,5**	687,0
Consumer goods	-	-	**1 495,1**	614,2
Raw materials	-	-	**2,3**	1,6
Revenue from the sale of goods	-	-	**4 666,6**	3 815,8

ACCOUNTING POLICIES

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

Sales of goods where the customer is invoiced, but delivery of the goods has been postponed at the request of the customer, are recognised as revenue on the invoice date if it is probable that the delivery will be made; the products are in stock and have been identified separately as belonging to the customer; the products are ready for physical transfer to the customer on the invoice date; the buyer specifically acknowledges the delivery instructions; normal payment arrangements are applicable, and the group does not have the ability to use the products or to direct them to another customer.

If these conditions are not met, revenue is not recognised. Instead, the group recognises a contract liability for its obligation to deliver the goods. If these conditions are met, and revenue from the sale of goods under the bill-and-hold arrangement is recognised, the group's custodial services are considered to be a performance obligation, and therefore a portion of the transaction price is allocated to this performance obligation. In those circumstances, the transaction price allocated to the group's custodial services is recognised as revenue on the straight-line method over the period during which the service is rendered.

If the selling price of a product includes an identifiable amount for after-sales service, the after-sales service is regarded as a distinct performance obligation and a portion of the transaction price is allocated to this performance obligation.

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

SEGMENTAL REVENUE FROM THE SALE OF GOODS

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

CASHFLOWS FROM REVENUE

Income earned from the sale of goods is recognised as revenue when the customer obtains control of the asset. In most cases, it is the same date as the one on which the customer is liable for payment, and consequently cash is received or a financial asset is recognised. The payment terms of the group's various financing options, such as instalment plans, production accounts and monthly accounts, are disclosed in note C8 and C12. The sale of goods where the customer is invoiced, but delivery of the goods has been postponed at the request of the customer, is recognised as revenue if the conditions set out in the accounting policy are met. In the case where the conditions are not met, revenue is deferred until they have been met. In this scenario the cash received or due is recognised as a contract liability. Liabilities from contracts with customers are disclosed in note C23.

D3. Revenue from the handling and storage of commodities

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Revenue from the storage of agricultural commodities	-	-	**152,0**	159,6
Revenue from handling agricultural commodities	-	-	**119,4**	131,5
Revenue from the handling and storage of commodities	-	-	**271,4**	291,1

ACCOUNTING POLICIES

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

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

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

SEGMENTAL REVENUE FROM THE HANDLING AND STORAGE OF COMMODITIES

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

CASHFLOWS FROM REVENUE

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

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

Fees for handling agricultural commodities are payable on receipt of the commodity, the cash received or due is recognised as a contract liability. Liabilities from contracts with customers are disclosed in note C23.

D3. Revenue from the handling and storage of commodities (continued)

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Identifying the group's performance obligations, the allocation of the transaction price between the various performance obligations and the determination of the date on which the performance obligations are met are relatively straightforward. Determining the transaction price for the handling of agricultural commodities requires estimates. As the weight deductions upon receipt of the agricultural commodities represent a variable consideration for the handling of agricultural commodities, the group needs to estimate the expected degree of grade and weight loss during storage. The transaction price, which is recognised as revenue, is consequently materially influenced by the group's estimates regarding grade and weight losses.

Significant estimates relating to the provision for grade and weight losses are discussed in more detail in note C11.

D4. Revenue from other services rendered

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Agency commission	-	-	24,1	27,0
Broker's commission	-	-	20,6	-
Income from agricultural services	-	-	7,7	5,7
Income from cleaning, drying, weighing and grading commodities	-	-	10,4	12,8
Income from delivery and transport	-	-	7,2	14,9
Labour income	-	-	17,8	15,6
Sundry services	-	-	6,4	13,1
Revenue from other services rendered	-	-	94,2	89,1

ACCOUNTING POLICIES

Agency commission is recognised as revenue upon receipt of proof that the goods or services have been delivered or rendered to the customer. The revenue from all the other services rendered is recognised over time. Broker's commission is recognised as revenue based on results achieved. Labour income earned during the performance of the contracted performance obligation is recognised as revenue on an hours-spent basis. Income from services rendered is recognised as revenue based on results achieved.

D4. Revenue from other services rendered (continued)

SEGMENTAL REVENUE FROM OTHER SERVICES RENDERED	Group 2024 R'm	Group 2023 R'm
Agricultural commodities	**16,4**	32,7
Agency commission	**0,1**	0,5
Income from cleaning, drying, weighing and grading commodities	**10,4**	12,8
Income from delivery and transport	**2,8**	9,5
Sundry services	**3,1**	9,9
Trade	**49,2**	49,2
Agency commission	**24,0**	26,5
Income from delivery and transport	**5,8**	5,4
Labour income	**15,9**	14,1
Sundry services	**3,5**	3,2
Financial services	**21,0**	0,3
Broker commission	**20,6**	-
Income from agricultural services	**0,4**	0,3
Corporate	**9,2**	6,9
Income from agricultural services	**7,3**	5,4
Labour income	**1,9**	1,5
Segmental revenue from other services rendered	**95,8**	89,1
Adjustment for intersegment balances	**(1,6)**	-
Revenue from other services rendered	**94,2**	89,1

CASHFLOWS FROM REVENUE

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

The customer is mostly liable for payment of the other services after completion of the agreed-upon service, and consequently, cash is received or a financial asset is recognised after completion of the agreed-upon service.

D5. Net fair-value gains on commodity trading

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Fair-value adjustments on derivative financial instruments at fair value through profit or loss	**-**	-	**(33,1)**	(43,1)
Fair-value adjustments on agricultural commodities	**-**	-	**647,5**	556,3
Net fair-value gains on commodity trading	**-**	-	**614,4**	513,2

ACCOUNTING POLICIES

The group buys and sells agricultural commodities with the purpose of generating either a profit from commodity price fluctuations on the open market or a broker-trader margin. These commodities are measured at fair value less costs to sell. Derivative financial instruments are measured at fair value. Income from the sale of agricultural commodities is excluded from revenue from contracts with customers as the gains or losses arising from changes in the fair value of agricultural commodities and commodity contracts are presented on a net basis.

D5. Net fair-value gains on commodity trading (continued)

FAIR-VALUE HIERARCHY	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Fair-value adjustments measured by using level one input data	-	-	612,4	511,1
Fair-value adjustments on derivative financial instruments	-	-	(33,1)	(43,1)
Fair-value adjustments on agricultural commodities	-	-	645,5	554,2
Fair-value adjustments measured by using level three input data	-	-	2,0	2,1
Fair-value adjustments on agricultural commodities	-	-	2,0	2,1
Fair-value adjustments recognised in profit or loss	-	-	614,4	513,2

D6. Interest income

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Trade receivables	-	-	151,8	112,2
Amounts owing by agricultural and non-agricultural customers	-	-	149,9	110,5
Amounts owing by commodity customers	-	-	1,9	1,7
Instalment plans	-	-	57,6	48,2
Lease receivables	-	-	1,5	0,6
Term loans to agricultural customers	-	-	56,1	47,6
Interest income	-	-	209,4	160,4

ACCOUNTING POLICIES

Finance income is recognised as income according to the effective-interest method over the period in which the financing takes place. Finance income earned on loans, lease receivables and trade receivables is classified as interest income. All other finance income is classified as other income.

SEGMENTAL INTEREST INCOME

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

D7. Other income

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Finance income on financial assets at amortised cost	**1,5**	0,9	**16,1**	19,6
Receivables, other than trade receivables	**-**	-	**1,2**	3,0
Subsidiaries	**1,5**	0,9	**-**	-
Joint ventures	**-**	-	**-**	1,5
Short-term deposits	**-**	-	**13,1**	14,8
Bank balances	**-**	-	**1,8**	0,3
Administrative fees	**-**	-	**1,4**	0,9
Joint ventures	**-**	-	**-**	0,5
Other	**-**	-	**1,4**	0,4
Advertising and marketing income	**-**	-	**2,1**	2,4
Commission income	**-**	-	**1,4**	1,8
Credit insurance cost recovered	**-**	-	**3,0**	2,3
Dividend income from listed and unlisted entities	**-**	-	**0,1**	0,1
Electricity, water and sanitation cost recovered	**-**	-	**1,9**	1,7
Gains or loss on the disposal of non-current assets	**-**	-	**0,2**	21,7
Property, plant and equipment	**-**	-	**0,2**	2,0
Investment property	**-**	-	**-**	19,7
Government grants	**-**	-	**0,9**	0,9
Impairment losses on property, plant and equipment recovered from third parties	**-**	-	**0,1**	0,7
Income from insurance claims	**-**	-	**11,4**	1,7
Management fees received	**-**	-	**0,7**	0,4
Operating-lease income	**-**	-	**10,9**	10,8
Rental income earned from property, plant and equipment	**-**	-	**8,8**	9,1
Rental income earned from investment property	**-**	-	**2,1**	1,7
Reversal of unutilised provisions for environmental rehabilitation	**-**	-	**-**	1,6
Skills development levy recovered	**-**	-	**0,8**	1,0
Surplus agricultural commodities	**-**	-	**96,4**	15,2
Sundry income	**-**	-	**25,5**	6,9
Total other income	**1,5**	0,9	**172,9**	89,7

D7. Other income (continued)

ACCOUNTING POLICIES

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

Dividends declared by listed and unlisted entities are recognised as other income on the last day of registration for them to qualify as a shareholder.

Government grants relating to income are systematically recognised as income during the period in which the related costs for which the grants are intended to compensate are recognised in profit or loss if it is reasonably sure that the group will meet the determinant conditions of the grant and that the grant will be received. In the case of loans at lower than market-related interest rates, the difference between the proceeds received and the carrying amount of the loan at its initial recognition, determined according to the effective-interest method, is regarded as the grant.

SEGMENTAL FINANCE INCOME

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

D8. Impairment gains and losses on financial assets

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Impairment gains on financial assets at amortised cost	-	-	**0,6**	11,2
Credit losses (direct write-offs) on financial assets at amortised cost	-	-	**(1,3)**	(5,0)
Gains and losses on allowances for expected credit losses on financial assets at amortised cost	-	-	**(11,3)**	(17,9)
Impairment gains and losses on financial assets at amortised cost	-	-	**(12,0)**	(11,7)
Gains and losses on allowances for expected credit losses on financial instruments at fair value through profit or loss	-	-	**(1,8)**	(0,1)
Commodity contracts with agricultural producers	-	-	**(2,2)**	(1,2)
Commodity contracts with customers	-	-	**0,4**	1,1
Impairment gains and losses on financial assets	-	-	**(13,8)**	(11,8)
Impairment gains on financial assets at amortised cost				
Financial assets arising from contracts with customers	-	-	**0,6**	9,7
Amounts owing by agricultural customers	-	-	**0,5**	9,6
Amounts owing by non-agricultural customers	-	-	**0,1**	0,1
Other financial assets	-	-	-	1,5
Amounts owing by commodity customers	-	-	-	1,5
Other receivables	-	-	-	-
Impairment gains on financial assets at amortised cost	-	-	**0,6**	11,2
Credit losses (direct write-offs) on financial assets at amortised cost				
Financial assets arising from contracts with customers				
Amounts owing by agricultural customers	-	-	-	(4,4)
Amounts owing by non-agricultural customers	-	-	**(0,8)**	(0,6)
Other financial assets				
Amounts owing by commodity customers	-	-	**(0,5)**	-
Credit losses (direct write-offs) on financial assets at amortised cost	-	-	**(1,3)**	(5,0)
Gains and losses on allowances for expected credit losses on financial assets at amortised cost				
Financial assets arising from contracts with customers	-	-	**(8,5)**	(18,2)
Amounts owing by agricultural customers	-	-	**(8,4)**	(18,1)
Amounts owing by non-agricultural customers	-	-	**(0,1)**	(0,1)
Other financial assets	-	-	**(2,8)**	0,3
Lease receivables	-	-	**(0,4)**	-
Term loans to agricultural customers	-	-	**(2,4)**	0,3
Amounts owing by commodity customers	-	-	-	-
Gains and losses on allowances for expected credit losses on financial assets at amortised cost	-	-	**(11,3)**	(17,9)

D9. Employees' remuneration

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Salaries, wages and other short-term employee benefits	**0,5**	0,4	**494,4**	449,8
Contributions to post-employment benefit plans	**-**	-	**2,0**	1,8
Long-term incentives	**-**	-	**4,3**	7,9
Other long-term employee benefits	**-**	-	**1,6**	1,7
Employees' remuneration recognised as expenditure	**0,5**	0,4	**502,3**	461,2
Remuneration to the company's non-executive directors (note J6)	**0,5**	0,4	**4,8**	4,2
Remuneration to the directors of the subsidiaries (note J6)	**-**	-	**17,7**	19,7
Salaries and other short-term benefits	**-**	-	**14,4**	13,6
Contributions to post-employment benefit plans	**-**	-	**0,7**	0,7
Long-term incentives	**-**	-	**2,6**	5,4
Remuneration to the directors of group companies (note J6)	**0,5**	0,4	**22,5**	23,9
Other key employees' remuneration (note J6)	**-**	-	**14,5**	14,6
Salaries, wages and other short-term employee benefits	**-**	-	**11,5**	11,0
Contributions to post-employment benefit plans	**-**	-	**1,3**	1,1
Long-term incentives	**-**	-	**1,7**	2,5
Key employees' remuneration (note J6)	**0,5**	0,4	**37,0**	38,5
Other employees' remuneration	**-**	-	**465,3**	422,7
Salaries, wages and other short-term employee benefits	**-**	-	**463,7**	421,0
Other long-term employee benefits	**-**	-	**1,6**	1,7
Employees' remuneration recognised as expenditure	**0,5**	0,4	**502,3**	461,2

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

The group pays gratuities to retiring employees if the employee has fifteen or more continuous years of service on the date of retirement. The group also pays gratuities to retiring employees who retire before relevant age limits if the employee has 25 or more years of continuous service on the retirement date. Gratuities are based on the pensionable remuneration and completed years of service of eligible employees on retirement.

ACCOUNTING POLICIES

Short-term employee benefits and accumulated paid absences are recognised in profit or loss or as part of the cost of inventory, whichever is applicable, in the period during which employees render services that increase their entitlement to the benefits.

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

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

The group operates a long-term incentive scheme to compensate its executive directors and key employees. The liability is measured at the present value of the expected expense to settle the liability – discounted at the prime interest rate.

D10. Other expenses

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Other expenses according to the statement of comprehensive income	**0,9**	0,8	**846,2**	658,1
These expenses are shown after taking the following into consideration:				
Agent commissions	-	-	**74,3**	69,1
Auditor's remuneration	-	0,1	**5,1**	4,4
For audit – group auditors	-	0,1	**4,0**	4,0
For audit – other auditors	-	-	**0,6**	-
Reimbursed expense for travel and accommodation	-	-	**0,4**	0,4
For other services – group and other auditors	-	-	**0,1**	-
Depreciation and amortisation	-	-	**103,1**	68,2
Property, plant and equipment	-	-	**93,5**	60,5
Investment property	-	-	**0,3**	0,2
Intangible assets	-	-	**9,3**	7,5
Impairment charges on non-financial assets	-	-	**0,7**	1,6
Property, plant and equipment	-	-	**0,7**	1,5
Investment property	-	-	**-**	0,1
Intangible assets	-	-	**-**	-
Maintenance costs	-	-	**59,1**	50,9
Lease instalments	-	-	**2,6**	3,2
Short-term leases	-	-	**1,1**	2,0
Leases of which the underlying asset is of low value	-	-	**1,5**	1,2
Net provision grade and weight losses	-	-	**30,1**	9,3
Trustees' remuneration	-	-	**0,4**	0,3
Variable lease payments	-	-	**1,3**	0,7
Write-off of inventory to net realisable value	-	-	**51,3**	26,3

D11. Finance costs

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Commodity-based loans	-	-	**172,6**	149,9
Demand deposits	-	-	**5,9**	5,2
Customers	-	-	**5,4**	3,3
Joint ventures	-	-	**0,5**	1,9
Short-term loans	-	-	**178,5**	155,1
Overdrafts	-	-	**91,4**	78,4
Short-term loans and overdrafts	-	-	**269,9**	233,5
Lease liabilities	-	-	**8,9**	6,2
Trade and other payables	-	-	**7,0**	5,9
Joint ventures	-	-	**-**	8,6
Finance costs on financial liabilities at amortised cost	-	-	**285,8**	254,2
Long-term provisions	-	-	**1,1**	0,3
Long-term loans	-	-	**23,1**	-
Total finance costs	-	-	**310,0**	254,5

D12. Taxation

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
South African normal tax	**0,1**	-	**60,5**	77,8
Current year	**0,1**	-	**60,5**	77,8
Previous year	**-**	-	**-**	-
Deferred tax (note C9)	**-**	-	**16,3**	(1,1)
Current year	**-**	-	**16,3**	(1,1)
Previous year	**-**	-	**-**	-
Tax according to the statement of comprehensive income	**0,1**	-	**76,8**	76,7

ACCOUNTING POLICIES

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

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

TAX RECONCILIATION

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Pre-tax profit	**250,0**	287,4	**322,8**	359,4
Tax on the pre-tax profit differs as follows from the theoretical tax calculated at the standard tax rate of 27%.				
Tax calculated at the standard tax rate	**67,5**	77,6	**87,1**	97,1
Adjustment for:				
Equity-accounted earnings accounted for on an after-tax basis	**(67,5)**	(77,6)	**(6,9)**	(15,5)
Exempted income	**-**	-	**(1,4)**	(5,8)
Non-allowable expenses	**0,1**	-	**2,2**	2,0
Learnership allowance	**-**	-	**(0,8)**	(1,1)
Other permanent differences	**-**	-	**(3,4)**	-
Tax according to the statement of comprehensive income	**0,1**	-	**76,8**	76,7
Effective tax rate	**-**	-	**23,8%**	21,0%

D13. Fair-value adjustment of the investment in equity instruments

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Pre-tax fair-value adjustment of the investment in equity instruments at fair value through other comprehensive income (note C7)	-	-	1,9	-
Fair-value adjustment measured by using level one input data	-	-	(0,1)	(0,1)
Fair-value adjustment measured by using level two input data	-	-	(0,1)	0,1
Fair-value adjustment measured by using level three input data	-	-	2,1	-
After-tax fair-value adjustment of the investment in equity instruments at fair value through other comprehensive income	-	-	1,9	-

ACCOUNTING POLICIES

Fair-value adjustments for designated investments are recognised as other comprehensive income. Upon the disposal of these instruments, the accrued fair-value adjustments are transferred directly to retained earnings.

D14. Earnings per share

BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the consolidated profit of R244,7 million (2023: R282,7 million) attributable to the owners of the holding company and the weighted average number of 101 091 429 (2023: 103 580 291) ordinary shares in issue.

E1. Cashflow from operating profit or loss

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Operating profit	**0,1**	(0,3)	**296,9**	301,7
Adjustment for:				
Credit losses on financial assets	**-**	-	**14,4**	23,0
Lease receivables	**-**	-	**0,4**	-
Term loans to agricultural customers	**-**	-	**2,4**	(0,3)
Amounts owing by agricultural customers	**-**	-	**8,4**	22,5
Amounts owing by non-agricultural customers	**-**	-	**0,9**	0,7
Amounts owing by commodity customers	**-**	-	**0,5**	-
Commodity contracts with agricultural producers	**-**	-	**2,2**	1,2
Commodity contracts with customers	**-**	-	**(0,4)**	(1,1)
Depreciation and amortisation	**-**	-	**103,1**	68,2
Property, plant and equipment (note C1)	**-**	-	**93,5**	60,5
Investment property (note C2)	**-**	-	**0,3**	0,2
Intangible assets	**-**	-	**9,3**	7,5
Impairment charges on non-financial assets	**-**	-	**0,7**	1,7
Property, plant and equipment (note C1)	**-**	-	**0,7**	1,5
Investment property (note C2)	**-**	-	**-**	0,2
Intangible assets	**-**	-	**-**	-
Provisions	**-**	-	**1,3**	9,6
Long-term provisions created (note C19)	**-**	-	**8,2**	11,3
Short-term provisions created	**-**	-	**-**	-
Utilisation of long-term provisions	**-**	-	**(3,4)**	(1,7)
Utilisation of short-term provisions	**-**	-	**(3,5)**	-
Write-off of inventory to net realisable value (note D10)	**-**	-	**51,3**	26,3
Fair value adjustment on acquisition of subsidiary	**-**	-	**(3,7)**	-
Provision for legal claims reversed	**-**	-	**(2,7)**	-
Provision for grade and weight losses	**-**	-	**(3,3)**	-
Dividend income from listed and unlisted entities (note D7)	**-**	-	**(0,1)**	(0,1)
Finance income	**(1,5)**	(0,9)	**(225,5)**	(180,0)
Interest income (note D6)	**-**	-	**(209,4)**	(160,4)
Other income (note D7)	**(1,5)**	(0,9)	**(16,1)**	(19,6)
Gains or losses on the disposal of non-current assets	**-**	-	**(0,2)**	(21,7)
Property, plant and equipment (note D7)	**-**	-	**(0,2)**	(2,0)
Investment property (note D7)	**-**	-	**-**	(19,7)
Finance cost (note D11)	**-**	-	**310,0**	254,5
Cashflow from operating profit or loss	**(1,4)**	(1,2)	**542,2**	483,2

E2. Cashflow from change in operating capital

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Loans and lease receivables	-	-	**23,9**	5,9
Inventory	-	-	**(99,7)**	(398,3)
Agricultural commodities	-	-	**(511,0)**	292,3
Trade and other receivables	**9,1**	(17,3)	**190,9**	(372,3)
Prepaid expenses	-	-	**3,9**	(1,4)
Assets from contracts with customers	-	-	**2,4**	(3,0)
Financial instruments at fair value through profit or loss	-	-	**266,6**	170,0
Trade and other payables	-	-	**109,4**	202,1
Accumulating compensated absences	-	-	**0,1**	(0,6)
Liabilities from contracts with customers	-	-	**(21,0)**	(37,4)
Cashflow from change in operating capital	**9,1**	(17,3)	**(34,5)**	(142,7)

ACCOUNTING POLICIES

As loans and lease receivables relate to the group's main revenue-producing activities, the cashflows from loans and lease receivables are considered as cashflows from operating activities, regardless of the fact that these assets are classified as non-current assets.

E3. Net cashflow from interest

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Interest received	**1,5**	0,9	**225,5**	180,0
Interest income (note D6)	-	-	**209,4**	160,4
Other income (note D7)	**1,5**	0,9	**16,1**	19,6
Interest paid	-	-	**(308,9)**	(254,2)
Finance costs (note D11)	-	-	**(310,0)**	(254,5)
Adjustment for finance costs on provisions (note D11)	-	-	**1,1**	0,3
Net cashflow from interest	**1,5**	0,9	**(83,4)**	(74,2)

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

E4. Tax paid

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Opening balance of current tax liabilities	-	-	**(7,1)**	(18,7)
Amounts debited in the statement of comprehensive income	**(0,1)**	-	**(76,8)**	(76,7)
Adjustment for deferred tax (note D12)	-	-	**17,9**	(1,1)
Closing balance of current tax liabilities	-	-	**3,2**	7,1
Tax paid	**(0,1)**	-	**(62,8)**	(89,4)

E5. Cash paid on the acquisition of non-current assets

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Property, plant and equipment acquired	-	-	**(179,4)**	(141,0)
Property, plant and equipment acquired (note C1)	-	-	**(219,8)**	(202,9)
Financed with leases (note C1)	-	-	**40,4**	61,9
Upgrading of investment property (note C2)	-	-	**(0,2)**	(0,3)
Investment property acquired (note C2)	-	-	**(1,0)**	(4,2)
Intangible assets acquired	-	-	**(0,4)**	(1,1)
Intangible assets acquired (note C3)	-	-	**(0,4)**	(1,1)
Financed with leases (note C3)	-	-	**-**	-
Cash paid on the acquisition of non-current assets	-	-	**(181,0)**	(146,6)

E6. Cash paid on the acquisition of assets and liabilities through business combinations

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Fair value of assets acquired	-	-	**20,0**	425,3
Property, plant and equipment	-	-	**0,8**	219,4
Other intangible assets	-	-	**14,0**	-
Inventory	-	-	**-**	24,1
Cash and cash equivalents	-	-	**0,4**	34,4
Deferred tax asset	-	-	**0,9**	-
Financial assets	-	-	**3,9**	147,4
Fair value of liabilities acquired	-	-	**(15,0)**	(68,1)
Deferred tax liabilities	-	-	**-**	(39,8)
Financial liabilities	-	-	**(15,0)**	(28,3)
Net assets acquired through business combinations	-	-	**5,0**	357,3
Less: Disposal at fair value of interest previously held in Epko Oil Seed Crushing Proprietary Limited	-	-	**-**	(172,9)
Less: Disposal at fair value of interest previously held in NWK4Sure Brokers Proprietary Limited	-	-	**(12,9)**	-
Less: Non-controlling interest acquired with acquisition of additional shares in NWK4Sure Brokers Proprietary Limited	-	-	**(6,2)**	-
Add: Goodwill recognised as part of the acquisition of a business unit	-	-	**20,8**	13,0
Purchase price	-	-	**6,7**	197,4
Cash paid on the acquisition of NWK4Sure Brokers Proprietary Limited	-	-	**(6,3)**	-
Cash paid on the acquisition of Epko Oil Seed Crushing Proprietary Limited	-	-	**(172,9)**	-
Cash payable on the acquisition of Epko Oil Seed Crushing Proprietary Limited	-	-	**-**	(172,9)
Cash paid on the acquisition of a business unit	-	-	**-**	(24,5)

On 1 May 2023, the group acquired an additional interest of 26% in NWK4Sure Brokers Proprietary Limited. The purchase price of R6,7 million was paid on that date. The net cash outflow arising on acquisition is R6,3 million. Refer to note C4. On 30 April 2023, the group acquired an additional 50% interest in Epko Oil Seed Crushing Proprietary Limited, resulting in a 100% shareholding in Epko Oil Seed Crushing Proprietary Limited. The purchase price of R173 million was paid in the current year and was therefore included in other payables in the previous year. On 30 April 2023, the group obtained the cash in Epko Oil Seed Crushing Proprietary Limited. Furthermore, during the previous year, the group acquired a business unit to expand its business as part of a strategy to grow the group's fuel business.

E7. Property, plant and equipment

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Proceeds on the disposal of property, plant and equipment	-	-	**7,7**	6,4
Carrying amount of property, plant and equipment disposed of (note C1)	-	-	**7,5**	4,4
Profit or loss on the disposal of property, plant and equipment (note D7)	-	-	**0,2**	2,0
Proceeds on the disposal of investment property	-	-	-	24,1
Carrying amount of investment property disposed of (note C2)	-	-	-	4,4
Profit on the disposal of investment property	-	-	-	19,7
Proceeds on the disposal of non-current assets	-	-	**7,7**	30,5

E8. Cashflow from liabilities arising from financing activities

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Proceeds from long-term loans (C20)	-	-	**54,7**	200,0
Repayments of long-term loans	-	-	**(21,9)**	-
Repayment of long-term loans (note C20)	-	-	**(45,0)**	-
Finance costs on long-term loans classified as cashflow from operating activities (note C20)	-	-	**23,1**	-
Repayments of lease liabilities			**(43,1)**	(30,6)
Repayment of lease liabilities (note C21)	-	-	**(52,0)**	(36,8)
Finance costs on lease liabilities classified as cashflow from operating activities (note C21)	-	-	**8,9**	6,2
Increase in overdrafts (note C25)	-	-	**98,7**	287,5
Proceeds from commodity-based loans (note C24)	-	-	**3 626,6**	5 591,6
Repayment of commodity-based loans and Absa	-	-	**(3 672,3)**	(6 030,9)
Repayment of commodity-based loans and Absa (note C24)	-	-	**(3 844,9)**	(6 180,8)
Finance costs on commodity-based loans classified as cashflow from operating activities (note C24)	-	-	**172,6**	149,9
Proceeds from demand deposits (note C24)	-	-	**132,3**	63,7
Repayment of demand deposits	-	-	**(114,1)**	(59,4)
Repayment of short-term loans (note C24)	-	-	**(120,1)**	(64,5)
Finance costs on short-term loans classified as cashflow from operating activities (note C24)	-	-	**6,0**	5,1
Net cashflow from liabilities arising from financing activities	-	-	**60,9**	21,9

ACCOUNTING POLICIES

The acquisition of assets under leases are regarded as non-cash transactions. All cashflows from interest received or paid are included in the cashflows from operating activities.

F1. Segments

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

AGRICULTURAL COMMODITIES

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

TRADE

This segment runs stores as a trader in agricultural inputs, capital goods and consumer goods. This segment also acts as an agent between customers and suppliers and provides workshop services to support its range of products.

FINANCIAL SERVICES

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

OIL PRESS

This segment extracts vegetable oils from sunflower seed.

F2. Segmental assets and liabilities

	Assets		Liabilities	
	2024	2023	2024	2023
	R'm	R'm	**R'm**	R'm
Agricultural commodities	**2 118,7**	1 635,1	**976,3**	747,0
Trade	**1 462,1**	1 393,2	**462,9**	427,9
Financial services	**2 070,4**	2 242,9	**2 577,5**	2 482,8
Oil press	**411,6**	294,4	**57,5**	68,1
Corporate assets and liabilities	**559,6**	148,7	**71,1**	83,0
Segmental assets and liabilities	**6 622,4**	5 714,3	**4 145,3**	3 808,8
Reconciliation with the assets and liabilities stated in the consolidated statements of financial position				
Segmental assets and liabilities stated above	**6 622,4**	5 714,3	**4 145,3**	3 808,8
Adjustment for intersegmental balances	**(516,4)**	-	**(125,0)**	-
Stated in the consolidated statement of financial position	**6 106,0**	5 714,3	**4 020,3**	3 808,8

ACCOUNTING POLICIES

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

Segmental assets and liabilities are determined before intercompany balances as part of the consolidation process have been eliminated.

F2. Segmental assets and liabilities (continued)

	Group 2024 R'm	Group 2023 R'm
EQUITY-ACCOUNTED INVESTMENTS ALLOCATED TO SEGMENTS		
Trade	**69,1**	51,6
Financial services	**27,8**	28,7
Carrying amount of the investment in joint ventures	**96,9**	80,3
GOODWILL ALLOCATED TO SEGMENTS		
Trade	**16,9**	16,9
Financial services	**20,8**	-
NON-CURRENT ASSETS PURCHASED DURING THE YEAR		
Normal acquisitions	**221,2**	206,8
Agricultural commodities	**90,9**	135,0
Trade	**70,4**	52,7
Financial services	**1,0**	0,1
Oil Press	**32,9**	-
Corporate	**26,0**	19,0
Non-current assets acquired through business combinations	**20,0**	232,5
Trade	**-**	24,5
Financial services	**20,0**	-
Oil press	**-**	208,0
Non-current assets purchased by the group	**241,2**	439,3

F3. Segmental revenue and profits or losses

	Group Revenue 2024 R'm	Revenue 2023 R'm	Profit or loss 2024 R'm	Profit or loss 2023 R'm
Agricultural commodities	**943,5**	863,1	**241,1**	183,1
Trade	**3 836,6**	3 836,8	**73,8**	177,7
Financial services	**228,5**	159,0	**142,6**	117,3
Oil press	**858,9**	-	**8,6**	40,3
Revenue and profit of the operating segments	**5 867,5**	4 858,9	**466,1**	518,4
Corporate	**23,9**	10,7	**(138,3)**	(154,3)
Segmental revenue and profit	**5 891,4**	4 869,6	**327,8**	364,1
Reconciliation with the revenue and pre-tax profit stated in the consolidated statement of comprehensive income				
Segmental revenue and profit stated above	**5 891,4**	4 869,6	**327,8**	364,1
Adjustment for intersegmental transactions	**(35,4)**	-	**(5,0)**	(4,7)
Stated in the consolidated statement of comprehensive income	**5 856,0**	4 869,6	**322,8**	359,4

Group

F4. Segmental revenue from customers

	Revenue from the sale of goods	Revenue from services rendered	Net value gains on commodity trading	Revenue from contracts with customers
	2024	**2024**	**2024**	**2024**
	R'm	**R'm**	**R'm**	**R'm**
Agricultural commodities	**21,6**	**289,9**	**630,0**	**941,5**
Trade	**3 787,4**	**49,2**	**-**	**3 836,6**
Financial services	**-**	**21,1**	**-**	**21,1**
Oil press	**854,5**	**-**	**4,4**	**858,9**
Corporate	**14,7**	**9,2**	**-**	**23,9**
Segmental revenue from customers	**4 678,2**	**369,4**	**634,4**	**5 682,0**
Adjustment for intersegment balances	**(11,6)**	**(3,8)**	**(20,0)**	**(35,4)**
Stated in the consolidated statement of comprehensive income	**4 666,6**	**365,6**	**614,4**	**5 646,6**

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

F4. Segmental revenue from customers (continued)

	Revenue from the sale of goods 2024	Revenue from the sale of goods 2023	Revenue from services rendered 2024	Revenue from services rendered 2023
Disaggregation of revenue from the sale of goods				
Agricultural commodities				
Agricultural inputs	**21,6**	24,5		
Trade	**3 787,4**	3 787,6		
Agricultural inputs	**1 827,4**	1 840,6		
Capital goods	**596,9**	687,0		
Fuel	**720,4**	647,9		
Consumer goods	**640,4**	610,5		
Raw materials	**2,3**	1,6		
Oil press				
Consumer goods	**854,5**	-		
Corporate				
Consumer goods	**14,7**	3,7		
Revenue from the sale of goods	**4 678,2**	3 815,8		
Adjustment for intersegment balances	**(11,6)**	-		
Stated in the consolidated statement of comprehensive income	**4 666,6**	3 815,8		
Revenue from services rendered			2024	2023
Revenue from handling and storage of commodities earned by the agricultural commodity segment			**273,4**	291,1
Revenue from other services rendered			**95,9**	89,1
Agricultural commodities			**16,4**	32,6
Trade			**49,2**	49,2
Financial services			**21,1**	0,3
Corporate			**9,2**	7,0
Reconciliation with the revenue from customers stated in the consolidated statement of comprehensive income				
Segmental revenue stated above			**369,3**	380,2
Adjustment for intersegmental transactions			**(3,7)**	-
Stated in the consolidated statement of comprehensive income			**365,6**	380,2

F5. Segmental finance income

	Interest revenue		Other finance income		Total finance income	
	2024	2023	2024	2023	2024	2023
	R'm	R'm	R'm	R'm	R'm	R'm
Interest revenue on trade receivables at the agricultural commodity segment	**1,9**	1,8	**-**	-	**1,9**	1,8
Interest revenue on loans and receivables at the financing segment	**207,5**	158,6	**-**	-	**207,5**	158,6
Trade receivables	**149,9**	110,5	**-**	-	**149,9**	110,5
Lease receivables	**1,5**	0,6	**-**	-	**1,5**	0,6
Term loans to agricultural customers	**56,1**	47,5	**-**	-	**56,1**	47,5
Interest income	**209,4**	160,4	**-**		**209,4**	160,4
Other income at the treasury function	**-**	-	**268,5**	223,3	**268,5**	223,3
External customers	**-**	-	**16,1**	19,6	**16,1**	19,6
Internal customers	**-**	-	**252,4**	203,7	**252,4**	203,7
Segmental finance income	**209,4**	160,4	**268,5**	223,3	**477,9**	383,7
Reconciliation with the amounts stated in the consolidated statement of comprehensive income						
Segmental finance income stated above	**209,4**	160,4	**268,5**	223,3	**477,9**	383,7
Adjustment for intersegmental transactions	**-**	-	**(252,4)**	(203,7)	**(252,4)**	(203,7)
Stated in the consolidated statement of comprehensive income	**209,4**	160,4	**16,1**	19,6	**225,5**	180,0

F6. Segmental finance costs

	2024	2023
	R'm	R'm
Agricultural commodities	**185,6**	160,6
Trade	**57,7**	43,1
Financial services	**320,4**	255,4
Oil press	**0,2**	-
Segmental finance costs	**563,9**	459,1
Reconciliation with the finance costs stated in the consolidated statement of comprehensive income		
Segmental finance costs stated above	**563,9**	459,1
Adjustment for intersegmental transactions	**(253,9)**	(204,6)
Stated in the consolidated statement of comprehensive income	**310,0**	254,5

F7. Segmental non-cashflow items

Group	Credit losses on financial assets 2024 R'm	Credit losses on financial assets 2023 R'm	Impairments on non-financial assets 2024 R'm	Impairments on non-financial assets 2023 R'm	Total impairment charges 2024 R'm	Total impairment charges 2023 R'm
IMPAIRMENT CHARGES						
Agricultural commodities	**2,3**	(1,3)	**0,2**	0,3	**2,5**	(1,0)
Trade	**0,4**	0,6	**0,4**	1,2	**0,8**	1,8
Financial services	**11,6**	22,2	**-**	-	**11,6**	22,2
Corporate	**0,1**	-	**0,1**	0,2	**0,2**	0,2
Stated in the consolidated statement of comprehensive income	**14,4**	21,5	**0,7**	1,7	**15,1**	23,2

Group	2024 R'm	2023 R'm
DEPRECIATION AND AMORTISATION CHARGES		
Agricultural commodities	**53,0**	39,1
Trade	**18,5**	16,2
Financial services	**2,0**	0,2
Oil press	**14,3**	-
Corporate	**15,3**	12,7
Stated in the consolidated statement of comprehensive income	**103,1**	68,2
WRITE-OFF OF INVENTORY TO NET REALISABLE VALUE		
Agricultural commodities	**-**	0,1
Trade	**51,3**	26,2
Stated in the consolidated statement of comprehensive income	**51,3**	26,3
EQUITY-ACCOUNTED EARNINGS		
Trade	**17,5**	13,6
Financial services	**8,3**	3,8
Oil press	**-**	40,3
Stated in the consolidated statement of comprehensive income	**25,8**	57,7

F8. Other segmental income

Group

	Surplus on agricultural commodities		Sundry income	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Agricultural commodities	**96,4**	15,2	**2,4**	0,3
Trade	**-**	-	**4,7**	5,1
Financial services	**-**	-	**-**	0,1
Oil press	**-**	-	**3,2**	-
Corporate	**-**	-	**15,2**	1,4
Other segmental income	**96,4**	15,2	**25,5**	6,9
Stated in the consolidated statement of comprehensive income	**96,4**	15,2	**25,5**	6,9

F9. Other segmental costs

Group

	Employees' remuneration		Maintenance cost	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Agricultural commodities	**149,4**	142,5	**38,8**	36,0
Trade	**192,7**	192,7	**8,4**	9,2
Financial services	**18,6**	11,5	**0,1**	-
Oil press	**27,2**	-	**9,1**	-
Corporate	**114,6**	114,5	**2,7**	5,7
Other segmental costs	**502,5**	461,2	**59,1**	50,9
Adjustment for intersegmental balances	**(0,2)**	-	**-**	-
Stated in the consolidated statement of comprehensive income	**502,3**	461,2	**59,1**	50,9

G1. Financial assets

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
Financial assets at amortised cost	8,8	18,0	2 183,8	2 423,2
Loans and lease receivables	-	-	376,5	357,6
Trade and other receivables	8,8	17,9	1 764,4	2 018,5
Cash and cash equivalents	-	0,1	42,9	47,1
Investments at fair value through other comprehensive income	-	-	6,5	4,6
Financial assets at fair value through profit or loss	-	-	23,6	100,9
Derivative financial instruments	-	-	23,6	100,0
Fiduciary assets	-	-	-	0,9
Total financial assets	8,8	18,0	2 213,9	2 528,7

ACCOUNTING POLICIES

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

Financial assets are recognised in the statement of financial position when the group becomes a party to the contractual provisions of the instrument. Regular-way purchase or sale of a financial asset is recognised on the trade date.

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

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

Upon derecognition of a financial asset in its entirety, the profit or a loss on the disposal of the asset is measured as the difference between the consideration received, if any, and the carrying amount of the asset on the disposal date. If the asset transferred was part of a larger asset, the carrying amount of the larger asset is allocated between the part that continues to be recognised and the part that is derecognised – on the basis of the fair values of those parts on the date of the transfer.

The profit or a loss on the disposal of the asset is measured as the difference between the consideration received, if any, and the carrying amount allocated to the part derecognised. If the transfer of an asset does not result in derecognition because the group has retained substantially all the risks and rewards of ownership of the asset, a financial liability is recognised for the consideration received.

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

H1. Financial liabilities

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Financial liabilities at amortised cost	-	-	**3 005,7**	2 967,4
Long-term loans	-	-	**234,4**	201,6
Lease liabilities	-	-	**77,8**	80,5
Trade and other payables	-	-	**707,3**	770,3
Short-term loans	-	-	**388,8**	416,3
Overdrafts	-	-	**1 597,4**	1 498,7
Financial liabilities at fair value through profit or loss	-	-	**875,7**	683,7
Borrowings	-	-	**3 881,4**	3 651,1
Financial guarantees	-	-	**56,5**	66,5
Financial guarantees to the financiers of subsidiaries	-	-	**56,5**	56,5
Financial guarantees to other parties	-	-	**-**	10,0
Total financial liabilities	-	-	**3 937,9**	3 717,6

ACCOUNTING POLICIES

Financial liabilities are classified into two groups, namely financial liabilities at amortised cost and financial liabilities at fair value through profit or loss. The classification of financial liabilities is done at their initial recognition. Financial liabilities are recognised in the statement of financial position when the group becomes a party to the contractual provisions of the instrument. Financial liabilities are derecognised once the obligation has been extinguished. In cases where the terms of an existing liability, or part thereof, are substantially modified, the obligation is deemed to be extinguished. For this purpose, the group has defined substantial as a difference of 10% or more between the discounted value of the outstanding cashflow on the original liability and the discounted value on the new terms, provided that the discounted value is calculated using the original effective interest rate.

RECONCILIATION OF FINANCIAL LIABILITIES WITH THE LIABILITIES STATED IN THE STATEMENT OF FINANCIAL POSITION

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Financial liabilities stated above	-	-	**3 937,9**	3 717,6
Portion of financial guarantees not recognised in the statement of financial position	-	-	**(56,5)**	(66,5)
Financial liabilities recognised in the statement of financial position	-	-	**3 881,4**	3 651,1
Other liabilities	-	-	**138,9**	157,7
Deferred tax liabilities	-	-	**40,5**	39,8
Provisions	-	-	**20,7**	18,3
Accumulating compensated absences	-	-	**38,1**	37,6
Liabilities from contracts with customers	-	-	**33,9**	54,9
Current tax liabilities	-	-	**5,7**	7,1
Liabilities stated in the statement of financial position	-	-	**4 020,3**	3 808,8

H1. Financial liabilities (continued)

HEDGE ACCOUNTING

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Epko designates certain derivatives as:

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

At the inception of the hedge relationship, Epko documents the economic relationship between hedging instruments and hedged items, including whether changes in the cashflows of the hedging instruments are expected to offset changes in the cashflows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

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

CASHFLOW HEDGES THAT QUALIFY FOR HEDGE ACCOUNTING

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

When forward contracts are used to hedge forecast transactions, Epko generally designates only the change in fair value of the forward contract relating to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cashflow hedge reserve within equity.

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

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

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

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

I1. Financial risks

The financial instruments that the group utilises due to the nature of its business include equity investments in listed and unlisted entities; loans and lease receivables; trade and other receivables; long-term loans; lease liabilities; trade and other payables; short-term loans; overdrafts, and cash and cash equivalents, as well as derivative financial instruments such as commodity contracts; option contracts; foreign exchange contracts and guarantees to financial institutions.

The resulting financial risks to which the group is exposed are discussed in notes I2 to I11. Where relevant, the financial risks have been illustrated using the carrying amounts of the financial instruments. However, when assessing financial risks, it is important to take cognisance of the fact that the group's activities are seasonal and that the carrying amounts of financial instruments during the year therefore differ materially from those at the end of the reporting period.

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

It is not only the financial results of the group that are seasonal – the group's financial position and cashflows are equally influenced by the seasonal nature of agricultural activities. For example, the levels of financial assets, such as loans and receivables, are traditionally lower at the end of October when the production debt of the previous season has been settled, compared to the end of April, when the new production season is financed. On the other hand, the levels of non-financial assets, such as inventory and agricultural commodities, are traditionally higher at the end of October compared to those in late April. The seasonal fluctuations in levels of financial and non-financial assets, together with the fluctuations in the levels of the financial liabilities with which the assets are financed, such as trade and other payables, derivative financial liabilities, short-term loans and overdrafts, are therefore the reason why the group's exposure to financial risks varies from month to month.

I2. Liquidity risks

The group's objective to buy and sell farming requisites and consumer goods, to store agricultural commodities and to act as a commodity broker-trader, together with the objective of financing agricultural, commodity and other customers, requires it to borrow funds from financial institutions and suppliers. Liquidity risks arise as a result of such borrowings. The group has a long cash cycle. Inventories, especially farming requisites, are in many cases seasonal and their sales to customers are in most cases financed with seasonal credit facilities. Therefore, the cash used in acquiring inventory is usually recovered a year later. However, if seasonal stock is not sold in the intended season or agricultural producers are unable to settle their accounts on the agreed dates, this cash cycle is substantially extended. The liquidity risk is increased by high levels of agricultural commodities on hand, exacerbated by the seasonality associated with such, the carrying costs of these assets and the fluctuating prices at which these assets are carried. Furthermore, considering that current and non-current assets are financed with short-term facilities, it is clear that the group's liquidity risk needs to be properly managed. Consequently, the group strives to maintain high-level relationships with its financiers, and designated employees continuously monitor the group's cash needs and available facilities.

12. Liquidity risks (continued)

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

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
MATURITY ANALYSIS OF FINANCIAL LIABILITIES				
Long-term loans	-	-	**234,4**	272,5
Payable after three months, but not exceeding a year	-	-	**43,5**	37,8
Payable after a year, but not exceeding two years	-	-	**44,8**	50,3
Payable after two years, but not exceeding five years	-	-	**132,1**	125,9
Payable after five years, but not exceeding ten years	-	-	**14,0**	58,5
Lease liabilities	-	-	**77,8**	94,1
Payable within three months	-	-	**10,8**	9,8
Payable after three months, but not exceeding a year	-	-	**20,2**	28,3
Payable after a year, but not exceeding two years	-	-	**24,9**	24,6
Payable after two years, but not exceeding five years	-	-	**20,6**	28,5
Payable after five years, but not exceeding ten years	-	-	**1,3**	2,9
Trade and other payables payable within three months	-	-	**707,3**	770,3
Derivative financial instruments payable within three months	-	-	**875,7**	683,7
Short-term loans payable within three months	-	-	**388,8**	416,3
Overdrafts payable after three months, but not exceeding a year	-	-	**1 597,4**	1 511,9
Financial guarantees potentially payable within three months	-	-	**56,5**	66,5
Financial guarantees to the financiers of joint ventures	-	-	**56,5**	56,5
Financial guarantees to other parties	-	-	**-**	10,0
	-	-	**3 937,9**	3 815,3
SUMMARISED MATURITY ANALYSIS OF FINANCIAL LIABILITIES				
Payable within three months	-	-	**2 039,1**	1 946,6
Payable after three months, but not exceeding a year	-	-	**1 661,1**	1 578,0
Payable after a year, but not exceeding two years	-	-	**69,7**	74,9
Payable after two years, but not exceeding five years	-	-	**152,7**	154,4
Payable after five years, but not exceeding ten years	-	-	**15,3**	61,4
	-	-	**3 937,9**	3 815,3

COMPILATION OF THE MATURITY ANALYSIS OF LEASE LIABILITIES

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

13. Credit risks

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

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
MAXIMUM POTENTIAL CREDIT RISK				
Loans and lease receivables	-	-	**376,7**	409,1
Lease receivables	-	-	**15,2**	7,8
Term loans to agricultural customers	-	-	**361,5**	389,1
Loans to related parties	-	-	-	12,2
Trade and other receivables	**8,8**	17,9	**1 819,8**	2 010,8
Amounts owing by agricultural customers	-	-	**1 524,9**	1 634,0
Amounts owing by non-agricultural customers	-	-	**60,8**	101,9
Amounts owing by commodity customers	-	-	**118,2**	115,7
Other receivables	**8,8**	17,9	**115,9**	159,2
Loans and receivables	**8,8**	17,9	**2 196,5**	2 419,9
Derivative financial assets	-	-	**27,7**	101,4
Commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	**17,4**	4,7
Commodity contracts with customers	-	-	**1,9**	91,2
Commodity contracts with agricultural producers	-	-	**8,4**	-
Option contracts with agricultural producers	-	-	-	5,5
Investment in equity instruments at fair value through other comprehensive income	-	-	**6,5**	49,5
Fiduciary assets	-	-	-	0,9
Cash and cash equivalents	-	0,1	**30,6**	39,7
Bank balances	-	0,1	**30,6**	39,7
Term deposits	-	-	-	-
Maximum potential credit risk on financial assets	**8,8**	18,0	**2 261,3**	2 611,4
Assets from contracts with customers	-	-	**1,2**	3,6
Assets from contracts with customers	-	-	**1,2**	3,6
Assets from contracts with customers classified as inventory	-	-	-	-
Maximum potential credit risk	**8,8**	18,0	**2 262,5**	2 615,0

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

13. **Credit risks (continued)**

CONCENTRATION OF CREDIT RISKS

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

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	**R'm**	R'm
Amounts owing by agricultural customers on production accounts	**-**	-	**1 524,9**	1 634,0
Amounts owing by agricultural customers on lease receivables	**-**	-	**15,2**	7,8
Amounts owing by agricultural customers on trade and lease receivables	**-**	-	**1 540,1**	1 641,8
Amounts owing by agricultural customers on term loans	**-**	-	**368,9**	389,1
Concentration of credit risks	**-**	-	**1 909,0**	2 030,9

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

SECURITISING OF LOANS AND RECEIVABLES

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

No securities are required for the production accounts of preferential agricultural customers – in other words, the production accounts of agricultural customers whose financial standing meets predetermined criteria. A significant portion of the amounts owing by the preferential agricultural customers are nevertheless secured. The credit risks associated with the amounts owing by other agricultural customers on production accounts, as well as the amounts owing by agricultural customers on term loans, are limited by registering mortgages on property and notarial bonds on movable assets as securities.

A large number of agricultural customers hold shares in the company. These shares are taken as security for the amounts due. Where securities vest in an entity other than the one receiving finance, security is obtained by way of suretyships from the entity concerned. Agricultural customers are encouraged to take out credit life insurance and to hedge crops against commodity price fluctuations. If, in the group's opinion, an agricultural customer represents a high risk, he will be compelled to do so. In spite of the above, it is not possible to secure the amounts owing by agricultural customers on credit-insured production accounts and amounts owing by developing producers to the same extent as other agricultural customers.

The amounts owing by agricultural customers on credit-insured production accounts are therefore insured with credit insurance companies, while the amounts owing by developing producers are mainly unsecured.

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

13. Credit risks (continued)

SECURITISING OF DERIVATIVE FINANCIAL INSTRUMENTS

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

SECURITISING OF BANK BALANCES AND TERM DEPOSITS

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

CLASSIFICATION OF LOANS AND RECEIVABLES

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

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

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
CLASSIFICATION OF ASSETS FOR WHICH THE EXPECTED CREDIT LOSSES ARE ALWAYS MEASURED AT AN AMOUNT EQUAL TO THE LIFETIME EXPECTED CREDIT LOSSES				
Amounts owing by agricultural customers on production accounts	-	-	**1 524,9**	1 634,0
Seasonal and monthly production accounts	-	-	**1 034,7**	1 201,2
Credit-insured production accounts	-	-	**352,0**	316,5
Production accounts subject to intensive management or legal proceedings	-	-	**138,2**	116,3
Amounts owing by agricultural customers on lease receivables	-	-	**15,2**	7,8
Amounts owing by agricultural customers on trade and lease receivables	-	-	**1 540,1**	1 641,8
Amounts owing by non-agricultural customers	-	-	**60,8**	74,1
Amounts owing by commodity customers	-	-	**118,2**	115,7
Credit-insured accounts	-	-	**28,4**	54,8
Other accounts	-	-	**89,8**	60,9
Trade and lease receivables for which the expected credit losses are always measured at an amount equal to the lifetime expected credit losses	-	-	**1 719,1**	1 831,6

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

13. Credit risks (continued)

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
CLASSIFICATION OF ASSETS FOR WHICH THE EXPECTED CREDIT LOSSES ARE MEASURED AT AN AMOUNT EQUAL TO THE LIFETIME EXPECTED CREDIT LOSSES OR AT AN AMOUNT EQUAL TO THE TWELVE-MONTH EXPECTED CREDIT LOSSES				
Amounts owing by agricultural customers on term loans	**-**	-	**368,9**	389,0
Term loans for which the credit risk has not increased significantly	**-**	-	**278,8**	339,0
Term loans for which the credit risk has increased significantly	**-**	-	**-**	-
Term loans considered credit-impaired	**-**	-	**90,1**	50,0
Derivative financial assets for which the credit risk has not increased significantly	**-**	-	**25,9**	101,4
Commodity contracts on the derivatives market for agricultural commodities of the JSE	**-**	-	**17,4**	4,7
Commodity contracts with agricultural producers	**-**	-	**8,5**	-
Commodity contracts with consumers	**-**	-	**-**	91,2
Option contracts with producers	**-**	-	**-**	5,5
Assets for which the expected credit losses are measured at an amount equal to the lifetime expected credit losses or the twelve-month expected credit losses	**-**	-	**394,8**	490,4

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

13. Credit risks (continued)

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
ASSETS FOR WHICH NO ALLOWANCE FOR EXPECTED CREDIT LOSSES IS DEEMED NECESSARY				
Loans to related parties	**-**	-	**-**	12,2
Other receivables	**-**	0,9	**115,8**	159,2
Derivative financial assets	**-**	-	**17,4**	10,2
Commodity contracts on the derivatives market for agricultural commodities of the JSE	**-**	-	**17,4**	4,7
Option contracts with agricultural producers	**-**	-	**-**	5,5
Assets from contracts with customers	**-**	-	**1,2**	3,6
Assets from contracts with customers	**-**	-	**1,2**	3,6
Assets from contracts with customers classified as inventory	**-**	-	**-**	-
Investment in equity instruments at fair value through other comprehensive income	**-**	-	**6,5**	4,6
Cash and cash equivalents	**-**	0,1	**30,6**	39,7
Bank balances	**-**	0,1	**30,6**	39,7
Term deposits	**-**	-	**-**	-
	-	1,0	**171,5**	229,5

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

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

14. Impairment losses on financial assets

It is policy to assess the recoverability of financial assets. To give effect to this policy, the group assesses these assets at the end of reporting periods, or more frequently should the circumstances so require, to determine if there is any indication that any asset should be written off.

The group also assesses financial assets independently and collectively at the end of reporting periods to determine if there is any indication of a change in the credit risk on an asset or a group of assets. For this purpose, a default event is defined as any adverse event confirming that the group will not recover all outstanding amounts. Regardless of this, it is assumed that a default has occurred if the asset, or part thereof, is more than 90 days past due.

15. Direct write-offs on financial assets

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

	Company		Group	
	2024	2023	**2024**	2023
	R'm	R'm	**R'm**	R'm
Lease receivables	**-**	-	**-**	0,2
Term loans to agricultural customers	**-**	-	**61,1**	41,7
Amounts owing by agricultural customers	**-**	-	**22.8**	48,2
Amounts owing by commodity customers	**-**	-	**7,0**	5,7
Total	**-**	-	**90,9**	95,8

Financial assets with a contractual amount of R7,0 million that was written off during the year are still subject to enforcement activity.

ACCOUNTING POLICIES

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

This is usually the case where the group has started legal proceedings or intends to initiate legal proceedings to recover the outstanding amounts and the carrying amount of the asset exceeds the expected return from the securities. It is also the case where the group holds no securities and legal proceedings are not financially feasible, and the group therefore does not expect to receive further cashflow from the asset.

If the unexpected occurs and cash payments are received after the recognition of the credit loss, such payments are recognised as an impairment gain.

16. Loss allowances for expected credit losses

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Allowance for expected credit losses on lease receivables	-	-	**0,2**	0,1
Allowance for expected credit losses on trade receivables	-	-	**55,3**	37,9
Amounts owing by agricultural customers	-	-	**52,8**	35,8
Amounts owing by non-agricultural customers	-	-	**0,4**	0,3
Amounts owing by commodity customers	-	-	**2,1**	1,8
Allowance for expected credit losses on trade receivables and lease receivables measured at an amount equal to the lifetime expected credit losses (note 17)	-	-	**55,5**	38,0
Allowance for expected credit losses on term loans (note 18)	-	-	**7,4**	5,8
Term loans for which the credit risk has not increased significantly	-	-	**4,6**	4,5
Term loans for which the credit risk has increased significantly	-	-	**-**	-
Term loans considered credit-impaired	-	-	**2,8**	1,3
Allowance for expected credit losses on loans and receivables	-	-	**62,9**	43,8
Allowance for expected credit losses on commodity contracts	-	-	**4,1**	2,3
Contracts with agricultural producers for which the credit risk has not increased significantly (note 19)	-	-	**2,6**	0,4
Contracts with consumers for which the credit risk has not increased significantly (note 19)	-	-	**1,5**	1,9
Carrying amount of allowances for expected credit losses	-	-	**67,0**	46,1

ACCOUNTING POLICIES

A simplified approach is used to measure the loss allowances for expected credit losses on trade receivables and lease receivables. According to this method, the loss allowances for expected credit losses on these assets are measured at an amount equal to the lifetime expected credit losses – regardless of whether the credit risks have increased or not. The expected credit loss is calculated as the probability-weighted amount of credit losses using the respective risks of default as the weights.

Trade receivables include amounts owing by agricultural customers, non-agricultural customers and commodity customers. The amounts owing by non-agricultural customers and commodity customers differ from the amounts owing by agricultural customers in that the first two asset groups are monthly accounts and the latter are mainly seasonal accounts. Consequently, as an exception to the policy set out above, the expected credit losses on those two asset groups are not calculated as the probability-weighted amount of credit losses using the respective risks of default as the weights. Instead, the expected credit losses on the amounts owing by non-agricultural customers and commodity customers are calculated as percentages of the outstanding amounts as reflected in the time brackets of the age analysis, provided that the percentages increase as the outstanding amounts become longer past due.

16. Loss allowances for expected credit losses (continued)

ACCOUNTING POLICIES (CONTINUED)

The group uses reasonable and supportable forward-looking information to determine if it is necessary to adjust the rates at which the expected credit losses are measured. NWK Limited used the following factors to determine if additional provisions have to be made for future events:

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

An additional R30 million was added to the allowance for expected credit losses based on the forward-looking data.

The general impairment model is used to measure the loss allowances for expected credit losses on the other financial assets. If the asset's credit risk has increased significantly since the initial recognition of the asset, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

If the asset's credit risk has not increased significantly since the initial recognition of the asset, the loss allowance is measured at an amount equal to the twelve-month expected credit losses.

SIGNIFICANT JUDGEMENT

When assessing financial assets collectively, assets are grouped on the basis of shared risk characteristics. When evaluating the credit risk on assets, the group uses past-due information as well as reasonable and supportable forward-looking information – including information about past events, current circumstances and forecasts of applicable future economic and agricultural conditions. Regardless of whether there is an indication of changes in credit risk or not, it is assumed that the credit risk of an asset has increased significantly if the asset, or part thereof, is more than 30 days past due. The group uses local agricultural conditions and trends in macroeconomic indicators, such as rainfall, agricultural commodity prices and crude oil prices, to predict defaults on financial assets.

The lease receivables and term loans, as set out in note C8, and the amounts owing by agricultural customers, as set out in note C12, are regarded as separate financial asset groups and disclosed as such – based on the current and non-current nature and the terms and conditions thereof. When disclosing these assets, the amounts owing by agricultural customers are further divided between production accounts; interest-free deferred payments; credit-insured production accounts; past-due production accounts, and monthly production accounts – again based on the terms and conditions thereof. Despite this, lease receivables, term loans and amounts owing by agricultural customers are treated as a single asset group during the assessment of credit risks. This means that although lease receivables, term loans and amounts owing by agricultural customers are disclosed separately, the credit risks relating to these asset groups will all increase or decrease if the risk of the larger group increases or decreases. This is because the customers are all agricultural producers – in most cases different facilities are granted to the same customer, and in most cases the different facilities are secured by the same securities.

The risk that a particular customer will not be able to meet his obligations therefore affects the recoverability of all his accounts. The group is of the opinion that the risk that a particular customer will not be able to meet his obligations is more affected by his debt-to-securities ratio and local agricultural conditions than by the type of facility. When expected credit losses are measured, lease receivables, term loans and the amounts owing by agricultural customers are consequently pooled in one asset group and then redistributed between seasonal and monthly accounts, credit-insured accounts, and accounts subject to intensive management or legal proceedings – on the basis of different risk exposures. This means that a lease receivable, term loan and production account to an agricultural customer will have the same risk rating. It also means that all the amounts owed by an agricultural customer will have the same risk rating, regardless of whether it is within terms or past due. After dividing lease receivables, term loans and amounts owing by agricultural customers into these risk groups, the group determines a rate at which the expected credit losses should be measured, based on historical information.

16. Loss allowances for expected credit losses (continued)

SIGNIFICANT JUDGEMENT (CONTINUED)

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

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

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

FAIR VALUE OF COLLATERAL HELD ON CREDIT-IMPAIRED FINANCIAL ASSETS

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

	Group			
	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
	R'm	R'm	R'm	R'm
Credit-impaired financial assets	180,9	5,0	175,9	175,9

17. Loss allowances for expected credit losses on trade and lease receivables

Group

	Lease receivables	Agricultural customers	Non-agricultural customers	Commodity customers	Total
	R'm	R'm	R'm	R'm	R'm
Opening balance at 1 May 2022	0,1	17,8	0,2	3,3	21,4
Impairment gains and losses	-	18,0	0,1	(1,5)	16,6
Seasonal and monthly accounts	-	18,1	0,1	(1,4)	16,7
Credit-insured production accounts	-	0,3	-	-	0,3
Accounts subject to intensive management or legal proceedings	-	(0,4)	-	(0,1)	(0,4)
Allowance for expected credit losses on trade and lease receivables at 30 April 2023	0,1	35,8	0,3	1,8	38,0
Impairment gains and losses	0,1	17,0	0,1	0,3	17,5
Seasonal and monthly accounts	0,1	14,2	0,1	0,3	14,7
Credit-insured production accounts	-	0,1	-	-	0,1
Accounts subject to intensive management or legal proceedings	-	2,7	-	-	2,7
Allowance for expected credit losses on trade and lease receivables at 30 April 2024	0,2	52,8	0,4	2,1	55,5
CLOSING BALANCE					
Seasonal and monthly accounts	0,2	46,9	0,4	2,2	49,7
Credit-insured production accounts	-	0,9	-	-	0,9
Accounts subject to intensive management or legal proceedings	-	5,0	-	(0,1)	4,9
Allowance for expected credit losses on trade and lease receivables at 30 April 2024	0,2	52,8	0,4	2,1	55,5

The loss allowances for expected credit losses on trade and lease receivables are measured at an amount equal to the lifetime expected credit losses – regardless of whether the credit risks have increased or not.

The total allowance increased from R38 million at the previous reporting date to R56 million at the current reporting date. The increase of R18 million, or 47%, is attributed to external factors, drought and the El Niño weather pattern, that had a material effect on the harvest season of the upcoming financial year.

18. Loss allowances for expected credit losses on term loans

	Group			
	Term loans for which the credit risk has not increased significantly	Term loans for which the credit risk has increased significantly	Term loans considered credit-impaired	Total
	R'm	R'm	R'm	R'm
Opening balance at 1 May 2022	4,3	-	1,8	6,1
Impairment gains and losses	(1,1)	-	0,8	(0,3)
Allowance for expected credit losses on term loans at 30 April 2023	3,2	-	2,6	5,8
Impairment gains and losses	1,4	-	0,2	1,6
Allowance for expected credit losses on term loans at 30 April 2024	4,6	-	2,8	7,4

The loss allowances for expected credit losses on term loans to agricultural customers increased from R5,8 million at the previous reporting date to R7,4 million at the current reporting date.

The increase of R1,6 million, or 27%, is attributed to external factors, the drought and the El Niño weather pattern, which contributed to the group's expectation that agricultural producers will harvest below average crops in the coming harvest season.

19. Loss allowances for expected credit losses on commodity contracts

	Group		
	Contracts with agricultural producers	Contracts with consumers	Total
	R'm	R'm	R'm
Opening balance at 1 May 2022	1,4	0,7	2,1
Impairment losses on commodity contracts for which the credit risk has not increased significantly	(1,0)	1,2	0,2
Allowance for expected credit losses on commodity contracts at 30 April 2023	0,4	1,9	2,3
Impairment losses on commodity contracts for which the credit risk has not increased significantly	2,2	(0,4)	1,8
Allowance for expected credit losses on commodity contracts at 30 April 2024	2,6	1,5	4,1

I10. Interest rate risks

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

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
NET INTEREST-BEARING FINANCIAL ASSETS OR LIABILITIES				
Interest-bearing financial assets	**8,8**	18,0	**2 161,5**	2 351,9
Lease receivables	**-**	-	**15,2**	7,7
Term loans to agricultural customers	**-**	-	**368,9**	389,0
Loans to joint ventures	**-**	-	**-**	12,2
Amounts owing by agricultural customers	**-**	-	**1 524,9**	1 634,0
Amounts owing by non-agricultural customers	**-**	-	**60,8**	74,1
Amounts owing by commodity customers	**-**	-	**118,2**	115,7
Short-term deposits	**-**	-	**42,9**	79,5
Short-term loan to subsidiary	**8,8**	17,9	**-**	-
Bank balances	**-**	0,1	**30,6**	39,7
Interest-bearing financial liabilities	**-**	-	**(2 298,4)**	(2 197,1)
Long-term loans	**-**	-	**(234,4)**	(201,6)
Lease liabilities	**-**	-	**(77,8)**	(80,5)
Short-term loans	**-**	-	**(388,8)**	(416,3)
Overdrafts	**-**	-	**(1 597,4)**	(1 498,7)
Net interest-bearing financial assets or liabilities	**8,8**	18,0	**(136,9)**	154,8
SENSITIVITY ANALYSIS				
Influence of half a percentage point increase in interest rates on profitability:				
Pre-tax profit	**-**	-	**(0,7)**	(0,8)
Profit	**-**	-	**(0,5)**	(0,6)
Influence of half a percentage point decrease in interest rates on profitability:				
Pre-tax profit	**-**	-	**0,7**	0,8
Profit	**-**	-	**0,5**	0,6

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

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

I11. Commodity price risks

It is policy to measure agricultural commodities held for sale in the near future in order to generate profit from commodity price fluctuations in the open market and contracts to purchase or sell agricultural commodities at fair value (market value) less costs to sell. These assets and liabilities therefore expose the group to commodity price fluctuations. In order to limit commodity price risks, it is policy to hedge agricultural commodities and contracts to purchase agricultural commodities in most, but not all, cases with sales contracts on the derivatives market for agricultural commodities of the JSE.

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

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	R'm	R'm
SENSITIVITY ANALYSIS				
Influence of an increase of R100 per ton in commodity prices on the carrying amount of agricultural commodities	-	-	29,0	20,4
Influence of an increase of R100 per ton in commodity prices on the carrying amount of contracts on the derivatives market for agricultural commodities of the JSE	-	-	(29,0)	(20,4)
Influence of a commodity price fluctuation of R100 per ton on the pre-tax profit	-	-	-	-
Tax consequences	-	-	-	-
Influence of a commodity price fluctuation of R100 per ton on profit	-	-	-	-

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

J1. Related parties

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

SUBSIDIARIES

NWK Limited, Epko Oil Seed Crushing Proprietary Limited, Mogaladi Fuel Proprietary Limited and NWK4Sure Brokers Proprietary Limited are subsidiaries of the company. Arximark Proprietary Limited is a subsidiary of NWK4Sure Brokers Proprietary Limited, and together with its holding company, is accordingly classified as a related party. Although the company does not hold any shares in The NWK Loyalty Programme Trust, the company controls the trust. Consequently, this bewind trust is also classified as a subsidiary.

Company	Shareholding	Description
NWK Holdings Limited	Owns 100% of the NWK Limited shareholding	Listed company registered in the Republic of South Africa. Number of shares held in NWK Limited – 143 031 971 ordinary shares.
NWK Limited	Wholly owned subsidiary of NWK Holdings Limited	Unlisted public company registered in the Republic of South Africa.
Epko Oil Seed Crushing Proprietary Limited	Wholly owned subsidiary of NWK Limited	Unlisted private company registered in the Republic of South Africa, extracts vegetable oils at its plant in Lichtenburg, North West.
Mogaladi Fuel Proprietary Limited	Wholly owned subsidiary of NWK Limited	Unlisted private company registered in the Republic of South Africa, sells fuel at its premises in Lichtenburg, North West.
NWK4Sure Brokers Proprietary Limited	76% owned subsidiary of NWK Limited	Unlisted private company registered in the Republic of South Africa, sells insurance at its premises in Lichtenburg, North West.
The NWK Loyalty Programme Trust	No shareholding	The trust administers and manages the group's annual loyalty programme allocation.

JOINT VENTURES

Bastion Lime Proprietary Limited and Molemi Sele Management Proprietary Limited are joint ventures of the group. Oos-Transvaal Kalkverskaffers Proprietary Limited and Pelelani Proprietary Limited are subsidiaries of Bastion Lime Proprietary Limited and, together with their holding company, they are accordingly classified as related parties.

DIRECTORS AND OTHER KEY EMPLOYEES

The directors of the company include Messrs AS Badenhorst, RJ Boëttger, JJ du Preez, JP du Preez, PN Jansen van Vuuren, H Krüger, J Mahne, MW Schoeman, CF van Niekerk and L Vermooten.

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

OTHER ENTITIES

Entities and partnerships over which the directors exercise control, joint control or significant influence and that are consequently classified as related parties include A Vermooten Close Corporation, Bor-wit Boerdery Close Corporation, Dotcom Trading 1048 Proprietary Limited, Dupra Trust, Glenora Boerdery Close Corporation, Grootpan Spuitdienste Close Corporation, Jaco du Preez Boerdery, JJ du Preez Trust, JP du Preez Close Corporation, Kaalfontein Boerdery Proprietary Limited, Mahne & Mahne Close Corporation, MK Farming Proprietary Limited, Rooikoppiesputte Boerdery Proprietary Limited, Trymin Trading 1 Close Corporation, Vermooten Landgoed Trust, Vlakpan Trust, VNB Boerdery Proprietary Limited, VNB Boerdery Close Corporation, Volumart Proprietary Limited and Windsurfer Investments Proprietary Limited.

J2. Related-party contracts

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

SUBSIDIARIES

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

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

The group supports Mogaladi Fuel Proprietary Limited and NWK4Sure Brokers Proprietary Limited with its human-capital-related functions, secretarial, legal and compliance functions as well as the managing and maintaining of their information and communication technology systems.

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

JOINT VENTURES

The group granted Bastion Lime Proprietary Limited an interest-free loan of R3,5 million. Since settlement is unlikely to occur in the foreseeable future, this loan is classified as part of the net investment in Bastion Lime Proprietary Limited.

The terms and conditions of the other loans between the group and its joint ventures are set out in notes C8 and C12, in the case where the group is the lender, and note C24, in the case where the group is the borrower. However, there is no formal contract between the group and the joint ventures involved for the demand deposits set out in note C24.

The group also performs certain administrative and financial functions for Molemi Sele Management Proprietary Limited at fees that are negotiated annually between the parties.

DIRECTORS AND OTHER KEY EMPLOYEES

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

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

In addition to the above, the group entered into a lease agreement with a trust of non-executive director JJ du Preez to acquire property to operate agricultural commodity handling and storage activities. The lease payments are payable in annual instalments over about ten years after the commencement of the agreement (1 May 2021). According to the agreement, the lease payments are adjusted annually by no more than 6%, and the group is entitled to extend the lease term by about ten years.

The group is entitled to remove all improvements and fixtures upon termination of the contract. The contract provides for a grace period of 60 days to effect the removal of such assets and stipulates that the group is responsible for the rehabilitation of the land. This contract is not considered significant.

J3. Amounts owing by related parties

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Amounts owing by subsidiaries	**8,8**	17,9	**-**	-
Demand deposit owing by NWK Limited	**8,8**	17,9	**-**	-
Amounts owing by the joint ventures	**-**	-	**0,2**	13,0
Long-term loan to NWK4Sure Brokers Proprietary Limited	**-**	-	**-**	12,2
Owing by NWK4Sure Brokers Proprietary Limited on trade accounts	**-**	-	**-**	0,8
Owing by Oos-Transvaal Kalkverskaffers Proprietary Limited	**-**	-	**0,2**	-
Amounts owing by the non-executive directors	**-**	-	**155,1**	115,0
Owing by the non-executive directors on term loans	**-**	-	**89,9**	39,6
Owing by the non-executive directors on lease receivables	**-**	-	**3,5**	0,7
Owing by the non-executive directors on production accounts	**-**	-	**61,7**	74,7
Amounts owing by the other key employees	**-**	-	**2,7**	4,3
Owing by the executive directors on term loans	**-**	-	**-**	1,4
Owing by the other key employees on lease receivables	**-**	-	**0,2**	0,4
Owing by the other key employees on production accounts	**-**	-	**2,5**	2,5
Total amount owing by related parties	**8,8**	17,9	**158,0**	132,3

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

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

The amounts owing by the joint ventures on trade receivable accounts are unsecured, due 30 days after statement and interest-free if the conditions for payment concerned are adhered to. These terms and conditions correspond in all material respects to those of the other customers, as set out in note C12. The amounts owing by the joint ventures on current accounts are unsecured, without agreed-upon limits and settlement dates, and interest-free.

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

J4. Amounts owing to related parties

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
Amounts owing to the joint ventures	-	-	**0,3**	5,1
Owing to Bastion Lime Proprietary Limited on trade accounts	-	-	-	0,1
Demand deposit owing to Molemi Sele Management Proprietary Limited	-	-	**0,3**	5,0
Amounts owing to the non-executive directors	-	-	**15,4**	14,6
Demand deposits owing to non-executive directors	-	-	**15,4**	12,6
Owing to non-executive directors on trade accounts	-	-	-	2,0
Long-term incentives owing to key employees	-	-	**17,5**	11,6
Indirectly owing to the other key employees on trade accounts	-	-	-	0,9
Total amount owing to related parties	-	-	**33,2**	32,2

The amounts owing to the joint ventures on demand deposits are unsecured. The group pays interest to its joint ventures on demand deposits at rates that are negotiated with each individual joint venture. At the reporting date this rate was 9,15% per annum, calculated daily and capitalised on a monthly basis.

The amounts owing to the non-executive directors on demand deposits are unsecured, payable with a two weeks' written notice, and bear interest at the prime interest rate less 2,5 percentage points, calculated daily and capitalised on a monthly basis. These terms and conditions correspond in all respects to those of the other customers, as set out in note C24.

Amounts owing to joint ventures on trade payable accounts are unsecured, due 30 days after statement, and interest-free if the conditions for payment concerned are adhered to. These terms and conditions correspond in all material respects to those of the other suppliers. The amounts owing on current accounts are unsecured, without agreed-upon limits and settlement dates, and interest-free.

The amounts owing to the directors and other key employees on trade accounts bear no interest and are payable within a week after the date on which the agricultural commodities were purchased from the director or other key employees.

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

J5. Related-party transactions

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
TRANSACTIONS WITH SUBSIDIARIES				
Finance income earned on amounts owing by NWK Limited	**1,5**	0,9	**-**	-
Total income earned from NWK Limited	**1,5**	0,9	**-**	-
Total value of transactions with subsidiaries	**1,5**	0,9	**-**	-
TRANSACTIONS WITH JOINT VENTURES				
Revenue from the sale of goods	**-**	-	**0,2**	0,9
Epko Oil Seed Crushing Proprietary Limited	**-**	-	**-**	0,7
Oos-Transvaal Kalkverskaffers Proprietary Limited	**-**	-	**0,2**	0,1
NWK4Sure Brokers Proprietary Limited	**-**	-	**-**	0,1
Agency commission earned on trade transactions with Bastion Lime Proprietary Limited	**-**	-	**1,1**	-
Handling and storage fees recovered from Epko Oil Seed Crushing Proprietary Limited	**-**	-	**-**	0,9
Transport income recovered from Epko Oil Seed Crushing Proprietary Limited	**-**	-	**-**	1,8
Revenue earned from joint ventures	**-**	-	**1,3**	3,6
Finance income earned on amounts owing by joint ventures	**-**	-	**-**	1,5
Administrative fees	**-**	-	**-**	0,6
Epko Oil Seed Crushing Proprietary Limited	**-**	-	**-**	0,5
NWK4Sure Brokers Proprietary Limited	**-**	-	**-**	0,1
Operating-lease income earned from NWK4Sure Brokers Proprietary Limited	**-**	-	**-**	0,2
Total income earned from joint ventures	**-**	-	**1,3**	5,9
Agricultural commodities sold to Epko Oil Seed Crushing Proprietary Limited	**-**	-	**-**	1 277,9
Finance costs on amounts owing to joint ventures	**-**	-	**0,5**	1,9
Total value of transactions with joint ventures	**-**	-	**1,8**	1 285,7

J5. Related-party transactions (continued)

	Company 2024 R'm	Company 2023 R'm	Group 2024 R'm	Group 2023 R'm
TRANSACTIONS WITH THE DIRECTORS AND OTHER KEY EMPLOYEES				
Income earned from directors	-	-	68,1	104,1
Transacted directly	-	-	1,6	1,2
Transacted indirectly	-	-	66,5	102,9
Income earned from other key employees	-	-	10,9	6,8
Transacted directly	-	-	6,2	5,2
Transacted indirectly	-	-	4,7	1,6
Income earned from directors and other key employees	-	-	79,0	110,9
Interest paid to non-executive directors on demand deposits	-	-	2,0	1,2
Agricultural commodities bought from directors	-	-	192,4	195,7
Transacted directly	-	-	9,3	10,6
Transacted indirectly	-	-	183,1	185,1
Agricultural commodities bought from other key employees	-	-	25,3	18,8
Transacted directly	-	-	7,0	7,4
Transacted indirectly	-	-	18,3	11,4
Total value of transactions with the directors and other key employees	-	-	298,7	326,6

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

	Group: Number of shares allocated directly 2024	Number of shares allocated directly 2023	Number of shares allocated indirectly 2024	Number of shares allocated indirectly 2023
Directors	2 509	2 369	117 457	86 441
AS Badenhorst	1 858	1 764	-	-
JJ du Preez	223	522	36 030	31 180
JP du Preez	-	-	11 592	9 501
PN Jansen van Vuuren	-	-	9 737	6 198
H Krüger	411	64	27 419	16 758
J Mahne	-	-	1 122	1 223
CF van Niekerk	17	19	21 235	15 881
L Vermooten	-	-	10 322	5 700
Other key employees	4 532	2 725	4 405	2 396
PB Coetzer	360	-	-	-
DPG Kleingeld	3 441	2 725	-	-
TE Rabe	731	-	-	-
AM van Rooyen	-	-	4 405	2 396

J6. Remuneration to the directors and other key employees

Company

	Short-term benefits 2024 R'm	Contributions to post-employment benefit plans 2024 R'm	Other long-term benefits 2024 R'm	Total 2024 R'm	Total 2023 R'm
AS Badenhorst	-	-	-	-	-
RJ Boëttger	0,1	-	-	0,1	-
JJ du Preez	-	-	-	-	-
JP du Preez	0,1	-	-	0,1	-
PN Jansen van Vuuren	0,1	-	-	0,1	-
H Krüger	0,1	-	-	0,1	0,1
J Mahne	-	-	-	-	0,1
MW Schoeman	-	-	-	-	-
CF van Niekerk	-	-	-	-	0,1
L Vermooten	0,1	-	-	0,1	0,1
Remuneration to the company's non-executive directors	0,5*	-	-	0,5*	0,4*

Group

	Short-term benefits 2024 R'm	Contributions to post-employment benefit plans 2024 R'm	Other long-term benefits 2024 R'm	Total 2024 R'm	Total 2023 R'm
FH Badenhorst (retired 31 August 2022)	-	-	-	-	0,2
AS Badenhorst	0,4	-	-	0,4	0,1
RJ Boëttger	0,5	-	-	0,5	0,3
JJ du Preez	0,3	-	-	0,3	0,3
JP du Preez	0,5	-	-	0,5	0,3
PN Jansen van Vuuren	0,6	-	-	0,6	0,4
H Krüger	0,8	-	-	0,8	0,7
J Mahne	0,3	-	-	0,3	0,5
MW Schoeman	0,4	-	-	0,4	0,3
CF van Niekerk	0,4	-	-	0,4	0,5
L Vermooten	0,6	-	-	0,6	0,6
Remuneration to the company's non-executive directors	4,8	-	-	4,8	4,2
Remuneration to the directors of the subsidiaries	14,4	0,7	2,6	17,7	19,7
DPG Kleingeld	4,3	0,2	0,7	5,2	5,9
TB Modise	2,6	0,3	0,4	3,3	3,4
TE Rabe	7,5	0,2	1,5	9,2	10,4
Remuneration to the directors of group companies	19,2	0,7	2,6	22,5	23,9
Other key employees	11,5	1,3	1,7	14,5	14,6
DJ Coetzee	2,4	0,3	0,4	3,1	3,2
PB Coetzer	2,4	0,2	0,2	2,8	3,1
JL du Rand	2,3	0,2	0,4	2,9	0,7
NM Pieterse (until 31 December 2022)	-	-	-	-	1,8
AM van Rooyen	1,9	0,3	0,3	2,5	2,5
AJ van Tonder	2,5	0,3	0,4	3,2	3,3
Remuneration in the current year	30,7	2,0	4,3	37,0	
Remuneration in the previous year	28,8	1,8	7,9	-	38,5

* Due to rounding some financial information is not shown

K1. Leases

SUBSIDIARIES

A lease is a contract that conveys the right to use an asset for a period of time for a consideration. The assessment of whether a contract is or contains a lease is done at the inception date of the contract. The lease components within the contract are identified at the inception date of the contract and each lease component is accounted for separately from the non-lease components of the contract. As a practical expedient, the group chose not to separate lease components and non-lease components in the event that machinery and equipment, office equipment, vehicles and software are leased.

Agreements where the group is the lessee

Where assets are acquired in terms of a lease, such assets are recognised as property, plant and equipment or intangible assets, whichever is applicable, and the discounted lease payments are recognised as a financial liability. The lease liability is measured as the present value of the lease payments that are not paid at the commencement date of the lease – calculated at the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the present value of the lease payments is calculated at the group's incremental borrowing rate.

In the event that the lease contains a purchase option, the exercise price of the purchase option is included in the lease payments if it is reasonably certain that the option will be exercised. The incremental costs of obtaining the lease are capitalised as part of the cost of the right-of-use assets.

In the event that a lease is modified after its initial recognition and the lease modification increases the scope of the lease by adding one or more right-of-use assets and increases the consideration for the lease by an amount proportional to the stand-alone price of such assets, the lease modification is treated as a separate lease. In the event that a lease is modified and the lease modification decreases the scope of the lease, the lease liability is remeasured by discounting the revised lease payments using the interest rate implicit in the lease for the remainder of the lease term. If that rate cannot be readily determined, the lease liability is remeasured by discounting the revised lease payments using the group's incremental borrowing rate at the effective date of the modification.

The carrying amounts of the right-of-use assets are decreased to reflect the termination or partial termination of the lease. Any gains or losses relating to the termination or partial termination of the lease are recognised in profit or loss. In the case of other modifications, the lease liability is remeasured and the carrying amounts of the right-of-use assets are adjusted accordingly.

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

Leases where the group is the lessor

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

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

The incremental costs of obtaining the operating lease are recognised as expenditure over the lease term using the straight-line method. In the event that an operating lease is subsequently modified, the amended lease is recognised as a new lease from the effective date of the modification. Any prepaid or accrued lease payments of the original lease are considered part of the lease payments of the new lease.

K1. Leases (continued)

AGREEMENTS WHERE THE GROUP IS THE LESSEE

The group concluded leases to acquire land, buildings and improvements, computer equipment, office equipment, machinery, vehicles and software to conduct operating activities and administrative functions. The right-of-use assets held under leases are set out in notes C1 and C3, and the concomitant lease liabilities in note C21. The terms and conditions of leases, including lease terms, ownership, purchase and extension options, cancellation periods, residual value guarantees and subleasing arrangements, are also set out in note C21.

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

The cashflows relating to future lease payments are illustrated with the maturity analysis of lease liabilities in note C21. The liquidity and interest rate risks relating to financial liabilities such as leases are disclosed in note I3 and note I10 respectively.

Short-term leases and low-value asset leases

The group has chosen not to recognise lease payments relating to a short-term lease and lease payments relating to a lease for which the underlying asset is of low value as a financial liability, nor are the underlying assets recognised. These lease payments are recognised as expenditure over the lease term using the straight-line method and are disclosed in note D10.

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

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

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

FINANCE LEASES WHERE THE GROUP IS THE LESSOR

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

The cashflows relating to future lease payments are illustrated with the maturity analysis of lease receivables in note C9. The credit risks relating to lease receivables, credit-impaired lease receivables, lease receivables past due and the allowance for expected credit losses on lease receivables are disclosed in notes I3 to I8. The interest rate risks relating to lease receivables, along with the interest rate risks on other financial assets, are disclosed in note I10.

OPERATING LEASES WHERE THE GROUP IS THE LESSOR

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

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

K1. Leases (continued)

OPERATING LEASES WHERE THE GROUP IS THE LESSOR (CONTINUED)

A few of the contracts under which land, buildings and improvements are leased have been concluded on an open-ended basis with one or two months' written notice to terminate the agreement. The other contracts where land, buildings and improvements are leased have been concluded for periods ranging from one to five years. In terms of the majority of these contracts, the parties are entitled to cancel the leases by means of one, two, three or six months' written notice. Furthermore, the majority of these leases contain extension options. Extension periods range from one to three years. Some leases have predetermined annual adjustments in their instalments, and in the case of the other leases, the adjustment in the instalments is linked to the inflation rate or is negotiated annually. The predetermined annual adjustment of the lease payments ranges from 7% to 10%, but in most cases this adjustment is 8%.

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

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

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

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

	Company		Group	
	2024	2023	**2024**	2023
	R'm	R'm	**R'm**	R'm
Receivable within three months	**-**	-	**1,4**	1,3
Receivable after three months, but not exceeding a year	**-**	-	**0,7**	0,6
Receivable after a year, but not exceeding five years	**-**	-	**0,7**	0,2
Minimum lease payments receivable	**-**	-	**2,8**	2,1

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

L1. Fair-value measurement

The fair value of assets and liabilities is determined at their initial recognition as well as subsequent reporting dates. It is policy to measure investments in listed and unlisted entities, agricultural commodities and derivative financial instruments at fair value or fair value less costs to sell. The fair value of these assets and liabilities is measured on a recurring basis.

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

	Company		Group	
	2024	2023	2024	2023
	R'm	R'm	**R'm**	R'm
FAIR-VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES MEASURED ON A RECURRING BASIS AT FAIR VALUE				
Investments in listed and unlisted entities at fair value through other comprehensive income	**-**	-	**6,5**	4,6
Fair value measured by using level one input data	**-**	-	**0,9**	1,0
Fair value measured by using level two input data	**-**	-	**0,7**	0,8
Fair value measured by using level three input data	**-**	-	**4,9**	2,8
Agricultural commodities at fair value less costs to sell	**-**	-	**1 629,6**	1 118,6
Fair value measured by using level one input data	**-**	-	**1 627,8**	1 115,7
Fair value measured by using level three input data	**-**	-	**1,8**	2,9
Derivative financial instruments at fair value through profit or loss measured by using level one input data	**-**	-	**(852,0)**	(583,7)
Net fair value of financial assets and liabilities measured at fair value	**-**	-	**784,1**	539,5

ACCOUNTING POLICIES

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

When measuring fair value, the group endeavours to use valuation techniques that maximise observable inputs and minimise unobservable inputs, and uses the assumptions that market participants will use when the asset or liability is priced.

The measurement of fair value takes into account the condition and location of the item being measured, restrictions on the sale or use of the asset and, in the case of non-financial assets, the highest and best use of the asset. The highest and best use of a non-financial asset is deemed to be a use that is physically possible, legally permissible and financially feasible. If the highest and best use of a non-financial asset comprises the use of the asset in combination with other assets, the fair value is the price that will be received if the asset is used with the other assets on the assumption that those assets are available in the market. Fair value is not adjusted with transaction costs, provided that transport costs are not a transaction cost.

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

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

L1. Fair-value measurement (continued)

LEVEL ONE INPUT DATA

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

LEVEL TWO INPUT DATA

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

LEVEL THREE INPUT DATA

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

L2. Impairment losses on non-financial assets

It is policy to evaluate the carrying amounts of property, plant and equipment, investment property and intangible assets, as well as the carrying amounts of investments in subsidiaries and joint ventures for potential impairment losses. To give effect to this policy, the group scrutinises the assets by studying external and internal sources of information at the end of reporting periods or more frequently should the circumstances so require, determining whether there is any indication that impairment losses could have arisen. If there is an indication of potential impairment losses, the recoverable amounts of the assets concerned are measured. Assets are either measured individually or categorised into the smallest possible cash-generating units. The recoverable amounts of intangible assets not yet available for use and goodwill or the cash-generating units to which goodwill has been apportioned are measured annually.

The recoverable amount of an asset or cash-generating unit is measured at its fair value less the costs to dispose thereof or its value in use, whichever is the greater. Value in use is measured as the present value of the expected future pre-tax cashflow from the continued use of an asset or cash-generating unit and the proceeds on its disposal. This is done using the group's best estimates and the most recent financial budgets and forecasts, but without taking into account any expected increase in the cashflow as a result of future restructuring programmes the group is not yet committed to, or future improvements to the asset concerned. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount. The impairment loss is recognised in profit or loss for the period.

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

L3. Borrowing costs

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

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

The capitalisation rate is determined as the weighted average borrowing costs of the outstanding borrowings of the group. Borrowing costs relating to funds borrowed specifically for the purpose of obtaining a qualifying asset are excluded from the calculation of the capitalisation rate until substantially all the activities necessary to prepare that asset for its intended use are complete.

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

L4. Capital management

The group regards equity as capital. The carrying amount of equity as stated in the statement of financial position therefore represents the value of capital managed by the group.

CAPITAL RESTRICTIONS

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

CAPITAL MANAGEMENT POLICY

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

L5. Events after the reporting period

The group are not aware of any events after the reporting period that have a material effect on the disclosed separate and consolidated annual financial statements that have not already been dealt with in the separate and consolidated annual financial statements.

M1. New reporting and accounting standards

During the year the group implemented the amendments to IAS 1 and IFRS Practice Statement 2 (disclosure of accounting policies); IAS 8 (definition of accounting estimates); IAS 12 (deferred tax related to assets and liabilities arising from a single transaction) and IAS 37 (onerous contracts – cost of fulfilling a contract). These amendments had little to none effect on the accounting practices of the group.

Amendments to IFRS 17 (insurance contracts) has a material impact on the accounting practices of Molemi Sele Management Proprietary Limited, a joint venture of the group. Required recognition, presentation and disclosure requirements to comply with this standard will be accounted for in the financial statements of Molemi Sele Management. For the group, the impact on the accounting standards is immaterial.

REPORTING AND ACCOUNTING STANDARDS NOT YET MANDATORILY EFFECTIVE

The International Accounting Standards Board has deferred the effective date for amendments to IAS 1 (classification of liabilities as current or non-current) to annual periods beginning on or after 1 January 2024 (previously January 2023).

The International Accounting Standards Board also made amendments to IFRS 16 (lease liability in a sale and leaseback); IAS 1 (non-current liabilities with covenants); IAS 7 and IFRS 7 (supplier finance arrangements) and IAS 21 (lack of exchangeability). These amendments should be implemented for annual periods beginning on or after 1 January 2024. These amendments will have little to no effect on the accounting practices of the group.

IFRS S1 (general requirements for disclosure of sustainability-related financial information) and IFRS S2 (climate-related disclosure), have not yet been promulgated in South Africa. In the meantime, the group will engage with relevant departments and parties for the establishing of processes and procedures to be able to obtain the data and information well in advance before the promulgation of these standards.

IFRS 18 Presentation and Disclosure in Financial Statements, is effective for annual reporting periods beginning on or after 1 January 2027. As this standard was only issued on the 9th of April 2024, we have not yet determined the impact on the current presentation and disclosure. When considering that this standard will replace the current IAS 1 Presentation of Financial Statements, with the aim to give the users of the financial statements more transparent and comparable information about a companies' financial performance, the impact is considered to be significant.

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Corporate governance report

for the year ended 30 April 2024

Governance framework

(I) THE COMPANIES ACT NO. 71 OF 2008

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

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

The company is listed on The Cape Town Stock Exchange ('CTSE'). The relevant Cape Town Stock Exchange share code is 4ANWKH and the company's International Securities Identification Number is ZAE400000028. The company's board of directors ('the board') is aware of their responsibilities and the company remains compliant with the CTSE Listing Requirements, as is hereby also confirmed by the issuer agent of the company, to the best of their knowledge, Pallidus Exchange Services (Pty) Ltd, by affixing their signature below.

Botha

Jacques Botha
Pallidus Exchange Services (Pty) Ltd

Date: 22 July 2024

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

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

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

Board of directors

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

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

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

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

The board acknowledges its responsibility to:

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

The board requires its members to:

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

The board requires its members to act with courage and independence of mind.

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

For the period under review, board committees have performed self-evaluations. Board committees are evaluated on a two-year rotation basis. For the period under review, the board has performed various self-evaluations. The board and board committees have determined future focus areas, based on, among other things, these self-evaluations. Evaluations were also performed by a third party on the capabilities of individual non-executive board members.

The board has assessed the group company secretary and concluded that the board is satisfied with the level of competence, qualifications, experience and performance of the group company secretary. An assessment programme for the position of the chairman and the vice-chairman of the board will commence during the 2024/2025 financial year.

Based on the self-evaluations of the board and the relevant board committees, the training and skills development of board members and a focused induction programme for new board members will be a focus area during the 2024/2025 financial year.

All the non-executive directors (including the chairman of the company, but excluding Messrs MW Schoeman and RJ Boëttger) are agricultural producers. Consequently, several credit agreements, grain delivery and grain storage contracts, as well as grain and trade transactions, are entered into (and mandated insurance brokerage services are rendered) on a direct and indirect basis between these directors and the companies in the group on an arm's length basis as part of the normal business activities of companies in the group. Independence is viewed as the exercising of objective, unfettered judgement, and the categorisation of a director as independent is done from the perspective of the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making, as stated in King IV™. None of the non-executive directors having what can be classified as material contracts with companies in the group, the board is of the view that the non-executive directors are able to exercise their duties in decision-making with independence.

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

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

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

COMPOSITION OF THE BOARD

The MOI of the company (as amended) stipulates that at least 50% of the directors must at all times be appointed by the shareholders, and that a non-executive director may not occupy any other office or paid appointment in the company or its subsidiaries during their term of office. The MOI further stipulates that the number of directors of the company may not be fewer than six or more than 10, excluding the independent non-executive directors.

The board of the company comprises eight non-executive ward directors elected in terms of nominations by shareholders on a geographical ward basis, and two independent non-executive directors who were appointed by the board. The board comprises directors who bring a range of industry knowledge, skills and experience with an emphasis on agri-industry knowledge and exercise their judgement freely and independently in order to discharge its governance role and responsibilities. The board is in the process of recruiting no more than two non-ward directors, as provided for in the MOI, for the purposes of succession planning.

The board has not set any specific targets in relation to diversity, as the ward system currently does not provide for this. The board has acknowledged the importance of the development of younger candidates in leadership roles in the agricultural industry and in the company's service area, and has launched the Leaders in Agriculture Programme via NWK Limited to facilitate the identification, mentorship and development of future candidates.

The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience and independence in so far as the ward system permits. The board has appointed a group company secretary, as is also a statutory requirement. The board also ensures that it has access to professional and independent guidance on corporate governance and its legal duties, and that it has support to co-ordinate the functioning of the governing body and its committees. The board believes that they have effective arrangements in place in order to access professional corporate governance services.

Meetings of the board of the company are also being attended on standing invitation by the group CEO and the group chief financial officer (CFO) (both ex officio) of NWK Limited, the major subsidiary of the company.

The board and/or board committee members who perform functions on behalf of the company comprise the following members:

(Note: age is indicated as at 30 April 2024)

Key for committee memberships:

◆ Audit and risk committee ◆ Social and ethics committee ◆ Human capital committee ◆ Nomination committee

Independent non-executive directors of the company

Heinrich Krüger, 64

BSc Agric
Non-executive chairman, appointed 16 April 1998
Retiring 2025
Chairman of the nomination committee; member of the human capital committee
Serves on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited
- Epko Oil Seed Crushing Pty Ltd (alternate director)

Occupation: Agricultural producer

Lemmer Vermooten, 64

BEng
Non-executive ward director, appointed 21 June 2002
Retiring 2024 (available for re-election)
Chairman of the audit and risk committee, member of the nomination committee
Serves on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited
- Bastion Lime Pty Ltd
- Pelelani Pty Ltd

Occupation: Agricultural producer

Julius Mahne, 65

MBA
Non-executive ward director, appointed 19 June 2007
Final retirement year 2024
Member of the audit and risk committee and the social and ethics committee
Serves on the boards of the following subsidiaries/joint ventures:

- NWK Limited
- Trustee of the NWK Umbrella Pension Fund

Occupation: Agricultural producer

Christo van Niekerk, 62

BD HED
Non-executive ward director, appointed 21 June 2001
Retiring 2026
Chairman of the human capital committee, member of the nomination committee
Serves on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited

Occupation: Agricultural producer

Kobus du Preez, 60

Senior Certificate (Grade 12)
Non-executive ward director, appointed 29 August 2018
Retiring 2024 (available for re-election)
Member of the social and ethics committee
Serves on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited

Occupation: Agricultural producer

Jaco du Preez, 52

BCom
Non-executive ward director, appointed 30 July 2010
Next retirement year 2025
Member of the audit and risk committee and of the nomination committee
Serves on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited
- Trustee of the NWK Umbrella Pension Fund (*secundus*)

Occupation: Agricultural producer

Pieter Jansen van Vuuren, 44

CA(SA)
Non-executive ward director and vice-chairman of the board, appointed 10 September 2021
Retiring 2024 (available for re-election)
Member of the audit and risk committee and of the human capital committee
Serves on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited
- Epko Oil Seed Crushing Pty Ltd
- Trustee of the NWK Umbrella Pension Fund

Occupation: Agricultural producer

Abrie Badenhorst, 34

BSc (Agric)
Non-executive ward director, appointed 01 September 2022
Next retirement year 2025
Member of the social and ethics committee and the human capital committee
Serves on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited

Occupation: Agricultural producer

Marius Schoeman, 58

CA(SA)
Independent non-executive director, appointed 01 September 2021
Re-appointed on two-year fixed-term contract effective 30 August 2024
Chairman of the social and ethics committee and member of the audit and risk committee
Serves on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited

Occupation: Governance, risk and compliance consultant

Ralph Boëttger, 62

CA(SA)
Independent non-executive director, appointed 1 September 2021
Re-appointed on two-year fixed term contract effective 30 August 2024
Member of the nomination committee and of the human capital committee
Serves on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited
- Epko Oil Seed Crushing Pty Ltd

Occupation: Self-employed and serving on various boards and board committees

Executive directors of the major subsidiary of the company (namely NWK Limited) serving on board committees:

Theo Rabe, 56

CA(SA)
Group CEO and director of NWK Limited
Appointed as director of NWK Limited on 1 May 2005
Appointed as group CEO by NWK Limited, retiring at the latest by 30 April 2025
Member of the social and ethics committee
Serves on the boards of the following subsidiaries/joint ventures:

- Epko Oil Seed Crushing Pty Ltd
- NWK4Sure Brokers Pty Ltd
- Molemi Sele Management Pty Ltd
- Arximark Pty Ltd

Pieter Kleingeld, 48

CA(SA)
Group CFO and director of NWK Limited
Appointed as director of NWK Limited on 1 November 2017
Appointed as group CFO by NWK Limited on an open-ended contract, to commence service as group CEO no later than 1 May 2025
Serves on the boards of the following subsidiaries/joint ventures:

- Epko Oil Seed Crushing Pty Ltd
- Bastion Lime Pty Ltd
- Oos-Transvaal Kalkverskaffers Pty Ltd
- Molemi Sele Management Pty Ltd
- NWK4Sure Brokers Pty Ltd (since 1 March 2024)

DIRECTOR CHANGES

For the purposes of the election of ward directors and in terms of the MOI of the company (as amended), the service area of NWK Limited (registration number 1998/007577/06) is divided into eight geographical wards, from which non-executive directors are appointed, with one director elected in or for each ward.

In terms of the MOI of the company (as amended), one director for every three ward directors for the time being shall retire from office at each annual general meeting and such retiring ward director can be re-elected should he make himself available for re-election, unless a ward director has reached the age of 65 years during a financial year. In such a case such ward director shall not be available for re-election at the end of the following annual general meeting. The following ward directors are to retire at the end of the upcoming annual general meeting, to be held on or about 30 August 2024, and they have indicated their availability for re-election as follows:

	Ward	Name of retiring director	Available for re-election	Age as at 30 April 2024
1.	Ward 1	Julius Mahne	No	65
2.	Ward 2	Lemmer Vermooten	Yes	64
3.	Ward 3	Pieter Jansen van Vuuren	Yes	44
4.	Ward 8	Kobus du Preez	Yes	60

The following nominees who have accepted their nominations were the only nominees for their respective wards:

	Ward	Name of nominee	Qualification	Age as at 30 April 2024	Appointment date
1.	Ward 2	Lemmer Vermooten	BEng	64	21 June 2002
2.	Ward 3	Pieter Jansen van Vuuren	CA(SA)	44	10 September 2021

In terms of the MOI of the company (as amended), a retiring ward director shall be eligible for re-election, but can only serve for a maximum period of three) successive terms, unless otherwise recommended by the board in consultation with the nomination committee.

A candidate not eligible for re-election may be eligible for nomination after a cooling-off period of not less than three years. The board and the nomination committee are of the view that, in order to ensure continuity, this new measure will not be implemented at once, but will be phased in as deemed appropriate by the board.

However, there being only one nominated candidate each for Ward 2 and Ward 3, no ward elections were held for these wards and the board, in consultation with the nomination committee, has recommended Messrs Pieter Jansen van Vuuren and Lemmer Vermooten for re-election by the shareholders of the company at the annual general meeting to be held on or about 30 August 2024.

Both Ward 1 and Ward 8 received more than one nomination. The following nominees have accepted their nominations for their respective wards and have been accepted by the board, upon recommendation of the nomination committee, as candidates for election at the ward elections to be held during July 2025:

	Ward	Name of nominee	Qualification	Age as at 30 April 2024
1.	Ward 1	Annette Visser	Senior Certificate (Grade 12)	58
2.	Ward 1	Herman du Preez	Senior Certificate (Grade 12)	40
3.	Ward 8	Marco Brettschneider	N6 National Technical Certificate	37
4.	Ward 8	Pieter Blignaut	BTech Mechanical Engineering	43
5.	Ward 8	Kobus du Preez	Senior Certificate (Grade 12)	60

The above ward-elected candidates for each of Ward 1 and Ward 8 have been accepted by the board, upon recommendation of the nomination committee, and will be recommended by the board to the shareholders for election at the upcoming annual general meeting of shareholders to be held on 30 August 2024.

The board is of the opinion that all recommended candidates are suitable to serve on the board of the company and have the required knowledge, experience, competencies, and abilities. The board is of the view that the candidates remain independent. The board has ascertained that the nominees are not disqualified to serve as directors and the board, with the assistance of the company secretary, will ensure that the appointment of directors takes place in accordance with the prescribed procedures.

THE GROUP CHIEF EXECUTIVE OFFICER

The implementation and execution of the approved strategy is delegated by the board to management via the group CEO.

The group CEO, Mr Theo Rabe, reports to the board and is responsible for overseeing the execution of the board-approved strategic direction of the group. The group CEO attends the meetings of the audit and risk committee, the nomination committee and the human capital committee by standing invitation, but has no voting rights. He is an ex officio member with voting rights of the social and ethics committee. He also currently serves on various boards of the NWK group.

The previous contract of the group CEO expired on 30 April 2024. Following the announcement by the group CEO that he did not wish to extend his contract period for longer than one year, his contract has been extended with a further period until 30 April 2025 or such date as when a proper handover to Mr Rabe's successor has been completed successfully, whichever occurs earlier. Consequently, a recruitment process ensued and the current group CFO, Mr Pieter Kleingeld, was appointed as the successor in the role of the group CEO, in accordance with the board's and management's succession planning.

Mr Rabe will retire and Mr Kleingeld will assume the position of the group CEO after a new group CFO has been appointed and after a transition period as the board deems fit, but not later than 1 May 2025. Mr Kleingeld, a qualified CA (SA), started his journey at the NWK group in 2015, when he was appointed as the group manager Assurance and Risk Services.

Mr Rabe also performs farming activities and enters into credit agreements with NWK Limited. The group CEO has no other notable professional commitments, other than those indicated in this Corporate Governance Report.

THE COMPANY CHAIRMAN

The chairman provides general guidance to the board and is responsible for ensuring the integrity and effectiveness of the board. The chairman:

- Leads the board meetings.
- Determines and formulates – in collaboration with the group CEO and the company secretary – agendas for meetings of the board.
- Ensures that appropriate, reliable and comprehensive information is submitted to the directors timeously.
- Ensures that board meetings proceed in an orderly manner and that time is used effectively.
- Manages potential conflicts of interest and ensures that board resolutions are carried out.
- Represents the board with the shareholders of the company.
- Leads the annual general meetings.
- Acts as the liaison between the board and management.
- Where necessary, discusses important matters on the agendas of board meetings with the executive directors, the group company secretary and, if circumstances require, with the chairmen of board committees beforehand.
- Is available as consultant and adviser.
- Encourages individual directors to participate in board discussions and ensures that the directors play an active role in the company's affairs.
- Controls the operation of the board.
- Leads the performance appraisal of directors.
- Via the nomination committee, is actively involved in the appointment or the dismissal of directors and ensures that the directors are trained in the responsibilities and duties of a director.

Ensures that board meetings proceed in an orderly manner and that time is used effectively.

The chairman of the company, Mr H Krüger, has served as a board member of the company since its inception in 1998. He is an agricultural producer and enters into credit agreements, grain delivery and grain storage contracts, as well as grain and trade transactions, on a direct and indirect basis with companies in the group on an arm's length basis as part of the normal business activities of companies in the group. As independence is viewed as the exercising of objective, unfettered judgement, a director is categorised as independent as referred to in King IV™. It is done from the perspective of the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

The chairman not having what can be classified as material contracts with companies in the group, the board is of the view that the chair is able to and continues to demonstrate his ability to exercise his duties in decision-making and his role as chairman with independence. Therefore, no lead independent director is appointed. The board will implement a formal assessment programme for evaluation of the chairman position from 2024/2025.

THE GROUP COMPANY SECRETARY

All directors have unlimited access to the services of the group company secretary, who ensures proper administration of proceedings and matters relating to the board, the company and shareholders, in line with applicable legislation and procedures. The group company secretary is responsible for giving directors collective and individual guidance regarding their duties, responsibilities and powers, to bring laws applicable to the company to the attention of directors, and to report any non-compliance with the provisions of the Companies Act or the provisions of the MOI of the company (as amended), or any other rules of the company by the board of directors or any individual director to the board, and further performs statutory duties.

The group company secretary has unrestricted access to the chairman of the company and to board members, and administratively reports to the group CEO. In compliance with King IV, the Companies Act and the CTSE Listing Requirements, the board has considered and is satisfied that the group company secretary is competent and has the relevant qualifications and experience. The group company secretary also seeks professional legal advice from time to time as and when required.

For the period under review, the group company secretary of the company was Ms Anna-Marie van Rooyen, appointed from 23 September 2021. Based on her professional qualification as an admitted attorney of the High Court for 20 years, five years' experience as group head legal adviser, of which three years were also as group company secretary, and based on a formal evaluation by the board during the period under review, the board is satisfied that Ms Anna-Marie van Rooyen has an appropriate level of experience, competence and qualification to execute her responsibilities.

DELEGATION AND BOARD COMMITTEES

In order to assist the board in fulfilling its responsibilities and performing its duties, the board:

- delegated the day-to-day management of the company to management, led by the group CEO; and
- in keeping with the recommendations of King IV™, has established four standing committees through which it executes some of its duties, as summarised below.

However, the board recognises that delegating various functions and authorities to committees does not absolve it of its duties and responsibilities. Details of the committees are presented in this report.

The board is satisfied that the delegation-of-authority framework contributes to role clarity and the effective exercising of authority and responsibilities.

Audit and risk committee

The audit and risk committee is an independent statutory committee established by the board to assist it in overseeing financial reporting and the effectiveness of the risk management process in the company. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.

Members

- Lemmer Vermooten (chairman)
- Jaco du Preez
- Pieter Jansen van Vuuren
- Julius Mahne
- Marius Schoeman

The committee serves as audit and risk committee for both the company and its major subsidiary, NWK Limited, and the subsidiaries of NWK Limited. The group CEO and the group CFO, the relevant Assurance Services representatives and the external auditor attend committee meetings by invitation. All invitees have unlimited access to the audit and risk committee chairman.

Responsibilities

The audit and risk committee executes all statutory duties in terms of section 94 of the Companies Act No. 71 of 2008. This committee's primary responsibilities include:

- Overseeing the integrity and completeness of financial reporting.
- Overseeing the integrity and completeness of sustainability information, including the directors' report.
- Monitoring internal financial and risk management controls.
- Ensuring the independence and effectiveness of the internal audit function.
- Facilitating the appointment of a suitable independent and effective external auditor.
- Evaluating the expertise and experience of senior management members who are responsible for the financial function.
- Assisting the board with the determination of dividend distributions.
- Performing the required solvency and liquidity tests for the company with the assistance of management.
- Overseeing the risk management process.
- Overseeing responsible and effective information and technology management.

Key focus areas

Key focus areas of the audit and risk committee are the statutory duties imposed in terms of the Companies Act.

Future focus

For the next period the audit and risk committee will, in addition to its statutory duties, focus on:

- Self-evaluation of the audit and risk committee.
- Skills development and training for the audit and risk committee members.
- Succession planning.
- Reviewing the appropriateness of the skills matrix of the audit and risk committee.
- Reviewing the charter of the audit and risk committee.

Fulfilment of responsibilities

During the financial reporting period the audit and risk committee held three meetings, the attendance of which is indicated elsewhere in this governance report. The committee will perform a formal internal self-evaluation during the 2024/2025 period. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which is to be reviewed during the course of 2024/25, and the committee is satisfied that it remains independent.

Social and ethics committee

The social and ethics committee is constituted as a statutory committee of the board in terms of section 72(4) of the Companies Act No. 71 of 2008, as amended, read with regulation 43 of the Companies Regulations, 2011. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.

Members

- Marius Schoeman (chairman)
- Abrie Badenhorst
- Kobus du Preez
- Pieter Kleingeld
- Julius Mahne
- Theo Rabe (*ex officio*)

The committee performs its statutory and non-statutory functions of the company and of NWK Limited and its subsidiaries, and members consist of NWK Limited and NWK Holdings Limited board members. As per the recommendations of King IV, the committee meets the requirement of executive and non-executive directors, with a majority being non-executive members.

The committee performs its statutory and non-statutory functions of the company and of NWK Limited and its subsidiaries.

Responsibilities

The social and ethics committee executes all statutory duties in terms of regulation 43(5) of the Companies Regulations, 2011 and also executes non-statutory duties as set out in the charter of the committee. This committee's primary responsibilities include:

- Monitoring the group's activities regarding matters relating to social and economic development, good corporate citizenship, the natural environment, health and public safety, consumer relations, labour relations and employment, thereby fulfilling the committee's statutory obligations.
- Ensuring that the ethics of the group is managed in a way that supports the establishment of an ethical culture.
- Overseeing the management of complaints from internal and external information sources relating to the ethics management process.
- Investigating allegations of possible unethical behaviour or corruption and exercising judgement over the findings of regulatory bodies or the audit functions associated with the ethics management process, including follow-up on non-compliance therewith and the affirmative and disciplinary steps taken.

- Ensuring that the group's activities support its intention to be a responsible corporate citizen, including in relation to:
  - Sustainable development
  - Stakeholder relationships
  - Fraud prevention
  - Responsible and transparent tax practices
  - Pollution
  - Waste disposal
  - Protection of biodiversity
- Providing strategic and policy advice to the board on all matters within the responsibilities of the committee.

Key focus areas

For the period under review, the social and ethics committee focused on the following:

- Corporate sustainability reporting.
- Reviewing the statement of interest report.
- Reviewing the Employment Equity Management Plan.
- Reviewing the NWK Group Communication Policy.
- Formulating a new group Supplier Code of Business Conduct and Ethics.
- Reviewing the B-BBEE Improvement Plan.
- Reviewing the Risk Management and Compliance Programme (RMCP) in terms of FICA.
- Reviewing management's report on responsible and transparent tax practices.
- Reviewing the charter of the committee.
- Establishing a compliance framework.
- Establishing a compliance policy.
- Revising the compliance committee charter.
- Formulating a new compliance function maturity model.

Future focus areas

For the next period the social and ethics committee will focus on:

- Self-evaluation of the social and ethics committee.
- FICA implementation reporting.
- ESG reporting.
- Reviewing the charter of the social and ethics committee.

Fulfilment of responsibilities

During the financial reporting period the social and ethics committee held two meetings, the attendance of which is indicated elsewhere in this governance report. The social and ethics committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which is reviewed regularly. The committee will perform a formal internal self-evaluation during the 2024/2025 period.

Nomination committee

The nomination committee is established by the board of NWK Limited to also assist the company with the nomination of directors and prescribed officers and to evaluate their knowledge, experience, competency, abilities and integrity in advance. Further, it assesses the composition, functioning and efficiency of the board and its committees, of management and the achievements of the individual directors and prescribed officers. The committee has an independent role and is accountable to the board. It operates under its charter, which is aligned with the recommendations of King IV and is reviewed regularly. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.

Members

- Heinrich Krüger (chairman)
- Ralph Boëttger
- Jaco du Preez
- Christo van Niekerk
- Lemmer Vermooten

The chairman of the NWK Limited board (also the chairman of the board of the company) serves *ex officio* as chairman of the nomination committee and nominates two to four other directors for appointment to the nomination committee. All the members are non-executive directors who are independent in that they are not involved in the day-to-day management of the company, its subsidiaries, joint ventures and associated entities, nor are they a relative of any such person. The board believes that members of the committee exercised independent judgement in discharging their duties.

Responsibilities

The nomination committee's primary responsibilities include:

- Evaluating the knowledge, experience, competency, abilities and integrity of members for appointment to the board, the various board committees, the boards of subsidiaries and/or associates.
- Assisting the board with the identification of suitable persons for appointment as company secretary, managing members and other prescribed officers as requested by the board, and assessing their knowledge, experience, competency, abilities and integrity, in consultation with the group CEO.
- Assessing the composition, functioning, expertise and effectiveness of the board, the achievements of the board and the relevance and effectiveness of the board's charter.
- Assisting the board with the assessment of individual directors, members of management and the company secretary by setting standards for their assessment and measuring their achievements against it.
- Appointing a non-executive director as chairman at disciplinary hearings of any executive director, member of management or the company secretary.
- Ensuring that the board discloses whether an assessment of the board and its committees has been carried out and providing an overview of the results and action plans if any.

Key focus areas

During the period under review, the nomination committee has focused on consideration of:

- Extending the contract of the outgoing group CEO until no later than 30 April 2025.
- Appointing the incoming group CEO to assume duties by no later than 1 May 2025.
- Reviewing reports on the assessment of board committees, the board and board members.
- Reviewing the report on the assessment of the group company secretary.
- Planning for the review of the charter of the board and board committees.
- Identifying, recruiting, assessing and developing participants in the Leaders in Agriculture Programme.
- Assessing ward director nominees.
- Identifying potential new board members.
- Establishing a board succession policy.

Future focus areas

For the next period, the nomination committee will focus on:

- Appointing a new group CFO.
- Providing skills development and training for the committee members.
- Reviewing the charter of the nomination committee.
- Reviewing the MOI of the company regarding the appointment of directors.

Fulfilment of responsibilities

During the financial reporting period the nomination committee held three meetings, the attendance of which is indicated elsewhere in this governance report.

The next formal internal self-evaluation of the committee will be performed during the 2025/2026 period. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which will be reviewed during the 2024/2025 period.

Human capital committee

The human capital committee is a committee of the board of NWK Limited and is appointed and compiled by such board with powers, duties and responsibilities delegated by the board in terms of King IV™. The human capital committee also performs its functions on behalf of the board of the company, in so far as necessary. The purpose of the human capital committee is to assist the board with its responsibility to develop a remuneration policy and verify compliance therewith, determine the remuneration of directors and prescribed officers, determine the annual adjustment to the remuneration of personnel and disclose the remuneration policy and remuneration of directors and prescribed officers in the integrated report.

The committee has an independent role and is accountable to the board. It operates under its charter that is aligned with the recommendations of King IV. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.

Members

- Christo van Niekerk (chairman)
- Abrie Badenhorst
- Ralph Boëttger
- Pieter Jansen van Vuuren
- Heinrich Krüger

Meetings of the committee are also attended by the group CEO and the group executive Human Capital upon standing invitation. All members of the committee are non-executive directors who are independent and are not involved in the day-to-day management of the company, its subsidiaries, joint ventures and associated entities, nor are they a relative of any such person.

Responsibilities

The human capital committee's primary responsibilities include:

- Overseeing the development, documenting and implementation of a remuneration policy, the verification of its effectiveness and compliance therewith.
- Assisting the board in determining the remuneration of the directors and prescribed officers.
- Assisting the board in determining the annual general adjustment to the remuneration of personnel.
- Ensuring that the remuneration and employment contracts of the directors and prescribed officers are disclosed in the annual financial statements and the sustainability report.

Key focus areas

Key focus areas of the human capital committee for the period under review were as follows:

- Remuneration of group company board and committee members.
- Reviewing short- and long-term incentive schemes.
- Considering for approval of STI and LTI payments.
- Remuneration mandate for the 2024/2025 financial year.
- Filling of the group CEO position.
- Reviewing the Private Work Policy.
- Reviewing the Gratuity Payment Policy.

Future focus areas

For the next period the human capital committee will focus on:

- Skills development and training for the committee members.
- The regular review of the skills matrix of the committee.
- Self-assessment of the committee.
- Enhancement of disclosures regarding the remuneration policy.
- Appointment of a new group CFO.

Fulfilment of responsibilities

During the financial reporting period the human capital committee held two meetings, the attendance of which is indicated elsewhere in this governance report.

The committee will perform a formal internal self-evaluation during the 2024/2025 period. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which will be reviewed during the 2024/2025 period.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter.

ATTENDANCE BY MEMBERS OF BOARD AND BOARD COMMITTEE MEETINGS

During the financial reporting period, the board met five times, all of which were scheduled. Should circumstances so require, the board may meet without any executives being present.

During the financial reporting period, board and board committee meetings were attended by members as follows:

Name of member	Board	Nomination	Social and ethics	Audit and risk	Human capital
H Krüger	5/5	2/3			2/2
L Vermooten	4/5	3/3		3/3	
AS Badenhorst	5/5		2/2		2/2
J Mahne	5/5		2/2	3/3	
CF van Niekerk	5/5	3/3			2/2
PN Jansen van Vuuren	5/5			3/3	2/2
JP du Preez	5/5	2/3		3/3	
JJ du Preez	5/5		1/2		
MW Schoeman	4/5		2/2	3/3	
RJ Boëttger	5/5	2/3			2/2
DPG Kleingeld	5/5*		2/2	3/3*	
TE Rabe	5/5*	1/1*	2/2	3/3*	2/2*
TB Modise	5/5*		2/2*		

* attending on standing invitation

ACCESS TO INFORMATION

The board expects its members to take the necessary steps to ensure that they have sufficient knowledge of the company, the agricultural industry and the economic, social, political, technological, market and natural environment in which the company operates. The directors should also familiarise themselves with the applicable laws, rules, codes and standards. These expectations, supplemented by the statutory duties of a director, necessitate access to information and knowledge. Consequently, the board authorised its members, its committees and committee members to oblige prescribed officers and employees in providing the information they need in the performance of their duties and to consult any prescribed officer or employee.

The company further complies, or is in the process of complying, with the Promotion of Access to Information Act, 2000, and a manual in this regard is available on the company website. Shareholders also have access to minutes of shareholders' meetings and information regarding specific company matters and to such information as may be published on the CTSE News Service. Any queries in this regard may be addressed to the group company secretary as information officer.

REPORTING AND DISCLOSURES

Mutual trust between the company and its stakeholders is of the utmost importance. The board recognises the value of transparent communication with shareholders and other stakeholders and supports the principle of triple bottomline reporting – in other words, economic, social and environmental reporting. The company therefore communicates in various ways with its shareholders.

These include information documents submitted to shareholders at the annual general meeting; the annual report – consisting of a directors' report, the separate and consolidated annual financial statements and sustainability information; the interim consolidated financial statements; newsletters and reports placed on the website of NWK Limited, and announcements on the CTSE News Service.

Although this information and the reports are aimed primarily at the shareholders of the company, the financial statements and reports and, from time to time, some parts of the other information such as changes in the corporate governance structure and directorships are also made available to the financiers, creditors, trade unions and employees upon request.

It is the responsibility of the board to determine the reporting frameworks and standards to be applied in external reports. The board determines the materiality level of disclosures to be included in external reports and ensures the integrity of external reports. It is its duty to ensure that external reports and disclosures inform stakeholders on the performance of the company and its ability to create value in a sustainable manner. Although the responsibility for the compilation of documents for the annual general meeting and the preparation of reports and announcements on the CTSE News Service is delegated to management and the group company secretary, it is the responsibility of the board to ensure that such documents are relevant, complete and accurate, and are distributed on time.

DEALING IN SECURITIES

A formal policy, established by the board and implemented by the company secretary, prohibiting directors, officers and other selected employees dealing in securities for a designated period preceding the announcement of its financial results or in any other period considered sensitive is in place. All dealings by directors are approved in line with the policy.

During the financial reporting period, one board member dealt in NWK Holdings Limited shares through his company during a closed period, without obtaining prior approval. This specific dealing was announced on the CTSE News Service, as were all dealings in NWK Holdings shares by directors, prescribed officers and their associates during the reporting period. After an investigation by the social and ethics committee it was found that the board member's actions were not wilful and no suspicion nor evidence of insider trading could be found. The board member was disciplined by way of a written warning.

COMPLIANCE GOVERNANCE

The company is committed to carrying out its operations without contravening the laws and regulations of the jurisdiction in which it operates. The board is responsible for the development and maintenance of an effective compliance framework to ensure that legal provisions and regulations are complied with, and it is its duty to ensure that the risk of violating the law forms part of the risk management plan. The board determines the non-binding codes and standards that must be applied by the company.

During the financial reporting period, a company compliance officer was in the full-time employment of NWK Limited up until 30 August 2023. Pending the appointment of a replacement, the group company secretary and head legal counsel acted as company compliance officer. A new company compliance officer was appointed full-time on 1 December 2023. During the year under review, no material non-compliance matters were reported.

RISK MANAGEMENT

Good governance requires the board to ensure that processes are in place to provide assurance of effective risk management, and to enable complete, timely, relevant and accessible risk disclosure to stakeholders. The group seeks to embed risk management controls in its business processes and functions in a practical way, rather than imposing them as an additional administrative function.

Heinrich Krüger
Chairman

18 July 2024

Certificate by the company secretary

for the year ended 30 April 2024

It is hereby certified that, in accordance with section 88 of the Companies Act No. 71 of 2008, as amended, for the year ended 30 April 2024, the company and its subsidiaries have lodged with the Companies and Intellectual Property Commission all such returns that are required of a public company in terms of the Act and that such returns are true, correct and up to date.

Anna-Marie van Rooyen
Group Company Secretary

18 July 2024

Report by the audit and risk committee

for the year ended 30 April 2024

The powers, duties and responsibilities of the audit and risk committee have been delegated to the committee by the board, taking into account the provisions of the Companies Act, the provisions of the memorandum of incorporation, the unique needs of the group, and the accepted principles of good corporate governance. The composition, powers, duties and responsibilities of the committee are set out in a formal charter.

The committee, composed of five non-executive directors appointed annually by the shareholders at the annual general meeting, meets at least three times a year to fulfil their duties. One of these duties is to nominate an independent auditor for appointment. This is done to ensure that the appointment of the auditor complies with the provisions of the Companies Act and other related legislation, and to evaluate the independence and effectiveness of the external and internal audit functions.

It is the responsibility of the committee to ensure the integrity of the financial statements, directors' report and sustainability information, and to evaluate the appropriateness and effectiveness of the combined assurance model, internal financial control system, risk management process and corporate governance process. The committee assists the board with dividend declarations and the concomitant solvency-and-liquidity tests.

At the last annual general meeting, the shareholders appointed five members to serve on the committee of NWK Holdings Limited. The financial information, accounting policies and practices, combined assurance model, internal financial control system, financial function and risk management process of the group were assessed at the committee meetings on behalf of the boards of all operating subsidiaries in the group. The committee also dealt with the statutory functions relating to the audit function, financial statements, accounting practices and internal financial control system of these subsidiaries. Epko Oil Refinery (Pty) Ltd has been deregistered.

Decision-making powers

With regard to the nomination, appointment and dismissal of the external auditor, the committee has all the powers conferred upon the committee by law. However, in most cases the committee consults with management and obtains confirmation of these decisions from the board. The committee is also authorised to appoint or dismiss the head of the internal audit function. In all other matters considered by the committee, the committee makes recommendations to the board of directors for their approval.

Functioning of the committee

Since the previous separate and consolidated annual financial statements were approved by the board, the committee has met three times. The board expects committee members to:

- attend the meetings;
- be thoroughly prepared;
- take part in the discussions frankly and constructively;
- act with courage and independence of mind;
- maintain their discretion unhindered; and
- apply their specific knowledge, experience, capability and ability to the benefit of the company.

The group chief executive officer (CEO), group chief financial officer (CFO), group financial manager and group internal auditor attend meetings on a standing invitation. The committee also invites the external auditor to attend meetings where audit matters are discussed, and at its discretion invites other directors, prescribed officers, employees and independent experts to attend the meetings in an advisory capacity. Although these parties attend the meetings at the invitation of the committee, the committee is obliged in terms of its charter to discuss matters with the external or internal auditor, or both, in closed meetings if any of these parties are of the opinion that the matters should be discussed in a closed meeting.

In accordance with the charter of the committee, directors who are not members of the committee can attend meetings to obtain information, provided that they follow the prescribed protocol.

The company secretary assists the members with the scheduling, planning and organising of meetings, and it is the company secretary's duty to ensure that discussion documents are properly drafted and meetings are fully minuted. The company secretary uses electronic media and, if circumstances dictate, internal and external courier services to circulate to the members the agendas, minutes, reports and other information that the committee needs in the execution of its duties.

In cases where urgent matters are to be dealt with between scheduled meetings, the company secretary circulates the relevant information to the members. The members discuss and vote electronically on the matter under discussion. It is the duty of the company secretary to ensure that these meetings are fully minuted, as is the case with any meeting in session.

To ensure that meetings take place in an orderly manner and that time is utilised effectively, the committee annually assesses its meeting procedures as well as the completeness, quality and timeliness of minutes, agendas and documents submitted to the committee.

QUORUM AND VOTING

At any meeting, three members form a quorum, regardless of whether the committee is in session or assembled by means of the electronic media. Although the committee strives to reach consensus on all decisions, the majority of the votes of the members present is sufficient to approve a resolution. A tie of votes means that the matter has been rejected. Resolutions are usually approved by means of a vote by show of hands. However, the chairman may, in their discretion, order a ballot vote on any matter.

THE CHAIRMAN

The chairman of the committee is appointed annually by the elected members. The chairman provides general guidance to the committee and is responsible for ensuring the integrity and effectiveness of the committee. The chairman leads the committee meetings, determines and formulates – in collaboration with the company secretary – the annual working plan, and is actively involved in compiling agendas for the meetings.

The chairman ensures that appropriate, reliable and comprehensive information is submitted to the members timeously, that meetings proceed in an orderly manner, and that time is utilised effectively. It is the chairman's duty to ensure that the committee's decisions are implemented.

The chairman acts as the liaison between the committee and the board and discusses important matters on the agenda with the external and internal auditors, the company secretary and, if circumstances require, with the group chief executive officer (GCEO) and group chief financial officer (GCFO) beforehand. The chairman encourages members to participate in discussions, ensures that the members play an active role in the affairs of the committee, and leads the annual performance appraisal of the committee as well as its members.

ACCESS TO INFORMATION AND ADVICE

As is stated in the corporate governance report, the board expects its members to take the necessary steps to ensure that they have sufficient knowledge of the company; the agricultural industry; the economic, social, political, technological, market and natural environment in which the company operates; and the applicable laws, rules, codes and standards. This expectation, supplemented by the statutory duties of an audit committee and the complexity of the matters dealt with by the committee, necessitates access to information and knowledge.

Consequently, the board granted the committee free access to the chairman of the board and authorised the committee as well as the individual committee members to oblige executive directors, prescribed officers and employees to provide the information they require in the performance of their duties, and to consult any executive director, prescribed officer or employee regarding matters within the scope of their responsibility.

The committee is furthermore authorised to consult independent experts at the company's cost. However, the board expects the members to exercise these rights within the prescribed protocol.

REPORTING RESPONSIBILITIES

Although the committee assists the board in meeting its obligations and therefore reports to the board, the provisions of the Companies Act, the committee's charter and accepted principles of good corporate governance require this committee to report to shareholders. Consequently, the audit and risk committee reports to the shareholders through, firstly, this report and, secondly, by verbally answering appropriate questions at the annual general meeting.

Performance and independence review

It is the committee's practice to annually investigate and report to the board on the appropriateness of its charter and its independence, expertise and efficacy. On investigating its independence, expertise and effectiveness, the committee confirms that it carried out the duties imposed by the Companies Act, its charter and accepted principles of good corporate governance; that the committee members are not involved in the day-to-day management of the companies in the group; that no personal or business relationship exists between any member of the committee and the external auditor, the group chief executive officer (GCEO), the group chief financial officer (GCFO) or any other person who occupies an executive or senior office that could lead an informed third party to conclude that the integrity, impartiality and objectiveness of the member are influenced or may be influenced; that the committee has the necessary knowledge, expertise, experience and skills; and that the committee is effective.

Where the members are suppliers and customers of the group, the committee assesses these business relationships continuously and is of the opinion that no member is a supplier or customer of the group to such an extent that an informed third party can conclude that the integrity, impartiality and objectivity of the member are or may be influenced.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The committee is of the opinion that it acts independently of the board of directors and management, and that it is efficient and has the necessary expertise, experience, resources and all members complies with statutory requirements set out in the Companies Act. Furthermore, the committee believes that its charter is appropriate, that it adheres to the provisions of the Companies Act and the accepted principles of good corporate governance, that it takes into account the unique needs of the company, and thoroughly discusses the constitution of the committee, the appointment of committee members and the committee's duties and responsibilities.

Financial information

It is the responsibility of the committee to ensure the integrity of the financial information of the company. In terms of this responsibility, it is the duty of the committee to review the annual financial statements, the interim financial statements, the condensed financial statements, the provisional announcements of results and any price-sensitive financial information that is issued for accuracy and completeness. It is the duty of the committee to ensure that the separate and consolidated annual financial statements are subjected to an effective audit.

It is the responsibility of the committee to ensure the integrity of the financial information of the company.

GOING-CONCERN PRINCIPLE

The committee scrutinises the going-concern principle when preparing financial statements and advises the board in this regard.

These investigations take into account the relevant financial statements under review; the financial position, results and ratios of the company; its financial budgets, capital needs, financial assets, financial liabilities, loan agreements, available facilities, and cash-generating assets; as well as the general economic and agricultural conditions, prevailing and expected market conditions, the political climate and other significant sustainability matters. The committee is of the opinion that the company is a going concern and has consequently recommended to the board that the separate and consolidated financial statements be prepared in accordance with the going-concern principle.

ACCOUNTING ESTIMATES AND ASSUMPTIONS

The committee is of the opinion that the material uncertainties relating to the preparation of the separate and consolidated annual financial statements have been thoroughly reviewed and that management's estimates and assumptions are reasonable, prudent and unprejudiced and that they have taken the available and applicable information into account.

CLASSIFICATIONS AND REPORTING DECISIONS

The committee is of the opinion that the classification of the company's investments in the equity instruments of other entities reliably reflects the relationship between the company and the entities concerned and that management's estimates and assumptions in its assessment of contingent liabilities are reasonable, prudent and unprejudiced, and have taken the available and applicable information into account.

KEY AUDIT MATTERS

The external auditor identified the existence and completeness of agricultural commodities quantities and the resultant impact on the measurement thereof as a key audit matter.

SUBSIDIARIES

The Committee assists the boards of the subsidiaries with the assessment of the subsidiaries' financial information, internal financial control systems, external audit functions and risk management processes. The committee also assess the financial statements as well as the accounting policies and practices of these entities to ensure consistent presentation in and the integrity of the consolidated financial statements.

ASSOCIATES AND JOINT VENTURES

Although the committee is not responsible for performing the legally prescribed functions relating to the financial statements of associates and joint ventures, the committee nevertheless assesses the financial statements as well as the accounting policies and practices of these entities to ensure consistent presentation in and the integrity of the consolidated financial statements.

RECOMMENDATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR APPROVAL

The consolidated interim financial statements were published during December 2023. The committee is of the opinion that those financial statements fairly presented the financial position of the company on 31 October 2023, as well as its six-month performance to that date, that they are accurate and complete, comply with the provisions of the Companies Act, and have been prepared in accordance with the requirements of international financial reporting standards and the accounting policies of the company.

Consequently, the committee submitted the consolidated interim financial statements to the board for approval.

RECOMMENDATION OF THE FINANCIAL STATEMENTS FOR APPROVAL

The audit and risk committee is of the opinion that the separate and consolidated annual financial statements are a fair presentation of the financial position of the company on 30 April 2024 and its performance for the year then ended, are accurate and complete, comply with the provisions of the Companies Act, and have been prepared in accordance with the requirements of international financial reporting standards and the accounting policies of the company. Consequently, the committee submitted these separate and consolidated annual financial statements to the board for approval.

Directors' report and sustainability information

The committee is of the opinion that the directors' report and sustainability information discuss the business of the company, its sustainability matters, its goals, performance and corporate governance thoroughly; that such matters are accurate and complete; and that there are no inconsistencies with the separate and consolidated annual financial statements. Consequently, the committee has submitted the directors' report and the sustainability information to the board for approval.

External audit function

In terms of the provisions of the Companies Act, the audit and risk committee is responsible for nominating an independent registered auditor annually for appointment as external auditor, for determining the audit fee and the terms of engagement of this auditor, for ensuring that the appointment of an external auditor complies with the applicable legislation, for determining the nature and scope of the non-audit functions that the external auditor may carry out, and for approving beforehand proposed agreements with the external auditor to perform non-audit functions.

NON-AUDIT FUNCTIONS

A policy has been established for governing the provision of non-audit services by the external auditor.

The policy is designed to ensure that the external auditor's independence is not compromised through the provision of such services and to maintain the integrity of the audit process. The policy stipulates procedures to be followed in order to ensure the auditor's independence.

The policy requires that for all non-audit services a written quote from the external auditor and a contract be presented to the committee for approval of the appointment.

During the financial year ended 30 April 2024, the following non-audit services were provided by the external auditor:

Carbon Tax Services:

- Description: Assistance with the registration and licensing as a carbon taxpayer with relevant departments.
- Extent: Assistance with the submission of NWK's GHG emissions with the DFFE via the SAGERS platform in terms of the National Greenhouse Gas Reporting Regulations and supporting regulations as well as completing NWK's compliance obligations in terms of the Carbon Tax Act ('CTA'), No. 15 of 2019 with the South African Revenue of Services ('SARS').

The detailed scope of our services is described below:

The committee has reviewed the non-audit services provided by the external auditor and has concluded that these services do not impair the auditor's independence. Services were pre-approved by the committee. The committee is satisfied that the external auditor remains independent in their role as our auditor, and that the policy on non-audit services has been adhered to throughout the financial year.

We believe that the measures in place, including the policy on non-audit services, effectively safeguard the independence of our external auditor while allowing us to benefit from their expertise in non-audit matters.

The committee assessed the independence and the effectiveness of the external audit function, approved the audit plan of the external auditor, and ensured that the external and the internal audit functions co-operate with one another. The assessment was carried out by reviewing the audit plan, discussions with the audit partner and consideration of audit findings reported during meetings.

AUDIT PLAN

The external auditor submitted its audit plan to the audit and risk committee for approval. The committee was satisfied that this plan would ensure a proper audit of the company and consequently approved the plan.

REPORTING AND AUDIT FINDINGS

The external auditor reports on its activities and audit findings at the committee meetings.

STATEMENT OF INDEPENDENCE AND COMPETENCE

In terms of section 94(7)(f)(ii) of the Companies Act of South Africa, Act 71 of 2008, it is stated that the committee is of the opinion that the external auditor, Deloitte & Touche, is independent of the company and that the auditor possesses the necessary skills, expertise and resources.

Based on the above indicators and our interactions with the external auditor, the committee is confident in the quality of the external audit performed during the financial year ended 30 April 2024. The external auditor has demonstrated a high level of professionalism, independence, and technical expertise, contributing to the reliability of our financial reporting. We confirm that the external auditor's performance during the financial year has met our expectations, providing assurance on the integrity of our financial statements.

NOMINATION

Our current external audit firm, Deloitte and Touche, has been engaged as our independent auditor since 2022/2023. The committee conducts an annual evaluation of the performance and independence of the audit firm. The committee is vigilant in ensuring the independence of Deloitte and Touche through various measures, including the rotation of key audit partners.

To safeguard the independence of the external audit, we rotate the designated external audit partner every five years in accordance with regulatory requirements. The current audit partner, PWM van Zijl, was appointed in 2022/2023 and will be rotated off the engagement after the completion of the audit for the financial year ending 2026/2027.

Internal audit function

The committee is responsible for the internal audit function. Therefore, the committee is tasked with appointing the head of the internal audit function, to assess their performance and to replace or dismiss the head of the internal audit function. The authority, scope of internal audit activities and responsibilities of the internal audit function are set out in a formal charter.

It is the responsibility of the committee to ensure that the internal audit function follows a risk-based audit approach, has the necessary resources, budget and expertise, and is independent.

The committee annually assesses the appropriateness of the charter and it is the committee's responsibility to ensure that the internal audit function adheres to the Institute of Internal Auditors' mandatory elements, which include the core principles for the professional practice of internal auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the definition of internal auditing.

It is the responsibility of the committee to ensure that the internal audit function follows a risk-based audit approach, has the necessary resources, budget and expertise, and is independent. The committee approved audit plans every four months.

The head of the internal audit function has free access to the chairman of the committee and continually reports on their short- and long-term strategy, the effectiveness of the internal audit plan as well as the function's human and other resources, training needs, activities and audit findings at the committee meetings. To ensure direct and open communication, the head of the internal audit function has one-on-one meetings with the committee chairman prior to scheduled meetings and routinely during the year.

QUALITY REVIEW

It is the duty of the committee to ensure that the the internal audit quality assurance program is designed in line with the Institute of Internal Auditors (IIA) International Professional Practices Framework, which includes the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics. The quality assurance program includes a review of every audit engagement, an annual internal review and an independent external quality review.

The first external assessment was conducted in September 2020 and the internal audit activity was assessed as generally conformant and efficient. An independent external quality review will be performed every five years.

CLOSED MEETINGS

According to its charter, the committee is obliged to discuss matters with the head of the internal audit activity in a closed session, without management being present. Such meetings are conducted on an annual basis. At the meeting, the committee makes enquiries to confirm that no inappropriate scope or resource limitations existed.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The audit and risk committee annually assesses the independence, efficiency, expertise and resources of the internal audit function. As part of the process, the committee expects the head of the internal audit function to confirm the function's independence in writing. During the current year an evaluation was performed on the effectiveness of the Chief Audit Executive. The committee is satifisied with the outcome of the evaluation.

The committee believes that the internal audit function is independent, functions effectively and has sufficient resources. The committee is also of the opinion that the internal audit function's charter is appropriate; that it adheres to the accepted principles of good corporate governance; that it takes into account the unique needs of the company, and thoroughly discusses the internal audit function's duties and responsibilities.

Accounting policies and practices

The audit and risk committee assists the board in identifying appropriate accounting policies and deals with complaints pertaining to the financial statements or the accounting policies and practices that are received from external and internal sources of information.

Internal financial control system

The audit and risk committee supervises the internal financial control system. The committee reviewed the internal audit function's formally documented assessment of the internal financial control system, the audit reports of the internal and external audit functions as well as the assurance reports of management, and is of the opinion that the internal financial control system is effective.

Risk management

It is the task of the audit and risk committee to oversee the risk management process and to advise the board on the process. In terms of this responsibility it is the committee's duty to ensure that the risk management plan is formally documented; that the relevance and effectiveness of the risk management policy and plan are constantly assessed; that the implementation of and adherence to the risk management plan are controlled; that risk assessments are done on an ongoing basis, and that risks are managed within the allowable parameters.

The committee reviewed the formally documented assessment of the risk management process by the internal audit function, the audit reports of the internal and external audit functions as well as the assurance reports of management, and is of the opinion that the risk management process is effective.

Financial function

The audit and risk committee is responsible for assessing and for satisfying itself regarding the expertise and experience of the group CFO and senior staff members responsible for the financial function, as well as the expertise, experience and resources of the financial function and the group CFO. The committee is of the opinion that the financial function and the group CFO are effective.

Combined assurance model

It is the responsibility of the audit and risk committee to supervise the combined assurance model and to ensure that the combined assurance model is appropriate, efficient and cost-effective.

Our combined assurance model involves the collaboration of multiple assurance providers across the organization, including management, internal audit, and external audit, as well as specialized functions such as compliance, risk management, and health and safety. This model is designed to maximise the efficiency and effectiveness of our assurance activities while minimizing duplication of efforts.

Information and technology (I&T) governance

I&T governance remains a key focus for the group, and the committee is responsible for information and communication technology (ICT) governance on behalf of the board. Management is responsible for executing on ICT governance. The committee reviews their report, which includes the results of all review and testing conducted by management and internal audit, on an annual basis.

The group has adopted a governance framework based on the Control Objectives for Information Technology (COBIT). Areas of ICT risks across the group have been defined as part of the group's overall risk management framework, and formal policies and procedures are documented and updated regularly for these areas. Cyber security is a key component of I&T governance and forms part of the group's ICT governance and risk agenda.

A planned area of future focus of the committee, regarding our IT platform, is to mitigate the risk of single vendor dependancy.

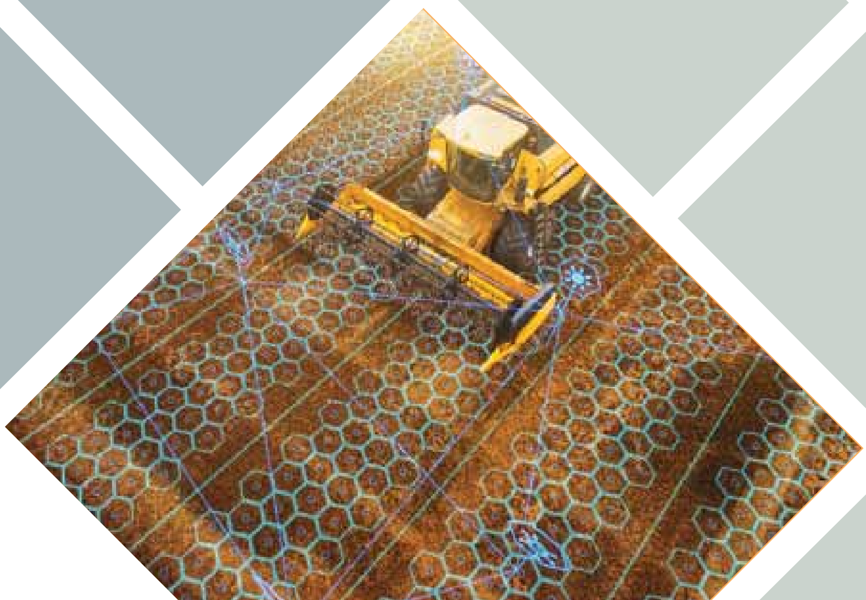
Solvency-and-liquidity test

The board tasked the audit and risk committee with assisting the board in determining appropriate dividend distributions. The committee has to apply the solvency-and-liquidity test as part of its investigation into potential dividends and advise the board in this regard.

Thank you

Lemmer Vermooten
Chairman: Audit and Risk Committee

08 July 2024



The report by the audit and risk committee was not audited or independently reviewed.

Independent auditor's report

To the Shareholders of NWK Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of NWK Holdings Limited (the Group and Company) set out on pages 22 to 136, which comprise the consolidated and separate statements of financial position as at 30 April 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of NKW Holdings Limited and its subsidiaries as at 30 April 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

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

KEY AUDIT 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.

Key Audit Matter	How the matter was addressed in the audit
Existence and completeness of quantities and its resultant impact on measurement of agricultural commodities	
There is a significant amount of estimation and management judgement in determining the quantities of agricultural commodity inventory on hand due to the nature thereof. Theoretical inventory is determined based on historical handling losses, and differences due to changes to the moisture, grade and weight that occur during handling and over time. In addition to the theoretical quantity determination, management performs a physical verification that also requires judgement in determining the incline, decline and density of the inventory. Differences between the two methods are compared to predetermined tolerances prior to finalising the recorded inventory quantities. Quantities are multiplied by SAFEX derived rates to determine the value of the agricultural commodities. Refer to Note C11 for the estimates used to determine the agricultural commodities. As the determination of the quantities and value of agricultural commodities is complex and the impact on the financial statements is significant, we have determined the existence and completeness with its resultant impact on measurement of agricultural commodities to be a key audit matter.	We have performed the following audit procedures to address this risk: ***Physical quantity determination*** • Obtained an understanding of the grain handling processes by performing walkthroughs at the silos and inquiry with management; • Identifying relevant controls based on the walkthroughs and inquiry; • Assessed the design and implementation of the identified controls; • Tested the operating effectiveness of the relevant control identified by attending inventory counts at a selection of silo complexes; • Performed a reasonability assessment on the "diskonto" based on the grade and type of grain; and • Recalculated the weight on grain on hand at year end based on the density and volume. ***Theoretical quantity determination*** • Obtained managements calculation of the provision for grade and weight loss/empty-to-empty adjustment; • Tested the mathematical accuracy of the calculation by performing a tie in of the calculation to the trial balance, casting, cross casting the calculation, and tracing the dependencies; • Tested the accuracy of management's input, by performing the following procedures: - Recalculated the provision rate based on historical data or agree theoretical approved rates. • Challenged the judgements and assumptions applied by management with specific reference to the appropriateness of the loss percentages applied, as well as any changes in the loss percentages; and • Performed a sensitivity analysis on the loss percentages applied to calculate the empty-to-empty adjustment. ***Valuation*** We performed the following procedures related to the price of agricultural commodities: • Tested the price by independently corroborating the different inputs which includes the SAFEX price, location differential obtained from the JSE and the "diskonto" for the different grades of grain; • Recalculated the value of the agricultural commodities by using the price and the weight as per the inventory reports; and • Compared the fair value adjustment on agricultural commodities calculated as the balancing value from the above procedures, to the fair value adjustments on agricultural commodities recognised by management. ***Disclosure*** Assessed the disclosures relating to the provision of grade and weight loss/empty-to-empty adjustment and the disclosure judgement and assumptions relating to the loss percentages and related sensitivity analysis in accordance with the disclosure requirements of IFRS Based on our procedures performed, the significant judgements and inputs used in the estimations and related disclosures appear appropriate.

We do not have a key audit matter to report for the Company.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "NWK Holdings Annual Financial Statements for the year ended 30 April 2024", which includes the Chairman's overview, Directors' Report, Approval of the annual financial statements, Sustainability information, Corporate governance report, Certificate by the Company Secretary and Report by the audit and risk committee, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte has been the auditor of NWK Holdings Limited for two years.

Deloitte & Touche
Registered Auditor
Per: PWM van Zijl
Partner

24 July 2024

5 Magwa Crescent, Waterfall City, 2090, South Africa