TWENTY 22

NWK

HOLDINGS LIMITED
ANNUAL REPORT

CREATE THE FUTURE OF AGRICULTURE

NWK CREATES THE FUTURE OF AGRICULTURE

With the loyal support of NWK's partners – whether they are producers, suppliers or other role-players – the best result in the existence of the group was achieved in the year under review. This exceptional achievement is further attributed to extremely favourable weather conditions, successful execution of the business strategy and the turn-around of non-profitable operations.

One of the outflows of the strategic direction of the board is to assist producers as far as possible to produce sustainably and also to be sustainable financially. NWK's customers see and experience the value of doing business with us. Customers' loyalty towards NWK is therefore strong – which testifies to a road walked together rather than just a business transaction.

The group is involved in innovative projects over a wide spectrum of activities to be able to serve our customer base and producers with unique products and services. Where technology is found that improves the agricultural playing field and makes the lives of producers easier, there you will find NWK too. The group invests actively in the future of agriculture because it is the space in which we would like to continue to service our customers.

CREATE THE FUTURE OF AGRICULTURE

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CHAIRMAN'S OVERVIEW

FOR THE YEAR ENDED 30 APRIL 2022

I cannot but look back with enormous gratitude at an excellent financial year experienced by the group. The success of the shareholders and customers in their respective farming and business interests definitely played a major role in the success of the group. Cashflow is also generally positive and provides renewed purchasing power in the local economy.

The financial year that ended on 30 April 2022 delivered a pre-tax profit of R346 million. This figure is evidence of a lot of grace and hard work carried out by management and staff. The loyal support of the group's partners has contributed to the realisation of this record profit. One of the outflows of the strategic direction in which the board is moving is to assist producers as far as possible to produce sustainably and also to be sustainable financially. The survival of the producers and of the group will thus be assured.

The state of the South African economy is generally not good and material deficits are arising in the country's budget. The enormous extent of corruption that has occurred and is still occurring also does not make it easier for the average citizens of South Africa. The deterioration of the infrastructure in the rural areas is taking on catastrophic proportions at certain levels and in certain areas. Trust in the government and the economy is extremely low. Food production can be seriously impaired if defective infrastructure makes it difficult or even impossible to produce in the future. In collaboration with the provincial and local government, NWK is in the process of getting the authorisation to grade certain roads so that it is easier for producers to get their products to the silos, with less damage to their vehicles. We trust that, at the time of going to press, permission will have been obtained to continue with this initiative.

Power supply by Eskom is not good or sustainable at present. Cable theft further contributes to the loss in income for businesses and producers. Unnecessary extra expenditure must be incurred to be self-sufficient and this is accompanied by enormous additional costs. The group has backups at most service points to continue with business with the least disruption to customers.

The extent to which each country's economy is dependent on or part of the global economy emerged during the COVID-19 pandemic. The consequences of a military invasion of Ukraine by Russia, which led to a full-scale war, have caused the global economy to stagger. Financial markets responded immediately and certain food prices also shot up. Because of the war, input costs like the price of fertiliser, fuel and chemicals, to name but a few, rose astronomically. Increased inflation figures led to higher interest rates, and expectations are that more interest rate increases are to follow. Naturally, this can have a negative effect on plantings of certain crops in the 2022/2023 season.

This is not good news for producers, but fortunately we were blessed with record rainfall in certain service areas. Expectations are that above-normal harvests can be obtained, which will provide a welcome injection for the local economy. Producers will want and will be able to make essential capital replacements and will also find it easier to meet obligations. Sclerotina in sunflowers has occurred in certain areas. Early indications are that grading problems in maize can occur in some places. At the time of going to print there should be more certainty about the extent of the harvest and whether the higher rainfall had a negative effect on the grade of the maize.

Producers' bigger income of last year had a positive effect on the group's excellent earnings. All the group's partners – whether they were producers, suppliers or other role-players – contributed to this record profit. The current strategy that is being followed also indicates that it is the correct strategy at this stage. Growth in the General Trade Division is economically meaningful and will be continued as long as it is profitable and manageable. The Mechanisation Division is performing well, and because of favourable climatic conditions producers replaced capital items on a larger scale.

In a year like this one the Grain Division has to be strategic and innovative in getting the grain into the silos. Various projects like grain bunkers and increased intake and outloading tempo initiatives have already been implemented or are currently underway. Priorities for capital expenditure were determined for the 2023 financial year, and the rest are budgeted and planned for the 2024 financial year. The group is committed to customer service and satisfaction being on a high level and attention is given to this on an ongoing basis. Because of the growth strategy I cannot but mention the Information Technology Division by name. Expansions in remote locations and consequent new connections are carried out and completed speedily so that business can commence and is not lost. All the support services of the group contribute to the benefit of the group.

The scheme that was approved by the shareholders last year, in which shareholders older than 70 years can offer their shares to the company under certain conditions and the company can repurchase them, was received very favourably and the transaction has already been completed. The board will give serious attention to offering another such scheme in the new financial year.

The return on equity of 16,9% compares excellently with the objective of 12,5% by 2024 that the board set for the group. During the 2022 financial year, the group paid dividends of R42 million, as well as R12 million towards the purchase of shares for the NWK Loyalty Programme. This brings me to the amount of approximately R54 million that the group returned to the shareholders, which undoubtedly assisted with cashflow in some way.

The group has now approved a final dividend of 25 cent. For the purchase of shares for the NWK Loyalty Programme, the group has approved an amount of R14 million.

In spite of expected high input costs for the new planting season, I am hopeful and confident that the 2023 financial year will be a good year. With the loyal support of our customers like in the past, this is a given, and the board and management are still focusing on sustainable growth, customer satisfaction and other opportunities that may present themselves.

Allow me the opportunity to thank Hentie Badenhorst for the 23 years' service he performed at the group. He carried out his task in the audit and risk committee with distinction and also represented the group at other institutions. We wish him all the best with his new endeavours.

HEINRICH KRÜGER
Chairman
14 July 2022

THE LOYAL SUPPORT OF THE GROUP'S PARTNERS HAS CONTRIBUTED TO THE REALISATION OF THIS RECORD PROFIT.

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

We are proud to announce that, by the grace of God, the group has realised the highest result in its existence. The after-tax profit for the year was R267 million, representing an increase of R100 million or 59% compared to the previous year.

This result is mainly due to extremely favourable weather conditions, the successful execution of the strategy and the turning around of non-profitable operations that was accomplished. We are proud to inform you that none of the group's operations achieved a negative result. The turnover increased by 25,1% compared to the previous year, while EBITDA rose by 36,7%. The 2021/2022 financial year was an extremely successful one for the group, and realising this growth is exceptional. According to the approved group strategy, the goal was to achieve these levels of profitability only by 2025. The challenge to the management and board is now to continue the levels of profitability in a sustainable manner.

We have to mention the exceptional growth achieved in the Trade segment – comprising Retail, Fertiliser and Mechanisation. All the departments exceed their profit goals by far. Stable growth was also achieved in the Agricultural Commodities segment – which has been the backbone of the group over the years. Agricultural Management Services made a major contribution to the group result with its changed focus. The joint ventures, Epko and Bastion, utilised opportunities and made a significant contribution to the group. All the other divisions that are not mentioned specifically contributed in their unique manner to the success of the group in 2021/2022. The board thanks the management and all staff members for their exceptional contribution to the group.

At the end of March 2022 Henk le Roux, Senior Manager: Fertiliser and Projects, decided to take early retirement. He was part of the management team of NWK Limited. The board decided not to fill the position again, but rather to divide up the responsibilities. Management is therefore reduced from nine to eight members. His responsibilities have been taken over by Pieter Coetzer, who is now fully responsible for the trade segment, and whose job title now changes to Senior Manager: Trade. The board would like to express its gratitude towards Henk for his loyal contribution to the group through the years. All the best too to Pieter Coetzer with the extended responsibilities. The board would also like to congratulate Bennie Joubert and Ian Britt on their promotion. Bennie Joubert as Operations Manager: Fertiliser and Ian Britt as Manager: Silo Services are now responsible for their respective departments. The board wishes them all the best with their new responsibilities.

STRATEGY

The challenge to the group is to keep the group on a sustainable profit path in uniquely South African circumstances, combined with unpredictable global events. The uniquely South African circumstances include deteriorating infrastructure, unreliable power supply, poor service delivery at all levels of government, unacceptable levels of unemployment and an unstable political environment. Together with the impact from nature we are constantly exposed to a changing business environment. The management and board learnt from the recent past to operate in a flexible and adaptable manner. These circumstances should become even more challenging in the next decade.

The previous strategy has been almost fully implemented. Our new focus is to position NWK to operate independently and sustainably as far as possible in the business environment. To grow sustainably, further opportunities have to be utilised. Internally there is ample opportunity to establish efficiency at new levels. We are involved in innovative projects over a wide spectrum of activities to be able to serve our customer base and producers with unique products.

FOCUS AREAS OF THE BOARD

The key focus areas of the board are the:

1. Implementation of a repurchase of shares by the company of shares held by shareholders aged 70 years and older.
2. Investigation into an optimal company group structure.
3. Updating of the POPIA related policies, the PAIA Manual and the NWK Group Communication Policy.
4. Reviewing of the policy for dealings in securities by directors, prescribed officers and affected employees.
5. Adoption of a Board Succession Policy.

AGRICULTURAL COMMODITIES

WEATHER

Rainfall during January 2021 was very favourable for the whole service area, except for the area east of Lichtenburg and Coligny. At the end of January 2021, the rainfall as percentage of the long-term average was characterised by the area west of Lichtenburg and Ottosdal, which received well above 100%, and by the area east of Lichtenburg, where the rainfall was well below 100%. The same tendency continued during February 2021, with the west being wet and the east being rather dry. Up to the end of February 2021 and during March 2021 a series of tropical cyclones in the subtropical Indian Ocean caused a strong high-pressure system over South Africa, with little rain and extremely hot conditions. That caused the crops to die off within a week or two and the harvest season to start at least a month early. The favourable conditions during December 2020, January 2021 and February 2021 resulted in a bumper crop for the NWK service area, with many farmers harvesting the best yield ever. It was the western cropping areas in particular where exceptionally good yields were realised.

THE HIGHER COMMODITY PRICES WERE A GLOBAL PHENOMENON AND NOT UNIQUE TO SOUTH AFRICA

COMMODITY PRICES

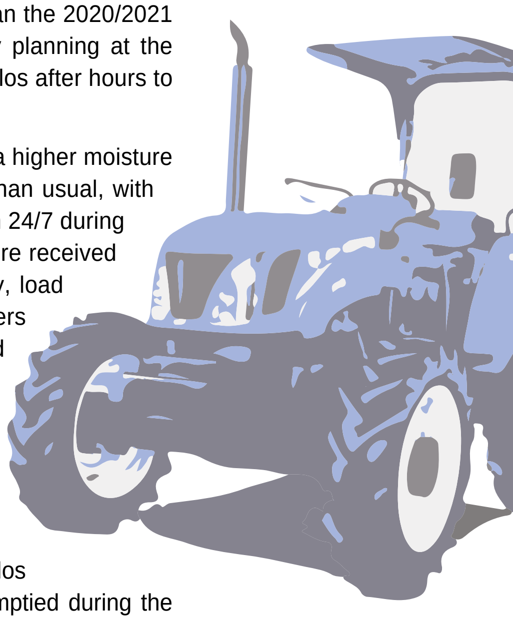
This financial year was probably one of the most challenging since the free market for grain was established in South Africa. A constant increase in the volatility of agricultural commodity prices reached a new peak during the period. The year was again characterised as unusual, with generally higher commodity prices remaining and with a large harvest, and was beneficial to producers of grains and oilseeds. The higher commodity prices were a global phenomenon and not unique to South Africa. The primary drive of the grains and oilseed prices was the relatively poor harvest in South America and the strong demand in China and India. The global grain markets have been significantly affected by the Russian invasion of Ukraine and the near-complete cessation of Ukraine grain exports. Because Ukraine is a major wheat and corn exporter, the result has been a sudden shift of demand to other suppliers and a remarkable increase in exporter price quotes.

In view of these circumstances, the segment managed to achieve a profit of R174 million, representing an increase of 13% more when compared to the previous financial year.

SILO SERVICES

Silo Services manages 39 grain facilities that are currently operational. Grain facilities are equipped to receive, store and unload various grain and oilseed products by road and rail. The facilities are continuously upgraded to provide producers and customers with a faster and more efficient service. As an additional service to producers, NWK has drying and cleaning facilities to receive grain graded outside the normal grading specifications. The profitability of the segment is a function of the normal course of business, the utilisation of market opportunities and a strong focus to develop and utilise the strategic partnership between Silo Services, Grain Marketing and Logistics. The past agricultural year's grain receipts amount to 6,95% less than the previous season.

The 2021/2022 season kicked off with high volumes of grain carryover stock and a low demand for grain. This low demand for grain and a harvest season that had commenced 35 days earlier than the 2020/2021 delivery season resulted in a challenging period for Silo Services in terms of capacity planning at the different silos. A significant amount of grain had to be transported between the different silos after hours to accommodate producers who were harvesting.



Producers were again encouraged to commence with harvesting by delivering grain with a higher moisture content. In general, the main harvesting commenced approximately four weeks earlier than usual, with certain silos receiving up to 6 500 tons of grain per day. Several silos were receiving grain 24/7 during the harvesting period. A total of 101 000 loads of grain (100 749 loads in 2020/2021), were received and offloaded at the different silos. In order to receive such a large harvest successfully, load shedding and logistical challenges had to be managed. However, processors and producers were able to unload and deliver grain continuously because power-generating units had been installed at all the silos. Infrastructure such as access routes to silos had also received attention, for instance by grading dirt roads and repairing potholes.

COVID-19 presented its own challenges again and several measures had to be put in place to protect the health of producers, truck drivers and our own staff.

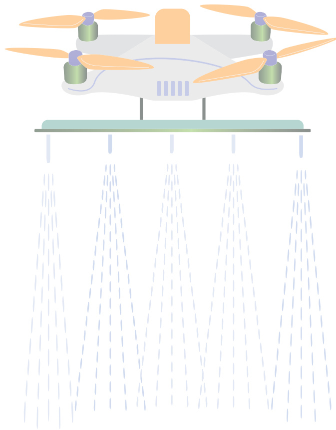
After the receiving season, our outloading programme started and grain has been dispatched at a fairly high rate. Grain-dispatching slots were again implemented to be able to utilise all silos to optimum outloading capacity and to ensure customer satisfaction. Most of the silos emptied during the last two months of the financial year. The remaining silos with grain inventory were under severe pressure to comply with the outloading needs of buyers, and some outlets were kept open on a 24-hour basis. However, a significant volume of grain will be carried over to the new financial year. The challenge to create space for receiving the next crop being harvested during 2022 remains.

Several audits are being carried out by the JSE, Perishable Produce Export Certification Agency (PPECB) constituted and mandated in terms of the Perishable Products Export Control Act (PPEC Act), No 9, of 1983 who delivers inspection and food safety services assigned by the Department of Agriculture, Land Reform and Rural Development (DALRRD) under the APS Act, No.119 of 1990 and various other institutions. The board is satisfied that NWK complied with all the applicable requirements for the handling and storing of grain. Various capital projects were launched and completed during the current year. In total the offloading speed of grain was increased by 19%, while additional storage space of 160 000 tons has been created. NWK will continue to improve the intake speed and storage capacity of the various silos during harvest time, but will also focus on utilising existing storage facilities more effectively and unlocking value to the benefit of all stakeholders. These projects have been carried out in a cost-effective manner that has provided further dynamics to the industrial processes. These upgrading programmes will not only result in improved efficiency to the benefit of producers, but also keep silo rates competitive.

GRAIN TRADING

Grain trading has become a significant contributor to profit by adapting to the changing environment and by providing the grain industry with a suitable market channel through which grain can be both sourced and traded. Commencing with the marketing season during May 2021, very high volumes of carryover stock were seen, and with the harvest coming in four weeks earlier than usual, these two factors have resulted in pressure on the effective selling and concluding of mill-door contracts. In addition to a lower local demand, it was noted that a bumper maize crop has been harvested in the African countries bordering South Africa. This additional decrease in demand for grain was not anticipated, and resulted in pressure on premiums for grain purchased.

A strong focus was placed on the origin of farm stock to be delivered to the different silos, and as a second phase emphasis was directed at grain deliveries directly from the farm to off-takers. The strategy of sourcing stock from various geographical areas was successfully implemented and a number of new producers delivered significant volumes of grain. A strong focus was also to participate in delivering grain directly to off-takers, who generally book delivered contracts for twelve months in advance. This resulted in a large volume of grain being delivered at profitable rates on mill-door contracts.



LOGISTICS

Logistics consists of 30 trucks and operates a mixture of bottom dumpers and side tippers. Logistics has become a crucial part of the segment's strategy to ensure growth in market share, especially during the harvest season. Logistics also played a crucial role in executing delivered grain contracts to off-takers. Customer service remains very important and a lot of time is invested in building relationships to ensure NWK is a preferred transport supplier in a highly competitive market.

The bigger-than-expected grain production and an earlier-than-expected harvest had a direct impact on the demand for transport. During harvest time, transport companies from other industries were contracted to assist with the transport of grain. During peak harvesting up to 260 trucks were contracted daily to transport grain. This was a highly successful operation and significant volumes of grain were delivered to silos, millers and food processors. As part of the strategy to improve the efficiency of the fleet, five new trucks were added to the current fleet.

Standing time, costly repairs, breakdowns and uncompetitive fuel consumption have necessitated the replacement of some of the older trucks in the 2022/2023 financial year. A stronger focus on doing internal business as efficiently as possible, with increased service levels, will remain strong as part of the Betrokka strategy.

PROSPECTS

Good rains received in the autumn and summer of 2021 mean that producers will again harvest summer crops with a favourable yield during 2022/2023. The prevailing high grain prices will add additional value to farming units.

The current expectation is that the segment will be able to make its normal contribution to the group's results in the coming financial year. It is the aim of the segment to always be a dynamic partner for the group's customers, and to add value to all stakeholders, including shareholders.

TRADE

As was expected last year, the above-average harvest, boosted with relatively high commodity prices, had an equally positive impact on retail, mechanisation and fertiliser sales. Accordingly, the segment realised excellent financial results amounting to R182 million, representing an increase of 36,8% compared to the prior year.

Although the sales volumes of consumer goods remained under pressure throughout the financial year, the sales of agricultural products were considerably higher than expected. The geographical expansion through the opening of new outlets over the past two years further contributed positively to the above-expected financial performance. A key factor that contributed to the results was the ability to continuously supply stock due to timeous negotiations and the maintenance of strong relationships with our suppliers.

The higher-than-expected retail sales volumes are mainly attributable to the sale of agricultural chemicals, fencing and animal feeds. The Midchem business acquired in 2014 has shown significant growth in chemical sales over the past couple of years, proving the acquisition to be beneficial.

All the newly opened retail outlets did not manage to deliver profits for the financial year, as they only became fully operational towards the end of the financial year. This was as expected, but steady growth seen in the sales volumes indicates that these outlets will soon turn out to be profitable. Retail franchise outlets like Wolmaransstad, Schweizer-Reneke and Beestekraal will be fully operational early in the new financial year and our expectation is that they will be profitable from the start.

Mechanisation gained the most from the positive agricultural economy. The implementation of new systems and discipline further contributed to the success. Our market share for whole goods increased considerably by expansion to the Free State and through increased precision farming services. Improved stockkeeping with regard to parts, the appointment of competent mechanics and the above-mentioned geographical expansion resulted in higher occupation of the workshops. There is a continuous drive to reach and maintain optimum stock levels and to recruit and retain competent staff.

The Brits outlet will be fully functional in the coming financial year and is expected to perform to its full potential soon.

The increase in fertiliser sales compared to the previous year was partly due to the good agricultural conditions, but also to the focused actions of the sales team in effectively expanding the market. Sound relationships with our suppliers, particularly with Omnia Fertiliser, further contributed to a successful team effort.

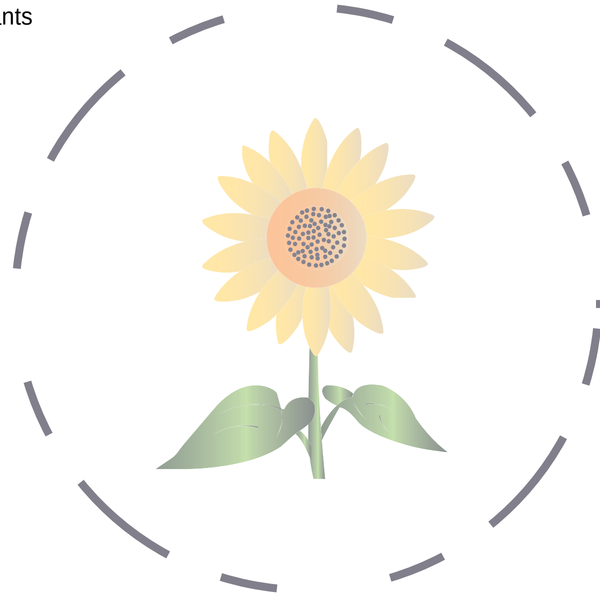
Strategic stock purchasing and planning not only ensured availability at times when the opposition was experiencing stock shortages, but also led to opportunities to benefit from price increases.

The current prices of fertiliser are expected to remain high until the end of the calendar year. This causes concern for the new planting season and the expectation is that fertiliser margins will be under serious pressure.

AGRICULTURAL LIMESTONE MINING

The financial year saw a record performance for the third consecutive year. Year-on-year sales and tons produced increased by 31%. Demand was very strong as a result of high agricultural commodity prices and also better-than-normal rainfall in most of the grain production areas where lime products are sold.

The new plant at Marico was successfully relocated during the year and the logistical layout was consequently improved. The Buhrmansdrif plant produced solid operational performance, with its upgraded plant continuing to deliver well. A dual weighbridge system was also commissioned, improving its service delivery further. The plant at Britten ran close to capacity and the screening section reached the end of its lifetime, culminating in an upgrade to the new high-frequency screening technology. All plants now utilise this technology.



The outlook for the next season is uncertain, with vast agricultural areas that experienced flooding and global supply chains that are continuously disrupted. Producers' input inflation has been very high and continues to increase. Agricultural commodity prices remain high, which brings some relief to producers. Demand for lime is expected to taper off when profitability at farm level decreases.

FINANCIAL SERVICES

The average rainfall that was mentioned above caused the planting process, as well as weed management, to be challenging in most of our operating area. Late rains are also providing challenges with the harvesting process, and also seem to have a negative impact on the quality of the grain being harvested. We do, however, expect the yield to be above average for the production season.

The season started off with good commodity prices, which rose even further as international challenges developed. However, input costs also rose sharply. The higher commodity prices, together with above-average yields, should offset the rise in input costs. This means that producers' balance sheets should improve further this year.

With uncertainties regarding availability and the price of production inputs, some producers have used their current facilities to purchase inputs for the 2022/2023 season. This, together with the current year's input costs being higher than expected, the expansion of the retail business and subsequent expansion in the debtor book and increase in the prime lending rate affected the profitability of the segment positively. Included in the financial performance of the segment is R23 million in profit pertaining to the sale of the group's interest in the Senwk Group.

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

OIL PRESS

The financial year ending April 2022 was marked by a significant increase in the price of sunflower oil, followed by an equally significant increase in the price of seed. The price of protein meal as second contributor to margin did not match the increase trend of oil and seed. The increase in both oil and seed prices resulted in market uncertainty and a resultant decrease in the local demand towards the end of the financial year. The increase in the crude oil price and the application of effective hedging mechanisms were the main drivers of gross profit.

Product yield is a function of seed quality as delivered from the producers. The group acknowledges, with appreciation, the efforts of every sunflower producer for their contribution in growing and delivering the best sunflower seed, given the seasonal variables. The seed quality, along with process refinement, enabled the plant to realise yields that positively contributed to gross profit.

The board remains committed to a process of continuous improvement, focusing on plant efficiency, reliability and the extraction of maximum value from the seed we process. Sustainability is included in this process, with annual reduction targets in terms of water usage, electricity consumption and waste generation.

The challenge for the next financial year will be to procure seed of good quality. The international crude oil price for the first part of the year allows for good margins. Prospects for the rest of the year remain uncertain.

WE DO EXPECT THE YIELD TO BE ABOVE AVERAGE FOR THE PRODUCTION SEASON.

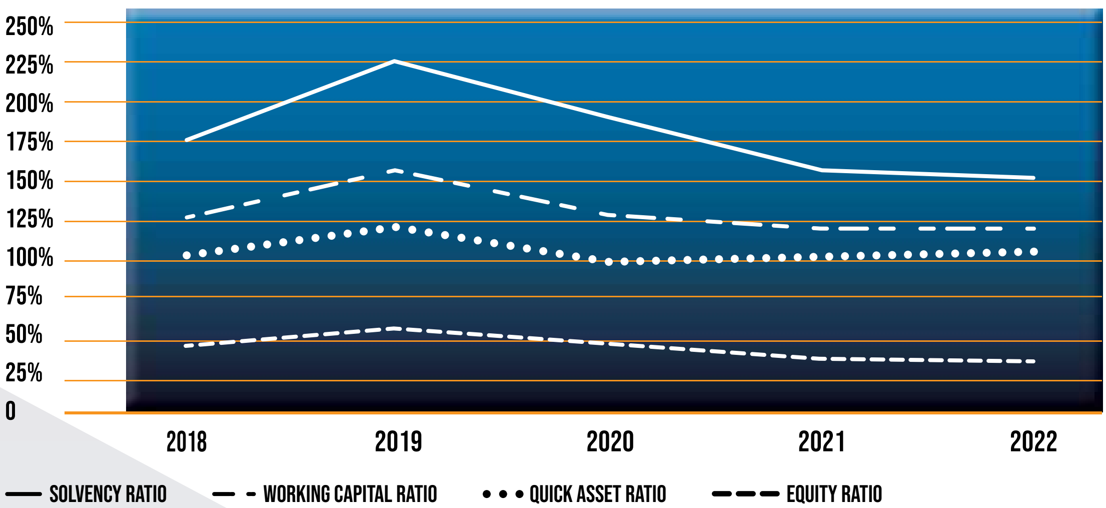
GROUP					
FINANCIAL POSITION	**2022 R'm**	**2021 R'm**	**2020 R'm**	**2019 R'm**	**2018 R'm**
Non-current assets	**1 105**	1 020	988	882	804
Current assets	**3 966**	3 234	1 956	1 898	2 264
Non-current assets held for sale	**5**	5	5	-	125
Assets	**5 076**	4 259	2 949	2 780	3 193
Equity	**1 681**	1 487	1 372	1 535	1 373
Liabilities	**3 395**	2 772	1 577	1 245	1 820
Non-current liabilities	**40**	24	19	16	27
Current liabilities	**3 355**	2 748	1 558	1 229	1 793
Equity and liabilities	**5 076**	4 259	2 949	2 780	3 193

CAPITAL RATIOS	**2022 %**	**2021 %**	**2020 %**	**2019 %**	**2018 %**
Equity ratio	**33**	35	46	55	43
Solvency ratio	**150**	154	187	223	175
Current ratio	**118**	118	126	154	126
Quick ratio (acid-test)	**97**	99	97	119	101
Leverage ratio (debt-to-equity ratio)	**201**	186	114	81	132

FORMULAE

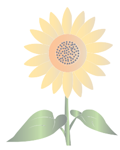
The solvency and liquidity ratios of the group were calculated using the following formulae: **Equity ratio** = equity ÷ assets x 100; **solvency ratio** = assets ÷ liabilities x 100; **current ratio** = current assets ÷ current liabilities x 100; **quick ratio** = current assets less inventory and prepaid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

CAPITAL RATIOS



LIABILITIES	GROUP 2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Borrowings	**3 220**	2 655	1 502	1 176	1 725
Payable within a year	**3 193**	2 638	1 496	1 166	1 717
Payable after a year, but not exceeding two years	**17**	14	5	7	5
Payable after two years, but not exceeding five years	**9**	3	1	3	3
Payable after five years, but not exceeding ten years	**1**	-	-	-	-
Other liabilities	**175**	117	75	69	95
Deferred tax liabilities	**-**	-	7	-	13
Current tax liabilities	**18**	16	-	3	12
Provisions	**29**	26	11	10	14
Accumulating compensated absences	**36**	38	33	33	34
Liabilities from contracts with customers	**92**	37	24	23	22
Total liabilities	**3 395**	2 772	1 577	1 245	1 820

BORROWINGS	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Bank loans and overdrafts payable within a year	**2 011**	1 551	1 182	765	1 295
Current portion of long-term bank loans	**-**	-	-	-	280
Commodity-based short-term loans	**800**	567	108	226	400
Overdrafts	**1 211**	984	1 074	539	615
Bank loans and overdrafts	**2 011**	1 551	1 182	765	1 295
Lease liabilities	**49**	29	16	17	16
Payable within a year	**22**	12	10	7	8
Payable after a year, but not exceeding two years	**17**	14	5	7	5
Payable after two years, but not exceeding five years	**9**	3	1	3	3
Payable after five years, but not exceeding ten years	**1**	-	-	-	-
Other borrowings payable within a year	**1 160**	1 075	304	394	414
Trade payables payable	**479**	477	208	206	243
Fiduciary liabilities	**1**	-	-	-	-
Derivative financial liabilities	**627**	535	58	156	145
Short-term loans	**53**	63	38	32	26
Total borrowings	**3 220**	2 655	1 502	1 176	1 725



GROUP

FINANCIAL PERFORMANCE	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Revenue	**3 428**	2 727	2 099	2 030	2 059
Operating profit before finance charges	**420**	321	185	235	313
Finance charges	**(121)**	(116)	(93)	(118)	(138)
Operating profit	**299**	205	92	117	175
Proportionate share of the profits of associates and joint ventures	**47**	20	10	4	11
Pretax profit	**346**	225	102	121	186
Tax	**(79)**	(57)	(29)	(29)	(49)
Profit from continued operations	**267**	168	73	92	137
Profit or loss from discontinued operations	**-**	-	-	150	(117)
Profit for the year	**267**	168	73	242	20
Other comprehensive income	**(8)**	3	(2)	(4)	(14)
Total comprehensive income	**259**	171	71	238	6

PROFIT FOR THE YEAR	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Profit attributable to the owners of the holding company	**267**	154	47	143	12
Profit from continued operations	**267**	154	47	54	81
Profit or loss from discontinued operations	**-**	-	-	89	(69)
Profit attributable to non-controlling interests	**-**	14	26	99	8
Profit from continued operations	**-**	14	26	38	56
Profit or loss from discontinued operations	**-**	-	-	61	(48)
Profit for the year	**267**	168	73	242	20

COMPREHENSIVE INCOME	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Comprehensive income attributable to the owners of the holding company	**259**	157	45	140	4
Comprehensive income attributable to non-controlling interests	**-**	14	26	98	2
Total comprehensive income	**259**	171	71	238	6

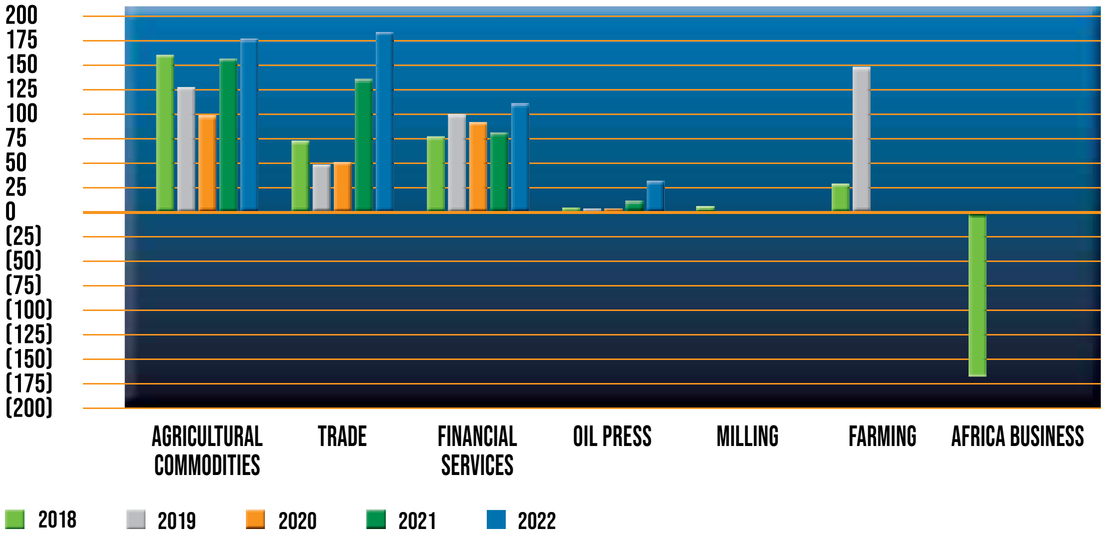
GROUP

FINANCIAL PERFORMANCE PER SEGMENT	2022 R'm	2021# R'm	2020# R'm	2019# R'm	2018# R'm
Agricultural commodities	**174**	154	96	125	158
Trade	**182**	133	49	45	70
Financial services	**109**	79	89	96	74
Oil press	**29**	9	(1)	(2)	1
Milling	**-**	-	-	-	3
Farming	**-**	-	-	146	26
Africa business	**-**	-	-	-	(170)
Profit of the operating segments	**494**	375	233	410	162
Corporate	**(148)**	(150)	(131)	(136)	(93)
Pretax profit	**346**	225	102	274	69
Tax	**(79)**	(57)	(29)	(32)	(49)
Profit for the year	**267**	168	73	242	20
Other comprehensive income	**(8)**	3	(2)	(4)	(14)
Total comprehensive income	**259**	171	71	238	6

RESTATED COMPARATIVE FIGURES

The group restructured its reportable segments. The comparative figures have consequently been restated.

SEGMENTAL RESULTS (R'M)



GROUP

EARNINGS PER SHARE	2022 Cents	2021 Cents	2020 Cents	2019 Cents	2018 Cents
Basic and diluted earnings	**249**	160	61	188	16
Basic and diluted earnings from continued operations	**249**	160	61	71	106
Basic and diluted earnings from discontinued operations	**-**	-	-	117	(90)

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 107 457 664, 95 886 675, 76 212 831, 76 212 831 and 76 212 830.

EARNINGS	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Earnings	**267**	168	73	242	20
Earnings before tax	**346**	225	102	274	69
Earnings before interest and tax	**467**	341	195	392	210
Earnings before interest, tax, depreciation and amortisation	**518**	379	227	428	352

INTEREST COVERAGE RATIO	2022 Times	2021 Times	2020 Times	2019 Times	2018 Times
Interest coverage ratio	**4,3**	3,3	2,4	3,6	2,5

FORMULAE

Impairment charges on non-financial assets are regarded as part of depreciation and amortisation charges. Impairment charges 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 charges for the year.

YIELD RATES	2022 %	2021 %	2020 %	2019 %	2018 %
Return on equity	**16,9**	11,8	5,0	16,6	1,5
Return on investment	**10,0**	9,5	6,8	13,1	6,7

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	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Equity attributable to the owners of the holding company	**1 681**	1 487	1 038	891	795
Equity attributable to non-controlling interests	**-**	-	334	644	578
Total equity	**1 681**	1 487	1 372	1 535	1 373

CHANGES IN EQUITY	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Total comprehensive income	**259**	171	71	238	6
Profit for the year	**267**	168	73	242	20
Other comprehensive income	**(8)**	3	(2)	(4)	(14)
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)	-	-
Transactions between the shareholders of joint ventures	**-**	-	-	-	(2)
Share issue	**-**	-	-	-	-
Share buyback	**(23)**	-	-	-	-
Dividends paid	**(42)**	(31)	(23)	(76)	(4)
Net change in equity	**194**	115	(163)	162	-
Equity at the beginning of the year	**1 487**	1 372	1 535	1 373	1 373
Equity	**1 681**	1 487	1 372	1 535	1 373

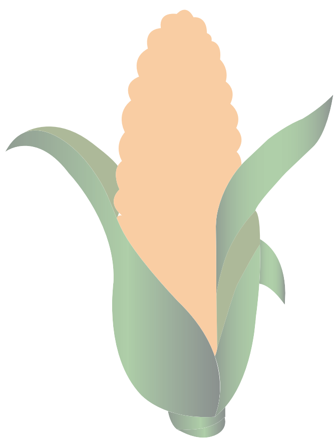
SHARE INFORMATION	2022 Cents	2021 Cents	2020 Cents	2019 Cents	2018 Cents
Year-end share price	**525**	360	550	290	245
Net asset value per share	**1 623**	1 375	1 362	1 170	1 043
Dividends paid per share	**39**	29	18	52	3

FORMULAE

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

PRICE/EARNINGS RATIO	2022 Times	2021 Times	2020 Times	2019 Times	2018 Times
Price/earnings ratio	**2**	2	9	2	15

CASHFLOW ANALYSIS	GROUP 2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Cashflow from operating activities	**(322)**	(290)	(152)	217	(11)
Cashflow from operations	**(189)**	(188)	(165)	312	1
Interest received	**113**	105	147	138	135
Interest paid	**(121)**	(116)	(93)	(118)	(139)
Dividends received from equity-accounted investments	**2**	3	5	2	22
Tax paid	**(85)**	(63)	(23)	(41)	(26)
Dividends paid	**(42)**	(31)	(23)	(76)	(4)
Cashflow from investing activities	**(63)**	(62)	(61)	269	(17)
Investment in non-current assets	**(63)**	(64)	(63)	(60)	(109)
Proceeds on the disposal of non-current assets	**-**	2	2	325	92
Dividends received	**-**	-	-	4	-
Cashflow from financing activities	**162**	442	(334)	(458)	374
Net cashflow for the year	**(223)**	90	(547)	28	346

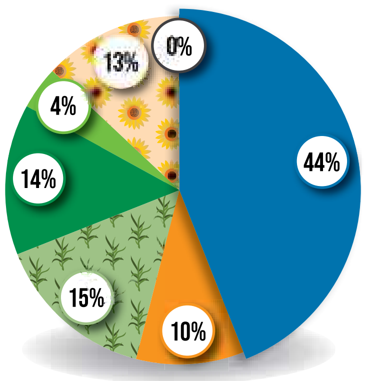


GROUP

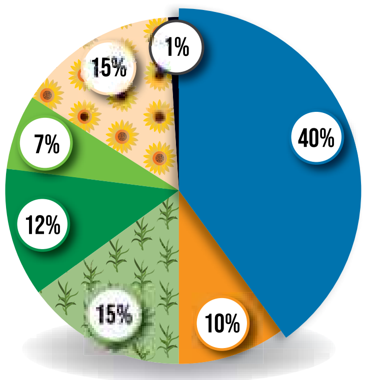
FREE CASHFLOW	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Cashflow from operating activities	**(322)**	(290)	(152)	217	(11)
Cashflow from investing activities	**(63)**	(62)	(61)	269	(17)
Adjustment for abnormal disposals of non-current assets	**-**	-	-	(321)	-
Free cashflow for the year	**(385)**	(352)	(213)	165	(28)

REVENUE	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Revenue from the sale of goods	**3 069**	2 453	1 837	1 745	1 741
Revenue from services rendered	**256**	180	123	157	194
Revenue from the handling and storage of commodities	**179**	115	77	109	141
Revenue from other services rendered	**77**	65	46	48	53
Revenue from contracts with customers	**3 325**	2 633	1 960	1 902	1 935
Interest revenue on financial assets at amortised cost	**103**	94	139	128	124
Revenue	**3 428**	2 727	2 099	2 030	2 059

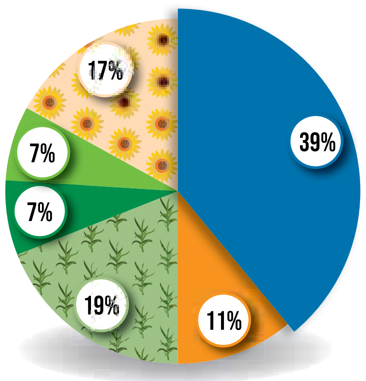
REVENUE FROM THE SALE OF GOODS 2022



REVENUE FROM THE SALE OF GOODS 2021



REVENUE FROM THE SALE OF GOODS 2020



FARMING REQUISITES
MAIZE MEAL AND ANIMAL FEED
FUEL
CAPITAL GOODS
BUILDING MATERIALS
CONSUMER GOODS
OTHER SALES

GROUP

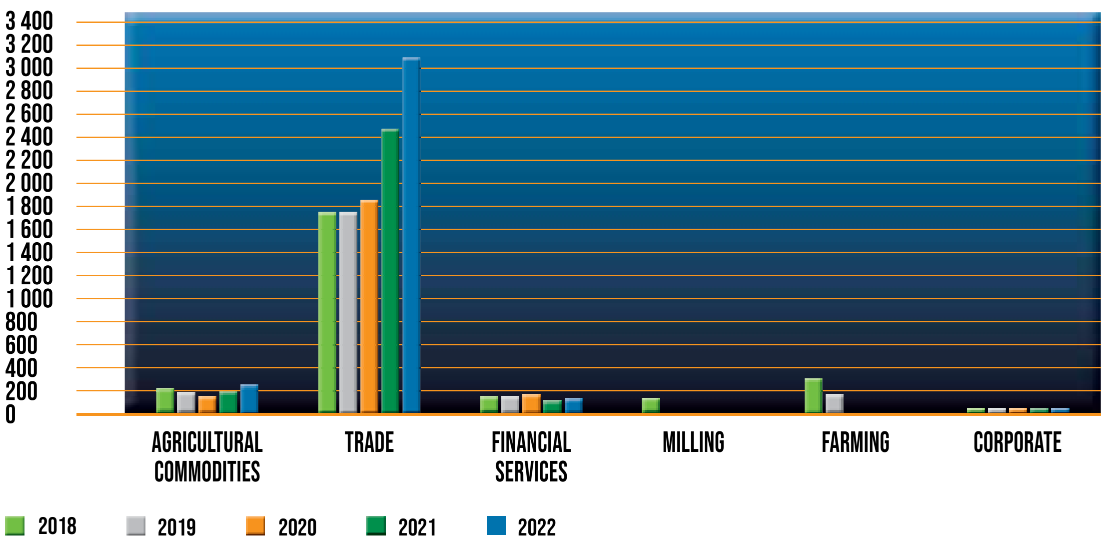
REVENUE EARNED FROM EXTERNAL CUSTOMERS	2022 R'm	2021# R'm	2020# R'm	2019# R'm	2018# R'm
Agricultural commodities	**232**	166	126	158	195
Trade	**3 084**	2 462	1 834	1 743	1 743
Financial services	**101**	90	131	122	118
Milling	**-**	-	-	-	98
Farming	**-**	-	-	135	273
Revenue of the operating segments	**3 417**	2 718	2 091	2 158	2 427
Corporate revenue	**11**	9	8	7	3
Revenue earned from external customers	**3 428**	2 727	2 099	2 165	2 430

RECONCILIATION OF REVENUE EARNED FROM EXTERNAL CUSTOMERS WITH REVENUE	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Revenue earned from external customers	**3 428**	2 727	2 099	2 165	2 430
Revenue of discontinued operations	**-**	-	-	(135)	(371)
Revenue	**3 428**	2 727	2 099	2 030	2 059

RESTATED COMPARATIVE FIGURES

The group restructured its reportable segments. The comparative figures have consequently been restated.

REVENUE EARNED FROM EXTERNAL CUSTOMERS (R'M)



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

PROJECTIONS

We as agribusiness and agricultural producers have many challenges that lie ahead. Input costs have increased significantly over the past two years and global markets are so erratic that they make the future even more unpredictable. Financing will be a significant challenge, but we envisage that most of our producers who already finance inputs with NWK will still be financed. However, the agricultural environment has one very good starting point, and that is sufficient submoisture for a good approach and the prospect of stable weather conditions. It seems as if grain and oilseed prices will remain at reasonably high levels for the foreseeable future. If this is the case and the positive weather conditions continue, we can look forward to another favourable agricultural year.

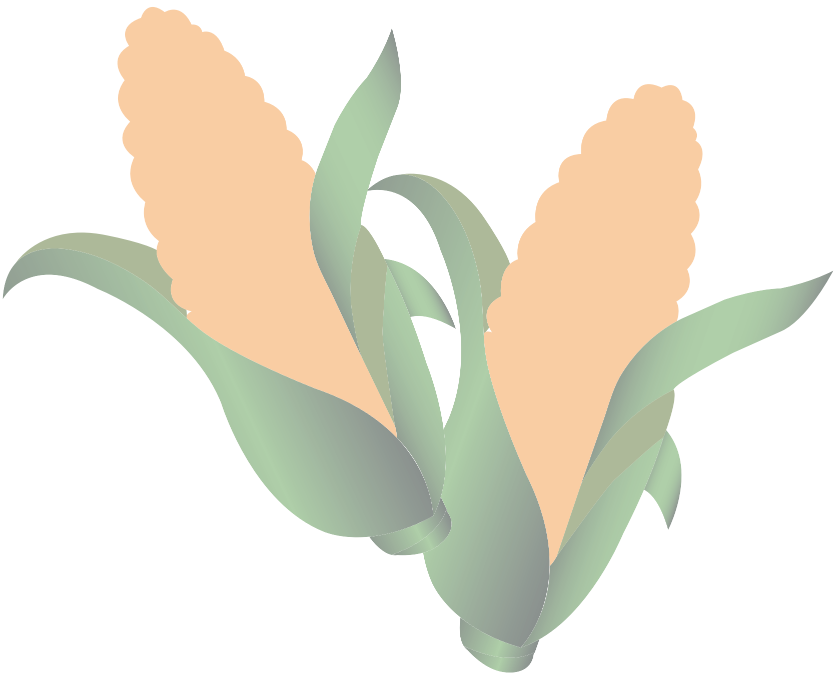
The group will also invest in a lot of infrastructure improvement and upgradings. Where it makes sense we will invest in alternative energy supply too.

Although the harvests in our traditional business area are reasonably above average, there are considerable problems with the grade of grain and oilseeds. This can have a negative impact on our business and the producers during the next financial year.

A WORD OF THANKS

We thank our Heavenly Father for the blessings of the past year. I would like to express my gratitude towards my fellow board members and management for the strategic direction and guidance. I lift my hat to our staff who are so 'Betrokka' in our business. Finally, my sincere appreciation to our customer base and interest groups for your sustained, loyal support.

LEMMER VERMOOTEN
Director
14 July 2022



The director's report was prepared by TE Rabe, was not audited or independently reviewed, was approved by the board of directors on 14 July 2022, and was published on 22 July 2022.

SEPARATE AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

The separate and consolidated annual financial statements were prepared by H vd Westhuizen, were audited by the independent auditor, PricewaterhouseCoopers Incorporated, were approved by the board of directors on 14 July 2022, and were published on 22 July 2022.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

EXTERNAL ASSURANCE

The independent auditor, PricewaterhouseCoopers Incorporated, 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 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 2022 – as set out on pages 23 to 141 – were approved by the board on 14 July 2022 and signed on the board's behalf by:

LEMMER VERMOOTEN
Director
14 July 2022

STATEMENT OF FINANCIAL POSITION

AT 30 APRIL 2022

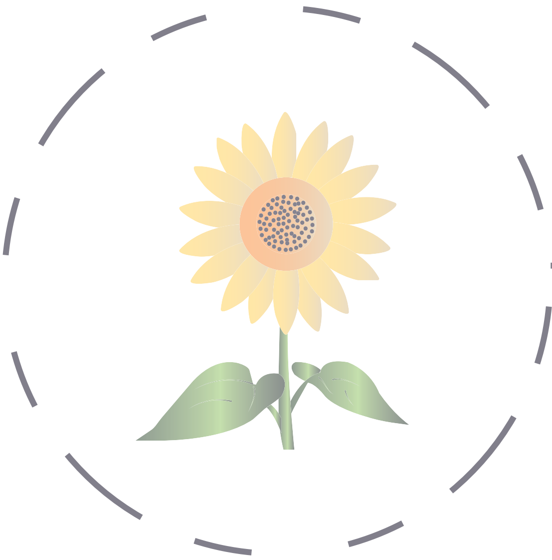
	Note	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Non-current assets		**1 725,5**	1 522,1	**1 105,2**	1 020,1
Property, plant and equipment	C1	**-**	-	**476,2**	387,5
Investment property	C2	**-**	-	**8,1**	5,0
Intangible assets	C3	**-**	-	**35,4**	20,8
Investment in subsidiaries	C4	**1 725,5**	1 522,1	**-**	-
Investment in associates and joint ventures	C5	**-**	-	**196,4**	193,8
Investment in equity instruments	C8	**-**	-	**4,6**	4,6
Loans and lease receivables	C9	**-**	-	**363,2**	395,0
Deferred tax assets	C10	**-**	-	**21,3**	13,4
Current assets		**0,9**	9,9	**3 966,5**	3 234,2
Inventory	C11	**-**	-	**701,0**	519,8
Agricultural commodities	C12	**-**	-	**1 400,4**	1 389,8
Trade and other receivables	C13	**0,6**	9,9	**1 636,1**	1 231,9
Prepaid expenses		**-**	-	**2,7**	3,0
Assets from contracts with customers	C14	**-**	-	**0,6**	1,6
Fiduciary assets	C15	**-**	-	**0,6**	-
Current tax assets		**-**	-	**-**	-
Financial assets at fair value through profit or loss	C16	**-**	-	**213,1**	79,9
Cash and cash equivalents	C17	**0,3**	-	**12,0**	8,2
Non-current assets held for sale	C18	**-**	-	**4,5**	4,5
Assets		**1 726,4**	1 532,0	**5 076,2**	4 258,8
Equity attributable to the owners of the holding company		**1 726,4**	1 532,0	**1 681,2**	1 486,7
Share capital	C19	**237,2**	260,5	**196,3**	219,6
Distributable reserves	C20	**1 489,2**	1 271,5	**1 484,9**	1 267,1
Non-current liabilities		**-**	-	**40,3**	24,4
Long-term provisions	C21	**-**	-	**12,8**	7,9
Long-term loans		**-**	-	**-**	-
Lease liabilities	C22	**-**	-	**27,5**	16,5
Deferred tax liabilities	C10	**-**	-	**-**	-
Current liabilities		**-**	-	**3 354,7**	2 747,7
Trade and other payables	C23	**-**	-	**478,9**	477,0
Accumulating compensated absences		**-**	-	**36,6**	37,9
Liabilities from contracts with customers	C24	**-**	-	**92,3**	36,8
Fiduciary liabilities	C15	**-**	-	**0,6**	-
Short-term provisions	C21	**-**	-	**16,5**	18,7
Current portion of long-term loans		**-**	-	**-**	-
Current portion of lease liabilities	C22	**-**	-	**21,8**	12,0
Current tax liabilities		**-**	-	**18,7**	16,5
Financial liabilities at fair value through profit or loss	C16	**-**	-	**626,8**	535,0
Short-term loans	C25	**-**	-	**851,3**	630,0
Overdrafts	C26	**-**	-	**1 211,2**	983,8
Equity and liabilities		**1 726,4**	1 532,0	**5 076,2**	4 258,8

FOR THE YEAR ENDED 30 APRIL 2022

		COMPANY		GROUP	
	Note	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Revenue from the sale of goods	D2	**-**	-	**3 069,3**	2 453,0
Cost of sales		**-**	-	**(2 585,0)**	(2 070,5)
Cost of trading stock sold		**-**	-	**(2 522,0)**	(1 998,5)
Cost of manufactured goods sold		**-**	-	**(63,0)**	(72,0)
Gross profit on goods sold		**-**	-	**484,3**	382,5
Revenue from services rendered		**-**	-	**256,2**	179,6
Revenue from the handling and storage of commodities	D3	**-**	-	**179,4**	114,3
Revenue from other services rendered	D4	**-**	-	**76,8**	65,3
Interest revenue on financial assets at amortised cost	D5	**-**	-	**103,2**	94,2
Other finance income	D6	**0,7**	0,3	**9,5**	11,1
Other income	D7	**-**	150,3	**100,7**	91,4
Other gains and losses	D8	**-**	-	**435,0**	347,6
Impairment gains and losses on financial assets	D9	**-**	-	**(9,1)**	(6,0)
Expenses		**(1,2)**	(1,8)	**(960,2)**	(779,5)
Employees' remuneration	D10	**(0,3)**	(1,1)	**(415,6)**	(382,0)
Other expenses	D11	**(0,9)**	(0,7)	**(544,6)**	(397,5)
Operating profit before finance charges		**(0,5)**	148,8	**419,6**	320,9
Finance charges	D12	**-**	(6,1)	**(120,6)**	(116,3)
Operating profit		**(0,5)**	142,7	**299,0**	204,6
Equity-accounted earnings		**271,1**	163,6	**47,3**	20,3
Proportionate share of the profits of subsidiaries		**271,1**	163,6	**-**	-
Proportionate share of the profits of associates and joint ventures		**-**	-	**47,3**	20,3
Pre-tax profit		**270,6**	306,3	**346,3**	224,9
Tax	D13	**-**	-	**(78,9)**	(57,3)
Profit for the year		**270,6**	306,3	**267,4**	167,6
Other comprehensive income		**(7,7)**	3,0	**(7,7)**	3,0
Items that cannot be reclassified to profit or loss:					
Fair-value adjustment of the investment in equity instruments	D14	**-**	-	**-**	(1,3)
Proportionate share of the other comprehensive income of subsidiaries		**-**	(1,3)	**-**	-
Items that will be reclassified to profit or loss:					
Proportionate share of the other comprehensive income of associates and joint ventures		**(7,7)**	4,3	**(7,7)**	4,3
Total comprehensive income for the year		**262,9**	309,3	**259,7**	170,6

FOR THE YEAR ENDED 30 APRIL 2022

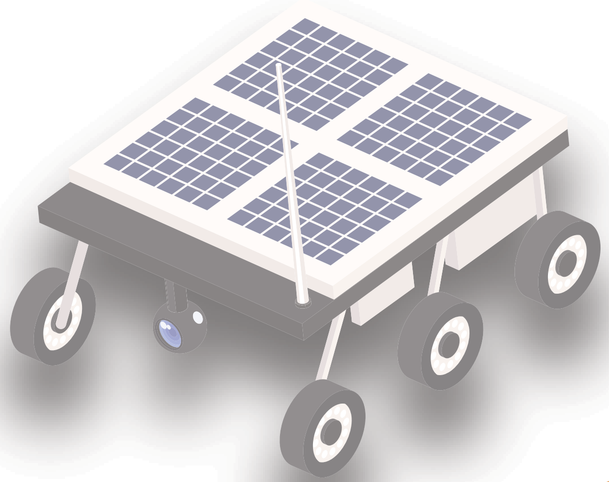
		COMPANY		GROUP	
	Note	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Profit attributable to the owners of the holding company		**262,9**	309,3	**267,4**	153,7
Profit attributable to non-controlling interests		**-**	-	**-**	13,9
Profit for the year		**262,9**	309,3	**267,4**	167,6
Total comprehensive income attributable to the owners of the holding company		**262,9**	309,3	**259,7**	156,7
Total comprehensive income attributable to non-controlling interests		**-**	-	**-**	13,9
Total comprehensive income for the year		**262,9**	309,3	**259,7**	170,6
				2022 Cents	2021 Cents
EARNINGS PER SHARE					
Basic and diluted earnings	D15			**249**	160



FOR THE YEAR ENDED 30 APRIL 2022

	COMPANY			
	SHARE CAPITAL R'm	RETAINED EARNINGS R'm	OTHER RESERVES R'm	EQUITY R'm
Equity at 30 April 2020	84,7	883,7	115,0	1 083,4
Total comprehensive income for the year	-	310,6	(1,3)	309,3
Profit for the year	-	306,3	-	306,3
Other comprehensive income	-	4,3	(1,3)	3,0
Share issue	175,8	-	-	175,8
Proportionate share of expenses recognised in equity by subsidiaries	-	(2,7)	-	(2,7)
Transferred between reserves	-	(29,7)	29,7	-
Dividends	-	(33,8)	-	(33,8)
Equity at 30 April 2021	260,5	1 128,1	143,4	1 532,0
Total comprehensive income for the year	-	262,9	-	262,9
Profit for the year	-	270,6	-	270,6
Other comprehensive income	-	(7,7)	-	(7,7)
Share buyback	(23,3)	-	-	(23,3)
Dividends	-	(45,2)	-	(45,2)
Equity at 30 April 2022	**237,2**	**1 345,8**	**143,4**	**1 726,4**

DIVIDENDS PAID DURING THE YEAR	2022 Cents	2021 Cents
Year-end dividend per share	**14**	6
Interim dividend per share	**25**	23
Total distribution per share	**39**	29



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2022

	GROUP				
	SHARE CAPITAL R'm	RETAINED EARNINGS R'm	OTHER RESERVES R'm	NON-CONTROLLING INTERESTS R'm	EQUITY R'm
Equity at 30 April 2020	43,8	879,2	115,0	334,1	1 372,1
Total comprehensive income for the year	-	158,0	(1,3)	13,9	170,6
Profit for the year	-	153,7	-	13,9	167,6
Other comprehensive income	-	4,3	(1,3)	-	3,0
Change of interest in subsidiary	175,8	117,9	29,7	(348,0)	(24,6)
Share issue	175,8	-	-	-	175,8
Effects of change of interest in subsidiary	-	120,6	29,7	(348,0)	(197,7)
Transaction costs relating to the acquisition of non-controlling interests in subsidiary	-	(2,7)	-	-	(2,7)
Dividends	-	(31,4)	-	-	(31,4)
Equity at 30 April 2021	219,6	1 123,7	143,4	-	1 486,7
Total comprehensive income for the year	-	259,7	-	-	259,7
Profit for the year	-	267,4	-	-	267,4
Other comprehensive income	-	(7,7)	-	-	(7,7)
Share issue	-	-	-	-	-
Share buyback	(23,3)	-	-	-	(23,3)
Shares purchased under an odd-lot offer	(3,2)	-	-	-	(3,2)
Shares purchased from retiring shareholders	(20,1)	-	-	-	(20,1)
Treasury shares purchased	-	-	-	-	-
Dividends	-	(41,9)	-	-	(41,9)
Equity at 30 April 2022	**196,3**	**1 341,5**	**143,4**	**-**	**1 681,2**

DIVIDENDS PAID DURING THE YEAR

	2022 Cents	2021 Cents
Year-end dividend per share	**14**	6
Interim dividend per share	**25**	23
Total distribution per share	**39**	29

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 APRIL 2022

	Note	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Cashflow from operations		**8,1**	(9,4)	**(189,6)**	(188,6)
Cashflow from operating profit	E1	**(1,2)**	(1,8)	**357,8**	289,6
Cashflow from change in operating capital	E2	**9,3**	(7,6)	**(547,4)**	(478,2)
Net cashflow from interest	E3	**0,7**	(5,8)	**(7,8)**	(10,9)
Interest received	E3	**0,7**	0,3	**112,7**	105,3
Interest paid	E3	**-**	(6,1)	**(120,5)**	(116,2)
Dividends received from equity-accounted entities		**60,0**	286,1	**1,7**	3,3
Subsidiaries		**60,0**	286,1	**-**	-
Associates and joint ventures		**-**	-	**1,7**	3,3
Tax paid	E4	**-**	-	**(84,6)**	(62,4)
Dividends paid		**(45,2)**	(33,8)	**(41,9)**	(31,4)
Cashflow from operating activities		**23,6**	237,1	**(322,2)**	(290,0)
Cashflow from investing activities		**-**	(21,9)	**(63,0)**	(61,9)
Property, plant and equipment acquired	E5	**-**	-	**(89,0)**	(61,6)
Upgrading of investment property	E5	**-**	-	**(1,3)**	(1,1)
Investment property acquired	E5	**-**	-	**(0,7)**	-
Intangible assets acquired	E5	**-**	-	**(0,5)**	(1,4)
Assets and liabilities acquired through business combinations	E6	**-**	-	**(12,8)**	-
Cashflow at the increase of interest in subsidiary	E7	**-**	(21,9)	**-**	-
Acquisition of associates and joint ventures	E8	**-**	-	**(7,1)**	-
Repayment of shareholder loan by joint venture		**-**	-	**3,2**	-
Dividends received from listed and unlisted entities		**-**	-	**0,1**	-
Proceeds on the disposal of property, plant and equipment	E10	**-**	-	**0,3**	2,2
Proceeds on the disposal of investment property	E10	**-**	-	**-**	-
Proceeds on the disposal of associates and joint ventures	E11	**-**	-	**44,8**	-
Cashflow from financing activities		**(23,3)**	(215,2)	**161,6**	442,1
Share issue		**-**	-	**-**	-
Share buyback		**(23,3)**	-	**(23,3)**	-
Proceeds from long-term loans	E14	**-**	21,9	**-**	-
Repayments of long-term loans	E14	**-**	(237,1)	**-**	-
Repayments of lease liabilities	E14	**-**	-	**(36,4)**	(18,0)
Proceeds from commodity-based loans	E14	**-**	-	**5 548,6**	5 124,3
Repayments of commodity-based loans	E14	**-**	-	**(5 315,5)**	(4 665,1)
Proceeds from demand deposits	E14	**-**	-	**13,4**	39,2
Repayments of demand deposits	E14	**-**	-	**(25,2)**	(13,7)
Cashflow at the increase of interest in subsidiary	E7	**-**	-	**-**	(21,9)
Transaction costs relating to the acquisition of non-controlling interests		**-**	-	**-**	(2,7)
Change in cash and cash equivalents		**0,3**	-	**(223,6)**	90,2
Cash and cash equivalents at the beginning of the year		**-**	-	**(975,6)**	(1 065,8)
Cash and cash equivalents at the end of the year	E15	**0,3**	-	**(1 199,2)**	(975,6)

FOR THE YEAR ENDED 30 APRIL 2022

A1. CORPORATE INFORMATION

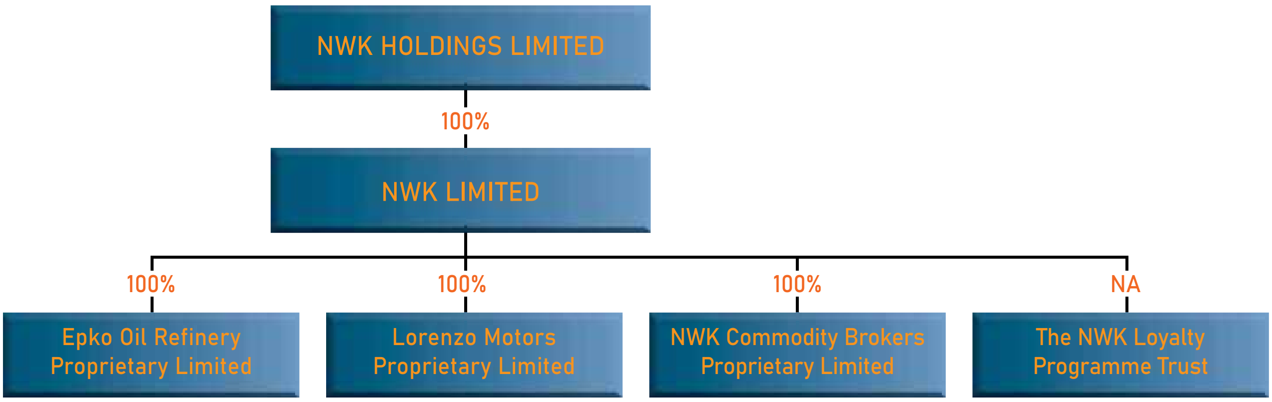
NWK Holdings Limited is a listed public company registered in the Republic of South Africa with the registration number 1998/007243/06. The objective of the group is to trade in agricultural and related products, resources and services, and to undertake associated activities. Flowing from this objective, 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 Refinery Proprietary Limited, Lorenzo Motors Proprietary Limited and NWK Commodity Brokers Proprietary Limited are subsidiaries of the company. Although the company does not hold any shares in The NWK Loyalty Programme Trust, the company controls the trust. Consequently, this bewind trust is also classified as a subsidiary.



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 IFRS and the accounting policies of the company. The accounting policies applied by the company conform to those of the previous reporting period, unless indicated otherwise. The accounting policies applied by the subsidiaries agree with those of the company in all respects.

GOING-CONCERN PRINCIPLE

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

BASIS OF PRESENTATION

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

BASIS OF CONSOLIDATION

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

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

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

Subsidiaries

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

Upon acquisition, subsidiaries are accounted for in the consolidated financial statements in accordance with the acquisition method. According to this method, the cost of the acquisition is measured as the fair value of the assets transferred, the equity instruments issued and the obligations incurred, whichever is applicable. Expenditure directly attributable to the acquisition of a subsidiary is recognised as an expense on the acquisition date. The identifiable assets and liabilities of the acquired subsidiary are measured and recognised at fair value on the acquisition date. Goodwill – in other words, the excess of the fair value of the consideration transferred upon acquiring the subsidiary and, where applicable, the carrying amount of non-controlling interests over the fair value of the identified net assets of the acquired subsidiary – is recognised as an asset in the consolidated financial statements. If the fair value of the identified net assets of the acquired subsidiary exceeds the fair value of the consideration transferred and the carrying amount of non-controlling interests, the difference is recognised as other income on the acquisition date.

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

Changes in the interest that holding companies hold in subsidiaries are treated as equity transactions if, and only if, these changes do not lead to a loss of control over a subsidiary. In terms of this policy, the carrying amount of equity attributable to the owners of the holding company and the carrying amount of non-controlling interests are adjusted to reflect the change in interests. Any differences between the fair value of the consideration transferred and the carrying amount by which the non-controlling interests have been adjusted are recognised directly in the equity attributable to the owners of the holding company. Transaction costs relating to such equity transactions are recognised directly in the equity attributable to the owners of the holding company. For this purpose, internal administration costs are not considered transaction costs.

BASIS OF CONSOLIDATION (CONTINUED)

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

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

Associates and joint ventures

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

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

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

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

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

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

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

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

C1. PROPERTY, PLANT AND EQUIPMENT

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Land	-	-	**26,4**	13,3
Buildings and improvements	-	-	**244,7**	215,9
Computer equipment	-	-	**15,2**	14,2
Office equipment	-	-	**4,4**	3,8
Machinery and equipment	-	-	**110,2**	76,7
Vehicles	-	-	**69,8**	52,9
Capital works in progress	-	-	**5,5**	10,7
Carrying amount before transfer to held for sale	-	-	**476,2**	387,5
Transferred to non-current assets held for sale (note C18)	-	-	-	-
Land	-	-	-	-
Buildings and improvements	-	-	-	-
Vehicles	-	-	-	-
Carrying amount of property, plant and equipment	-	-	**476,2**	387,5

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. Therefore, these assets are excluded from property, plant and equipment.

Property, plant and equipment are initially recognised at cost. Cost includes the purchase price and, where applicable, the purchase costs, registration costs, import duties, borrowing costs, installation costs, professional fees and transport costs that can be directly attributed to the commissioning of the asset. In the event that an asset is acquired under a lease, the incremental costs of obtaining the lease are also capitalised as part of the cost of the asset. For this purpose, internal administration costs are not considered costs attributable to the commissioning of an asset or costs attributable to the inception of a lease. Where suppliers defer payment of an asset interest-free, the present value of the transaction price – discounted at the rate at which similar liabilities bear interest – is regarded as the purchase price of the asset. The difference between the transaction price and the purchase price of the asset is recognised as finance charges over the period during which the financing occurs. The cost of an asset is reduced by government grants if the group qualifies for the grant on the basis of the acquisition of the asset. The cost of self-constructed assets includes material and labour costs, design costs, site preparation costs, construction costs and, where applicable, borrowing costs, testing costs and development costs directly attributed to the commissioning of the asset. The estimated costs of dismantling and removing the asset at the end of its expected useful life and restoring the site on which the asset is located are also included if such an obligation arises on the acquisition of the asset. Expenses relating to capital projects are capitalised as they are incurred. The capitalisation of expenditure is ceased once the asset is ready for its originally intended use.

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

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

C1. PROPERTY, PLANT AND EQUIPMENT (continued)

ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
CALCULATION OF CARRYING AMOUNT				
Cost	**-**	-	**811,4**	683,2
Land	**-**	-	**26,5**	13,3
Buildings and improvements	**-**	-	**355,2**	314,0
Computer equipment	**-**	-	**57,4**	50,8
Office equipment	**-**	-	**13,1**	11,6
Machinery and equipment	**-**	-	**217,5**	170,0
Vehicles	**-**	-	**136,2**	112,8
Capital works in progress	**-**	-	**5,5**	10,7
Accumulated depreciation	**-**	-	**(335,2)**	(295,7)
Land	**-**	-	**(0,1)**	-
Buildings and improvements	**-**	-	**(110,5)**	(98,1)
Computer equipment	**-**	-	**(42,2)**	(36,6)
Office equipment	**-**	-	**(8,7)**	(7,8)
Machinery and equipment	**-**	-	**(107,3)**	(93,3)
Vehicles	**-**	-	**(66,4)**	(59,9)
Carrying amount before transfer to held for sale	**-**	-	**476,2**	387,5
Transferred to non-current assets held for sale (note C18)	**-**	-	**-**	-
Land	**-**	-	**-**	-
Buildings and improvements	**-**	-	**-**	-
Vehicles	**-**	-	**-**	-
Carrying amount of property, plant and equipment	**-**	-	**476,2**	387,5

C1. PROPERTY, PLANT AND EQUIPMENT (continued)

MOVEMENTS FOR THE YEAR

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Cost at the beginning of the year	-	-	683,2	622,1
Land	-	-	13,3	12,8
Buildings and improvements	-	-	314,0	279,6
Computer equipment	-	-	50,8	48,7
Office equipment	-	-	11,6	16,1
Machinery and equipment	-	-	170,0	145,5
Vehicles	-	-	112,8	109,4
Capital works in progress	-	-	10,7	10,0
Accumulated depreciation at the beginning of the year	-	-	(295,7)	(291,9)
Land	-	-	-	(0,1)
Buildings and improvements	-	-	(98,1)	(91,2)
Computer equipment	-	-	(36,6)	(35,1)
Office equipment	-	-	(7,8)	(12,6)
Machinery and equipment	-	-	(93,3)	(95,5)
Vehicles	-	-	(59,9)	(57,4)
Opening balance before transfer to held for sale	-	-	387,5	330,2
Property, plant and equipment acquired	-	-	129,4	91,9
Land	-	-	9,1	0,8
Buildings and improvements	-	-	42,5	37,5
Computer equipment	-	-	7,3	6,6
Office equipment	-	-	1,9	1,8
Machinery and equipment	-	-	44,0	25,8
Vehicles	-	-	23,5	8,7
Capital works in progress	-	-	1,1	10,7
Property, plant and equipment acquired through business combinations	-	-	6,1	-
Land	-	-	4,0	-
Computer equipment	-	-	0,1	-
Machinery and equipment	-	-	0,5	-
Vehicles	-	-	1,5	-
Assets transferred to or from investment property (note C2)	-	-	0,4	0,1
Land	-	-	-	-
Buildings and improvements	-	-	0,4	0,1
Depreciation	-	-	(45,4)	(28,4)
Land	-	-	(0,1)	(0,1)
Buildings and improvements	-	-	(15,6)	(10,5)
Computer equipment	-	-	(6,1)	(5,7)
Office equipment	-	-	(1,1)	(0,3)
Machinery and equipment	-	-	(15,0)	(5,7)
Vehicles	-	-	(7,5)	(6,1)
Carried over to the next page	-	-	478,0	393,8

C1. PROPERTY, PLANT AND EQUIPMENT (continued)

MOVEMENTS FOR THE YEAR (CONTINUED)

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Brought forward from the previous page	-	-	**478,0**	393,8
Impairment charges	-	-	**(1,4)**	(4,0)
Land	-	-	-	-
Buildings and improvements	-	-	**(0,6)**	(0,2)
Computer equipment	-	-	**(0,1)**	(0,4)
Office equipment	-	-	-	(1,2)
Machinery and equipment	-	-	**(0,2)**	(1,6)
Vehicles	-	-	**(0,5)**	(0,6)
Disposals	-	-	**(0,4)**	(2,3)
Land	-	-	-	(0,2)
Buildings and improvements	-	-	-	(1,2)
Computer equipment	-	-	**(0,2)**	-
Office equipment	-	-	-	-
Machinery and equipment	-	-	-	-
Vehicles	-	-	**(0,2)**	(0,9)
Carrying amount before transfer to held for sale	-	-	**476,2**	387,5
Transferred to non-current assets held for sale (note C18)	-	-	-	-
Land	-	-	-	-
Buildings and improvements	-	-	-	-
Vehicles	-	-	-	-
Carrying amount of property, plant and equipment	-	-	**476,2**	387,5

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

During the year, the group obtained assets with a fair value of R4,0 million as part of the acquisition of Lorenzo Motors Proprietary Limited, and assets with a fair value of R2,1 million as part of the acquisition of two business units. The cashflows relating to these acquisitions are set out in note E6.

The group recognised impairment losses of R0,6 million in the year under review after assets had been damaged or lost due to accidents, road accidents, theft, land grabs, public unrest and natural disasters, compared to R3,8 million in the previous year. The group further recognised impairment losses of R0,8 million on assets that were withdrawn from active service, compared to R0,1 million in the previous year. The assets were written off to their fair value less the estimated costs to dispose of them – in other words, the market price of the assets less costs to sell. The fair value of these assets was measured by using level three input data. However, in most cases, the damaged, lost or abandoned asset had no or only an insignificant fair value.

RIGHT-OF-USE ASSETS

The group concluded leases to acquire land, buildings and improvements, computer equipment, office equipment, machinery and vehicles to conduct operating activities and administrative functions. These assets are leased over two to ten years after the commencement date of the lease concerned. The group acquires ownership of the machinery and vehicles held under leases. In contrast, land, buildings and improvements, computer equipment and office equipment remain the property of the lessors. The terms over which the land, buildings and improvements are leased may be extended. Extension periods range from two to ten years. In the event that the group is reasonably certain that the extension option will be exercised, the related lease payments are included in the measurement of the cost of the asset concerned. The group chose not to recognise assets acquired under a short-term lease – in other words, a lease with a lease term of twelve months or less – or assets acquired under a lease for which the underlying asset is of low value. Therefore, these assets are excluded from the carrying amount of the right-of-use assets set out below. Short-term leases and low-value asset leases are disclosed in note K1.

C1. PROPERTY, PLANT AND EQUIPMENT (continued)

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
CARRYING AMOUNT OF RIGHT-OF-USE ASSETS				
Land	-	-	5,5	0,9
Buildings and improvements	-	-	16,1	6,7
Computer equipment	-	-	3,3	3,8
Office equipment	-	-	0,7	0,6
Machinery and equipment	-	-	11,1	11,0
Vehicles	-	-	30,9	15,5
Carrying amount of right-of-use assets	-	-	67,6	38,5
CALCULATION OF CARRYING AMOUNT OF RIGHT-OF-USE ASSETS				
Cost of right-of-use assets	-	-	80,2	45,9
Land	-	-	5,6	0,9
Buildings and improvements	-	-	18,9	7,3
Computer equipment	-	-	7,9	6,6
Office equipment	-	-	1,1	0,9
Machinery and equipment	-	-	12,9	11,5
Vehicles	-	-	33,8	18,7
Accumulated depreciation on right-of-use assets	-	-	(12,6)	(7,4)
Land	-	-	(0,1)	-
Buildings and improvements	-	-	(2,8)	(0,6)
Computer equipment	-	-	(4,6)	(2,8)
Office equipment	-	-	(0,4)	(0,3)
Machinery and equipment	-	-	(1,8)	(0,5)
Vehicles	-	-	(2,9)	(3,2)
Carrying amount of right-of-use assets	-	-	67,6	38,5
ADDITIONS TO RIGHT-OF-USE ASSETS				
Land	-	-	4,8	0,8
Buildings and improvements	-	-	9,5	7,4
Computer equipment	-	-	1,3	2,3
Office equipment	-	-	0,2	-
Machinery and equipment	-	-	1,4	11,5
Vehicles	-	-	23,2	8,3
Additions to right-of-use assets	-	-	40,4	30,3
DEPRECIATION CHARGES ON RIGHT-OF-USE ASSETS				
Land	-	-	0,1	0,1
Buildings and improvements	-	-	2,2	2,0
Computer equipment	-	-	1,8	0,2
Office equipment	-	-	0,2	1,3
Machinery and equipment	-	-	1,2	0,5
Vehicles	-	-	2,9	2,0
Depreciation charges on right-of-use assets	-	-	8,4	6,1

C1. PROPERTY, PLANT AND EQUIPMENT (continued)

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
CAPITAL COMMITMENTS AND THE PLANNED FINANCING THEREOF				
Assets that in all likelihood will be leased	**-**	-	**10,1**	69,0
Assets likely to be funded with general borrowing facilities	**-**	-	**52,5**	10,3

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. These mortgages, together with a notarial bond on the group's inventory, a cession on the group's loans and receivables and a cession on the policies insuring these assets, serve as security for the overdraft facilities set out in note C26. The right-of-use assets set out above serve as security for the concomitant lease liabilities set out in note C22.

THE USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

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

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

The expected useful life and the residual value of property, plant and equipment are reviewed at the end of reporting periods. If the expected useful life or the residual value of an asset differs significantly from the original estimate, depreciation is adjusted for current and future periods. Although the group makes all reasonable efforts to estimate the useful life and residual value of the assets as accurately as possible and takes all reasonable and supportable forward-looking information into account in its assessment thereof, unforeseen changes in the agricultural and other industries, an unforeseen loss of markets, higher-than-expected operating costs and technological developments may adversely affect the useful life and residual value of the assets. The real useful life and residual value of the assets will therefore still differ from the anticipated useful life and residual value.

C2. INVESTMENT PROPERTY

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Land	-	-	0,2	0,2
Buildings and improvements	-	-	12,4	9,3
Carrying amount before transfer to held for sale	-	-	12,6	9,5
Buildings and improvements transferred to non-current assets held for sale (note C18)	-	-	(4,5)	(4,5)
Carrying amount of investment property	-	-	8,1	5,0

ACCOUNTING POLICIES

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

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

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

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

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

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

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

C2. INVESTMENT PROPERTY (continued)

CALCULATION OF CARRYING AMOUNT

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Cost	-	-	13,7	10,4
Land	-	-	0,2	0,2
Buildings and improvements	-	-	13,5	10,2
Accumulated depreciation on buildings and improvements	-	-	(1,1)	(0,9)
Carrying amount before transfer to held for sale	-	-	12,6	9,5
Buildings and improvements transferred to non-current assets held for sale (note C18)	-	-	(4,5)	(4,5)
Carrying amount of investment property	-	-	8,1	5,0

FAIR VALUE OF INVESTMENT PROPERTY

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Fair value measured by using level three input data	-	-	14,7	12,9

MOVEMENTS FOR THE YEAR

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Cost at the beginning of the year	-	-	10,4	9,5
Land	-	-	0,2	0,2
Buildings and improvements	-	-	10,2	9,3
Accumulated depreciation on buildings and improvements at the beginning of the year	-	-	(0,9)	(0,9)
Opening balance	-	-	9,5	8,6
Property, plant and equipment acquired	-	-	0,7	-
Upgrading of buildings and improvements	-	-	1,3	1,1
Investment property acquired through business combinations	-	-	1,8	-
Land	-	-	-	-
Buildings and improvements	-	-	1,8	-
Assets transferred to or from property, plant and equipment (note C1)	-	-	(0,4)	(0,1)
Land	-	-	-	-
Buildings and improvements	-	-	(0,4)	(0,1)
Depreciation on buildings and improvements	-	-	(0,1)	(0,1)
Impairment on buildings and improvements	-	-	(0,2)	-
Carrying amount before transfer to held for sale	-	-	12,6	9,5
Buildings and improvements transferred to non-current assets held for sale (note C18)	-	-	(4,5)	(4,5)
Carrying amount of investment property	-	-	8,1	5,0

During the year, the group obtained investment property with a fair value of R1,8 million as part of the acquisition of Lorenzo Motors Proprietary Limited. The cashflows relating to this acquisition are set out in note E6.

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.

C2. INVESTMENT PROPERTY (CONTINUED)

THE USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

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

Buildings and improvements	5 – 90 years

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

FAIR-VALUE MEASUREMENTS

The fair value of investment property is measured at market prices, if available. However, the majority of these assets are located in the rural areas of North West and consequently do not trade in an active market. Cost-effective fair-value measurements of these assets are therefore a significant problem. Since the fair value of investment property is presented as supplementary information and the price fluctuations of property in the open market do not influence the carrying amounts thereof, the group does not use independent 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		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Brands and licences	-	-	0,6	1,1
Software	-	-	17,0	3,6
In-house-developed software	-	-	12,6	13,7
Goodwill	-	-	3,9	1,5
In-house-developed software not yet available for use	-	-	1,3	0,9
Carrying amount of intangible assets	-	-	35,4	20,8

ACCOUNTING POLICIES

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

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

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

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

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

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

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

C3. INTANGIBLE ASSETS (continued)

CALCULATION OF CARRYING AMOUNT

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Cost	-	-	50,0	47,3
Brands and licences	-	-	6,2	6,2
Software	-	-	20,4	20,5
In-house-developed software	-	-	18,2	18,2
Goodwill	-	-	3,9	1,5
In-house-developed software not yet available for use	-	-	1,3	0,9
Accumulated amortisation	-	-	(14,6)	(26,5)
Brands and licences	-	-	(5,6)	(5,1)
Software	-	-	(3,4)	(16,9)
In-house-developed software	-	-	(5,6)	(4,5)
Carrying amount of intangible assets	-	-	35,4	20,8

MOVEMENTS FOR THE YEAR

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Cost at the beginning of the year	-	-	47,3	45,8
Brands and licences	-	-	6,2	5,8
Software	-	-	20,5	20,3
In-house-developed software	-	-	18,2	18,2
Goodwill	-	-	1,5	1,5
In-house-developed software not yet available for use	-	-	0,9	-
Accumulated amortisation at the beginning of the year	-	-	(26,5)	(21,2)
Brands and licences	-	-	(5,1)	(4,7)
Software	-	-	(16,9)	(13,3)
In-house-developed software	-	-	(4,5)	(3,2)
Opening balance	-	-	20,8	24,6
Intangible assets acquired	-	-	17,3	1,4
Brands and licences	-	-	0,1	0,3
Software	-	-	16,9	0,2
In-house-developed software	-	-	-	-
In-house-developed software not yet available for use	-	-	0,3	0,9
Goodwill acquired through business combinations	-	-	2,4	-
Amortisation	-	-	(4,8)	(5,2)
Brands and licences	-	-	(0,5)	(0,4)
Software	-	-	(3,2)	(3,5)
In-house-developed software	-	-	(1,1)	(1,3)
Impairment charges on software	-	-	(0,3)	-
Carrying amount of intangible assets	-	-	35,4	20,8

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

During the year, the group recognised goodwill of R2,4 million as part of the acquisition of two business units. The cashflows relating to this acquisition are set out in note E6.

C3. INTANGIBLE ASSETS (continued)

RIGHT-OF-USE ASSETS

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
CARRYING AMOUNT OF RIGHT-OF-USE ASSETS				
Cost of software	-	-	16,8	17,0
Cost of brands and licences	-	-	-	-
Accumulated amortisation on software	-	-	-	(13,6)
Accumulated amortisation on other intangible asset	-	-	-	-
Carrying amount of right-of-use assets	-	-	16,8	3,4
ADDITIONS TO RIGHT-OF-USE ASSETS				
Software	-	-	16,8	-
AMORTISATION CHARGES ON RIGHT-OF-USE ASSETS				
Brands and licences	-	-	-	-
Software	-	-	-	3,4
CAPITAL COMMITMENTS AND THE PLANNED FINANCING THEREOF				
Assets that in all likelihood will be leased	-	-	-	-
Assets likely to be funded with general borrowing facilities	-	-	0,7	0,5
Commitment to obtain intangible assets	-	-	0,7	0,5

ENCUMBRANCES

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

THE USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

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

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

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

C4. INVESTMENT IN SUBSIDIARIES

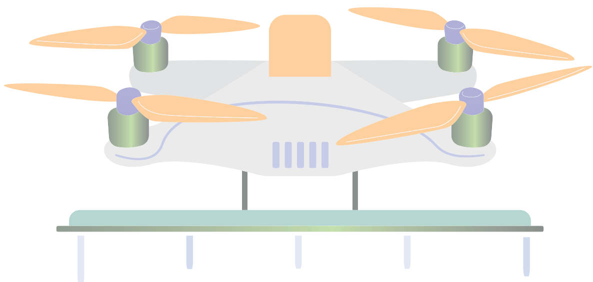
	COMPANY					
	SHARES HELD		INTEREST HELD		CARRYING AMOUNT	
	2022	2021	**2022**	2021	**2022**	2021
	Shares	Shares	**%**	%	**R'm**	R'm
NWK Limited	**143 031 971**	143 031 971	**100**	100	**1 725,5**	1 522,1

ACCOUNTING POLICIES

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

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

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



C4. INVESTMENT IN SUBSIDIARIES (continued)

	COMPANY	
	2022 R'm	2021 R'm
CALCULATION OF CARRYING AMOUNT		
Investment in NWK Limited, at cost	**502,0**	502,0
Proportionate share of the post-acquisition reserves of NWK Limited	**1 223,5**	1 020,1
Carrying amount of the investment in subsidiaries	**1 725,5**	1 522,1
MOVEMENTS FOR THE YEAR		
Opening balance	**1 522,1**	1 296,3
Additional investment in subsidiary	**-**	197,7
Bargain purchase with the acquisition of additional shares in subsidiary	**-**	150,3
Equity-accounted earnings	**263,4**	163,9
Equity-accounted earnings recognised in profit or loss	**271,1**	163,6
Equity-accounted earnings recognised in other comprehensive income	**(7,7)**	3,0
Equity-accounted earnings recognised in equity	**-**	(2,7)
Recovery of investment from dividend income	**(60,0)**	(286,1)
Carrying amount of the investment in subsidiaries	**1 725,5**	1 522,1

In the previous year, the company increased its interest in NWK Limited from 79,5% to 100% by purchasing 29 390 985 ordinary shares in NWK Limited. As set out in note E7, the acquisition of these shares was paid in part in cash and in part through the issue of shares.

ACQUISITIONS

On 1 May 2021, as part of a strategy to grow the group's fuel business, the group acquired a 100% interest in Lorenzo Motors Proprietary Limited. The cashflows relating to this acquisition are set out in note E6.

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 R3 428,8 million and a consolidated after-tax profit of R271,1 million, compared to a consolidated revenue of R2 726,8 million and a consolidated after-tax profit of R177,4 million in the previous year.

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

EPKO OIL REFINERY PROPRIETARY LIMITED

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

LORENZO MOTORS PROPRIETARY LIMITED

Lorenzo Motors Proprietary Limited, an unlisted company registered in the Republic of South Africa, sells fuel at its premises in Lichtenburg, North West. The registered office of Lorenzo Motors Proprietary Limited is at 81 Scholtz Street, Lichtenburg, North West. In the period after its acquisition, this subsidiary realised an after tax profit of R48 000.

C4. INVESTMENT IN SUBSIDIARIES (continued)

NWK COMMODITY BROKERS PROPRIETARY LIMITED

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

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%. NWK Holdings Limited may likewise, as shareholder of NWK Limited, not pass any resolution that would result in 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.

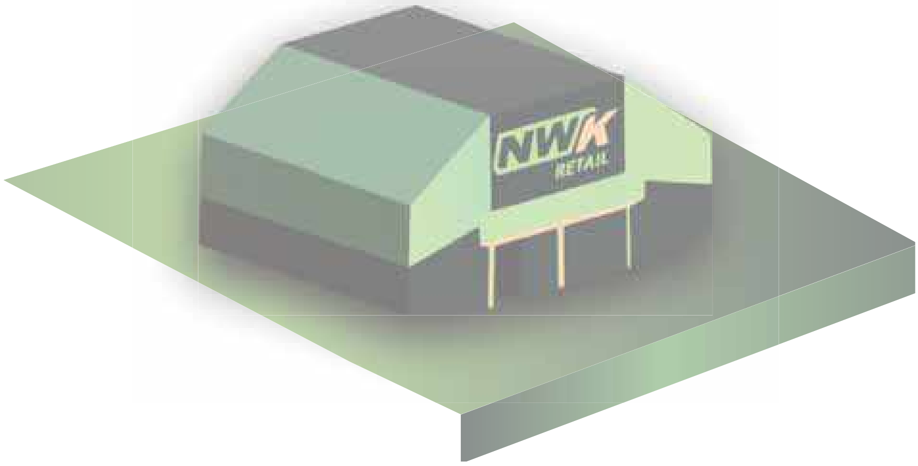
It is the policy of the subsidiary, NWK Limited, to manage its assets with an equity ratio of at least 45% and to pay dividends in accordance with a three-times coverage basis. This policy has the ability to impede the flow of cash between the companies in the group, but these are internal restrictions 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 rather has the potential to limit the company's ability to pay dividends to its shareholders.

FINANCIAL ASSISTANCE TO SUBSIDIARIES

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

C5. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

	GROUP					
	SHARES HELD		INTEREST HELD		CARRYING AMOUNT	
	2022 Shares	2021 Shares	2022 %	2021 %	2022 R'm	2021 R'm
Joint ventures					**180,7**	181,1
Bastion Lime Proprietary Limited	**788 400**	788 400	**50**	50	**40,0**	29,0
Epko Oil Seed Crushing Proprietary Limited	**6 700**	6 700	**50**	50	**133,0**	111,4
IP Makelaars Proprietary Limited	**500**	-	**50**	-	**7,7**	-
Senwk Proprietary Limited	**-**	90	**-**	50	**-**	40,7
Associates						
Molemi Sele Management Proprietary Limited	**2 945**	2 945	**29,45**	29,45	**15,7**	12,7
Carrying amount of investment					**196,4**	193,8



C5. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (continued)

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
CALCULATION OF CARRYING AMOUNT				
Investment in joint ventures, at cost	-	-	48,9	83,3
Bastion Lime Proprietary Limited	-	-	2,3	5,4
Epko Oil Seed Crushing Proprietary Limited	-	-	39,5	39,5
NWK and IP Makelaars Proprietary Limited	-	-	7,1	-
Senwk Proprietary Limited	-	-	-	38,4
Investment in the associate Molemi Sele Management Proprietary Limited, at cost	-	-	1,0	1,0
Investment in associates and joint ventures, at cost	-	-	49,9	84,3
Accumulated impairment losses on the investment in Bastion Lime Proprietary Limited	-	-	(0,6)	(0,6)
Investment in associates and joint ventures, at cost less accumulated impairments	-	-	49,3	83,7
Proportionate share of the post-acquisition reserves of joint ventures	-	-	132,4	98,4
Bastion Lime Proprietary Limited	-	-	38,3	24,2
Epko Oil Seed Crushing Proprietary Limited	-	-	93,5	71,9
NWK and IP Makelaars Proprietary Limited	-	-	0,6	-
Senwk Proprietary Limited	-	-	-	2,3
Proportionate share of the post-acquisition reserves of the associate Molemi Sele Management Proprietary Limited	-	-	14,7	11,7
Carrying amount of investment	-	-	196,4	193,8
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	193,8	172,5
Bastion Lime Proprietary Limited	-	-	29,0	22,6
Epko Oil Seed Crushing Proprietary Limited	-	-	111,4	98,0
Senwk Proprietary Limited	-	-	40,7	41,4
Molemi Sele Management Proprietary Limited	-	-	12,7	10,5
Acquisition of NWK and IP Makelaars Proprietary Limited	-	-	7,1	-
Equity-accounted earnings recognised in profit or loss	-	-	47,0	20,3
Bastion Lime Proprietary Limited	-	-	14,1	6,4
Epko Oil Seed Crushing Proprietary Limited	-	-	29,3	9,1
NWK and IP Makelaars Proprietary Limited	-	-	0,6	-
Senwk Proprietary Limited	-	-	-	2,6
Molemi Sele Management Proprietary Limited	-	-	3,0	2,2
Equity-accounted earnings of Epko Oil Seed Crushing Proprietary Limited recognised in other comprehensive income	-	-	(7,7)	4,3
Repayment of shareholder loan by Bastion Lime Proprietary Limited	-	-	(3,1)	-
Recovery of investment in Senwk Proprietary Limited from dividends	-	-	(1,7)	(3,3)
Disposal of Senwk Proprietary Limited	-	-	(39,0)	-
Carrying amount of investment	-	-	196,4	193,8

ACQUISITIONS AND DISPOSALS

At the previous reporting date, the group was one of two equal partners in the joint venture Senwk Proprietary Limited. Senwk Proprietary Limited and its subsidiaries acted as the group's insurance broker. However, the two parties involved decided for strategic reasons to proceed separately with their respective insurance businesses. As a result, on 5 July 2021 but with effect from 1 May 2021, the group bought its share of the insurance business from Senwk Proprietary Limited and sold its interest in Senwk Proprietary Limited. The selling price of the group's interest in Senwk Proprietary Limited was R26,1 million. However, as part of the transaction, Senwk Proprietary Limited paid dividends amounting to R37,5 million to the group. Consequently the cashflow from the disposal was substantially more than the stand-alone selling price. The price at which the group bought its share of the insurance business was R18,8 million. With the acquisition of its share of the insurance business from Senwk Proprietary Limited, the group acquired some low-value items of property, plant and equipment, as well as employee-related liabilities. The cashflows relating to this disposal are set out in note E11.

During the year, the group acquired a 50% interest in NWK and IP Makelaars Proprietary Limited, formerly known as IP Makelaars SA Proprietary Limited. This acquisition took place in two steps. On 5 July 2021, but with effect from 1 March 2021, the group bought a 20% interest and during the disposal of Senwk Proprietary Limited, the group bought the 30% interest that Senwk Proprietary Limited held in NWK and IP Makelaars Proprietary Limited from the former. As the purpose of acquiring NWK and IP Makelaars Proprietary Limited was to acquire a vehicle to manage the insurance business of the group, the assets and liabilities acquired at the disposal of Senwk Proprietary Limited were sold to NWK and IP Makelaars Proprietary Limited. The cashflows relating to these acquisitions and disposals are set out in notes E8 and E12.

BASTION LIME PROPRIETARY LIMITED

Bastion Lime Proprietary Limited, an unlisted 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.

EPKO OIL SEED CRUSHING PROPRIETARY LIMITED

Epko Oil Seed Crushing Proprietary Limited, an unlisted company registered in the Republic of South Africa, extracts vegetable oils at its plant and registered office – First Avenue Extension, Lottiehalte, Lichtenburg, North West. Epko Oil Seed Crushing Proprietary Limited 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.

NWK AND IP MAKELAARS PROPRIETARY LIMITED

NWK and IP Makelaars Proprietary Limited, an unlisted company registered in the Republic of South Africa, acts as an insurance broker. NWK and IP Makelaars Proprietary Limited executes its principal activities from its registered office – 6A Van Riebeeck Street, Ventersdorp, North West. Flowing from its main objective, NWK and IP Makelaars Proprietary Limited acts as the insurance broker of the group and a large portion of the group's customers.

MOLEMI SELE MANAGEMENT PROPRIETARY LIMITED

Molemi Sele Management Proprietary Limited, an unlisted company registered in the Republic of South Africa, owns cell insurance. This company executes its principal activities from its registered office – 1 Charl De Klerk Street, Newtown, Klerksdorp, North West. The purpose of the cell captive is to provide credit life insurance to the customers of the share-holders of Molemi Sele Management Proprietary Limited.

FINANCIAL ASSISTANCE TO ASSOCIATES AND JOINT VENTURES

The group provides financial assistance to its associates and joint ventures in that, firstly, it provides credit to these entities as and when these entities need funds at lower rates than those at which these entities can borrow in the open market, and secondly, as and when these entities have surplus funds, takes such funds on deposit at higher rates than those at which these entities can invest in the open market. The terms and conditions of the loan and investment facilities to the associates and joint ventures are set out in notes C9, C13 and C25. The outstanding amounts owing by or to the associates and joint ventures are disclosed in notes J3 and J4.

Epko Oil Seed Crushing Property Limited has obtained loan and overdraft facilities at commercial banks under terms and conditions supported by a financial guarantee from the group amounting to R34,5 million, and Bastion Lime Proprietary Limited has obtained loan and overdraft facilities at commercial banks under terms and conditions supported by a letter of comfort from the group.

C6. FINANCIAL INFORMATION OF JOINT VENTURES

	BASTION LIME PROPRIETARY LIMITED		EPKO OIL SEED CRUSHING PROPRIETARY LIMITED		NWK AND IP MAKELAARS PROPRIETARY LIMITED	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm	**2022 R'm**	2021 R'm
FINANCIAL POSITION OF JOINT VENTURES						
Non-current assets	**52,7**	44,5	**205,7**	214,3	**30,3**	-
Non-financial assets	**52,7**	44,5	**205,7**	214,3	**30,3**	-
Financial assets	**-**	-	**-**	-	**-**	-
Current assets	**83,2**	55,1	**312,5**	278,5	**4,8**	-
Cash and cash equivalents	**68,0**	40,1	**20,3**	126,6	**1,7**	-
Other current assets	**15,2**	15,0	**292,2**	151,9	**3,1**	-
Non-current liabilities	**(10,2)**	(16,7)	**(47,4)**	(41,6)	**(18,4)**	-
Deferred tax liabilities	**(3,8)**	(4,2)	**(45,6)**	(41,0)	**-**	-
Provisions	**(5,6)**	(3,5)	**-**	-	**-**	-
Financial liabilities	**(0,8)**	(9,0)	**(1,8)**	(0,6)	**(18,4)**	-
Current liabilities	**(29,8)**	(29,4)	**(204,8)**	(228,4)	**(1,4)**	-
Trade and other payables	**(22,1)**	(22,1)	**(142,5)**	(140,0)	**(1,4)**	-
Other financial liabilities	**(7,7)**	(7,3)	**(62,3)**	(88,4)	**-**	-
Equity	**95,9**	53,5	**266,0**	222,8	**15,3**	-
RECONCILIATION OF EQUITY WITH CARRYING AMOUNTS						
The group's share of the above equity, based on its shareholding in the entity	**48,0**	26,8	**133,0**	111,4	**7,7**	-
Interest-free loans	**0,4**	3,5	**-**	-	**-**	-
Adjustment for non-controlling interest	**(8,4)**	(1,3)	**-**	-	**-**	-
Carrying amount of investment	**40,0**	29,0	**133,0**	111,4	**7,7**	-
FINANCIAL PERFORMANCE OF JOINT VENTURES						
Revenue	**122,7**	89,8	**1 081,2**	1 341,9	**15,0**	-
Earnings before interest, tax, depreciation and amortisation	**48,1**	27,6	**93,1**	45,5	**4,7**	-
Depreciation and amortisation	**(8,9)**	(7,4)	**(12,6)**	(15,6)	**(1,7)**	-
Finance income	**3,6**	1,7	**1,7**	1,3	**-**	-
Finance charges	**(0,2)**	(0,3)	**(0,9)**	(6,0)	**(1,1)**	-
Pre-tax profit or loss	**42,6**	21,6	**81,3**	25,2	**1,9**	-
Tax	**(12,1)**	(6,1)	**(22,8)**	(7,1)	**(0,7)**	-
Profit or loss for the year	**30,5**	15,5	**58,5**	18,1	**1,2**	-
Other comprehensive income	**-**	-	**(15,3)**	8,7	**-**	-
Profit or loss for the year	**30,5**	15,5	**43,2**	26,8	**1,2**	-

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

C7. FINANCIAL INFORMATION OF ASSOCIATES

	MOLEMI SELE MANAGEMENT PROPRIETARY LIMITED	
	2022 R'm	2021 R'm
FINANCIAL POSITION OF ASSOCIATES		
Non-current assets – financial assets	**30,9**	26,6
Current assets	**27,4**	20,0
Cash and cash equivalents	**-**	-
Other current assets	**27,4**	20,0
Non-current liabilities – deferred tax liabilities	**(4,7)**	(3,1)
Current liabilities – trade and other payables	**(0,2)**	(0,2)
Equity	**53,4**	43,3
RECONCILIATION OF EQUITY WITH CARRYING AMOUNTS		
The group's share of the above equity, based on its shareholding in the entity	**15,7**	12,7
Carrying amount of investment	**15,7**	12,7
FINANCIAL PERFORMANCE OF ASSOCIATES		
Revenue	**-**	-
Earnings before interest, tax, depreciation and amortisation	**10,9**	1,7
Finance income	**1,3**	6,7
Pre-tax profit	**12,2**	8,4
Tax	**(2,5)**	(1,0)
Profit for the year	**9,7**	7,4

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

C8. INVESTMENT IN EQUITY INSTRUMENTS

	GROUP			
	SHARES HELD		CARRYING AMOUNT	
	2022 Shares	2021 Shares	**2022 R'm**	2021 R'm
Investment in the equity instruments of listed entities			**1,1**	1,6
JSE Limited	**10 000**	10 000	**1,1**	1,2
Agribel Holdings Limited		25 558	**-**	0,2
BKB Limited	**2 880**		**-**	-
Senwes Limited		16 666	**-**	0,2
Investment in the equity instruments of unlisted entities			**3,5**	3,0
Agribel Holdings Limited	**25 558**		**0,2**	-
BKB Limited		2 880	**-**	-
Obaro Holdings Limited	**35 941**	35 941	**0,3**	0,2
Senwes Limited	**16 666**		**0,2**	-
The Cape Town Stock Exchange Proprietary Limited	**57 214**	57 214	**2,8**	2,8
Carrying amount of the investment in equity instruments			**4,6**	4,6

ACCOUNTING POLICIES

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

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

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

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

C8. INVESTMENT IN EQUITY INSTRUMENTS (continued)

MOVEMENTS FOR THE YEAR

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Opening balance	-	-	4,6	2,9
Acquisition of shares in The Cape Town Stock Exchange Proprietary Limited	-	-	-	1,6
Fair-value adjustment (note D14)	-	-	-	0,1
JSE Limited	-	-	(0,1)	0,1
Agribel Holdings Limited	-	-	-	0,1
Obaro Holdings Limited	-	-	0,1	-
Suidwes Holdings Limited	-	-	-	(0,1)
The Cape Town Stock Exchange Proprietary Limited	-	-	-	-
Carrying amount of the investment in equity instruments	-	-	4,6	4,6

The group acquired 32 253 additional ordinary shares in The Cape Town Stock Exchange Proprietary Limited, formerly known as 4 Africa Exchange Proprietary Limited, during the previous year after said company converted the amounts due on a short-term loan into ordinary shares. The outstanding amounts, which were past due at the conversion date and consequently written off, were measured at the fair value of the shares during the conversion. The group considers the conversion of debt into equity instruments to be non-cash transactions, and consequently the acquisition of ordinary shares in The Cape Town Stock Exchange Proprietary Limited was excluded from the cash paid to acquire non-current assets in the statement of cashflows.

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 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Carrying amount of the investment in equity instruments	-	-	4,6	4,6
Influence of a general increase of 10% in security prices on other comprehensive income:				
Pre-tax other comprehensive income	-	-	0,5	0,5
After-tax other comprehensive income	-	-	0,4	0,4
Influence of a general decrease of 10% in security prices on other comprehensive income:				
Pre-tax other comprehensive income	-	-	(0,5)	(0,5)
After-tax other comprehensive income	-	-	(0,4)	(0,4)

C9. LOANS AND LEASE RECEIVABLES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Lease receivables	-	-	**4,9**	10,5
Present value of lease receivables	-	-	**5,0**	10,6
Allowance for expected credit losses	-	-	**(0,1)**	(0,1)
Term loans to agricultural customers	-	-	**391,5**	463,9
Present value of term loans	-	-	**397,6**	472,4
Allowance for expected credit losses	-	-	**(6,1)**	(8,5)
Carrying amount of instalment plans	-	-	**396,4**	474,4
Loan to NWK and IP Makelaars Proprietary Limited	-	-	**18,4**	-
Loan to TB Modise	-	-	**0,1**	0,1
Carrying amount before transfers to current assets	-	-	**414,9**	474,5
Current portion of loans and lease receivables transferred to trade and other receivables (note C13)	-	-	**(51,7)**	(79,5)
Lease receivables	-	-	**(2,4)**	(5,4)
Term loans to agricultural customers	-	-	**(44,5)**	(74,1)
Loan to NWK and IP Makelaars Proprietary Limited	-	-	**(4,8)**	-
Carrying amount of loans and lease receivables	-	-	**363,2**	395,0

ACCOUNTING POLICIES

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

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

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

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

C9. LOANS AND LEASE RECEIVABLES (continued)

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
FAIR-VALUE OF LOANS AND LEASE RECEIVABLES				
Fair value measured by using level two input data	**-**	-	**414,9**	474,5

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 8,7% and 10,2% (2021: 8,45% - 11,7%) per annum at the reporting date). The contracts determine, firstly, that although the risks and benefits attached to ownership of the product are transferred to the buyer, the product remains the property of the group until all outstanding amounts have been recovered. Secondly, the product may be used only on the agreed-upon site for the purpose it was manufactured or sold for, and, lastly, where applicable, the purchaser has to register and license the product. The contracts furthermore require the purchaser to insure the product against theft, fire and damage and effect credit life insurance, and cede the proceeds to the group. The buyer is entitled to terminate the agreement without prior notice by settling the amounts owing.

The sale of goods under leases is classified as part of revenue from the sale of goods. The group realised a gross profit amounting to R0 million (2021: R0,5 million) on the sale of goods to customers that were financed with leases.

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
PRESENT VALUE OF LEASE RECEIVABLES				
Lease payments receivable	**-**	-	**5,4**	11,7
Receivable within a year	**-**	-	**2,7**	6,0
Receivable after a year, but not exceeding two years	**-**	-	**1,4**	3,0
Receivable after two years, but not exceeding three years	**-**	-	**1,3**	1,4
Receivable after three years, but not exceeding four years	**-**	-	**-**	1,3
Receivable after four years, but not exceeding five years	**-**	-	**-**	-
Unearned finance income	**-**	-	**(0,4)**	(1,1)
Present value of lease receivables	**-**	-	**5,0**	10,6
MATURITY ANALYSIS OF THE PRINCIPAL PORTION OF LEASE RECEIVABLES				
Receivable within a year	**-**	-	**2,4**	5,4
Receivable after a year, but not exceeding two years	**-**	-	**1,3**	2,8
Receivable after two years, but not exceeding three years	**-**	-	**1,3**	1,2
Receivable after three years, but not exceeding four years	**-**	-	**-**	1,2
Receivable after four years, but not exceeding five years	**-**	-	**-**	-
Present value of lease receivables	**-**	-	**5,0**	10,6

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 7,2% and 11,7% (2021: 7,95% - 11,2%) per annum at the reporting date, 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.

C9. LOANS AND LEASE RECEIVABLES (continued)

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
PRESENT VALUE OF TERM LOANS TO AGRICULTURAL CUSTOMERS				
Instalments receivable	-	-	530,3	612,8
Receivable within a year	-	-	78,6	108,2
Receivable after a year, but not exceeding two years	-	-	90,1	93,6
Receivable after two years, but not exceeding five years	-	-	210,1	240,4
Receivable after five years, but not exceeding ten years	-	-	151,5	170,6
Unearned finance income	-	-	(132,7)	(140,4)
Present value of term loans to agricultural customers	-	-	397,6	472,4
MATURITY ANALYSIS OF THE PRINCIPAL PORTION OF TERM LOANS				
Receivable within a year	-	-	44,6	74,1
Receivable after a year, but not exceeding two years	-	-	62,1	64,6
Receivable after two years, but not exceeding five years	-	-	156,9	184,5
Receivable after five years, but not exceeding ten years	-	-	134,0	149,2
Present value of term loans to agricultural customers	-	-	397,6	472,4

LOAN TO NWK AND IP MAKELAARS PROPRIETARY LIMITED

The loan to NWK and IP Makelaars Proprietary Limited is partially secured by a cession on the shares of the other shareholders of this joint venture, bears interest at the preferential bank 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.

LOAN TO MR TB MODISE

The loan to Mr TB Modise was granted to this key employee to empower him to acquire ordinary shares in Oos-Transvaal Kalkverskaffers Proprietary Limited. The loan is unsecured, does not bear interest and is repayable as and when dividends accrue to Mr Modise.

ENCUMBRANCES

The loans and lease receivables, along with the trade and other receivables set out in note C13, 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 C26.

RELATED-PARTY BALANCES

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

FINANCIAL RISKS

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

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

C10. DEFERRED TAX

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Fair-value adjustments on the investment in equity instruments	-	-	-	-
Other taxable temporary differences	-	-	(27,4)	(25,8)
Allowance for lease receivables	-	-	(0,1)	(0,2)
Prepaid expenses	-	-	-	-
Wear-and-tear allowances	-	-	(27,3)	(25,6)
Other deductible temporary differences	-	-	48,4	39,2
Accumulating compensated absences	-	-	9,9	10,6
Allowance for expected credit losses on financial assets	-	-	5,0	4,2
Impairment losses on the investment in joint ventures	-	-	0,1	0,1
Liabilities from contracts with customers	-	-	11,5	2,6
Provision for environmental rehabilitation	-	-	1,3	0,8
Provision for grade and weight losses	-	-	4,5	3,8
Provision for long-term incentives	-	-	1,0	1,4
Provision for retirement benefits	-	-	1,2	1,4
Short-term incentives owing to employees	-	-	13,2	13,5
Other provisions	-	-	0,7	0,8
Unused tax losses of entities with unproven profit histories	-	-	0,3	-
Net deferred tax asset or liability	-	-	21,3	13,4

ACCOUNTING POLICIES

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

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

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

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

C10. DEFERRED TAX (continued)

CURRENT AND NON-CURRENT DISTINCTION

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Temporary differences likely to reverse within a year	-	-	34,8	26,3
Temporary differences not likely to reverse within a year	-	-	(13,5)	(12,9)
Net carrying amount	-	-	21,3	13,4

MOVEMENTS FOR THE YEAR

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Opening balance	-	-	13,4	(7,0)
Temporary differences recognised in profit or loss (note D13)	-	-	8,4	21,9
Allowance for lease receivables	-	-	0,1	0,1
Prepaid expenses	-	-	-	0,1
Wear-and-tear allowances	-	-	(1,7)	(0,3)
Accumulating compensated absences	-	-	(0,8)	1,3
Allowance for expected credit losses on financial assets	-	-	0,9	0,3
Liabilities from contracts with customers	-	-	8,9	0,5
Provision for environmental rehabilitation	-	-	0,6	0,8
Provision for grade and weight losses	-	-	0,8	3,8
Provision for long-term incentives	-	-	(0,3)	0,9
Provision for retirement benefits	-	-	(0,2)	0,1
Short-term incentives owing to employees	-	-	(0,2)	13,5
Other provisions	-	-	-	0,8
Unused tax losses	-	-	0,3	-
Tax rate adjustment recognised in profit or loss (note D13)	-	-	(0,5)	-
Temporary differences on the investment in equity instruments recognised in other comprehensive income (note D14)	-	-	-	(1,5)
Net carrying amount at the end of the year	-	-	21,3	13,4

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

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Unused capital losses not recognised	-	-	12,4	20,2

C11. INVENTORY

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Farming requisites and merchandise	-	-	**660,1**	491,6
Raw materials	-	-	**21,7**	13,7
Finished goods	-	-	**3,0**	0,6
By-products	-	-	**1,5**	0,7
Consumables	-	-	**10,8**	11,0
Contract assets	-	-	**3,9**	2,2
Carrying amount of inventory	-	-	**701,0**	519,8

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. Inventory includes assets from contracts with customers such as the work in progress of the group's workshops and printing business. However, agricultural commodities held for sale in the ordinary course of business are excluded from inventory. Agricultural commodities are classified as a separate asset group – based on materiality and their measurement at fair value less costs to sell.

Inventory is measured at the lower of cost or net realisable value. Cost is determined on the weighted average basis and includes the purchase price and, where applicable, purchase costs, import levies, transport costs, handling costs, as well as other costs that can be directly attributed to bringing the inventory item to its present location and condition such as repair and assembly costs. For this purpose, internal administration costs are not considered purchase costs. Where suppliers defer payment of inventory interest-free, the present value of the transaction price – discounted at the rate at which similar liabilities bear interest – is regarded as the purchase price of the inventory. The difference between the transaction price and the purchase price of the inventory is recognised as finance charges over the period during which the financing occurs. The cost of finished goods includes raw materials, fixed and variable production costs and, where applicable, rehabilitation costs and packaging material. Net realisable value is determined by reducing expected selling prices – based on contract prices and selling prices in the ordinary course of business – by the estimated costs necessary to complete or repair the inventory item and the estimated costs necessary to make the sale. Farming requisites and merchandise older than four years, damaged or spoilt items, obsolete inventory and inventory items past their expiry date are written off as and when such losses occur.

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

The cost of all inventories sold is classified as cost of sales. 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. Inventory is such an asset. However, in the event that assets classified as current assets contain a significant component that is expected to be recovered more than one year after the reporting period, it is the group's practice to disclose such a component. Therefore, the group estimates the non-current component of farming requisites and merchandise, and especially the non-current component of seasonal stock. Although the group takes general farming conditions into account when assessing inventory, the estimation of farming requisites and merchandise that in all likelihood will not be sold within a year poses significant problems.

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Farming requisites and merchandise that in all likelihood will not be sold within a year	-	-	**98,6**	66,0

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. The outstanding amounts become due upon completion of the agreed-upon asset. On that date, the outstanding amounts will be paid, included in the cost of another inventory item or transferred to trade receivables, whichever is applicable. In the event that the contract asset is transferred to another inventory item – such as in the execution of pre-delivery services or modifications to tractors, combine harvesters, balers and implements – the outstanding amounts become due or are transferred to trade receivables when the greater asset becomes due.

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
MOVEMENTS IN CONTRACT ASSETS FOR THE YEAR				
Opening balance	**-**	-	**2,2**	1,5
Materials, parts, consumables and labour recognised as revenue	**-**	-	**41,1**	29,1
Cash received	**-**	-	**(1,4)**	(1,2)
Transferred to other inventory items	**-**	-	**(5,4)**	(4,5)
Transferred to trade receivables	**-**	-	**(32,6)**	(22,7)
Carrying amount of assets from contracts with customers	**-**	-	**3,9**	2,2

ENCUMBRANCES

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

IMPAIRMENT AND THE ALLOWANCES FOR EXPECTED CREDIT LOSSES

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

C12. AGRICULTURAL COMMODITIES

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
Agricultural commodities at fair value less costs to sell	**-**	-	**1 400,4**	1 389,8

ACCOUNTING POLICIES

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

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

Fair-value adjustments on agricultural commodities are classified as other gains and losses.

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	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
Agricultural commodities held under sale and buyback agreements	**-**	-	**856,7**	608,4

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

MARKET PRICE RISKS

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

C13. TRADE AND OTHER RECEIVABLES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Amounts owing by agricultural customers	-	-	**1 197,9**	884,9
Production accounts	-	-	**916,1**	701,0
Interest-free deferred payments	-	-	**8,9**	0,7
Credit-insured production accounts	-	-	**206,2**	99,3
Production accounts past due	-	-	**23,4**	49,0
Monthly production accounts	-	-	**43,3**	34,9
Allowances for expected credit losses	-	-	**(17,8)**	(12,7)
Amounts owing by agricultural customers, net of loss allowances	-	-	**1 180,1**	872,2
Amounts owing by non-agricultural customers, net of loss allowances	-	-	**44,3**	28,7
Amounts owing by non-agricultural customers	-	-	**44,5**	29,1
Allowance for expected credit losses	-	-	**(0,2)**	(0,4)
Amounts owing by commodity customers, net of loss allowances	-	-	**145,0**	135,9
Amounts owing by commodity customers	-	-	**148,3**	138,2
Allowance for expected credit losses	-	-	**(3,3)**	(2,3)
Trade receivables	-	-	**1 369,4**	1 036,8
Other receivables	**0,6**	9,9	**215,0**	115,6
Amounts due on the sale of Opti Agri Proprietary Limited	-	-	**4,5**	4,5
Amounts owing by joint ventures on current accounts	-	-	**-**	-
Rebates owing by suppliers	-	-	**6,0**	6,5
Short-term deposits on commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	**129,8**	86,5
Short-term deposits on mortgage loans	-	-	**63,4**	13,0
Short-term loan to subsidiary	**0,6**	9,9	**-**	-
Short-term loan to Epko Oil Seed Crushing Proprietary Limited	-	-	**-**	-
Sundry receivables	-	-	**11,3**	5,1
Carrying amount before transfers from non-current assets	**0,6**	9,9	**1 584,4**	1 152,4
Current portion of loans and lease receivables transferred from loans and lease receivables (note C9)	-	-	**51,7**	79,5
Lease receivables	-	-	**2,4**	5,4
Term loans to agricultural customers	-	-	**44,5**	74,1
Loan to NWK and IP Makelaars Proprietary Limited	-	-	**4,8**	-
Carrying amount of trade and other receivables	**0,6**	9,9	**1 636,1**	1 231,9

ACCOUNTING POLICIES

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

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

C13. TRADE AND OTHER RECEIVABLES (continued)

ACCOUNTING POLICIES (CONTINUED)

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

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

The interest earned on trade receivables is classified as interest revenue on financial assets measured at amortised cost. On the other hand, the interest earned on other receivables is classified as other finance 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	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
Production accounts that are not likely to be recovered within a year	**-**	-	**29,3**	93,4

AMOUNTS OWING BY AGRICULTURAL CUSTOMERS

These facilities are granted to agricultural producers for the purchase of agricultural inputs such as agricultural lime, animal feed, batteries, building materials, fencing materials, fertilisers, fuel, herbicides and pesticides, irrigation units and fittings, meal, oil and grease, parts, seed, steel, tyres, and veterinary medicines and instruments. Although these facilities are granted to producers for the purchase of agricultural inputs, producers may also use their facilities to purchase consumer goods and to withdraw cash. With the exclusion of monthly production accounts, production accounts are seasonal. These facilities are granted to producers before the start of a production season and are payable, in the case of summer crops, on or before 30 September of the following year. In the case of winter crops, they are payable on or before 31 December of the year in which the facility has been granted. In contrast, the credit-insured production accounts are payable 180 days after invoice date.

C13. TRADE AND OTHER RECEIVABLES (continued)

AMOUNTS OWING BY AGRICULTURAL CUSTOMERS (CONTINUED)

Production accounts past due are production accounts not settled on the initial dates agreed upon. Monthly accounts are payable 30 days after statement or, if it is so negotiated with customers, 60 or 90 days after statement. Production accounts bear interest at rates linked to the weighted average borrowing rate of the group.

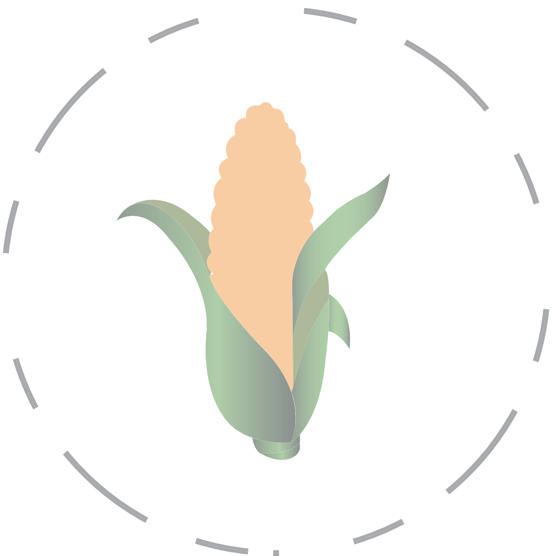
	INTEREST RATES ON ACCOUNTS WITHIN TERMS		INTEREST RATES ON PAST-DUE ACCOUNTS	
	2022	2021	**2022**	2021
	%	%	**%**	%
Preferential production customers	**7,7**	6,95	**n/a**	n/a
Low-risk production accounts secured by high-security values	**8,7**	7,95	**15,7**	14,95
Low-risk production accounts secured by low-security values	**9,2**	8,45	**16,2**	15,45
High-risk production accounts and credit-insured production accounts	**11,2**	9,45	**17,2**	16,45
Monthly production accounts	**n/a**	n/a	**15,7**	14,95

AMOUNTS OWING BY NON-AGRICULTURAL CUSTOMERS

These facilities are granted to customers for the purchase of consumer goods such as building materials, cigarettes and tobacco, clothes and shoes, fresh produce, frozen and cooled items, furniture and household products, garden requisites, groceries, hunting and outdoors equipment, pet food, soap and detergents, stationery, toiletries and medicine, and tools. These accounts are payable 30 days after statement and are interest-free if the conditions for payment concerned are adhered to. Past-due accounts bear interest at 15,7% (2021: 14,95%) 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 interest rates negotiated with each customer. At the reporting date interest rates varied between 8,25% and 11,25% (2021: 6% - 7,5%) per annum.



C13. TRADE AND OTHER RECEIVABLES (continued)

OTHER RECEIVABLES

The amounts due on the sale of Opti Agri Proprietary Limited are payable upon registration of the relevant property in the former subsidiary's name. These outstanding amounts are unsecured and interest-free.

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 4,3% (2021: 3,5%) 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 5,25% (2021: 4,5%) per annum.

The group granted Epko Oil Seed Crushing Proprietary Limited a short-term loan facility of R34,5 million. In terms of this facility, which is negotiated annually between the parties, Epko Oil Seed Crushing Proprietary Limited may borrow or repay funds without security at any time during the contract period. Outstanding amounts bear interest at rates linked to the preferential bank rate. The interest rate for the 2021 financial year was 8,5%. This facility was not extended for the 2022 financial year.

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

ENCUMBRANCES

The trade and other receivables of the group, along with the loans and lease receivables set out in note C9, 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 C26.

RELATED-PARTY BALANCES

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

FINANCIAL RISKS

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

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

C14. ASSETS FROM CONTRACTS WITH CUSTOMERS

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Storage fees on agricultural commodities	**-**	-	**0,6**	1,6

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. Contract assets differ from financial assets in that the consideration for the goods and services transferred is still conditioned on the future performance of the group. This typically means that the customer is not yet liable for the payment of the goods and services transferred. Despite this, the costs directly attributable to fulfilling a contract – such as material and labour relating to work in progress – is excluded from contract assets, even though the group has an enforceable right to consideration for performance completed to date. These assets are classified as inventory.

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

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

NATURE OF ASSETS FROM CONTRACTS WITH CUSTOMERS

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
MOVEMENTS FOR THE YEAR				
Opening balance	**-**	-	**1,6**	0,1
Recognised as revenue	**-**	-	**0,6**	12,4
Transferred to trade receivables	**-**	-	**(1,6)**	(10,9)
Amounts recognised in the previous year	**-**	-	**-**	(0,1)
Amounts recognised in the current year	**-**	-	**(1,6)**	(10,8)
Carrying amount of assets from contracts with customers	**-**	-	**0,6**	1,6

ENCUMBRANCES

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

C15. FIDUCIARY ASSETS AND LIABILITIES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Investment in the equity instruments of the holding company	-	-	0,1	-
Cash and cash equivalents	-	-	0,5	-
Bank balances	-	-	0,5	-
Term deposits	-	-	-	-
Fiduciary assets classified as current assets	-	-	0,6	-
Fiduciary liabilities classified as current liabilities	-	-	(0,6)	-
Shares not yet transferred to trust beneficiaries	-	-	(0,1)	-
Cash and cash equivalents not yet transferred to trust beneficiaries	-	-	(0,5)	-
Net fiduciary liability	-	-	-	-

ACCOUNTING POLICIES

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

Normally, cash on hand, demand deposits and favourable bank balances are classified as cash and cash equivalents. However, in the case where such assets are held by a consolidated trust for the benefit of its beneficiaries, these assets are not classified as cash and cash equivalents. Instead, these assets are classified as fiduciary assets. This is because the group has no right to use the cash, demand deposits and favourable bank balances held by consolidated trusts other than to use them to the benefit of the trusts' beneficiaries. The classification of cash on hand, demand deposits and favourable bank balances as fiduciary assets does not affect the measurement thereof.

SHARES NOT YET TRANSFERRED TO TRUST BENEFICIARIES

	GROUP			
	SHARES HELD		CARRYING AMOUNT	
	2022 Shares	2021 Shares	2022 R'm	2021 R'm
Shares in NWK Holdings Limited	23 385	-	0,1	-

C16. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Derivative financial instruments at fair value through profit or loss classified as current assets	**-**	-	**213,1**	79,9
Commodity contracts on the derivatives market for agricultural commodities of the JSE	**-**	-	**-**	-
Commodity contracts with agricultural producers	**-**	-	**198,2**	61,3
Commodity contracts with customers	**-**	-	**17,0**	16,3
Option contracts with agricultural producers	**-**	-	**-**	2,6
Allowance for expected credit losses on commodity contracts with agricultural producers	**-**	-	**(1,4)**	(0,3)
Allowance for expected credit losses on commodity contracts with customers	**-**	-	**(0,7)**	-
Derivative financial instruments at fair value through profit or loss classified as current liabilities	**-**	-	**(626,8)**	(535,0)
Commodity contracts on the derivatives market for agricultural commodities of the JSE	**-**	-	**(10,7)**	(21,1)
Option contracts with agricultural producers	**-**	-	**(0,9)**	-
Unpriced purchase contracts with agricultural producers	**-**	-	**(615,2)**	(513,9)
Net carrying amount of derivative financial instruments at fair value	**-**	-	**(413,7)**	(455,1)

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 well as financial guarantees.

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

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

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

Fair-value adjustments on derivative financial instruments are classified as other gains and losses. 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.

C16. 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 the agricultural commodities is measured with level three input data.

CURRENT AND NON-CURRENT DISTINCTION

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Unpriced purchase contracts that are not likely to be paid within a year	**-**	-	**43,1**	36,0

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 D9.

C17. CASH AND CASH EQUIVALENTS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Cash on hand	-	-	9,2	7,4
Bank balances	0,3	-	2,5	0,5
Term deposits	-	-	0,3	0,3
Cash and cash equivalents in the statement of financial position	0,3	-	12,0	8,2

ACCOUNTING POLICIES

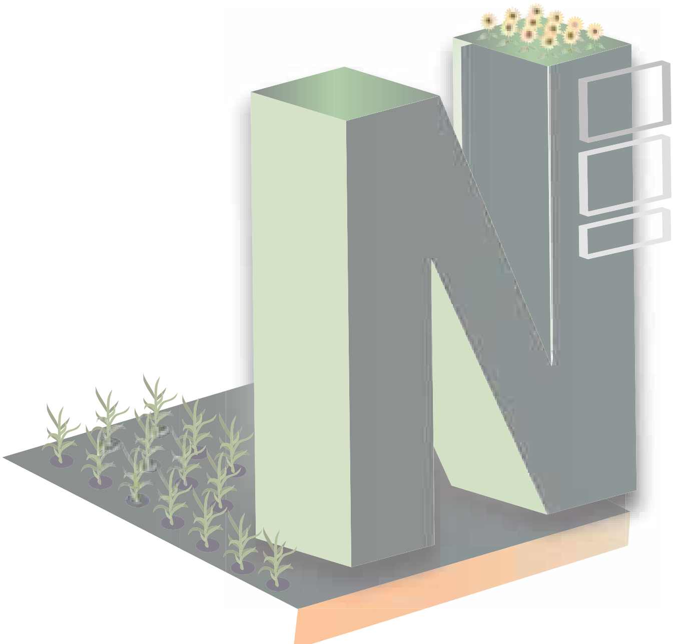
Cash and cash equivalents include cash on hand, demand deposits and favourable bank balances. For this purpose deposits with financial institutions are regarded as cash equivalents if the investment is readily convertible to a known amount of cash, is subject to an insignificant risk of changes in value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

Cash and cash equivalents are classified as current assets.

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

TERMS AND CONDITIONS

Bank balances earn interest at 2,25% (2021: 1,5%) per annum.Term deposits earn interest at 4,2% (2021: 4,15%) per annum.



C18. NON-CURRENT ASSETS HELD FOR SALE

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Transferred from property, plant and equipment (note C1)	**-**	-	**-**	-
Land	**-**	-	**-**	-
Vehicles	**-**	-	**-**	-
Buildings and improvements transferred from investment property (note C2)	**-**	-	**4,5**	4,5
Non-current assets held for sale	**-**	-	**4,5**	4,5

ACCOUNTING POLICIES

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

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

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

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

EXPECTED TIMELINE FOR DISPOSAL

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

C19. SHARE CAPITAL

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
ISSUED SHARE CAPITAL				
112 048 380 ordinary no-par-value shares	**237,2**			
116 650 917 ordinary no-par-value shares		260,5		
103 580 291 ordinary no-par-value shares			**196,3**	
108 182 828 ordinary no-par-value shares				219,6

ACCOUNTING POLICIES

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

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

AUTHORISED SHARES

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
MOVEMENTS IN THE ISSUED SHARE CAPITAL FOR THE YEAR				
Opening balance	**260,5**	84,7	**219,6**	43,8
Share issue	**-**	175,8	**-**	175,8
Share buyback	**(23,3)**	-	**(23,3)**	-
Shares purchased under an odd-lot offer	**(3,3)**	-	**(3,3)**	-
Shares purchased from retiring shareholders	**(20,0)**	-	**(20,0)**	-
Treasury shares purchased	**-**	-	**-**	-
Issued share capital	**237,2**	260,5	**196,3**	219,6

On 7 September 2020, the company issued 31 969 997 ordinary no-par-value shares, thereby increasing its issued shares from 84 680 920 to 116 650 917 ordinary no-par-value shares. These shares were issued as part of a share swap to acquire all the shares held by minorities in the subsidiary NWK Limited. As a result of this share issue, the group's issued shares also increased by 31 969 997 to 108 182 828 ordinary no-par-value shares. The share issue was measured at the fair value of the company's shares at the date of issue, in other words, the price at which the company's shares traded on The Cape Town Stock Exchange at the date of issue. Share swaps are regarded as non-cash transactions, therefore the proceeds thereof are excluded from the cashflow from financing activities in the statement of cashflows.

C19. SHARE CAPITAL (continued)

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

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

After obtaining the necessary approval from the shareholders for an odd-lot offer, the company made an offer to all shareholders who owned 2 500 or less of the issued ordinary shares of the company, to buy such shares from those shareholders. On 27 October 2021, as a result of this offer, 804 100 ordinary no-par-value shares were purchased at R4,05 per share and consequently canceled.

The necessary approval from the shareholders, for the repurchase of shares held by retiring shareholders (as defined per the company's MOI), was obtained. The company made an offer to all shareholders 70 years and older, to buy such shares from those shareholders. On 30 March 2022, as a result of this offer, 3 798 437 ordinary no-par-value shares were purchased at R5,26 per share and consequently canceled.

SHARES HELD BY CONTROLLING SHAREHOLDERS AND SIGNIFICANT SHAREHOLDERS

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

	NUMBER OF SHARES HELD DIRECTLY		NUMBER OF SHARES HELD INDIRECTLY#	
	2022	2021	**2022**	2021
SHARES HELD BY SUBSIDIARIES				
NWK Limited	**8 468 089**	8 468 089	**-**	-
The NWK Loyalty Programme Trust	**23 385**	-	**-**	-
Number of ordinary shares held by subsidiaries	**8 491 474**	8 468 089	**-**	-

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 23 385 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.

	2022	2021	**2022**	2021
SHARES HELD BY DIRECTORS AND OTHER KEY EMPLOYEES				
Directors	**2 395 305**	2 261 902	**2 876 404**	1 958 435
FH Badenhorst	**320 919**	297 288	**-**	-
JJ du Preez	**772 086**	725 641	**286 231**	224 530
JP du Preez	**511 568**	511 568	**1 173 256**	646 081
H Krüger	**329 500**	296 962	**881 575**	764 719
J Mahne	**220 000**	209 881	**22 722**	16 990
JH Suurd (retired 10 September 2021)	**-**	85 638	**-**	17 309
CF van Niekerk	**240 047**	133 739	**74 465**	276 997
PN Jansen van Vuuren (from 10 September 2021)	**-**	-	**419 826**	-
L Vermooten	**1 185**	1 185	**18 329**	11 809
Other key employees	**238 677**	358 609	**504 548**	482 714
DPG Kleingeld	**238 677**	358 609	**-**	-
AM van Rooyen (from 23 September 2021)	**-**	-	**504 548**	482 714
Number of ordinary shares held by directors and other key employees	**2 633 982**	2 620 511	**3 380 952**	2 441 149

C19. SHARE CAPITAL (continued)

SHARES ISSUED TO THE DIRECTORS AND OTHER KEY EMPLOYEES

	NUMBER OF SHARES ISSUED DIRECTLY		NUMBER OF SHARES ISSUED INDIRECTLY#	
	2022	2021	2022	2021
Directors	-	364 412	-	116 863
FH Badenhorst	-	99 087	-	-
JJ du Preez	-	-	-	116 860
H Krüger	-	121 899	-	3
J Mahne	-	76 581	-	-
JH Suurd (retired 10 September 2021)	-	35 887	-	-
CF van Niekerk	-	30 958	-	-
Key employees	-	37 854	-	145 877
DPG Kleingeld	-	37 854	-	-
AM van Rooyen (from 23 September 2021)	-	-	-	145 877
Number of shares issued to directors and key employees	-	402 266	-	262 740

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 146 160 of the company's ordinary no-par-value shares to the directors and key employees during the year.

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

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

C20. DISTRIBUTABLE RESERVES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
General reserve	**149,9**	149,9	**149,9**	149,9
Opening balance	**149,9**	119,1	**149,9**	119,1
Effects of change of interest in subsidiary	**-**	-	**-**	30,8
Transferred from retained earnings	**-**	30,8	**-**	-
Fair-value reserve	**(6,5)**	(6,5)	**(6,5)**	(6,5)
Opening balance	**(6,5)**	(4,1)	**(6,5)**	(4,1)
Effects of change of interest in subsidiary	**-**	-	**-**	(1,1)
Fair-value adjustment of the investment in equity instruments	**-**	(1,3)	**-**	(1,3)
Transferred from retained earnings	**-**	(1,1)	**-**	-
Retained earnings	**1 345,8**	1 128,1	**1 341,5**	1 123,7
Opening balance	**1 128,1**	883,7	**1 123,7**	879,2
Effects of change of interest in subsidiary	**-**	-	**-**	120,6
Profit for the year	**270,6**	306,3	**267,4**	153,7
Proportionate share of the other comprehensive income of associates and joint ventures	**(7,7)**	4,3	**(7,7)**	4,3
Transaction costs relating to the acquisition of non-controlling interests in subsidiaries	**-**	(2,7)	**-**	(2,7)
Transferred to other reserves	**-**	(29,7)	**-**	-
Dividends paid	**(45,2)**	(33,8)	**(41,9)**	(31,4)
Total distributable reserves	**1 489,2**	1 271,5	**1 484,9**	1 267,1

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 22 July 2022 the board declared a dividend of R28 million – 25 cents per share – for distribution to the shareholders.

C21. PROVISIONS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Long-term provisions classified as non-current liabilities	-	-	12,8	7,9
Environmental rehabilitation	-	-	4,9	2,8
Long-term incentives	-	-	3,4	-
Retirement benefits (gratuities)	-	-	4,5	5,1
Short-term provisions classified as current liabilities	-	-	16,5	18,7
Grade and weight losses	-	-	16,5	13,7
Long-term incentives	-	-	-	5,0
Allowance for expected credit losses on commodity contracts with producers	-	-	-	-
Present value of provisions	-	-	29,3	26,6

ACCOUNTING POLICIES

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

ENVIRONMENTAL REHABILITATION

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

LONG-TERM INCENTIVES

The group is contractually obligated to pay long-term incentives to Mr TE Rabe. These benefits are based on the performance of this official over the period of his employment contract – in other words, over three years. 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 preferential bank rate, compounded annually, and are payable within three months of the expiry of the existing contract. If Mr TE Rabe ceases to be employed by the group before the payment date for any reason other than death or end of contract, the amounts accumulated will be forfeited. Furthermore, the group is also contractually obliged to pay long-term incentives to one other employee. In this case, the benefits payable are a percentage of the amount by which the operating outlet's profit exceeds the contractually prescribed profit thresholds over the three years ended 31 July 2024.

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.

GRADE AND WEIGHT LOSSES

The group is obliged to supply agricultural commodities that are stored on behalf of customers on demand. 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.

C21. PROVISIONS (continued)

MOVEMENTS IN PROVISIONS FOR THE YEAR

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Opening balance	-	-	**26,6**	10,9
Environmental rehabilitation	-	-	**2,8**	0,2
Long-term incentives	-	-	**5,0**	1,7
Retirement benefits (gratuities)	-	-	**5,1**	4,5
Grade and weight losses	-	-	**13,7**	4,2
Allowance for expected credit losses on commodity contracts with producers	-	-	**-**	0,3
Provisions created	-	-	**36,3**	48,4
Environmental rehabilitation	-	-	**2,0**	2,7
Long-term incentives	-	-	**3,4**	3,2
Retirement benefits (gratuities)	-	-	**0,5**	0,8
Grade and weight losses	-	-	**30,4**	41,7
Allowance for expected credit losses on commodity contracts with producers	-	-	**-**	-
Allowance for expected credit losses on commodity contracts with producers transferred to derivative financial instruments	-	-	**-**	(0,3)
Finance charges on long-term incentives	-	-	**0,1**	0,1
Utilisation	-	-	**(23,5)**	(19,1)
Long-term incentives	-	-	**(5,1)**	-
Retirement benefits (gratuities)	-	-	**(1,0)**	(0,3)
Grade and weight losses	-	-	**(17,4)**	(18,8)
Reversal of unutilised provision for grade and weight losses	-	-	**(10,2)**	(13,4)
Present value of provisions	-	-	**29,3**	26,6

SIGNIFICANT ESTIMATES RELATING TO THE PROVISION FOR GRADE AND WEIGHT LOSSES

In the case of maize, the provision is estimated at 0,18% (2021: 0,18%) of the theoretical weight at hand; in the case of sunflower, 3,55% (2021: 3,55%) of the theoretical weight at hand at one specific silo and 1,01% (2021: 1,01%) of the theoretical weight at hand at the other silos; in the case of sorghum, 2,1% (2021: 2,1%) of the theoretical weight at hand; in the case of wheat, 0,95% (2021: 0,95%) of the theoretical weight at hand, and, in the case of soybeans, 1,39% (2021: 1,39%) of the theoretical weight at hand. The liability is measured against the expected purchase price of the agricultural commodity, based on commodity prices on the derivatives market for agricultural commodities of the JSE.

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

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Effect of a 100% overprovision:				
Pre-tax profit	-	-	**16,5**	13,7
Profit after tax	-	-	**11,9**	9,9

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

C22. LEASE LIABILITIES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Outstanding lease payments	-	-	**55,0**	31,3
Payable within a year	-	-	**24,6**	13,5
Payable after a year, but not exceeding two years	-	-	**18,0**	14,3
Payable after two years, but not exceeding five years	-	-	**10,5**	3,1
Payable after five years, but not exceeding ten years	-	-	**1,9**	0,4
Outstanding finance charges	-	-	**(5,7)**	(2,8)
Present value of leases	-	-	**49,3**	28,5
Non-current portion of lease liabilities	-	-	**27,5**	16,5
Current portion of lease liabilities	-	-	**21,8**	12,0
Present value of leases	-	-	**49,3**	28,5

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

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

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

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

C22. LEASE LIABILITIES (continued)

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
MATURITY ANALYSIS OF THE PRINCIPAL PORTION OF LEASES				
Payable within a year	-	-	21,8	12,0
Payable after a year, but not exceeding two years	-	-	16,6	13,6
Payable after two years, but not exceeding five years	-	-	9,5	2,7
Payable after five years, but not exceeding ten years	-	-	1,4	0,2
Present value of leases	-	-	49,3	28,5
MOVEMENTS FOR THE YEAR				
Opening balance	-	-	28,5	16,2
Leases entered into	-	-	57,2	30,3
Finance charges on leases	-	-	2,5	1,7
Repayment of leases	-	-	(38,9)	(19,7)
Present value of leases	-	-	49,3	28,5

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 preferential bank rate. Some leases have predetermined annual adjustments in their instalments, and in exceptional cases the instalments are adjusted annually at an inflation-linked rate. The leases contain no residual value guarantees – consequently the group is not exposed to the risks involved. The leases bear interest at rates that varied between the preferential bank rate less one percentage point and the preferential bank rate plus 2,74 percentage points. At the reporting date the preferential bank rate was 7,75% (2021: 7%) per annum.

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

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

SHORT-TERM LEASES AND LOW-VALUE ASSET LEASES

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

C23. TRADE AND OTHER PAYABLES

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Trade payables	**-**	-	**315,5**	371,8
Other payables	**-**	-	**163,4**	105,2
Amounts owing to joint ventures on current accounts	**-**	-	**55,3**	0,1
Amounts owing to the loyalty programme customers	**-**	-	**15,0**	11,0
Short-term incentives owing to employees	**-**	-	**51,1**	50,1
Sundry payables	**-**	-	**42,0**	44,0
Carrying amount of trade and other payables	**-**	-	**478,9**	477,0

ACCOUNTING POLICIES

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

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

TERMS AND CONDITIONS

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

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

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

C24. LIABILITIES FROM CONTRACTS WITH CUSTOMERS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Obligation to deliver goods under bill-and-hold arrangements	**-**	-	**80,5**	27,5
Obligation to handle and store agricultural commodities	**-**	-	**10,5**	8,8
Obligation to render after-sales services	**-**	-	**1,2**	0,4
Other income received in advance	**-**	-	**0,1**	0,1
Carrying amount of liabilities from contracts with customers	**-**	-	**92,3**	36,8

ACCOUNTING POLICIES

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

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

OBLIGATION TO DELIVER GOODS UNDER BILL-AND-HOLD ARRANGEMENTS

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

OBLIGATION TO HANDLE AND STORE AGRICULTURAL COMMODITIES

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

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

Since the customer consumes the benefits provided by the group's performance as it performs, the income from storing agricultural commodities is recognised as revenue on a time-proportion basis. If customers do not choose to postpone the decision to sell or not to sell their commodities, as set out in note C14 and D4, they are liable for the payment of storage fees as and when the service is rendered or before the service is rendered. Consequently, in these cases cash is usually received or a financial asset is usually recognised as and when the service is rendered or before the service is rendered. Where the customer is liable for payment before the service is rendered, the cash received or due is recognised as a contract liability.

OBLIGATION TO RENDER AFTER-SALES SERVICES

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

C24. LIABILITIES FROM CONTRACTS WITH CUSTOMERS (continued)

MOVEMENTS FOR THE YEAR

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Opening balance	-	-	36,8	24,4
Obligation to deliver goods under bill-and-hold arrangements	-	-	27,5	21,7
Obligation to handle and store agricultural commodities	-	-	8,8	2,6
Obligation to render after-sales services	-	-	0,4	0,1
Other income received in advance	-	-	0,1	-
Compensation received	-	-	208,4	128,0
Obligation to deliver goods under bill-and-hold arrangements	-	-	80,5	27,5
Obligation to handle and store agricultural commodities	-	-	126,7	99,9
Obligation to render after-sales services	-	-	1,0	0,5
Other income received in advance	-	-	0,2	0,1
Compensation received in the previous year recognised as revenue	-	-	(36,6)	(24,4)
Obligation to deliver goods under bill-and-hold arrangements	-	-	(27,5)	(21,7)
Obligation to handle and store agricultural commodities	-	-	(8,8)	(2,6)
Obligation to render after-sales services	-	-	(0,2)	(0,1)
Other income received in advance	-	-	(0,1)	-
Compensation received in the current year recognised as revenue	-	-	(116,3)	(91,2)
Obligation to handle and store agricultural commodities	-	-	(116,3)	(91,1)
Obligation to render after-sales services	-	-	-	(0,1)
Carrying amount of liabilities from contracts with customers	-	-	92,3	36,8

C25. SHORT-TERM LOANS

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Commodity-based loans	-	-	800,0	566,8
Demand deposits	-	-	51,3	63,2
Agricultural customers	-	-	23,9	18,9
Joint ventures	-	-	-	24,8
Associates	-	-	27,4	19,5
Carrying amount of short-term loans	-	-	851,3	630,0

ACCOUNTING POLICIES

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

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

FAIR-VALUE

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

COMMODITY-BASED LOAN FACILITIES

The group has commodity-based loan facilities at commercial banks. In terms of these facilities the group can transact short-term loans with the commercial banks, secured by sale and repurchase agreements over agricultural commodities. Commodity-based loans are subject to interest at rates that varied between the preferential bank rate less 2,3 percentage points and the preferential bank rate less 2,55 percentage points. At the reporting date the preferential bank rate was 7,75% (2021: 7%) per annum.

DEMAND DEPOSITS

The group borrows funds from its customers on demand deposits. As a prerequisite for depositing funds with the group, the customer must use one of the group's credit facilities – in other words, the customer must make use of the group's production account, month account or commodity account facilities. The deposits are payable with a two weeks' written notice and bear interest at the preferential 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 previous reporting date this rate was 5,25% per annum.

The amounts owing to the associates are unsecured and payable on demand. The group pays interest to its associates on the amounts owing to them at rates that are negotiated with each individual associate. At the reporting date this rate was 5,25% (2021: 4,5%) per annum.

C25. SHORT-TERM LOANS (continued)

MOVEMENTS FOR THE YEAR

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Opening balance	-	-	630,0	145,3
Commodity-based loans	-	-	566,8	107,6
Demand deposits	-	-	63,2	37,7
Proceeds from short-term loans	-	-	5 562,0	5 163,5
Commodity-based loans	-	-	5 548,6	5 124,3
Demand deposits	-	-	13,4	39,2
Finance charges	-	-	88,5	76,4
Commodity-based loans	-	-	86,4	74,2
Demand deposits	-	-	2,1	2,2
Repayments of short-term loans	-	-	(5 429,2)	(4 755,2)
Commodity-based loans	-	-	(5 401,9)	(4 739,3)
Demand deposits	-	-	(27,3)	(15,9)
Carrying amount of short-term loans	-	-	851,3	630,0

DETAILED MOVEMENTS IN DEMAND DEPOSITS FOR THE YEAR

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Opening balance	-	-	63,2	37,7
Customers	-	-	18,9	8,5
Joint ventures	-	-	24,8	24,8
Associates	-	-	19,5	4,4
Proceeds from demand deposits	-	-	13,4	39,2
Customers	-	-	6,4	22,8
Associates	-	-	7,0	16,4
Finance charges	-	-	2,1	2,2
Customers	-	-	1,1	0,7
Joint ventures	-	-	-	1,1
Associates	-	-	1,0	0,4
Repayments of demand deposits	-	-	(27,3)	(15,9)
Customers	-	-	(2,5)	(13,1)
Joint ventures	-	-	(24,8)	(1,1)
Associates	-	-	-	(1,7)
Carrying amount of demand deposits	-	-	51,4	63,2

C26. OVERDRAFTS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Overdrafts	**-**	-	**1 211,2**	983,8

ACCOUNTING POLICIES

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

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

FAIR-VALUE

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

OVERDRAFT FACILITIES

The group has overdraft facilities of R1 150 million (2021: R1 150 million) at Absa Bank Limited. The group has a further R100 million (2021: R70 million) facility that can be utilised on request if the underlying securities allow it. When utilised, the first R1 100 million of the facilities are subject to interest at the preferential bank rate less 1,5 to 1,7 percentage points; and the amounts between R1 100 million and R1 250 million are subject to interest at the preferential bank rate less 1 percentage point. At the reporting date the preferential bank rate was 7,75% (2021: 7%) per annum. Absa Bank Limited is entitled to terminate the facilities, which are negotiated annually, at any time by means of a written notice.

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. For this purpose, land, buildings and improvements include the investment property set out in note C2, but exclude all right-of-use assets.

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
UNUTILISED OVERDRAFT FACILITIES				
Overdraft facilities	**-**	-	**1 250,0**	1 220,0
Overdrafts	**-**	-	**(1 211,2)**	(983,8)
Unutilised overdraft facilities	**-**	-	**38,8**	236,2

D1. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

ACCOUNTING POLICIES

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

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

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

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

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

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, and only if, the scope of the contract increases because of the addition of promised goods or services that are distinct, and the price of the contract increases by an amount that reflects the stand-alone selling prices of the additional goods and services. In this scenario the consideration promised by the customer as part of the contract modification is regarded as the transaction price and is allocated between the additional performance obligations. If a contract modification is not accounted for as a separate contract and the remaining goods or services are distinct from the goods and services transferred on or before the date of the modification, the modification is accounted for as if it were a termination of the existing contract and the creation of a new contract. In this scenario the sum of the consideration promised by the customer in the original contract that had been included in the transaction price and that had not been recognised as revenue and the consideration promised as part of the modification is regarded as the transaction price and is allocated between the remaining performance obligations. If the remaining goods or services are not distinct from the goods and services transferred on or before the date of the modification, the modification is accounted for as if it were a part of the existing contract, in other words, it is accounted for as a single performance obligation that is partially satisfied. In this scenario the effect of the modification on the transaction price and the group's measure of progress to complete satisfaction of the performance obligation is recognised as an adjustment to revenue, in other words, an adjustment to revenue is made on a cumulative catch-up basis.

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

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

SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

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

D2. REVENUE FROM THE SALE OF GOODS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Agricultural inputs	**-**	-	**1 640,2**	1 226,5
Fuel	**-**	-	**453,7**	358,3
Capital goods	**-**	-	**444,5**	296,5
Consumer goods	**-**	-	**528,6**	558,2
Raw materials	**-**	-	**2,3**	13,5
Revenue from the sale of goods	**-**	-	**3 069,3**	2 453,0

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.

When products are sold with a warranty and the warranty was purchased separately from the product, the warranty is regarded as a distinct performance obligation. A portion of the transaction price is therefore allocated to such performance obligation. When a product is sold, the product is subject to a warranty and the customer does not have the option to purchase the warranty separately, the group defers a portion of the transaction price to provide for the cost of the warranty. If the warranty is provided by the manufacturer of the product, the group acts as an agent of the supplier and consequently does not allocate a portion of the transaction price to the warranty.

SEGMENTAL REVENUE FROM THE SALE OF GOODS

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

CASHFLOWS FROM REVENUE

Income earned from the sale of goods is recognised as revenue when the customer obtains control of the asset – in other words, when all the significant risks and rewards associated with ownership of the goods have been transferred to the customer. In most cases, it is the same date as the one on which the customer is liable for payment, and consequently cash is received or a financial asset is recognised. The payment terms of the group's various financing options, such as instalment plans, production accounts and monthly accounts, are disclosed in note C9 and C13. 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 C24.

D3. REVENUE FROM THE HANDLING AND STORAGE OF COMMODITIES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Revenue from the storage of agricultural commodities	-	-	117,3	79,6
Revenue from handling agricultural commodities	-	-	62,1	34,7
Revenue from the handling and storage of commodities	-	-	179,4	114,3

ACCOUNTING POLICIES

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

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

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

SEGMENTAL REVENUE FROM THE HANDLING AND STORAGE OF COMMODITIES

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

CASHFLOWS FROM REVENUE

Customers have the option of storing agricultural commodities at either an annual fee or at a daily fee, provided that the daily fee is limited to a predefined annual limit. Furthermore, the group's customers also have the option of postponing the decision to sell or not to sell their commodity. In the case of sunflower, the decision can be postponed until the end of December, in the case of maize until the end of February, in the case of wheat until the end of April, and in the case of other agricultural commodities until the end of December. Storage fees charged on these commodities are payable on the above dates or on the date the producer sells his commodity, whichever comes first. Since income from the storage of agricultural commodities is recognised as revenue on a time-proportion basis, the storage fees recognised as revenue before it become payable are recognised as contract assets. Assets from contracts with customers are disclosed in note C14. If customers do not choose to postpone the decision to sell or not to sell their agricultural commodities, they are liable for the payment of storage fees as and when the service is rendered or before the service is rendered. Consequently, cash in these cases is usually received or a financial asset is usually recognised as and when the service is rendered or before the service is rendered. Where the customer is liable for payment before the service is rendered, the cash received or due is recognised as a contract liability. Liabilities from contracts with customers are disclosed in note C24.

Since fees for handling agricultural commodities are payable on receipt of the commodity, the cash received or due is recognised as a contract liability. Liabilities from contracts with customers are disclosed in note C24.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Identifying the group's performance obligations, the allocation of the transaction price between the various performance obligations and the determination of the date on which the performance obligations are met are relatively straightforward. However, determining the transaction price for the handling of agricultural commodities requires estimates. It is policy to measure revenue as the amount of consideration to which the group expects to be entitled in exchange for delivering the agreed-upon services to a customer. As the weight deductions upon receipt of the agricultural commodities represent a variable consideration for the handling of agricultural commodities, the group needs to estimate the expected degree of grade and weight loss during storage. The transaction price, which is recognised as revenue, is consequently materially influenced by the group's estimates regarding grade and weight losses. Significant estimates relating to the provision for grade and weight losses are discussed in more detail in note C21.

D4. REVENUE FROM OTHER SERVICES RENDERED

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Agency commission	**-**	-	**19,9**	15,3
Broker's commission	**-**	-	**9,1**	11,1
Income from agricultural services	**-**	-	**4,9**	3,6
Income from cleaning, drying, weighing and grading commodities	**-**	-	**11,5**	14,0
Income from delivery and transport	**-**	-	**15,8**	11,9
Labour income	**-**	-	**12,3**	6,6
Sundry services	**-**	-	**3,3**	2,8
Revenue from other services rendered	**-**	-	**76,8**	65,3

ACCOUNTING POLICIES

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

SEGMENTAL REVENUE FROM OTHER SERVICES RENDERED

	GROUP 2022 R'm	GROUP 2021 R'm
Agricultural commodities	**33,6**	33,1
Agency commission	**0,6**	0,2
Broker's commission	**9,1**	11,1
Income from cleaning, drying, weighing and grading commodities	**11,5**	14,0
Income from delivery and transport	**10,8**	7,0
Sundry services	**1,6**	0,8
Trade	**36,6**	27,1
Agency commission	**19,3**	15,1
Income from delivery and transport	**5,0**	4,9
Labour income	**10,6**	5,1
Sundry services	**1,7**	2,0
Corporate	**6,6**	5,1
Income from agricultural services	**4,9**	3,6
Labour income	**1,7**	1,5
Revenue from other services rendered	**76,8**	65,3

CASHFLOWS FROM REVENUE

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

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

D5. INTEREST REVENUE ON FINANCIAL ASSETS AT AMORTISED COST

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Trade receivables	**-**	-	**64,8**	50,5
Amounts owing by agricultural and non-agricultural customers	**-**	-	**62,2**	46,2
Amounts owing by commodity customers	**-**	-	**2,6**	4,3
Instalment plans	**-**	-	**38,4**	43,7
Lease receivables	**-**	-	**0,5**	1,1
Term loans to agricultural customers	**-**	-	**37,9**	42,6
Interest revenue on financial assets at amortised cost	**-**	-	**103,2**	94,2

ACCOUNTING POLICIES

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

SEGMENTAL INTEREST REVENUE ON FINANCIAL ASSETS AT AMORTISED COST

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.

D6. OTHER FINANCE INCOME

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Finance income on financial assets at amortised cost	**0,7**	0,3	**9,5**	11,1
Receivables, other than trade receivables	**-**	-	**0,6**	2,0
Subsidiaries	**0,7**	0,3	**-**	-
Joint ventures	**-**	-	**1,7**	1,0
Short-term deposits	**-**	-	**7,1**	8,0
Bank balances	**-**	-	**0,1**	0,1
Other finance income	**0,7**	0,3	**9,5**	11,1

SEGMENTAL FINANCE INCOME

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

D7. OTHER INCOME

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Administrative fees	-	-	**0,6**	0,7
Joint ventures	-	-	**0,4**	0,5
Other	-	-	**0,2**	0,2
Advertising and marketing income	-	-	**3,5**	1,8
Bargain purchase with the acquisition of additional shares in subsidiary	-	150,3	**-**	-
Commission income	-	-	**1,9**	1,4
Credit insurance cost recovered	-	-	**1,9**	2,4
Dividend income from listed and unlisted entities	-	-	**0,1**	-
Electricity, water and sanitation cost recovered	-	-	**1,8**	1,9
Government grants	-	-	**1,1**	1,7
Impairment losses on property, plant and equipment recovered from third parties	-	-	**0,5**	0,2
Income from insurance claims	-	-	**1,2**	2,2
Management fees received	-	-	**0,3**	-
Operating-lease income	-	-	**11,5**	10,8
Rental income earned from property, plant and equipment	-	-	**9,9**	9,5
Rental income earned from investment property	-	-	**1,6**	1,3
Reversal of unutilised provisions for grade and weight losses	-	-	**10,2**	13,4
Skills development levy recovered	-	-	**0,5**	0,5
Surplus agricultural commodities	-	-	**60,5**	46,5
Sundry income	-	-	**5,1**	7,9
Total other income	-	150,3	**100,7**	91,4

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

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm

D8. OTHER GAINS AND LOSSES

	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Fair-value adjustments on derivative financial instruments at fair value through profit or loss	**-**	-	**(363,2)**	(696,3)
Fair-value adjustments on agricultural commodities	**-**	-	**774,6**	1 044,1
Fair-value adjustments on derivative financial instruments and agricultural commodities	**-**	-	**411,4**	347,8
Speculation profits or losses on commodity contracts	**-**	-	**0,5**	(0,1)
Gains or loss on the disposal of non-current assets	**-**	-	**23,1**	(0,1)
Property, plant and equipment	**-**	-	**(0,1)**	(0,1)
Investment property	**-**	-	**-**	-
Joint ventures	**-**	-	**24,6**	-
Insurance business	**-**	-	**(1,4)**	-
Other gains and losses	**-**	-	**435,0**	347,6

ACCOUNTING POLICIES

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

FAIR-VALUE HIERARCHY

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Fair-value adjustments measured by using level one input data	**-**	-	**409,1**	347,8
Fair-value adjustments on derivative financial instruments	**-**	-	**(363,2)**	(696,3)
Fair-value adjustments on agricultural commodities	**-**	-	**772,3**	1 044,1
Fair-value adjustments measured by using level three input data	**-**	-	**2,3**	-
Fair-value adjustments on agricultural commodities	**-**	-	**2,3**	-
Fair-value adjustments recognised in profit	**-**	-	**411,4**	347,8

D9. IMPAIRMENT GAINS AND LOSSES ON FINANCIAL ASSETS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Impairment gains on financial assets at amortised cost	-	-	2,6	9,5
Credit losses (direct write-offs) on financial assets at amortised cost	-	-	(6,6)	(0,7)
Gains and losses on allowances for expected credit losses on financial assets at amortised cost	-	-	(3,3)	(15,6)
Impairment gains and losses on financial assets at amortised cost	-	-	(7,3)	(6,8)
Gains and losses on allowances for expected credit losses on financial instruments at fair value through profit or loss	-	-	(1,8)	0,8
Commodity contracts with agricultural producers	-	-	(1,1)	-
Commodity contracts with customers	-	-	(0,7)	0,8
Impairment gains and losses on financial assets	-	-	(9,1)	(6,0)

IMPAIRMENT GAINS ON FINANCIAL ASSETS AT AMORTISED COST

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Financial assets arising from contracts with customers	-	-	2,1	7,6
Amounts owing by agricultural customers	-	-	1,4	5,7
Amounts owing by non-agricultural customers	-	-	0,7	1,9
Other financial assets	-	-	0,5	1,9
Amounts owing by commodity customers	-	-	0,1	0,2
Short-term loan to The Cape Town Stock Exchange Proprietary Limited	-	-	-	1,6
Other receivables	-	-	0,4	0,1
Impairment gains on financial assets at amortised cost	-	-	2,6	9,5

CREDIT LOSSES (DIRECT WRITE-OFFS) ON FINANCIAL ASSETS AT AMORTISED COST

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Financial assets arising from contracts with customers				
Amounts owing by agricultural customers	-	-	(3,5)	(0,7)
Amounts owing by non-agricultural customers			(3,0)	-
Other financial assets				
Amounts owing by commodity customers	-	-	(0,1)	-
Credit losses (direct write-offs) on financial assets at amortised cost	-	-	(6,6)	(0,7)

GAINS AND LOSSES ON ALLOWANCES FOR EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AT AMORTISED COST

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Financial assets arising from contracts with customers	-	-	(4,9)	(16,1)
Amounts owing by agricultural customers	-	-	(5,1)	(17,6)
Amounts owing by non-agricultural customers	-	-	0,2	1,5
Other financial assets	-	-	1,6	0,5
Lease receivables	-	-	0,1	-
Term loans to agricultural customers	-	-	2,5	2,8
Amounts owing by commodity customers	-	-	(1,0)	(2,3)
Gains and losses on allowances for expected credit losses on financial assets at amortised cost	-	-	(3,3)	(15,6)

D10. EMPLOYEES' REMUNERATION

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Salaries, wages and other short-term employee benefits	**0,3**	1,1	**409,9**	375,8
Contributions to post-employment benefit plans	**-**	-	**1,8**	1,8
Service termination benefits	**-**	-	**-**	0,7
Long-term incentives	**-**	-	**3,4**	3,1
Other long-term employee benefits	**-**	-	**0,5**	0,6
Employees' remuneration recognised as expenditure	**0,3**	1,1	**415,6**	382,0
Remuneration to the company's non-executive directors (note J6)	**0,3**	1,1	**3,0**	2,8
Remuneration to the directors of the subsidiaries (note J6)	**-**	-	**19,6**	19,0
Salaries and other short-term benefits	**-**	-	**15,6**	15,5
Contributions to post-employment benefit plans	**-**	-	**0,6**	0,4
Long-term incentives	**-**	-	**3,4**	3,1
Remuneration to the directors of group companies (note J6)	**0,3**	1,1	**22,6**	21,8
Other key employees' remuneration (note J6)	**-**	-	**19,0**	15,5
Salaries, wages and other short-term employee benefits	**-**	-	**17,5**	14,1
Contributions to post-employment benefit plans	**-**	-	**1,5**	1,4
Key employees' remuneration (note J6)	**0,3**	1,1	**41,6**	37,3
Other employees' remuneration	**-**	-	**374,0**	344,7
Salaries, wages and other short-term employee benefits	**-**	-	**373,5**	343,4
Service termination benefits	**-**	-	**-**	0,7
Other long-term employee benefits	**-**	-	**0,5**	0,6
Employees' remuneration recognised as expenditure	**0,3**	1,1	**415,6**	382,0

The contracts stipulate that employees should be members of a pension or provident fund. Employees are therefore either members of the NWK Umbrella Pension Fund or members of the Provident Fund for the Grain Industry. These funds are defined-contribution plans that have been registered and are governed in terms of the Pension Funds Act, 1956, as amended. The contracts further stipulate that the service of employees will be automatically terminated at the end of the calendar month in which the employee reaches the age of 63 with respect to employees who are members of the pension fund, and 60 years with respect to those employees who are members of the provident fund. The group pays gratuities to retiring employees if the employee retires at the age of 63 years in the case of members of the pension fund, and 60 years in the case of the provident fund, and the employee has 15 or more continuous years of service on the date of retirement. The group also pays gratuities to retiring employees who retire before these age limits if the employee has 25 or more years of continuous service on the retirement date. Gratuities are based on the pensionable remuneration and completed years of service of eligible employees on retirement.

D10. EMPLOYEES' REMUNERATION (continued)

ACCOUNTING POLICIES

Short-term employee benefits are recognised in profit or loss or as part of the cost of inventory, whichever is applicable, in the period during which employees render services that increase their entitlement to the benefits. In terms of this policy, the costs of accumulating paid absences are recognised in profit or loss or as part of the cost of inventory, whichever is applicable, in the period in which employees render a service that increases their entitlement to future paid absences. The costs of non-accumulating paid absences are recognised in the period in which the absence occurs. Where the group has a legal obligation to make profit-sharing and bonus payments to employees, the costs involved are recognised in profit or loss in the period during which the employees provide services that increase their entitlement to profit-sharing and bonus payments. Where the group, in the opinion of the directors, as a result of its actions in the past, has a present constructive obligation to pay performance bonuses to employees based on the financial performance of the group, the cost of the performance bonuses is recognised as expenditure on the reporting date if the amounts payable have been determined by the board before the annual financial statements have been approved.

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

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

The cost of service termination benefits is recognised in profit or loss if the proposed termination of service is set out in a formally detailed plan communicated to employees before the end of the reporting period. To give effect to this policy, the plan of termination needs to identify the number of employees whose employment is to be terminated, their job classifications or functions, their locations, and the expected completion date. Furthermore, the plan must establish the termination benefits that the employees will receive in such a manner that employees can determine the type and amount of benefits they will receive when their employment is terminated.

D11. OTHER EXPENSES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Other expenses according to the statement of comprehensive income	**0,9**	0,7	**544,6**	397,5
These expenses are shown after taking the following into consideration:				
Administration fees paid to subsidiary	**-**	-	**-**	-
Agent commissions	**-**	-	**63,3**	46,5
Auditor's remuneration	**-**	-	**3,3**	3,4
For audit	**-**	-	**3,3**	3,2
For other services	**-**	-	**-**	0,2
Depreciation and amortisation	**-**	-	**50,3**	33,1
Property, plant and equipment	**-**	-	**45,4**	27,8
Investment property	**-**	-	**0,1**	0,1
Intangible assets	**-**	-	**4,8**	5,2
Impairment charges on non-financial assets	**-**	-	**1,9**	4,0
Property, plant and equipment	**-**	-	**1,4**	4,0
Imvestment property	**-**	-	**0,2**	-
Intangible assets	**-**	-	**0,3**	-
Maintenance costs	**-**	-	**36,1**	31,6
Lease instalments	**-**	-	**3,2**	1,7
Short-term leases	**-**	-	**2,0**	0,7
Leases of which the underlying asset is of low value	**-**	-	**1,2**	1,0
Trustees' remuneration	**-**	-	**0,4**	-
Variable lease payments	**-**	-	**0,6**	0,5
Write-off of inventory to net realisable value	**-**	-	**7,4**	6,4

D12. FINANCE CHARGES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Commodity-based loans	**-**	-	**86,4**	74,2
Demand deposits	**-**	-	**2,1**	2,2
Customers	**-**	-	**1,1**	0,7
Joint ventures	**-**	-	**-**	1,1
Associates	**-**	-	**1,0**	0,4
Short-term loans	**-**	-	**88,5**	76,4
Overdrafts	**-**	-	**25,2**	35,4
Short-term loans and overdrafts	**-**	-	**113,7**	111,8
Long-term loan owing to subsidiary	**-**	6,1	**-**	-
Lease liabilities	**-**	-	**2,5**	1,7
Trade and other payables	**-**	-	**3,9**	2,7
Joint ventures	**-**	-	**0,4**	-
Finance charges on financial liabilities at amortised cost	**-**	6,1	**120,5**	116,2
Long-term provisions	**-**	-	**0,1**	0,1
Tax liabilities	**-**	-	**-**	-
Total finance charges	**-**	6,1	**120,6**	116,3

D13. TAX

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
South African normal tax	**-**	-	**86,8**	79,2
Current year	**-**	-	**86,8**	78,9
Previous year	**-**	-	**-**	0,3
Deferred tax (note C10)	**-**	-	**(7,9)**	(21,9)
Current year	**-**	-	**(8,4)**	(21,6)
Previous year	**-**	-	**-**	(0,3)
Tax rate adjustment	**-**	-	**0,5**	-
Tax according to the statement of comprehensive income	**-**	-	**78,9**	57,3

ACCOUNTING POLICIES

Tax relating to transactions or events that have been directly recognised in equity is recognised directly in equity. Tax relating to transactions or events that have been recognised in other comprehensive income is recognised in other comprehensive income. All other tax charges or tax income is included in the profit or loss for the period in which it arises. Additional tax – in other words, tax penalties and the concomitant finance charges – 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 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Pre-tax profit	**272 ,7**	306,3	**346,5**	224,9
Tax on the pre-tax profit differs as follows from the theoretical tax calculated at the standard tax rate of 28% (2021: 28%):				
Tax calculated at the standard tax rate	**76,3**	85,8	**97,0**	63,0
Adjustment for:				
Equity-accounted earnings accounted for on an after-tax basis	**(76,3)**	(45,8)	**(13,2)**	(5,7)
Exempted income	**-**	(42,1)	**(7,4)**	(1,9)
Non-allowable expenses	**-**	2,1	**2,7**	3,2
Learnership allowance	**-**	-	**(0,7)**	(1,3)
Previous year	**-**	-	**-**	-
Tax rate adjustment	**-**	-	**0,5**	-
Tax according to the statement of comprehensive income	**-**	-	**78,9**	57,3
Effective tax rate	**-**	-	**22,8%**	25,5%

D14. FAIR-VALUE ADJUSTMENT OF THE INVESTMENT IN EQUITY INSTRUMENTS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Pre-tax fair-value adjustment of the investment in equity instruments at fair value through other comprehensive income (note C8)	-	-	-	0,2
Fair-value adjustment measured by using level one input data	-	-	(0,1)	0,2
Fair-value adjustment measured by using level two input data	-	-	0,1	-
Fair-value adjustment measured by using level three input data	-	-	-	-
Deferred tax (note C10)	-	-	-	(1,5)
After-tax fair-value adjustment of the investment in equity instruments at fair value through other comprehensive income	-	-	-	(1,3)

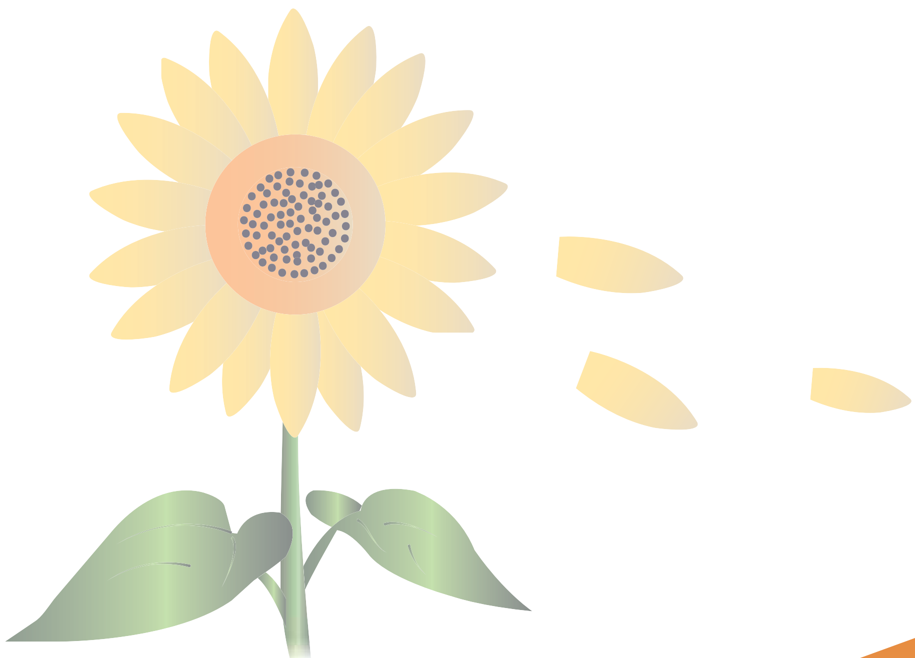
ACCOUNTING POLICIES

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

D15. 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 R267,4 million (2021: R153,7 million) attributable to the owners of the holding company and the weighted average number of 107 457 664 (2021: 95 886 675) ordinary shares in issue.



E1. CASHFLOW FROM OPERATING PROFIT OR LOSS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Profit or loss before finance charges	**(0,5)**	148,8	**419,7**	320,9
Adjustment for:				
Credit losses on financial assets	**-**	-	**11,7**	15,5
Lease receivables	**-**	-	**(0,1)**	-
Term loans to agricultural customers	**-**	-	**(2,5)**	(2,8)
Amounts owing by agricultural customers	**-**	-	**8,6**	18,3
Amounts owing by non-agricultural customers	**-**	-	**2,8**	(1,5)
Amounts owing by commodity customers	**-**	-	**1,1**	2,3
Commodity contracts with agricultural producers	**-**	-	**1,1**	-
Commodity contracts with customers	**-**	-	**0,7**	(0,8)
Depreciation and amortisation	**-**	-	**50,3**	33,7
Property, plant and equipment (note C1)	**-**	-	**45,4**	28,4
Investment property (note C2)	**-**	-	**0,1**	0,1
Intangible assets (note C3)	**-**	-	**4,8**	5,2
Impairment charges on non-financial assets	**-**	-	**1,9**	4,0
Property, plant and equipment (note C1)	**-**	-	**1,4**	4,0
Investment property (note C2)	**-**	-	**0,2**	-
Intangible assets (note C3)	**-**	-	**0,3**	-
Provisions	**-**	-	**2,7**	15,9
Long-term provisions created	**-**	-	**6,0**	6,7
Short-term provisions created	**-**	-	**30,4**	41,7
Utilisation of long-term provisions	**-**	-	**(6,2)**	(0,3)
Utilisation of short-term provisions	**-**	-	**(17,3)**	(18,8)
Reversal of unutilised short-term provisions	**-**	-	**(10,2)**	(13,4)
Write-off of inventory to net realisable value (note D11)	**-**	-	**7,4**	6,4
Dividend income from listed and unlisted entities (note D7)	**-**	-	**(0,1)**	-
Finance income	**(0,7)**	(0,3)	**(112,7)**	(105,3)
Interest revenue on financial assets at amortised cost (note D5)	**-**	-	**(103,2)**	(94,2)
Other finance income (note D6)	**(0,7)**	(0,3)	**(9,5)**	(11,1)
Bargain purchase with the acquisition of additional shares in subsidiary	**-**	(150,3)	**-**	-
Impairment gain on loan to The Cape Town Stock Exchange Proprietary Limited	**-**	-	**-**	(1,6)
Gains or losses on the disposal of non-current assets	**-**	-	**(23,1)**	0,1
Property, plant and equipment (note D8)	**-**	-	**0,1**	0,1
Investment property (note D8)	**-**	-	**-**	-
Joint ventures (note D8)	**-**	-	**(24,6)**	-
Insurance business (note D8)	**-**	-	**1,4**	-
Cashflow from operating profit or loss	**(1,2)**	(1,8)	**357,8**	289,6

E2. CASHFLOW FROM CHANGE IN OPERATING CAPITAL

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
Loans and lease receivables	**-**	-	**79,6**	43,1
Inventory	**-**	-	**(186,1)**	(85,5)
Agricultural commodities	**-**	-	**(10,6)**	(1 036,2)
Trade and other receivables	**9,3**	(7,6)	**(444,5)**	(140,7)
Prepaid expenses	**-**	-	**0,3**	0,4
Assets from contracts with customers	**-**	-	**1,0**	(1,5)
Financial instruments at fair value through profit or loss	**-**	-	**(43,2)**	456,3
Trade and other payables	**-**	-	**1,9**	268,8
Accumulating compensated absences	**-**	-	**(1,3)**	4,7
Liabilities from contracts with customers	**-**	-	**55,5**	12,4
Cashflow from change in operating capital	**9,3**	(7,6)	**(547,4)**	(478,2)

ACCOUNTING POLICIES

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

E3. NET CASHFLOW FROM INTEREST

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
Interest received	**0,7**	0,3	**112,7**	105,3
Interest revenue on financial assets at amortised cost (note D5)	**-**	-	**103,2**	94,2
Other finance income (note D6)	**0,7**	0,3	**9,5**	11,1
Interest paid	**-**	(6,1)	**(120,5)**	(116,2)
Finance charges (note D12)	**-**	(6,1)	**(120,6)**	(116,3)
Adjustment for finance charges on provisions (note D12)	**-**	-	**0,1**	0,1
Net cashflow from interest	**0,7**	(5,8)	**(7,8)**	(10,9)

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

E4. TAX PAID

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
Opening balance of current tax liabilities	**-**	-	**16,5**	(0,3)
Amounts debited in the statement of comprehensive income	**-**	-	**78,9**	57,3
Adjustment for deferred tax (note D13)	**-**	-	**7,9**	21,9
Closing balance of current tax liabilities	**-**	-	**(18,7)**	(16,5)
Tax paid	**-**	-	**84,6**	62,4

E5. CASH PAID ON THE ACQUISITION OF NON-CURRENT ASSETS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Property, plant and equipment acquired	-	-	89,0	61,6
Property, plant and equipment acquired (note C1)	-	-	129,4	91,9
Financed with leases (note C1)	-	-	(40,4)	(30,3)
Upgrading of investment property (note C2)	-	-	1,3	1,1
Investment property acquired (note C2)	-	-	0,7	-
Intangible assets acquired	-	-	0,5	1,4
Intangible assets acquired (note C3)	-	-	17,3	1,4
Financed with leases (note C3)	-	-	(16,8)	-
Cash paid on the acquisition of non-current assets	-	-	91,5	64,1

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

The group sold its interest in the former joint venture Senwk Proprietary Limited during the year. As part of this disposal, the group acquired its share of Senwk Proprietary Limited's insurance business from Senwk Proprietary Limited. Since the disposal of Senwk Proprietary Limited and the acquisition of the insurance business are considered as a single transaction, the acquisition of this intangible asset is excluded from the cash paid on the acquisition of non-current assets above. Furthermore, the group sold this insurance business directly after its acquisition.

E6. CASH PAID ON THE ACQUISITION OF ASSETS AND LIABILITIES THROUGH BUSINESS COMBINATIONS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Fair value of assets acquired	-	-	10,4	-
Property, plant and equipment	-	-	6,1	-
Deferred tax assets	-	-	1,8	-
Inventory	-	-	2,5	-
Fair value of liabilities acquired	-	-	-	-
Deferred tax liabilities	-	-	-	-
Trade and other payables	-	-	-	-
Net assets acquired through business combinations	-	-	10,4	-
Goodwill recognised as part of the acquisition of two business units	-	-	2,4	-
Cash paid on acquisitions through business combinations	-	-	12,8	-
Cash paid on the acquisition of Lorenzo Motors Proprietary Limited	-	-	5,8	-
Cash paid on the acquisition of business units	-	-	7,0	-
Cash paid on acquisitions through business combinations	-	-	12,8	-

On 1 May 2021, as part of a strategy to grow the group's fuel business, the group acquired a 100% interest in Lorenzo Motors Proprietary Limited. The purchase price of R5,7 million was paid on that date. Furthermore, on 1 August 2021, the group acquired two business units to expand its business.

E7. CASHFLOW AT THE INCREASE OF INTEREST IN SUBSIDIARY

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Additional investment in subsidiary (note C4)	-	197,7	-	-
Cost of acquiring the interests of non-controlling parties	-	-	-	197,7
Share issue (note C19)	-	(175,8)	-	(175,8)
Cash paid for the increase of interest in subsidiary	-	21,9	-	21,9
Classified as cashflow from investing activities	-	21,9	-	-
Classified as cashflow from financing activities	-	-	-	21,9
Cash paid for the increase of interest in subsidiary	-	21,9	-	21,9

E8. CASH PAID ON THE ACQUISITION OF JOINT VENTURES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Acquisition of NWK and IP Makelaars Proprietary Limited	-	-	**7,1**	-
Acquisition of a 20% interest	-	-	**2,8**	-
Acquisition of a 30% interest	-	-	**4,3**	-
Acquisition of joint ventures	-	-	**7,1**	-

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

E9. ACQUISITION OF EQUITY INSTRUMENTS OF UNLISTED ENTITIES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Acquisition of shares in The Cape Town Stock Exchange Proprietary Limited	-	-	-	1,6
Short-term loan conversion	-	-	-	(1,6)
Acquisition of equity instruments of unlisted entities	-	-	-	-

During the previous year, the group converted its loan to The Cape Town Stock Exchange Proprietary Limited into shares in the said entity. The transaction did not result in any cashflow.

E10. PROCEEDS ON THE DISPOSAL OF NON-CURRENT ASSETS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Proceeds on the disposal of property, plant and equipment	-	-	0,3	2,2
Carrying amount of property, plant and equipment disposed of (note C1)	-	-	0,4	2,3
Profit or loss on the disposal of property, plant and equipment	-	-	(0,1)	(0,1)
Proceeds on the disposal of investment property	-	-	-	-
Carrying amount of investment property disposed of (note C2)	-	-	-	-
Profit on the disposal of investment property	-	-	-	-
Proceeds on the disposal of non-current assets	-	-	0,3	2,2

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

E11. PROCEEDS ON THE DISPOSAL OF JOINT VENTURES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Proceeds on the disposal of Senwk Proprietary Limited	-	-	63,6	-
Carrying amount of Senwk Proprietary Limited at disposal (note C5)	-	-	39,0	-
Profit on the disposal of joint ventures	-	-	24,6	-
Acquisition of insurance business from Senwk Proprietary Limited	-	-	(18,8)	-
Proceeds on the disposal of joint ventures	-	-	44,8	-

On 5 July 2021 but with effect from 1 May 2021, the group sold its interest in Senwk Proprietary Limited. The selling price of the group's interest in Senwk Proprietary Limited was R26,1 million. However, as part of the sales transaction, Senwk Proprietary Limited paid dividends amounting to R37,5 million to the group – therefore, the cash inflow from the sales transaction was substantially more than the stand-alone selling price. Furthermore, during the disposal of Senwk Proprietary Limited, the group acquired its share of Senwk Proprietary Limited's insurance business from said entity. Since the disposal of Senwk Proprietary Limited and the acquisition of the insurance business are considered as a single transaction, the acquisition of the insurance business is excluded from the cash paid on the acquisition of non-current assets set out in note E5 and deducted from the proceeds on the disposal of Senwk Proprietary Limited. The purchased price of the insurance business was R18,8 million. Thus, a net cash inflow of R44,8 million.

E12. PROCEEDS ON THE DISPOSAL OF INSURANCE BUSINESS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Selling price of insurance business	-	-	17,4	-
Carrying amount of the insurance business at disposal	-	-	18,8	-
Loss on the disposal of insurance business	-	-	(1,4)	-
Financed with a long-term loan	-	-	(17,4)	-
Proceeds on the disposal of insurance business	-	-	-	-

E13. LIABILITIES ARISING FROM FINANCING ACTIVITIES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Lease liabilities (note C22)	-	-	**49,3**	28,5
Short-term loans (note C25)	-	-	**851,3**	630,0
Commodity-based loans	-	-	**800,0**	566,8
Demand deposits	-	-	**51,3**	63,2
Liabilities arising from financing activities	-	-	**900,6**	658,5
MOVEMENTS FOR THE YEAR				
Opening balance before transfers to non-current liabilities	-	215,2	**658,5**	161,5
Long-term loans	-	215,2	**-**	-
Lease liabilities (note C22)	-	-	**28,5**	16,2
Commodity-based loans (note C25)	-	-	**566,8**	107,6
Demand deposits (note C25)	-	-	**63,2**	37,7
Leases entered into	-	-	**57,2**	30,3
Net cashflow from liabilities arising from financing activities (note E14)	-	(215,2)	**184,9**	466,7
Long-term loans	-	(215,2)	**-**	-
Lease liabilities	-	-	**(36,4)**	(18,0)
Commodity-based loans	-	-	**233,2**	459,2
Demand deposits	-	-	**(11,9)**	25,5
Liabilities arising from financing activities	-	-	**900,6**	658,5

ACCOUNTING POLICIES

The acquisition of assets under leases are regarded as non-cash transactions, therefore these acquisitions and the concomitant borrowings are excluded from the cashflows from investing activities and the cashflows from financing activities respectively. The group is a financial institution for all practical purposes, therefore all cashflows from interest received or paid are excluded from the cashflows from investing activities and the cashflows from financing activities respectively. Instead, all cashflows from interest received or paid are included in the cashflows from operating activities.

E14. CASHFLOW FROM LIABILITIES ARISING FROM FINANCING ACTIVITIES

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Proceeds from long-term loans	-	21,9	-	-
Repayments of long-term loans	-	(237,1)	-	-
Repayment of long-term loans	-	(243,2)	-	-
Finance charges on long-term loans classified as cashflow from operating activities	-	6,1	-	-
Repayments of lease liabilities	-	-	**(36,4)**	(18,0)
Repayment of lease liabilities (note C22)	-	-	**(38,9)**	(19,7)
Finance charges on lease liabilities classified as cashflow from operating activities (note C22)	-	-	**2,5**	1,7
Proceeds from commodity-based loans (note C25)	-	-	**5 548,6**	5 124,3
Repayments of commodity-based loans	-	-	**(5 315,5)**	(4 665,1)
Repayment of commodity-based loans (note C25)	-	-	**(5 401,9)**	(4 739,3)
Finance charges on commodity-based loans classified as cashflow from operating activities (note C25)	-	-	**86,4**	74,2
Proceeds from demand deposits (note C25)	-	-	**13,4**	39,2
Repayment of demand deposits	-	-	**(25,2)**	(13,7)
Repayment of short-term loans (note C25)	-	-	**(27,3)**	(15,9)
Finance charges on short-term loans classified as cashflow from operating activities (note C25)	-	-	**2,1**	2,2
Net cashflow from liabilities arising from financing activities	-	(215,2)	**184,9**	466,7

ACCOUNTING POLICIES

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

E15. CASH AND CASH EQUIVALENTS

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Cash and cash equivalents (note C17)	**0,3**	-	**12,0**	8,2
Overdrafts (note C26)	-	-	**(1 211,2)**	(983,8)
Cash and cash equivalents in the statement of cashflows	**0,3**	-	**(1 199,2)**	(975,6)

F1. SEGMENTS

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

AGRICULTURAL COMMODITIES

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

TRADE

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

FINANCIAL SERVICES

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

OIL PRESS

This segment extracts vegetable oils from sunflower seed.

F2. SEGMENTAL ASSETS AND LIABILITIES

	GROUP			
	ASSETS		LIABILITIES	
	2022 R'm	2021# R'm	2022 R'm	2021# R'm
Agricultural commodities	**1 990,7**	1 787,5	**703,6**	596,0
Trade	**934,6**	714,0	**366,0**	267,0
Financial services	**1 913,9**	1 569,1	**2 253,4**	1 830,5
Oil press	**133,0**	111,4	**-**	-
Corporate assets and liabilities	**151,0**	121,3	**75,4**	92,6
Segmental assets and liabilities	**5 123,2**	4 303,3	**3 398,3**	2 786,1
Reconciliation with the assets and liabilities stated in the consolidated statements of financial position				
Segmental assets and liabilities stated above	**5 123,2**	4 303,3	**3 398,3**	2 786,1
Adjustment for intersegmental balances	**(47,0)**	(44,5)	**(3,3)**	(14,0)
Stated in the consolidated statement of financial position	**5 076,2**	4 258,8	**3 395,0**	2 772,1

ACCOUNTING POLICIES

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

	GROUP	
	2022 R'm	2021# R'm

F2. SEGMENTAL ASSETS AND LIABILITIES (continued)

EQUITY-ACCOUNTED INVESTMENTS ALLOCATED TO SEGMENTS

	2022 R'm	2021# R'm
Trade	**40,0**	29,0
Financial services	**23,4**	53,4
Oil press	**133,0**	111,4
Carrying amount of the investment in associates and joint ventures	**196,4**	193,8

GOODWILL ALLOCATED TO SEGMENTS

	2022 R'm	2021# R'm
Trade	**3,9**	1,5

NON-CURRENT ASSETS PURCHASED DURING THE YEAR

	2022 R'm	2021# R'm
Normal acquisitions	**148,5**	94,4
Agricultural commodities	**79,4**	59,2
Trade	**34,4**	27,0
Financial services	**0,1**	-
Corporate	**34,6**	8,2
Non-current assets acquired through business combinations		
Trade	**12,8**	-
Non-current assets purchased by the group	**161,3**	94,4

NON-CURRENT ASSETS HELD FOR SALE

	2022 R'm	2021# R'm
Agricultural commodities	**-**	-
Trade	**4,5**	4,5
Corporate	**-**	-
Stated in the consolidated statement of financial position	**4,5**	4,5

RESTATED COMPARATIVE FIGURES

The group restructured its reportable segments. The comparative figures have consequently been restated.

F3. SEGMENTAL REVENUE AND PROFITS OR LOSSES

	GROUP			
	REVENUE		PROFIT OR LOSS	
	2022 R'm	2021# R'm	2022 R'm	2021# R'm
Agricultural commodities	**232,2**	166,2	**174,1**	154,1
Trade	**3 083,6**	2 461,5	**182,5**	132,4
Financial services	**100,6**	185,6	**108,3**	78,9
Oil press	**-**	-	**29,2**	9,1
Revenue and profit of the operating segments	**3 416,4**	2 813,3	**494,1**	374,5
Corporate	**12,3**	9,2	**(144,6)**	(147,2)
Segmental revenue and profit	**3 428,7**	2 822,5	**349,5**	227,3
Reconciliation with the revenue and pre-tax profit stated in the consolidated statement of comprehensive income				
Segmental revenue and profit stated above	**3 428,7**	2 822,5	**349,5**	227,3
Adjustment for intersegmental transactions	**-**	(95,7)	**(3,3)**	(2,4)
Stated in the consolidated statement of comprehensive income	**3 428,7**	2 726,8	**346,2**	224,9

RESTATED COMPARATIVE FIGURES

The group restructured its reportable segments. The comparative figures have consequently been restated.

F4. SEGMENTAL REVENUE FROM CUSTOMERS

	GROUP					
	REVENUE FROM THE SALE OF GOODS		REVENUE FROM SERVICES RENDERED		REVENUE FROM CONTRACTS WITH CUSTOMERS	
	2022 R'm	2021# R'm	2022 R'm	2021# R'm	2022 R'm	2021# R'm
Agricultural commodities	**16,6**	14,5	**213,0**	147,4	**229,7**	161,9
Trade	**3 047,0**	2 434,4	**36,6**	27,1	**3 083,6**	2 461,5
Corporate	**5,7**	4,1	**6,6**	5,1	**12,3**	9,2
Segmental revenue from customers	**3 069,3**	2 453,0	**256,2**	179,6	**3 325,6**	2 632,6
Disaggregation of revenue from the sale of goods						
Agricultural commodities						
Agricultural inputs	**16,6**	14,5				
Trade	**3 047,0**	2 434,4				
Agricultural inputs	**1 623,6**	1 212,1				
Capital goods	**444,5**	296,5				
Fuel	**453,7**	358,3				
Consumer goods	**522,9**	554,0				
Raw materials	**2,3**	13,5				
Corporate						
Consumer goods	**5,7**	4,1				
Revenue from the sale of goods	**3 069,3**	2 453,0				
Revenue from services rendered						
Revenue from the handling and storage of commodities earned by the agricultural commodity segment			**179,4**	114,3		
Revenue from other services rendered			**76,8**	65,3		
Agricultural commodities			**33,6**	33,1		
Trade			**36,6**	27,1		
Corporate			**6,6**	5,1		
Revenue from services rendered			**256,2**	179,6		
Reconciliation with the revenue from customers stated in the consolidated statement of comprehensive income						
Segmental revenue stated above	**3 069,3**	2 453,0	**256,2**	179,6	**3 325,6**	2 632,6
Adjustment for intersegmental transactions	**-**	-	**-**	-	**-**	-
Stated in the consolidated statement of comprehensive income	**3 069,3**	2 453,0	**256,2**	179,6	**3 325,6**	2 632,6

RESTATED COMPARATIVE FIGURES

The group restructured its reportable segments. The comparative figures have consequently been restated.

F5. SEGMENTAL FINANCE INCOME

	GROUP					
	INTEREST REVENUE		OTHER FINANCE INCOME		TOTAL FINANCE INCOME	
	2022 R'm	2021# R'm	2022 R'm	2021# R'm	2022 R'm	2021# R'm
Interest revenue on trade receivables at the agricultural commodity segment	**2,6**	4,3	**-**	-	**2,6**	4,3
Interest revenue on loans and receivables at the financing segment	**100,6**	89,9	**-**	-	**100,6**	89,9
Trade receivables	**62,2**	46,2	**-**	-	**62,2**	46,2
Lease receivables	**0,5**	1,1	**-**	-	**0,5**	1,1
Term loans to agricultural customers	**37,9**	42,6	**-**	-	**37,9**	42,6
Interest revenue on financial assets at amortised cost	**103,2**	94,2	**-**	-	**103,2**	94,2
Other finance income at the treasury function	**-**	-	**113,6**	113,2	**113,6**	113,2
External customers	**-**	-	**9,5**	11,1	**9,5**	11,1
Internal customers	**-**	-	**104,1**	102,1	**104,1**	102,1
Segmental finance income	**103,2**	94,2	**113,6**	113,2	**216,8**	207,4
Reconciliation with the amounts stated in the consolidated statement of comprehensive income						
Segmental finance income stated above	**103,2**	94,2	**113,6**	113,2	**216,8**	207,4
Adjustment for intersegmental transactions	**-**	-	**(104,1)**	(102,1)	**(104,1)**	(102,1)
Stated in the consolidated statement of comprehensive income	**103,2**	94,2	**9,5**	11,1	**112,7**	105,3

F6. SEGMENTAL FINANCE CHARGES

	GROUP	
	2022 R'm	2021# R'm
Agricultural commodities	**83,2**	80,5
Trade	**20,9**	15,2
Financial services	**121,3**	116,6
Corporate	**-**	6,1
Segmental finance charges	**225,4**	218,4
Reconciliation with the finance charges stated in the consolidated statement of comprehensive income		
Segmental finance charges stated above	**225,4**	218,4
Adjustment for intersegmental transactions	**(104,8)**	(102,1)
Stated in the consolidated statement of comprehensive income	**120,6**	116,3

 # RESTATED COMPARATIVE FIGURES

The group restructured its reportable segments. The comparative figures have consequently been restated.

F7. SEGMENTAL NON-CASHFLOW ITEMS

	GROUP					
	CREDIT LOSSES ON FINANCIAL ASSETS		IMPAIRMENTS ON NON-FINANCIAL ASSETS		TOTAL IMPAIRMENT CHARGES	
	2022 R'm	2021# R'm	2022 R'm	2021# R'm	2022 R'm	2021# R'm
IMPAIRMENT CHARGES						
Agricultural commodities	**2,7**	1,4	**0,7**	1,8	**3,4**	3,2
Trade	**2,2**	0,4	**0,7**	1,7	**2,9**	2,1
Financial services	**5,5**	12,6	**-**	-	**5,5**	12,6
Corporate	**1,3**	1,1	**0,5**	0,5	**1,8**	1,6
Stated in the consolidated statement of comprehensive income	**11,7**	15,5	**1,9**	4,0	**13,6**	19,5

	GROUP	
	2022 R'm	2021# R'm
DEPRECIATION AND AMORTISATION CHARGES		
Agricultural commodities	**27,4**	15,2
Trade	**12,7**	7,7
Financial services	**0,1**	0,1
Corporate	**10,1**	10,1
Stated in the consolidated statement of comprehensive income	**50,3**	33,1
WRITE-OFF OF INVENTORY TO NET REALISABLE VALUE		
Agricultural commodities	**0,1**	0,2
Trade	**7,3**	6,2
Stated in the consolidated statement of comprehensive income	**7,4**	6,4
EQUITY-ACCOUNTED EARNINGS		
Trade	**14,1**	6,4
Financial services	**3,6**	4,8
Oil press	**29,3**	9,1
Stated in the consolidated statement of comprehensive income	**47,0**	20,3

RESTATED COMPARATIVE FIGURES

The group restructured its reportable segments. The comparative figures have consequently been restated.

	COMPANY		GROUP	
	2022	2021	2022	2021
	R'm	R'm	R'm	R'm

G1. FINANCIAL ASSETS

	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Financial assets at amortised cost	**0,9**	9,9	**2 011,9**	1 635,1
Loans and lease receivables	**-**	-	**414,9**	474,5
Trade and other receivables	**0,6**	9,9	**1 584,4**	1 152,4
Fiduciary assets	**-**	-	**0,6**	-
Cash and cash equivalents	**0,3**	-	**12,0**	8,2
Investments at fair value through other comprehensive income	**-**	-	**4,6**	4,6
Financial assets at fair value through profit or loss	**-**	-	**213,1**	79,9
Derivative financial instruments	**-**	-	**213,1**	79,9
Fiduciary assets	**-**	-	**-**	-
Total financial assets	**0,9**	9,9	**2 229,6**	1 719,6

ACCOUNTING POLICIES

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

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

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

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

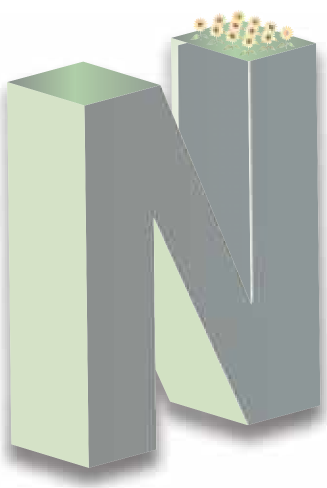
From the inherent nature of financial assets, the counterparties sometimes fail to fulfil their contractual obligations. In the event that a customer defaults on a short-term account and such arrears are renegotiated and converted into a long-term loan payable in instalments, the original asset is derecognised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

H1. FINANCIAL LIABILITIES

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
Financial liabilities at amortised cost	**-**	-	**2 591,3**	2 119,3
Lease liabilities	**-**	-	**49,3**	28,5
Trade and other payables	**-**	-	**478,9**	477,0
Fiduciary liabilities	**-**	-	**0,6**	-
Short-term loans	**-**	-	**851,3**	630,0
Overdrafts	**-**	-	**1 211,2**	983,8
Financial liabilities at fair value through profit or loss	**-**	-	**626,8**	535,0
Derivative financial instruments	**-**	-	**626,8**	535,0
Fiduciary liabilities	**-**	-	**-**	-
Borrowings	**-**	-	**3 218,1**	2 654,3
Financial guarantees	**-**	-	**44,5**	44,5
Financial guarantees to the financiers of joint ventures	**-**	-	**34,5**	34,5
Financial guarantees to other parties	**-**	-	**10,0**	10,0
Total financial liabilities	**-**	-	**3 262,6**	2 698,8

ACCOUNTING POLICIES

Financial liabilities are classified into two groups, namely financial liabilities at amortised cost and financial liabilities at fair value through profit or loss. The classification of financial liabilities is done at their initial recognition. Financial liabilities are recognised in the statement of financial position when the group becomes a party to the contractual provisions of the instrument, in other words, on the date on which the group's legal obligation to pay cash arises. Financial liabilities are derecognised once the obligation has been extinguished, in other words, as and when the obligation is settled or, if applicable, the obligation is cancelled or expires. In cases where the terms of an existing liability, or part thereof, are substantially modified, the obligation is deemed to be extinguished, in other words, the original liability is derecognised and a new liability is recognised. For this purpose, the group has defined substantial as a difference of 10% or more between the discounted value of the outstanding cashflow on the original liability and the discounted value on the new terms, provided that the discounted value is calculated using the original effective interest rate. This means that the outstanding cashflow on the original liability and the outstanding cashflow on the amended liability are compared using the same effective interest rate – the effective interest rate of the contract before the amendment.



H1. FINANCIAL LIABILITIES (continued)

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Financial liabilities stated above	-	-	3 262,6	2 698,8
Portion of financial guarantees not recognised in the statement of financial position	-	-	(44,5)	(44,5)
Financial liabilities recognised in the statement of financial position	-	-	3 218,1	2 654,3
Other liabilities	-	-	176,9	117,8
Deferred tax liabilities	-	-	-	-
Provisions	-	-	29,3	26,6
Accumulating compensated absences	-	-	36,6	37,9
Liabilities from contracts with customers	-	-	92,3	36,8
Current tax liabilities	-	-	18,7	16,5
Liabilities stated in the statement of financial position	-	-	3 395,0	2 772,1

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.

12. LIQUIDITY RISKS

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

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
MATURITY ANALYSIS OF FINANCIAL LIABILITIES				
Lease liabilities	-	-	55,0	31,3
Payable within three months	-	-	5,6	3,7
Payable after three months, but not exceeding a year	-	-	19,0	9,8
Payable after a year, but not exceeding two years	-	-	18,0	14,3
Payable after two years, but not exceeding five years	-	-	10,5	3,1
Payable after five years, but not exceeding ten years	-	-	1,9	0,4
Trade and other payables payable within three months	-	-	478,9	477,0
Fiduciary liabilities payable after three months, but not exceeding a year	-	-	0,6	-
Derivative financial instruments payable within three months	-	-	626,8	535,0
Short-term loans payable within three months	-	-	851,3	630,0
Overdrafts payable after three months, but not exceeding a year	-	-	1 211,2	983,8
Financial guarantees potentially payable within three months	-	-	44,5	44,5
Financial guarantees to the financiers of joint ventures	-	-	34,5	34,5
Financial guarantees to other parties	-	-	10,0	10,0
	-	-	3 268,3	2 701,6
SUMMARISED MATURITY ANALYSIS OF FINANCIAL LIABILITIES				
Payable within three months	-	-	2 007,1	1 690,2
Payable after three months, but not exceeding a year	-	-	1 230,8	993,6
Payable after a year, but not exceeding two years	-	-	18,0	14,3
Payable after two years, but not exceeding five years	-	-	10,5	3,1
Payable after five years, but not exceeding ten years	-	-	1,9	0,4
	-	-	3 268,3	2 701,6

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	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
MAXIMUM POTENTIAL CREDIT RISK				
Loans and lease receivables	-	-	421,1	483,1
Lease receivables	-	-	5,0	10,6
Term loans to agricultural customers	-	-	397,6	472,4
Loans to related parties	-	-	18,5	0,1
Trade and other receivables	0,6	9,9	1 605,7	1 167,8
Amounts owing by agricultural customers	-	-	1 197,9	884,9
Amounts owing by non-agricultural customers	-	-	44,5	29,1
Amounts owing by commodity customers	-	-	148,3	138,2
Other receivables	0,6	9,9	215,0	115,6
Loans and receivables	0,6	9,9	2 026,8	1 650,9
Derivative financial assets	-	-	215,2	80,2
Commodity contracts on the derivatives market for agricultural commodities of the JSE	-	-	-	-
Commodity contracts with customers	-	-	17,0	16,3
Commodity contracts with agricultural producers	-	-	198,2	61,3
Option contracts with agricultural producers	-	-	-	2,6
Investment in equity instruments at fair value through other comprehensive income	-	-	4,6	4,6
Investment in equity instruments at fair value through profit or loss	-	-	-	-
Fiduciary assets	-	-	0,6	-
Cash and cash equivalents	0,3	-	2,8	0,8
Bank balances	0,3	-	2,5	0,5
Term deposits	-	-	0,3	0,3
Maximum potential credit risk on financial assets	0,9	9,9	2 250,0	1 736,5
Assets from contracts with customers	-	-	4,5	3,8
Assets from contracts with customers	-	-	0,6	1,6
Assets from contracts with customers classified as inventory	-	-	3,9	2,2
Maximum potential credit risk	0,9	9,9	2 254,5	1 740,3

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.

I3. 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	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Amounts owing by agricultural customers on production accounts	**-**	-	**1 197,9**	884,9
Amounts owing by agricultural customers on lease receivables	**-**	-	**5,0**	10,6
Amounts owing by agricultural customers on trade and lease receivables	**-**	-	**1 202,9**	895,5
Amounts owing by agricultural customers on term loans	**-**	-	**397,6**	472,4
Concentration of credit risks	**-**	-	**1 600,5**	1 367,9

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 I6 to I9.

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, firstly, loans and receivables that are payable monthly or annually and those that are payable in instalments over more than one year. Secondly, differentiation is made between amounts owing by agricultural customers, those owing by non-agricultural customers and those owing by commodity customers. Lastly, the group differentiates between receivables with respect to which the outstanding amounts are secured by high-security values, those with respect to which outstanding amounts are secured by low-security values, those with respect to which outstanding amounts are secured by credit insurers, and those with respect to which outstanding amounts are subject to intensive management or legal proceedings. At year-end the financial assets were classified as follows:

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 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	**-**	-	**1 197,9**	884,9
Seasonal and monthly production accounts	**-**	-	**925,2**	707,1
Credit-insured production accounts	**-**	-	**206,2**	99,3
Production accounts subject to intensive management or legal proceedings	**-**	-	**66,5**	78,5
Amounts owing by agricultural customers on lease receivables	**-**	-	**5,0**	10,6
Amounts owing by agricultural customers on trade and lease receivables	**-**	-	**1 202,9**	895,5
Amounts owing by non-agricultural customers	**-**	-	**44,5**	29,1
Amounts owing by commodity customers	**-**	-	**148,3**	138,2
Credit-insured accounts	**-**	-	**55,0**	53,5
Other accounts	**-**	-	**93,3**	84,7
Trade and lease receivables for which the expected credit losses are always measured at an amount equal to the lifetime expected credit losses	**-**	-	**1 395,7**	1 062,8

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm

13. CREDIT RISKS (continued)

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

	Company 2022 R'm	Company 2021 R'm	Group 2022 R'm	Group 2021 R'm
Amounts owing by agricultural customers on term loans	**-**	-	**397,6**	472,4
Term loans for which the credit risk has not increased significantly	**-**	-	**331,3**	6,4
Term loans for which the credit risk has increased significantly	**-**	-	**-**	365,2
Term loans considered credit-impaired	**-**	-	**66,3**	100,8
Derivative financial assets for which the credit risk has not increased significantly	**-**	-	**215,2**	77,6
Commodity contracts with agricultural producers	**-**	-	**198,2**	61,3
Commodity contracts with consumers	**-**	-	**17,0**	16,3
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	**-**	-	**612,8**	550,0

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

ASSETS FOR WHICH NO ALLOWANCE FOR EXPECTED CREDIT LOSSES IS DEEMED NECESSARY

	Company 2022 R'm	Company 2021 R'm	Group 2022 R'm	Group 2021 R'm
Loans to related parties	**-**	-	**18,5**	0,1
Other receivables	**0,6**	9,9	**215,0**	115,6
Derivative financial assets	**-**	-	**-**	2,6
Commodity contracts on the derivatives market for agricultural commodities of the JSE	**-**	-	**-**	-
Option contracts with agricultural producers	**-**	-	**-**	2,6
Assets from contracts with customers	**-**	-	**4,5**	3,8
Assets from contracts with customers	**-**	-	**0,6**	1,6
Assets from contracts with customers classified as inventory	**-**	-	**3,9**	2,2
Investment in equity instruments at fair value through other comprehensive income	**-**	-	**4,6**	4,6
Cash and cash equivalents	**0,3**	-	**2,8**	0,8
Bank balances	**0,3**	-	**2,5**	0,5
Term deposits	**-**	-	**0,3**	0,3
Cash and cash equivalents classified as fiduciary assets	**-**	-	**0,6**	-
	0,9	9,9	**246,0**	127,5

The group considers the commodity contracts on the derivatives market for agricultural commodities of the JSE as low-risk assets – in other words, the group is of the opinion there is little or no chance of default on these assets. The same can be said of bank balances and deposits with financial institutions – those classified as cash equivalents, those classified as other receivables as well as those classified as fiduciary assets. Assets from contracts with customers are fully secured by the agricultural commodities stored and the group has a proven history of no write-offs on these assets and therefore these assets are regarded as low-risk assets. Furthermore, the carrying amounts of loans to related parties, assets from contracts with customers and cash and cash equivalents are not material, consequently the credit risks associated with them are not material. No allowances were therefore made for expected credit losses on these assets.

14. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

It is policy to assess the recoverability of financial assets. To give effect to this policy, the group assesses these assets at the end of reporting periods, or more frequently should the circumstances so require, to determine if there is any indication that any asset should be written off, The group also assesses financial assets independently and collectively at the end of reporting periods to determine if there is any indication of a change in the credit risk on an asset or a group of assets, For this purpose, a default event is defined as any adverse event confirming that the group will not recover all outstanding amounts. Regardless of this, it is assumed that a default has occurred if the asset, or part thereof, is more than 90 days past due.

15. DIRECT WRITE-OFFS ON FINANCIAL ASSETS

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

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Term loans to agricultural customers	**-**	-	**21,9**	118,1
Amounts owing by agricultural customers	**-**	-	**46,2**	71,8
Amounts owing by commodity customers	**-**	-	**5,0**	4,3
Total	**-**	-	**73,1**	194,2

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

ACCOUNTING POLICIES

The group assesses financial assets at the end of reporting periods, or more frequently should the circumstances so require, to determine if there is any indication that any asset should be written off, If the group has no reasonable expectation of recovering an asset, or a portion thereof, the carrying amount of the asset is reduced directly with the credit loss. The credit loss is measured as the present value of the difference between the contractual cashflow due in terms of the contract and the cashflow that the group expects to receive, discounted at the contract's current effective interest rate. This is usually the case where the group has started legal proceedings or intends to initiate legal proceedings to recover the outstanding amounts and the carrying amount of the asset exceeds the expected return from the securities. It is also the case where the group holds no securities and legal proceedings are not financially feasible, and the group therefore does not expect to receive further cashflow from the asset. However, if the unexpected occurs and cash payments are received after the recognition of the credit loss, such payments are recognised as an impairment gain.

I6. LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES

	COMPANY		GROUP	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Allowance for expected credit losses on lease receivables	-	-	0,1	0,1
Allowance for expected credit losses on trade receivables	-	-	21,3	15,4
Amounts owing by agricultural customers	-	-	17,8	12,7
Amounts owing by non-agricultural customers	-	-	0,2	0,4
Amounts owing by commodity customers	-	-	3,3	2,3
Allowance for expected credit losses on trade receivables and lease receivables measured at an amount equal to the lifetime expected credit losses (note I7)	-	-	21,4	15,5
Allowance for expected credit losses on term loans (note I8)	-	-	6,1	8,5
Term loans for which the credit risk has not increased significantly	-	-	4,3	0,1
Term loans for which the credit risk has increased significantly	-	-	-	4,9
Term loans considered credit-impaired	-	-	1,8	3,5
Allowance for expected credit losses on loans and receivables	-	-	27,5	24,0
Allowance for expected credit losses on commodity contracts	-	-	2,1	0,3
Contracts with agricultural producers for which the credit risk has not increased significantly (note I9)	-	-	1,4	0,3
Contracts with consumers for which the credit risk has not increased significantly (note I9)	-	-	0,7	-
Carrying amount of allowances for expected credit losses	-	-	29,6	24,3

ACCOUNTING POLICIES

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

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

The general impairment model is used to measure the loss allowances for expected credit losses on the other financial assets. In other words, the measurement of loss allowances for expected credit losses on mortgage loans, livestock loans, rescheduled debt consolidation loans, loans to related and other parties, favourable bank balances, short-term deposits at financial institutions and derivative financial instruments depends on the group's assessment of the credit risks of these assets. If the asset's credit risk has increased significantly since the initial recognition of the asset, the loss allowance is measured at an amount equal to the lifetime expected credit losses. If the asset's credit risk has not increased significantly since the initial recognition of the asset, the loss allowance is measured at an amount equal to the twelve month expected credit losses. For this purpose, the twelve month expected credit losses are the portion of the lifetime expected credit losses that are possible within the twelve months after the reporting date.

SIGNIFICANT JUDGEMENT

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

The lease receivables and term loans, as set out in note C9, and the amounts owing by agricultural customers, as set out in note C13, 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.

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 in order 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 R'm	IMPAIRMENT ALLOWANCE R'm	CARRYING AMOUNT R'm	FAIR VALUE OF COLLATERAL HELD R'm
Credit-impaired financial assets	100,0	2,9	97,1	92,8

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

	GROUP				
	LEASE RECEIVABLES R'm	AGRICULTURAL CUSTOMERS R'm	NON-AGRICULTURAL CUSTOMERS R'm	COMMODITY CUSTOMERS R'm	TOTAL R'm
Opening balance at 1 May 2020	0,4	6,0	2,3	-	8,7
Utilisation	(0,3)	(10,9)	(0,4)	-	(11,6)
Seasonal and monthly accounts	-	-	(0,4)	-	(0,4)
Accounts subject to intensive management or legal proceedings	(0,3)	(10,9)	-	-	(11,2)
Impairment gains and losses	-	17,6	(1,5)	2,3	18,4
Seasonal and monthly accounts	-	10,5	(1,5)	1,3	10,3
Credit-insured production accounts	-	0,3	-	0,2	0,5
Accounts subject to intensive management or legal proceedings	-	6,8	-	0,8	7,6
Allowance for expected credit losses on trade and lease receivables at 30 April 2021	0,1	12,7	0,4	2,3	15,5
Utilisation	-	-	-	-	-
Seasonal and monthly accounts	-	-	-	-	-
Accounts subject to intensive management or legal proceedings	-	-	-	-	-
Impairment gains and losses	-	5,1	(0,2)	1,0	5,9
Seasonal and monthly accounts	-	5,0	(0,2)	(0,6)	4,2
Credit-insured production accounts	-	0,2	-	2,4	2,6
Accounts subject to intensive management or legal proceedings	-	(0,1)	-	(0,8)	(0,9)
Allowance for expected credit losses on trade and lease receivables at 30 April 2022	0,1	17,8	0,2	3,3	21,4
CLOSING BALANCE					
Seasonal and monthly accounts	0,1	15,4	0,2	0,7	16,4
Credit-insured production accounts	-	0,5	-	2,6	3,1
Accounts subject to intensive management or legal proceedings	-	1,9	-	-	1,9
Allowance for expected credit losses on trade and lease receivables at 30 April 2022	0,1	17,8	0,2	3,3	21,4

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 R15,5 million at the previous reporting date to R21,4 million at the current reporting date. The increase of R5,9 million, or 38%, is attributed to the increase of 39% in trade and lease receivables since the previous reporting date.

18. LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES ON TERM LOANS

	GROUP			
	TERM LOANS FOR WHICH THE CREDIT RISK HAS NOT INCREASED SIGNIFICANTLY R'm	TERM LOANS FOR WHICH THE CREDIT RISK HAS INCREASED SIGNIFICANTLY R'm	TERM LOANS CONSIDERED CREDIT-IMPAIRED R'm	TOTAL R'm
Opening balance at 1 May 2020	2,0	4,3	5,0	11,3
Normal term loans	2,0	0,5	-	2,5
Accounts subject to intensive care or legal proceedings	-	3,8	5,0	8,8
Impairment gains and losses	(1,9)	0,6	(1,5)	(2,8)
Normal term loans	(1,9)	0,6	-	(1,3)
Accounts subject to intensive care or legal proceedings	-	-	(1,5)	(1,5)
Allowance for expected credit losses on term loans at 30 April 2021	0,1	4,9	3,5	8,5
Utilisation	-	-	-	-
Normal term loans	-	-	-	-
Accounts subject to intensive care or legal proceedings	-	-	-	-
Impairment gains and losses	4,2	(4,9)	(1,7)	(2,4)
Normal term loans	4,2	(1,1)	-	3,1
Accounts subject to intensive care or legal proceedings	-	(3,8)	(1,7)	(5,5)
Allowance for expected credit losses on term loans at 30 April 2022	4,3	-	1,8	6,1

The loss allowances for expected credit losses on term loans to agricultural customers decreased from R8,5 million at the previous reporting date to R6,1 million at the current reporting date. The decrease of R2,4 million, or 28%, is attributed to a 16% decrease in term loans since the previous reporting date and the group's expectation that agricultural producers will harvest better than average crops in the coming harvest season.

19. LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES ON COMMODITY CONTRACTS

	GROUP		
	CONTRACTS WITH AGRICULTURAL PRODUCERS R'm	CONTRACTS WITH CONSUMERS R'm	TOTAL R'm
Opening balance at 1 May 2020	0,3	0,8	1,1
Impairment gains on commodity contracts for which the credit risk has not increased significantly	-	(0,8)	(0,8)
Allowance for expected credit losses on commodity contracts at 30 April 2021	0,3	-	0,3
Impairment losses on commodity contracts for which the credit risk has not increased significantly	1,1	0,7	1,8
Allowance for expected credit losses on commodity contracts at 30 April 2022	1,4	0,7	2,1

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		GROUP	
	2022 **R'm**	2021 R'm	**2022** **R'm**	2021 R'm
NET INTEREST-BEARING FINANCIAL ASSETS OR LIABILITIES				
Interest-bearing financial assets	**0,9**	9,9	**1 944,3**	1 622,5
Lease receivables	**-**	-	**5,0**	10,6
Term loans to agricultural customers	**-**	-	**397,6**	472,4
Loans to joint ventures	**-**	-	**18,4**	-
Amounts owing by agricultural customers	**-**	-	**1 197,9**	884,9
Amounts owing by non-agricultural customers	**-**	-	**44,5**	29,1
Amounts owing by commodity customers	**-**	-	**148,3**	138,2
Short-term deposits	**-**	-	**129,8**	86,5
Short-term loan to subsidiary	**0,6**	9,9	**-**	-
Bank balances	**0,3**	-	**2,5**	0,5
Term deposits	**-**	-	**0,3**	0,3
Interest-bearing financial liabilities	**-**	-	**(2 111,8)**	(1 642,3)
Lease liabilities	**-**	-	**(49,3)**	(28,5)
Short-term loans	**-**	-	**(851,3)**	(630,0)
Overdrafts	**-**	-	**(1 211,2)**	(983,8)
Net interest-bearing financial assets or liabilities	**0,9**	9,9	**(167,5)**	(19,8)
SENSITIVITY ANALYSIS				
Influence of half a percentage point increase in interest rates on profitability:				
Pre-tax profit	**-**	-	**(0,8)**	(0,1)
Profit	**-**	-	**(0,6)**	(0,1)
Influence of half a percentage point decrease in interest rates on profitability:				
Pre-tax profit	**-**	-	**0,8**	0,1
Profit	**-**	-	**0,6**	0,1

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

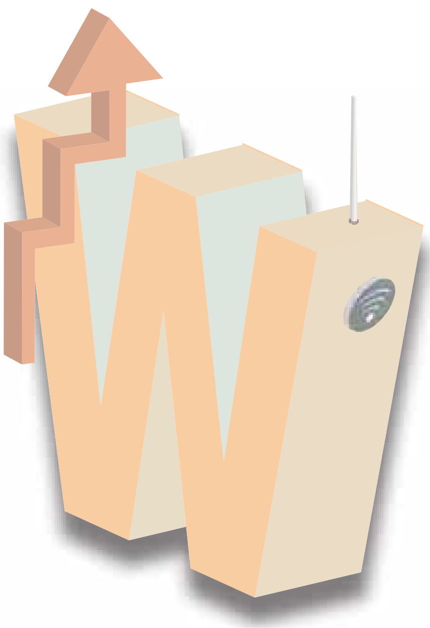
In assessing the interest rate risk it is important to take into account that the information disclosed illustrates the net influence of an increase or drop in interest rates on interest-bearing financial assets and liabilities, in other words, the consequences of an increase or drop in rates is illustrated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

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 less costs to sell – in other words, their market prices less costs to sell. These assets and liabilities therefore expose the group to commodity price fluctuations. In order to limit commodity price risks, it is policy to hedge agricultural commodities and contracts to purchase agricultural commodities in most, but not all, cases with sales contracts on the derivatives market for agricultural commodities of the JSE. On the other hand, it is also policy to support contracts to sell commodities on the derivatives market for agricultural commodities of the JSE through inventory and purchase contracts. To illustrate the group's exposure to commodity price risks, the effect of price fluctuations on the carrying amounts of assets and liabilities, and hence on profit or loss, is illustrated as follows:

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
SENSITIVITY ANALYSIS				
Influence of an increase of R100 per ton in commodity prices on the carrying amount of agricultural commodities	**-**	-	**24,9**	26,8
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	**-**	-	**(24,9)**	(26,8)
Influence of a commodity price fluctuation of R100 per ton on the pre-tax profit	**-**	-	**-**	-
Tax consequences	**-**	-	**-**	-
Influence of a commodity price fluctuation of R100 per ton on profit	**-**	-	**-**	-

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



J1. RELATED PARTIES

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

SUBSIDIARIES

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

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

ASSOCIATES AND JOINT VENTURES

Bastion Lime Proprietary Limited, Epko Oil Seed Crushing Proprietary Limited and NWK and IP Makelaars 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. Until its disposal, Senwk Proprietary Limited and its subsidiaries Certisure Brokers Proprietary Limited and Univision Broker Services Proprietary Limited were classified as joint ventures.

Molemi Sele Management Proprietary Limited is an associate of the group.

DIRECTORS AND OTHER KEY EMPLOYEES

The directors of the company include Messrs FH Badenhorst, JJ du Preez, JP du Preez, PN Jansen van Vuuren (from 10 September 2021), H Krüger, J Mahne, CF van Niekerk and L Vermooten. Mr JH Suurd was a director of the company until 10 September 2021.

The other key employees of the group include Messrs DJ Coetzee, PB Coetzer, DPG Kleingeld, HH le Roux – retired on 31 March 2022, TB Modise, NM Pieterse, TE Rabe and AJ van Tonder, as well as Ms AM van Rooyen (from 23 September 2021).

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 (from 23 September 2021), Mahne & Mahne Close Corporation, MK Farming Proprietary Limited, Rooikoppiesputte Boerdery Proprietary Limited, Suurd Boerdery Vennootskap (until 10 September 2021), Trymin Trading Close Corporation (from 10 September 2021), Vermooten Systems Close Corporation, Vlakpan Trust and VNB Boerdery Proprietary Limited.

J2. RELATED-PARTY CONTRACTS

SUBSIDIARIES

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

There were no trade transactions between the company and its subsidiaries and there is no contract for the provision of services between the company and its subsidiaries. Despite the lack of contracts, the subsidiary, NWK Limited, performs the secretarial and legal functions of the company for free and deals with the financial functions of the company without any compensation for such services.

ASSOCIATES AND 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 associates and joint ventures are set out in notes C9 and C13, in the case where the group is the lender, and note C25, in the case where the group is the borrower. However, there is no formal contract between the group and the associates or joint ventures involved for the demand deposits set out in note C25.

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

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

DIRECTORS AND OTHER KEY EMPLOYEES

The majority of the directors and some of the other key employees practise commercial agricultural activities. In addition, the key employees are entitled to purchase goods on monthly payable accounts, just like the group's other employees. The group therefore regularly concludes credit agreements and contracts for the handling and storage of agricultural commodities with its directors. Contracts with directors and other key employees agree in all material respects with those concluded with other producers, customers and employees, and commodity and trade transactions are incurred on an arm's length basis. Nevertheless, none of these contracts is considered significant. For this purpose, the group has defined a significant contract as a contract with a cashflow value of 10% of equity.

In addition to the above, the group entered into a lease agreement with a trust of non-executive director JJ du Preez to acquire property to operate agricultural commodity-handling and storage activities. The lease payments are payable in annual instalments over about ten years after the commencement of the agreement – in other words, 1 May 2021. According to the agreement, the lease payments are adjusted annually by no more than 6%, and the group is entitled to extend the lease term by about ten years. The group is entitled to remove all improvements and fixtures upon termination of the contract. The contract provides for a grace period of 60 days to 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		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
Demand deposit owing by NWK Limited	**0,6**	9,9	**-**	-
Amounts owing by the associates and joint ventures	**-**	-	**51,0**	31,3
Long-term loan to NWK and IP Makelaars Proprietary Limited	**-**	-	**18,4**	-
Short-term loan to Epko Oil Seed Crushing Proprietary Limited	**-**	-	**-**	-
Owing by Epko Oil Seed Crushing Proprietary Limited on trade accounts	**-**	-	**32,5**	31,1
Owing by Certisure Brokers Proprietary Limited on trade accounts	**-**	-	**-**	0,2
Owing by NWK and IP Makelaars Proprietary Limited on trade accounts	**-**	-	**0,1**	-
Owing by NWK and IP Makelaars Proprietary Limited on current accounts	**-**	-	**-**	-
Amounts owing by the non-executive directors	**-**	-	**85,4**	96,5
Owing by the non-executive directors on term loans	**-**	-	**50,6**	46,6
Owing by the non-executive directors on lease receivables	**-**	-	**1,0**	1,2
Owing by the non-executive directors on production accounts	**-**	-	**33,8**	48,7
Amounts owing by the other key employees	**-**	-	**3,1**	2,1
Owing by the other key employees on lease receivables	**-**	-	**0,6**	0,8
Owing by the other key employees on production accounts	**-**	-	**2,4**	1,2
Long-term loan to Mr TB Modise	**-**	-	**0,1**	0,1
Total amount owing by related parties	**0,6**	9,9	**139,5**	129,9

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

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

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

The unsecured loan was granted to Mr TB Modise to empower him to acquire ordinary shares in Oos-Transvaal Kalkverskaffers Proprietary Limited. The loan is unsecured, does not bear interest and is repayable as and when dividends accrue to Mr Modise.

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 C9 and C13.

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

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

J4. AMOUNTS OWING TO RELATED PARTIES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Amounts owing to the associates and joint ventures	-	-	27,4	44,4
Owing to Bastion Lime Proprietary Limited on trade accounts	-	-	-	-
Owing to Certisure Brokers Proprietary Limited on current accounts	-	-	-	0,1
Owing to NWK and IP Makelaars Proprietary Limited on current accounts	-	-	-	-
Demand deposit owing to Certisure Brokers Proprietary Limited	-	-	-	24,8
Demand deposit owing to Molemi Sele Management Proprietary Limited	-	-	27,4	19,5
Amounts owing to the non-executive directors	-	-	13,2	17,1
Demand deposits owing to non-executive directors	-	-	9,8	7,8
Owing to non-executive directors on trade accounts	-	-	3,4	9,3
Long-term incentives owing to Mr TE Rabe	-	-	3,4	5,0
Indirectly owing to the other key employees on trade accounts	-	-	0,8	1,5
Total amount owing to related parties	-	-	44,8	68,0

The amounts owing to the associates and joint ventures on demand deposits are unsecured. The group pays interest to its associates and joint ventures on demand deposits at rates that are negotiated with each individual associate or joint venture. At the reporting date this rate varied between 5,25% 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 preferential bank rate less 2,5 percentage points, calculated daily and capitalised on a monthly basis. These terms and conditions correspond in all respects to those of the other customers, as set out in note C25.

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

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

The long-term incentives owing to Mr TE Rabe are payable within three months of the expiry of the existing employment contract and bear interest at the preferential bank rate.

J5. RELATED-PARTY TRANSACTIONS

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
TRANSACTIONS WITH SUBSIDIARIES				
Finance income earned on amounts owing by NWK Limited	**0,7**	0,3	**-**	-
Total income earned from NWK Limited	**0,7**	0,3	**-**	-
Finance charges on amounts owing to NWK Limited	**-**	6,1	**-**	-
Administrative fees paid to NWK Limited	**-**	-	**-**	-
Total value of transactions with subsidiaries	**0,7**	6,4	**-**	-
TRANSACTIONS WITH JOINT VENTURES				
Revenue from the sale of goods	**-**	-	**0,8**	1,0
Epko Oil Seed Crushing Proprietary Limited	**-**	-	**0,5**	0,2
Oos-Transvaal Kalkverskaffers Proprietary Limited	**-**	-	**0,2**	0,5
Certisure Brokers Proprietary Limited	**-**	-	**-**	0,3
NWK and IP Makelaars Proprietary Limited	**-**	-	**0,1**	-
Agency commission earned on trade transactions with Bastion Lime Proprietary Limited	**-**	-	**4,3**	3,2
Handling and storage fees recovered from Epko Oil Seed Crushing Proprietary Limited	**-**	-	**0,4**	0,7
Transport income	**-**	-	**0,9**	1,7
Bastion Lime Proprietary Limited	**-**	-	**-**	-
Epko Oil Seed Crushing Proprietary Limited	**-**	-	**0,9**	1,7
Revenue earned from joint ventures	**-**	-	**6,4**	6,6
Finance income earned on amounts owing by joint ventures	**-**	-	**1,8**	1,0
Oos-Transvaal Kalkverskaffers Proprietary Limited	**-**	-	**-**	-
Epko Oil Seed Crushing Proprietary Limited	**-**	-	**0,2**	1,0
NWK and IP Makelaars Proprietary Limited	**-**	-	**1,1**	-
Certisure Brokers Proprietary Limited	**-**	-	**0,5**	-
Administrative fees	**-**	-	**1,1**	0,5
Epko Oil Seed Crushing Proprietary Limited	**-**	-	**0,5**	0,5
NWK and IP Makelaars Proprietary Limited	**-**	-	**0,6**	-
Operating-lease income	**-**	-	**-**	0,2
Certisure Brokers Proprietary Limited	**-**	-	**-**	0,2
NWK and IP Makelaars Proprietary Limited	**-**	-	**-**	-
Total income earned from joint ventures	**-**	-	**9,3**	8,3
Agricultural commodities sold to Epko Oil Seed Crushing Proprietary Limited	**-**	-	**908,6**	1 105,3
Finance charges on amounts owing to associates and joint ventures	**-**	-	**1,3**	1,5
Certisure Brokers Proprietary Limited	**-**	-	**0,3**	1,1
Molemi Sele Management Proprietary Limited	**-**	-	**1,0**	0,4
Total value of transactions with associates and joint ventures	**-**	-	**919,2**	1 115,1

J5. RELATED-PARTY TRANSACTIONS (continued)

TRANSACTIONS WITH THE DIRECTORS AND OTHER KEY EMPLOYEES

	COMPANY 2022 R'm	COMPANY 2021 R'm	GROUP 2022 R'm	GROUP 2021 R'm
Income earned from directors	-	-	56,2	63,6
Transacted directly	-	-	9,0	5,3
Transacted indirectly	-	-	47,2	58,3
Income earned from other key employees	-	-	7,1	4,5
Transacted directly	-	-	5,3	2,8
Transacted indirectly	-	-	1,8	1,7
Income earned from directors and other key employees	-	-	63,3	68,1
Interest paid to non-executive directors on demand deposits	-	-	0,5	0,3
Loyalty programme credits granted to other key employees	-	-	-	-
Agricultural commodities bought from directors	-	-	122,2	108,0
Transacted directly	-	-	22,3	23,5
Transacted indirectly	-	-	99,9	84,5
Agricultural commodities bought from other key employees	-	-	12,5	14,6
Transacted directly	-	-	4,1	3,4
Transacted indirectly	-	-	8,4	11,2
Total value of transactions with the directors and other key employees	-	-	198,5	191,0

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 2022	NUMBER OF SHARES ALLOCATED DIRECTLY 2021	NUMBER OF SHARES ALLOCATED INDIRECTLY 2022	NUMBER OF SHARES ALLOCATED INDIRECTLY 2021
Directors	25 830	-	113 428	-
FH Badenhorst	23 631	-	-	-
JJ du Preez	470	-	35 228	-
JP du Preez	-	-	15 607	-
JH Suurd (retired 10 September 2021)	-	-	5 429	-
PN Jansen van Vuuren (from 10 September 2021)	-	-	8 705	-
H Krüger	1 697	-	17 835	-
J Mahne	-	-	1 532	-
CF van Niekerk	32	-	22 572	-
L Vermooten	-	-	6 520	-
Other key employees	3 068	-	3 834	-
PB Coetzer	-	-	-	-
DPG Kleingeld	3 068	-	-	-
HH le Roux (retired 31 March 2022)	-	-	-	-
TB Modise	-	-	-	-
NM Pieterse	-	-	-	-
TE Rabe	-	-	-	-
AM van Rooyen	-	-	3 834	-
AJ van Tonder	-	-	-	-

J6. REMUNERATION TO THE DIRECTORS AND OTHER KEY EMPLOYEES

	COMPANY				
	SHORT-TERM BENEFITS	CONTRIBUTIONS TO POST-EMPLOYMENT BENEFIT PLANS	OTHER LONG-TERM BENEFITS	TOTAL	TOTAL
	2022 R'm	2022 R'm	2022 R'm	2022 R'm	2021 R'm
FH Badenhorst	0,1	-	-	0,1	0,1
JJ du Preez	-	-	-	-	0,1
JP du Preez	-	-	-	-	0,1
PN Jansen van Vuuren (from 10 September 2021)	-	-	-	-	-
H Krüger	0,1	-	-	0,1	0,2
J Mahne	-	-	-	-	0,1
JH Suurd (retired 10 September 2021)	-	-	-	-	0,2
CF van Niekerk	-	-	-	-	0,1
L Vermooten	0,1	-	-	0,1	0,2
Remuneration to the company's non-executive directors	0,3	-	-	0,3*	1,1

	GROUP				
	SHORT-TERM BENEFITS	CONTRIBUTIONS TO POST-EMPLOYMENT BENEFIT PLANS	OTHER LONG-TERM BENEFITS	TOTAL	TOTAL
	2022 R'm	2022 R'm	2022 R'm	2022 R'm	2021 R'm
FH Badenhorst	0,3	-	-	0,3	0,3
JJ du Preez	0,3	-	-	0,3	0,2
JP du Preez	0,2	-	-	0,2	0,3
PN Jansen van Vuuren (from 10 September 2021)	0,2	-	-	0,2	-
H Krüger	0,6	-	-	0,6	0,6
J Mahne	0,4	-	-	0,4	0,4
JH Suurd (retired 10 September 2021)	0,1	-	-	0,1	0,3
CF van Niekerk	0,3	-	-	0,3	0,3
L Vermooten	0,6	-	-	0,6	0,4
Remuneration to the company's non-executive directors	3,0	-	-	3,0	2,8
Remuneration to the directors of the subsidiaries	15,6	0,6	3,4	19,6	19,0
RJ Boëttger (from 10 September 2021)	0,2	-	-	0,2	-
DA Foster (retired 10 September 2021)	0,1	-	-	0,1	0,3
DPG Kleingeld	4,9	0,2	-	5,1	5,1
TB Modise	3,1	0,2	-	3,3	3,1
TE Rabe	7,1	0,2	3,4	10,7	10,3
M Rademeyer	-	-	-	-	0,1
MW Schoeman (from 10 September 2021)	0,2	-	-	0,2	-
MD van Tonder	-	-	-	-	0,1
Remuneration to the directors of group companies	18,6	0,6	3,4	22,6	21,8
Other key employees	17,5	1,5	-	19,0	15,5
DJ Coetzee	2,7	0,3	-	3,0	2,9
PB Coetzer	2,5	0,2	-	2,7	2,6
HH le Roux (retired 31 March 2022)	4,5	0,4	-	4,9	2,8
NM Pieterse	2,9	0,1	-	3,0	2,2
AM van Rooyen (from 23 September 2021)	2,0	0,2	-	2,2	1,9
AJ van Tonder	2,9	0,3	-	3,2	3,1
Remuneration in the current year	36,1	2,1	3,4	41,6	
Remuneration in the previous year	32,4	1,8	3,1	37,3	37,3

* Due to rounding some of the financial information are not shown.

K1. LEASES

ACCOUNTING POLICIES

A lease is a contract that conveys the right to use an asset for a period of time for consideration. For a contract to be classified as a lease the underlying asset must be identifiable and the contract must give the lessee the right to control the underlying asset. In other words, the contract must give the lessee the right to operate the asset during the period of use, the right to direct how and for what purpose the asset is used, and the right to obtain substantially all the economic benefits from the use of the asset. The assessment of whether a contract is or contains a lease is done at the inception date of the contract. The lease components within the contract are identified at the inception date of the contract and each lease component is accounted for separately from the non-lease components of the contract. For this purpose, the right to use an underlying asset is considered to be a separate lease component if the asset can be used on its own or together with other resources that are readily available and the asset is neither highly dependent on, nor highly interrelated to, the other underlying assets in the contract. As a practical expedient, the group chose not to separate lease components and non-lease components in the event that machinery and equipment, office equipment, vehicles and software are leased. Instead, the lease component and any associated non-lease components are accounted for as a single component.

Agreements where the group is the lessee

Where assets are acquired in terms of a lease, such assets are recognised as property, plant and equipment or intangible assets, whichever is applicable, and the discounted lease payments are recognised as a financial liability. The lease liability is measured as the present value of the lease payments that are not paid at the commencement date of the lease – calculated at the interest rate implicit in the lease. However, if the interest rate implicit in the lease cannot be readily determined, the present value of the lease payments is calculated at the group's incremental borrowing rate. For this purpose, the incremental borrowing rate is determined as the interest rate the group would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value. In the event that the lease contains a purchase option, the exercise price of the purchase option is included in the lease payments if it is reasonably certain that the option will be exercised. The incremental costs of obtaining the lease are capitalised as part of the cost of the right-of-use assets. For this purpose, internal administration costs are not considered costs attributable to the inception of the lease.

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

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

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

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 C22. The terms and conditions of leases, including lease terms, ownership, purchase and extension options, cancellation periods, residual value guarantees and subleasing arrangements, are also set out in note C22. Variable lease payments are classified as expenses and are therefore disclosed in note D11. However, variable lease payments are limited to a small number of leases – mostly office equipment, which is why the group's exposure to future cashflows is insignificant.

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

Short-term leases and low-value asset leases

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

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

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

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

FINANCE LEASES WHERE THE GROUP IS THE LESSOR

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

The cashflows relating to future lease payments are illustrated with the maturity analysis of lease receivables in note 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.

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%.

K1. LEASES (continued)

OPERATING LEASES WHERE THE GROUP IS THE LESSOR (CONTINUED)

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 are 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 assets that are leased for short periods from time to time as the opportunities arise, are insignificant. The cashflows relating to the future lease payments from renting space on top of the group's silos are illustrated as follows:

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
Receivable within three months	**-**	-	**0,7**	0,7
Receivable after three months, but not exceeding a year	**-**	-	**0,5**	0,6
Receivable after a year, but not exceeding five years	**-**	-	**0,4**	0,6
Minimum lease payments receivable for space on top of the group's silos	**-**	-	**1,6**	1,9

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

L1. FAIR-VALUE MEASUREMENT

The accounting policies require the measurement of the fair value of assets and liabilities at their initial recognition as well as their subsequent measurements. It is policy to measure investments in listed and unlisted entities, agricultural commodities and derivative financial instruments at fair value or fair value less costs to sell. The fair value of these assets and liabilities are consequently measured on a recurring basis. However, the accounting policies also require the measurement of the fair value of assets and liabilities that are normally measured by using the cost model, subject to certain conditions. Assets and liabilities measured on a non-recurring basis at fair value include, among other things, the assets and liabilities of subsidiaries, associates and joint ventures upon acquisition, non-current assets held for sale, and non-current assets that are subject to impairment losses.

	COMPANY		GROUP	
	2022 R'm	2021 R'm	**2022 R'm**	2021 R'm
FAIR-VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES MEASURED ON A RECURRING BASIS AT FAIR VALUE				
Investments in listed and unlisted entities at fair value through other comprehensive income	**-**	-	**4,6**	4,6
Fair value measured by using level one input data	**-**	-	**1,1**	1,6
Fair value measured by using level two input data	**-**	-	**0,7**	0,2
Fair value measured by using level three input data	**-**	-	**2,8**	2,8
Agricultural commodities at fair value less costs to sell	**-**	-	**1 400,4**	1 389,8
Fair value measured by using level one input data	**-**	-	**1 398,1**	1 389,8
Fair value measured by using level three input data	**-**	-	**2,3**	-
Derivative financial instruments at fair value through profit or loss measured by using level one input data	**-**	-	**(413,7)**	(455,1)
Net fair value of financial assets and liabilities measured at fair value	**-**	-	**986,7**	939,3

ACCOUNTING POLICIES

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

When measuring fair value, the group endeavours to use valuation techniques that maximise observable inputs and minimise unobservable inputs, and uses the assumptions that market participants will use when the asset or liability is priced. Therefore, measurement of fair value takes into account the condition and location of the item being measured, restrictions on the sale or use of the asset and, in the case of non-financial assets, the highest and best use of the asset. For this purpose, the highest and best use of a non-financial asset is deemed to be a use that is physically possible, legally permissible and financially feasible. If the highest and best use of a non-financial asset comprises the use of the asset in combination with other assets, the fair value is the price that will be received if the asset is used with the other assets on the assumption that those assets are available in the market. Fair value is not adjusted with transaction costs; provided that transport costs are not a transaction cost.

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

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

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.

L1. FAIR-VALUE MEASUREMENT (continued)

LEVEL TWO INPUT DATA

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

LEVEL THREE INPUT DATA

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

L2. FOREIGN CURRENCY

Foreign currency transactions are translated at the spot rate ruling at the transaction date.

On initial recognition, monetary assets and liabilities denominated in foreign currencies are translated at the spot rate ruling at the transaction date, but when measured subsequently, these monetary assets and liabilities are translated at the closing rate at the reporting date. Foreign exchange differences, arising either when monetary assets and liabilities are settled or when monetary assets or liabilities are subsequently measured, are included in the profit or loss for the period in which they arise. Foreign exchange differences relating to loans are included in finance charges or income, whichever is applicable. All the other foreign exchange differences are included in other gains and losses.

On initial recognition, foreign non-monetary assets and liabilities are translated at the spot rate ruling at the transaction date. The exchange rate on initial recognition of foreign non-monetary assets or liabilities, or part thereof, is determined at the date of payment or receipt of each advance consideration. At subsequent measurements all the non-monetary assets and liabilities that are valued at fair value are translated at the rate at the date on which the fair value is measured. Foreign exchange differences arising at the subsequent measurement of these non-monetary assets or liabilities are included either in the profit or loss for the period in which they arise or in other comprehensive income, depending on whether the fair-value adjustment is included in the profit or loss for the period or in other comprehensive income.

L3. IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS

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

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

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

L4. BORROWING COSTS

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

Borrowing costs that can be attributed directly to a qualifying asset are defined as the borrowing costs that would have been avoided if the expenditure relating to the qualifying asset had not been incurred. In the event that the acquisition, construction or production of a qualifying asset is financed with funds borrowed specifically for the purpose of obtaining the asset, the borrowing costs associated with those borrowings are regarded as borrowing costs that qualify for capitalisation. Where the acquisition, construction or production of a qualifying asset is financed with generally borrowed funds, borrowing costs are capitalised by means of a capitalisation rate. For this purpose, the capitalisation rate is determined as the weighted average borrowing costs of the outstanding borrowings of the group. Borrowing costs relating to funds borrowed specifically for the purpose of obtaining a qualifying asset are excluded from the calculation of the capitalisation rate until substantially all the activities necessary to prepare that asset for its intended use are complete.

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

L5. CAPITAL MANAGEMENT

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

CAPITAL RESTRICTIONS

The group is not subject to any external capital restrictions.

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 return to the target levels. Capital ratios are usually evaluated excluding agricultural commodities on hand and the associated debt, as they are liquid.

L6. COVID-19

The outbreak of COVID-19 in South Africa and the national lockdown starting in March 2020 put significant pressure on the South African economy. Economic and market circumstances could potentially change fundamentally within a short period of time. A scenario-based approach has been designed with action plans to be implemented as the circumstances may change to mitigate the financial impact that COVID-19 could have on the group. Furthermore, the group assessed the possible upstream and downstream impact of COVID-19 on the supply chain and sales to customers and is confident that COVID-19 will have a limited impact on its operations. Contingencies are in place to address the risks associated with COVID-19. Therefore, the group is of the opinion that COVID-19 will not affect its ability to continue operating as a going concern in the foreseeable future.

L7. 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 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 IFRS 7 (financial instruments: disclosure – interest rate benchmark reform (phase two)); IFRS 9 (financial instruments – interest rate benchmark reform (phase two)); IFRS 16 (leases – COVID-19-related rent concessions amendment), and IAS 39 (financial instruments: recognition and measurement – interest rate benchmark reform (phase two)). The implementation of these amendments had little or no effect on the group's accounting policies, practices or results.

REPORTING AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

The International Accounting Standards Board issued IFRS 17 (insurance contracts) and annual improvements cycle 2018 - 2020. The effective date of IFRS 17 (insurance contracts) is 1 January 2023, while annual improvements cycle 2018 - 2020 should be implemented on 1 January 2022.

The International Accounting Standards Board also amended the prescriptions of IFRS 3 (business combinations); IFRS 17 (insurance contracts – amendments), IFRS 1 (presentation of financial statements – classification of liabilities as current or non-current); IAS 16 (property, plant and equipment – proceeds before intended use), and IAS 37 (provisions, contingent liabilities and contingent assets – onerous contracts and costs of fulfilling a contract). The amendments to IFRS 3, IAS 1, IAS 16 and IAS 37 should be implemented on 1 January 2022, while the amendments to IFRS 17 should be implemented on 1 January 2023.

IFRS 17 does not affect the accounting practices of the group, nor do the amended prescriptions of IFRS 3 and IAS16. The group has not yet examined the effect of the amendments to IAS 1, IAS 37 or annual improvements cycle 2018 - 2020 on future financial statements, but expects that the implementation of these amendments will have little or no effect on the group's accounting policies, practices or results.

SUSTAINABILITY INFORMATION

CORPORATE GOVERNANCE REPORT

NWK HOLDINGS LIMITED 2022

GOVERNANCE FRAMEWORK

The governance framework within which the company operates, is as follows:

(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'). As at 14 July 2022, the company's board of directors ('the board') is aware of their responsibilities and the company remains compliant with the CTSE Listing Requirements,as is hereby also confirmed by the issuer agent of the company, to the best of their knowledge, Pallidus Exchange Services (Pty) Ltd, by affixing their signature below.

JACQUES BOTHA
Pallidus Exchange Services (Pty) Ltd

14 July 2022

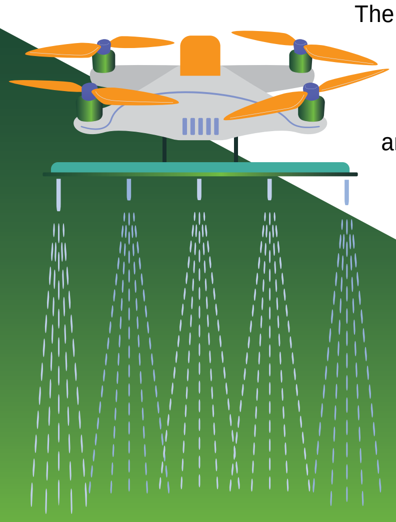
(III) KING IV™ REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA (KING IV™)

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

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

BOARD OF DIRECTORS

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



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

The board is ultimately responsible for the company and is of the opinion 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 and therefore 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.

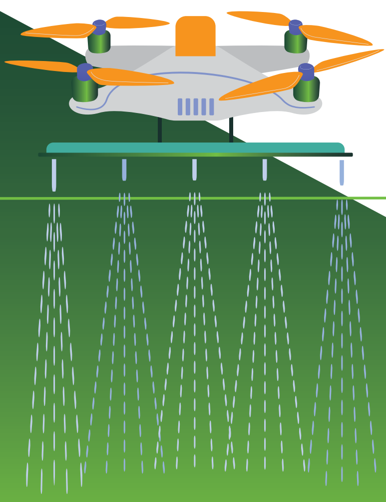
The board acknowledges its responsibility to:

- 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, the community and the 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 to 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 themselves in the scope of their activities. Committees are in turn 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, with the tone for ethical leadership being set by directors and prescribed officers. Also to establish a corporate culture of ethics and to 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 to ensure that potential directors are not disqualified to act as a director, and with the assistance of the group company secretary, further to assess the knowledge, experience, skills, abilities and integrity of potential new directors in advance, thus ensuring 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.

THE PRIMARY AIM OF THE NEWLY FORMULATED AND EXTENDED STRATEGY IS TO POSITION NWK AND ITS PRODUCERS SUSTAINABLY FOR THE FUTURE.



- Consider and balance the legitimate and reasonable needs, interests and expectations of all the stakeholders in their decision-making.
- Attend shareholder and board meetings.
- Adhere to the company's policies, rules and code of conduct, and visibly support its ethical standards.
- Take the necessary steps to ensure that they have sufficient knowledge of the company, the agricultural industry, the economic, social, political and technological environment in which they work, the market, the natural environment in which the company operates, and the applicable laws, rules, codes and standards.

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

For the period under review, the board has not carried out any formal performance evaluations. It is envisaged that an internal performance evaluation of the board will be carried out over the course of the 2022/2023 financial year.

All the non-executive directors (including the chairman of the company) are agricultural producers. Consequently, several credit agreements, grain delivery and grain storage contracts, as well as grain and trade transactions are concluded 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. As independence is viewed as the exercising of objective, unfettered judgement, categorising a director as independent is done from the perspective of the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making, as stated in King IV™. As none of the non-executive directors has 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 with regard to decision-making with independence.

The board is responsible for managing the potential conflict of interests. The memorandum of incorporation (as amended) 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.

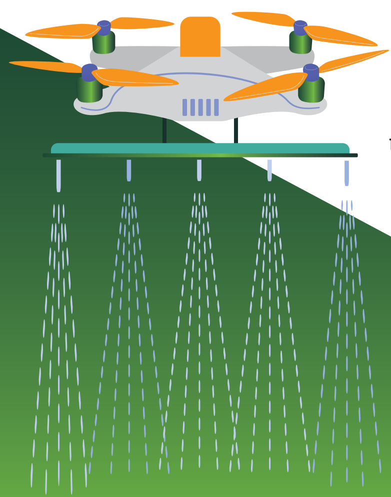
The directors and prescribed officers are continually reminded that they hold a position of trust and consequently may not use their position as director or prescribed officer or any knowledge and non-disclosed information gained during the performance of their duties for personal benefit or the benefit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

The focus areas of the board for the period under review are indicated in the directors' report.

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 memorandum of incorporation 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 memorandum of incorporation (as amended) further stipulates that the number of directors of the company may not be fewer than six (6) or more than ten (10).



The board of the company comprises eight (8) non-executive directors elected in terms of nominations by shareholders on a geographical ward basis. The board comprises directors who bring to it 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 the governance role and responsibilities of the board.

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 this 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 is of the opinion that it has effective arrangements in place in order to access professional corporate governance services.

Meetings of the board of the company are also attended on standing invitation by the group CEO and the group CFO (both *ex officio*) of NWK Limited, the major subsidiary of the company, as well as two (2) independent non-executive directors 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 2022)

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

INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

Heinrich Krüger, 62

BSc Agric
Non-executive chairman, appointed 16 April 1998
Next retirement year 2023
Chairman of the human capital committee and of the nomination committee
Serving on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited
- NWK Commodity Brokers Pty Ltd (in process of deregistration)
- Epko Oil Refinery Pty Ltd (dormant)

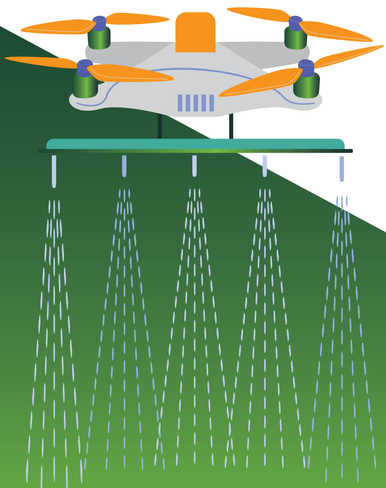
Occupation: Agricultural producer

Lemmer Vermooten, 62

B Eng
Non-executive vice-chairman, appointed 21 June 2002
Next retirement year 2024
Chairman of the audit and risk committee
Serving on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited
- NWK Commodity Brokers Pty Ltd (in process of deregistration)
- Epko Oil Refinery Pty Ltd (dormant)
- Bastion Lime Pty Ltd
- Pelelani Pty Ltd

Occupation: Agricultural producer



Hentie Badenhorst, 64

B Com (Accounting)
Non-executive director, appointed 31 August 1999
Retires in 2022 (not available for re-election)
Serving on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited

Occupation: Agricultural producer

Julius Mahne, 63

MBA
Non-executive director, appointed 19 June 2007
Next retirement year 2022 (available for re-election)
Serving on the boards of the following subsidiaries/joint ventures:

- NWK Limited
- Trustee of the NWK Umbrella Pension Fund

Occupation: Agricultural producer

Christo van Niekerk, 60

Bd HED
Non-executive director, appointed 21 June 2002
Next retirement year 2023
Serving on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited

Occupation: Agricultural producer

Kobus du Preez, 58

Senior Certificate (Grade 12)
Non-executive director, appointed 29 August 2018
Next retirement year 2024
Serving on the boards of the following subsidiaries/joint ventures:

- NWK Limited

Occupation: Agricultural producer

Jaco du Preez, 50

B Com
Non-executive director, appointed 30 July 2010
Next retirement year 2022 (available for re-election)
Serving on the boards of the following subsidiaries/joint ventures/associates:

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

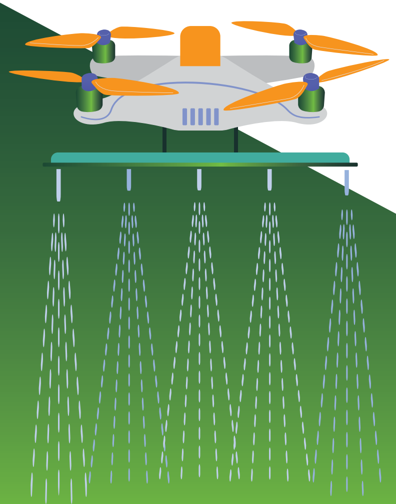
Occupation: Agricultural producer

Pieter Jansen van Vuuren, 42

CA (SA)
Non-executive director, appointed 10 September 2021
Next retirement year 2024
Serving on the boards of the following subsidiaries/joint ventures/associates:

- NWK Limited
- Trustee of the NWK Umbrella Pension Fund

Occupation: Agricultural producer



EXECUTIVE DIRECTORS OF THE MAJOR SUBSIDIARY OF THE COMPANY (NAMELY NWK LIMITED) SERVING ON BOARD COMMITTEES:

Theo Rabe, 54

CA (SA)
Group CEO and director of NWK Limited
Appointed as director of NWK Limited on 1 May 2005
Appointed as group CEO by NWK Limited with contract expiring on 30 April 2024
Serving on the boards of the following other subsidiaries/joint ventures:

- NWK Commodity Brokers Pty Ltd (in process of deregistration)
- Epko Oil Refinery Pty Ltd (dormant)
- NWK and IP Makelaars Pty Ltd
- Epko Oil Seed Crushing Pty Ltd
- Molemi Sele Management Pty Ltd

Pieter Kleingeld, 46

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
Serving on the boards of the following other subsidiaries/joint ventures:

- Epko Oil Seed Crushing Pty Ltd
- Bastion Lime Pty Ltd
- Oos-Transvaal Kalkverskaffers Pty Ltd
- Molemi Sele Management Pty Ltd

INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE MAJOR SUBSIDIARY OF THE COMPANY (NAMELY NWK LIMITED) SERVING ON BOARD COMMITTEES:

Marius Schoeman, 56

CA (SA)

Independent non-executive director of NWK Limited, appointed on 10 September 2021 for contract of one (1) year, to be extended for a further year.

Chair of the social and ethics committee for the group

Member of the audit and risk committee of NWK Limited, and therefore attends combined meetings of the audit and risk committee of the company and NWK Limited.

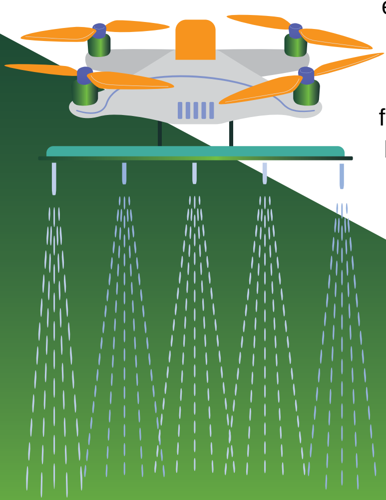
Ralph Boëttger, 60

CA (SA)
Independent non-executive director of NWK Limited, appointed on 10 September 2021 for contract of one (1) year, to be extended for a further year.

Member of the NWK Group Human Capital Committee

DIRECTOR CHANGES

For the purposes of the election of directors and in terms of the memorandum of incorporation of the company (as amended), the service area of NWK Limited (registration number 1998/007577/06) is divided into eight (8) geographical wards from which non-executive directors are appointed, with one director elected in or for each ward.



In terms of the memorandum of incorporation of the company (as amended), one third (1/3) of the directors for the time being must retire from office at each annual general meeting, and such retiring director can be re-elected should he make himself available for re-election, unless a director has reached the age of sixty-five (65) years during a financial year. In such a case such director is not available for re-election at the end of the following annual general meeting. The following directors are to retire at the end of the upcoming annual general meeting, to be held on or about 1 September 2022, and have indicated their availability for re-election as follows:

	WARD	NAME OF RETIRING DIRECTOR	AVAILABLE FOR RE-ELECTION	AGE AS AT 30 APRIL 2022
1.	Ward 1	Mr. Julius Mahne	Yes	63
2.	Ward 4	Mr. Jaco du Preez	Yes	50
3.	Ward 7	Mr. Hentie Badenhorst	No	64

The following nominees have accepted their nominations for wards 1, 4 and 7 as follows:

	WARD	NAME OF NOMINEE	QUALIFICATION	AGE AS AT 30 APRIL 2022	APPOINTMENT DATE
1.	Ward 1	Mr. Julius Mahne	*BA Hons*	63	19 June 2007
2.	Ward 4	Mr. Jaco du Preez	*BCom*	50	30 July 2010
3.	Ward 7	Mr. Abrie Badenhorst	*BScAgric*	32	New candidate

In terms of the memorandum of incorporation of the company (as amended), a retiring director is eligible for re-election, but can only serve for a maximum period of three (3) 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 (3) 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. As there is only one (1) nominated candidate per ward, no ward elections were held and the board, in consultation with the nomination committee, has recommended the above-named candidates for election by the shareholders of the company at the annual general meeting to be held on or about 1 September 2022.

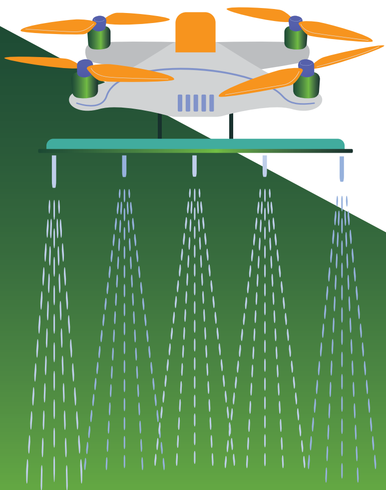
The board is of the opinion that the candidates are suitable to serve on the board of the company and have the required knowledge, experience, competencies and abilities. The board is of the view that Mr Julius Mahne and Mr Jaco du Preez (although having served for longer than nine (9) years) remain 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 outgoing director for ward 7, Mr Hentie Badenhorst, has served on the board for 23 years since 31 August 1999. He has indicated that he is not available for re-election due to him reaching the retirement age during the course of the 2022/2023 financial year. His presence and contributions will be sorely missed.

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, 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.



The contract of the group CEO expires on 30 April 2024, or may be terminated upon three (3) months' notice by the group CEO. On expiry the contract may be renewed on such terms and conditions as may be agreed upon between the board of NWK Limited and the group CEO. The group CEO also performs farming activities. The group CEO has no other notable professional commitments other than those indicated in this corporate governance report.

Succession planning is in place for the position of the group CEO.

THE COMPANY CHAIRMAN

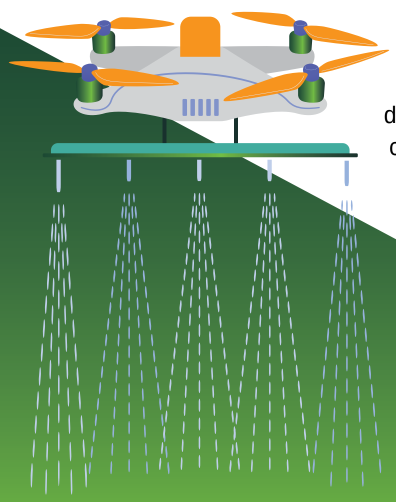
The chairman provides general guidance to the board and is responsible for ensuring the integrity and effectiveness of the board. The chairman:

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

The chairman of the company is an agricultural producer and enters into credit agreements, grain delivery and grain storage contracts, as well as grain and trade transactions on a direct and indirect basis with companies in the group on an 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, categorising a director as independent is done as referred to in King IV™ from the perspective of the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making. As the chairman does not have what can be classified as material contracts with companies in the group, the board is of the view that the 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 GROUP COMPANY SECRETARY

All directors have unlimited access to the services of the group company secretary, who ensures the 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, for bringing laws applicable to the company to the attention of directors, and for reporting to the board



any non-compliance with the provisions of the Companies Act or the provisions of the memorandum of incorporation of the company (as amended) or any other rules of the company by the board of directors or any individual director, and further performs statutory duties.

The group company secretary has unrestricted access to the company chairman 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.

The group company secretary of the company for the period under review was Ms Lehae Pieterse until 23 September 2021, when her resignation became effective. The new group company secretary, Ms Anna-Marie van Rooyen, was appointed as interim group company secretary effective from 23 September 2021, and was permanently appointed effective from 2 December 2021. Based on her professional qualification as an admitted attorney of the High Court for 20 years and the previous two (2) two years' experience as group head legal adviser, the board is satisfied that Ms Anna-Marie van Rooyen has an appropriate level of experience, competence and qualification to execute her responsibilities. Going forward the board will implement a formal annual assessment process to satisfy itself regarding the competence of the group company secretary.

DELEGATION AND BOARD COMMITTEES

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

- Delegated the day-to-day management of the company to management, led by the group CEO.
- In keeping with the recommendations of King IV™, has established four standing committees through which it executes some of its duties, as is 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.

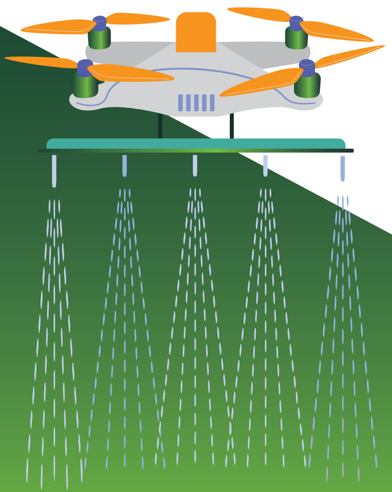
AUDIT AND RISK COMMITTEE

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)
- Julius Mahne
- Jaco du Preez
- Pieter Jansen van Vuuren

The committee usually meets in the form of a combined NWK Holdings Limited and NWK Limited audit and risk committee meeting. The NWK Limited audit and risk committee comprises the same members, with the addition of Mr Marius Schoeman, an independent non-executive director of NWK Limited, who therefore also attends the meetings of the audit and risk committee of the company. 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.

FULFILMENT OF RESPONSIBILITIES

The committee will perform a formal internal self-evaluation during the next reporting period. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which is reviewed regularly, and the committee is satisfied that it remains independent.

During the financial reporting period the audit and risk committee held three (3) meetings, the attendance of which is indicated elsewhere in this governance report.

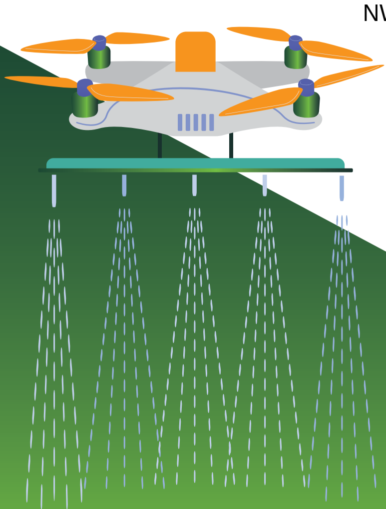
SOCIAL AND ETHICS COMMITTEE

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

MEMBERS

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

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



RESPONSIBILITIES

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

- Monitoring the group's activities regarding matters relating to social and economic development, good corporate citizenship, the natural environment, health and public safety, consumer relationships, labour relationships and employment, thereby fulfilling the committee's statutory obligations.
- Ensuring that the ethics of the group is managed in a way that supports the establishment of a culture of ethics.
- Overseeing the management of complaints from internal and external information sources relating to the ethics management process.
- Investigating allegations of possible unethical behaviour or corruption and exercising judgement over the findings of regulatory bodies or the audit functions associated with the ethics management process, including follow-up on non-compliance therewith and the affirmative and disciplinary steps taken.
- Ensuring that the group's activities support its intention to be a responsible corporate citizen, including in relation to:
  - Sustainable development
  - Stakeholder relationships
  - Fraud prevention
  - Responsible and transparent tax practices
  - Pollution
  - Waste disposal
  - Protection of biodiversity
- Providing strategic and policy advice to the board on all matters within the responsibilities of the committee.

KEY FOCUS AREAS

Key focus areas of the social and ethics committee for the period under review are indicated in the report by the chairman of the committee.

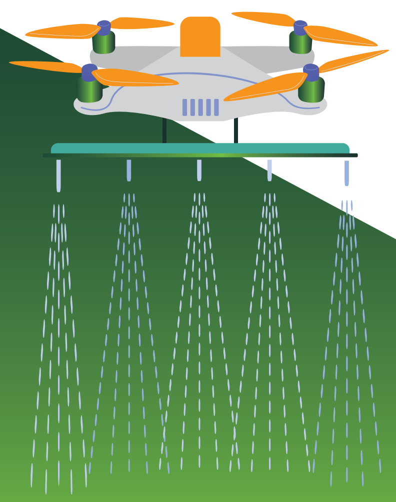
FULFILMENT OF RESPONSIBILITIES

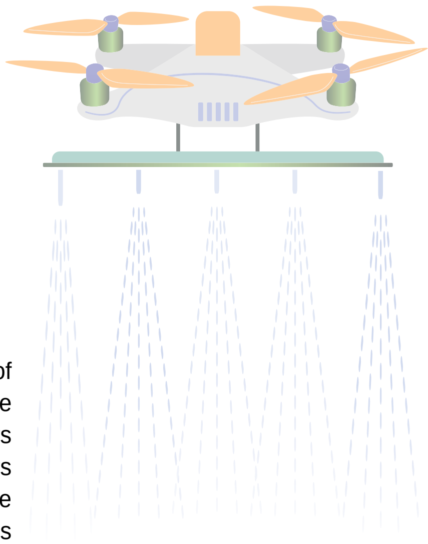
The committee will perform a formal internal self-evaluation during the next reporting period. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter, which is reviewed regularly.

During the financial reporting period the social and ethics committee held three (3) meetings, the attendance of which is indicated elsewhere in this governance report.

NOMINATION COMMITTEE

The nomination committee is established by the board of NWK Limited to also assist the company with the nomination of directors and prescribed officers and to evaluate their knowledge, experience, competency, abilities and integrity in advance, and further to assess the composition, functioning and efficiency of the board and its committees, of management and the achievements of the individual directors and prescribed officers. The committee has an independent role and is accountable to the board. It operates under its charter that is aligned with the recommendations of King IV™, which is reviewed regularly. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.





MEMBERS

- Heinrich Krüger (chairman)
- Lemmer Vermooten
- Julius Mahne
- Christo van Niekerk
- Jaco du Preez

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 is of the opinion that members of the committee exercised independent judgement in the discharge of 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 these standards.
- Appointing a non-executive director as chairman at disciplinary hearings of any executive director, member of management or the company secretary.
- Ensuring that the board discloses whether an assessment of the board and its committees has been carried out and providing an overview of the results and action plans if any.

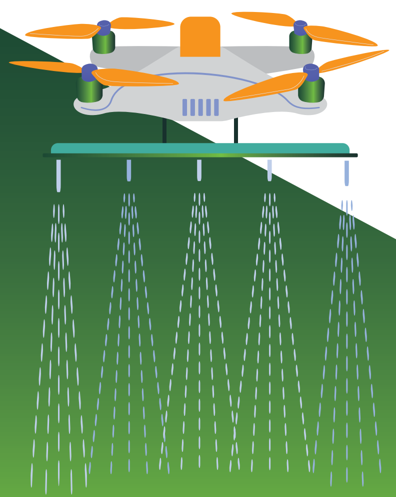
KEY FOCUS AREAS

During the period under review the nomination committee has focused on amendments and improvements to the board's succession planning policy in the light of amendments to the memorandum of incorporation of the company (as amended) at the shareholders meeting that was held on 10 September 2021.

FULFILMENT OF RESPONSIBILITIES

The committee will perform a formal internal self-evaluation during the next reporting period. There is no reason for the board to believe that the committee has not satisfied its responsibilities in accordance with its charter, which is reviewed regularly.

During the financial reporting period the nomination committee held two (2) meetings, the attendance of which is indicated elsewhere in this governance report.



HUMAN CAPITAL COMMITTEE

The human capital committee is a committee of the NWK Group 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 this is necessary. The purpose of the human capital committee is to assist the board with its responsibility to develop a remuneration policy and verify the compliance therewith, determine the remuneration of directors and prescribed officers and determine the annual adjustment to the remuneration of personnel, and to disclose the remuneration policy and remuneration of directors and prescribed officers in the integrated report. The committee has an independent role and is accountable to the board. It operates under its charter, which is aligned with the recommendations of King IV™. The committee does not assume management functions, which remain the responsibility of the executive directors and other senior members of management.

MEMBERS

- Heinrich Krüger (chairman)
- Lemmer Vermooten
- Julius Mahne
- Christo van Niekerk
- Ralph Boëttger

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. Despite the chairman of the committee being the chairman of the board and thereby deviating from the recommended practice of King IV™, the board is of the opinion that the current composition of the human capital committee is satisfactory to discharge the committee's roles and responsibilities in an independent fashion and that the experience and insight of the chairman of the board adds to the effective fulfilment of the responsibilities of the committee.

RESPONSIBILITIES

The primary responsibilities of the human capital committee include:

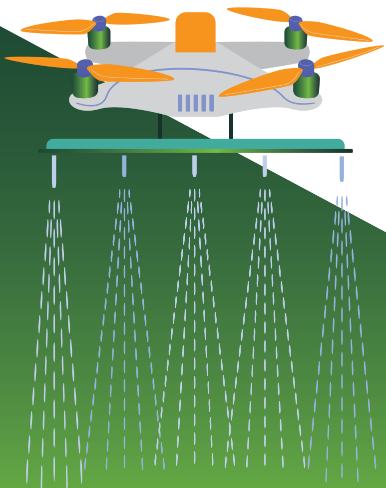
- Overseeing the development, documenting and implementation of a remuneration policy, verifying its effectiveness and compliance therewith.
- Assisting the board in determining the remuneration of the directors and prescribed officers.
- Assisting the board in determining the annual general adjustment 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

Apart from performing its normal responsibilities, the committee focused on the introduction of a long-term incentive for management personnel, the purpose of which is also the retention of such management personnel.

FULFILMENT OF RESPONSIBILITIES

The committee will perform a formal internal self-evaluation during the next reporting period. There is no reason for the board to believe that the committee has not satisfied its responsibilities in accordance with its charter, which is reviewed regularly.



During the financial reporting period the human capital committee held three (3) meetings, the attendance of which is indicated elsewhere in this governance report.

ATTENDANCE BY MEMBERS OF BOARD AND BOARD COMMITTEE MEETINGS

During the financial reporting period, the board met five (5) times, all of which were scheduled. The group CEO and the group CFO, as well as the two (2) independent non-executive directors of NWK Limited, attend board meetings by standing invitation, with no voting rights. 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	4/5	1/2			2/3
L VERMOOTEN	5/5	2/2		3/3	3/3
FH BADENHORST	5/5		3/3	1/1	
J MAHNE	5/5	2/2	3/3	3/3	3/3
CF VAN NIEKERK	5/5	2/2			3/3
PN JANSEN VAN VUUREN	5/5			2/2	
JP DU PREEZ	5/5	2/2		2/3	
JJ DU PREEZ	5/5		3/3		
MW SCHOEMAN	4/4*		2/2	2/2*	
RJ BOËTTGER	4/4*				2/2
DPG KLEINGELD	5/5*		3/3	3/3*	
TE RABE	5/5*	2/2*	3/3	3/3*	3/3*
DA FOSTER	1/1*			1/1	
JH SUURD	1/1		1/1		

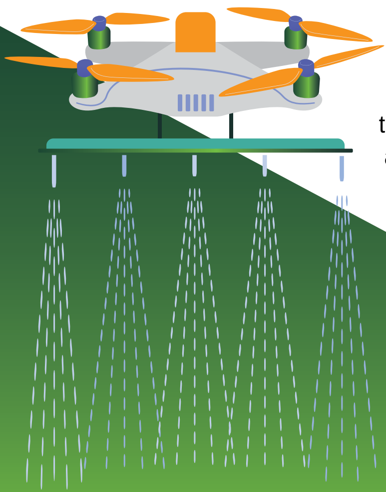
* Attending on standing invitation

ACCESS TO INFORMATION

The board expects its members to take the necessary steps to ensure that they have sufficient knowledge of the company, the agricultural industry and the economic, social, political, technological, market and natural environments in which the company operates. The directors should also familiarise themselves with the applicable laws, rules, codes and standards. These expectations, supplemented by the statutory duties of a director, necessitate access to information and knowledge. Consequently, the board authorised its members, its committees and committee members to oblige prescribed officers and employees to provide 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 the duty of the board 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 from 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.

COMPLIANCE GOVERNANCE

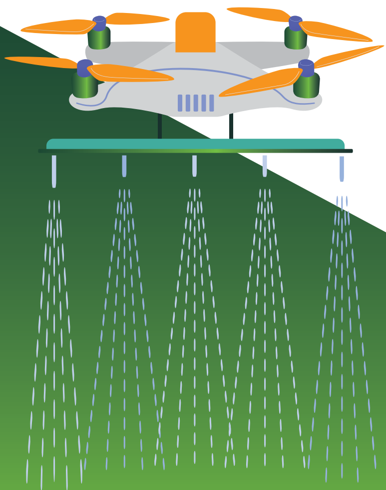
The company is committed to carrying out its operations without contravening the laws and regulations of the jurisdiction in which it operates. The board is responsible for the development and maintenance of an effective compliance framework to ensure that legal provisions and regulations are complied with, and it is the duty of the board 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. 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

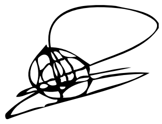
14 July 2022



CERTIFICATE BY THE COMPANY SECRETARY

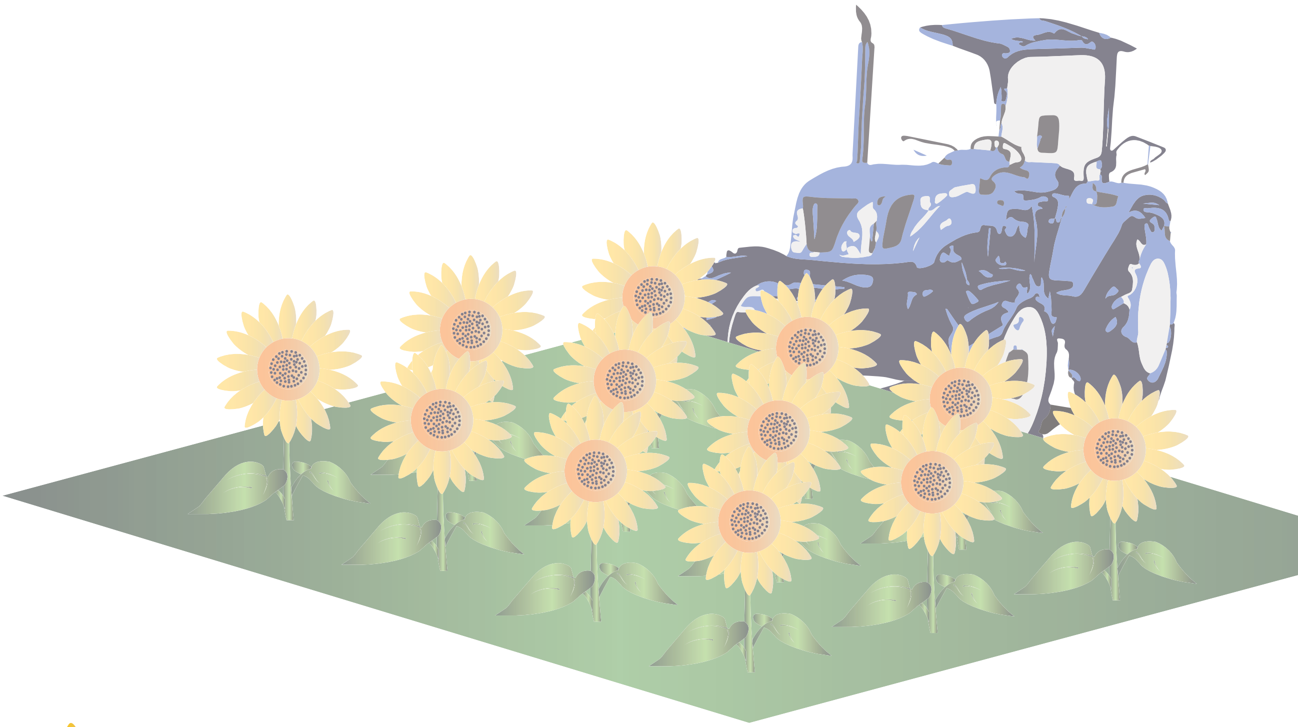
FOR THE YEAR ENDED 30 APRIL 2022

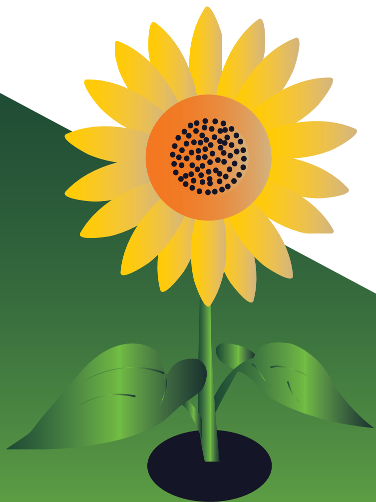
In accordance with section 88 of the Companies Act No 71 of 2008, as amended, for the year ended 30 April 2022, it is hereby certified that the Company and its subsidiaries have lodged with the Companies and Intellectual Property Commission all such returns that are required of a public company in terms of the Act and that such returns are true, correct and up to date.



ANNA-MARIE VAN ROOYEN
Group Company Secretary

14 July 2022





The certificate by the company secretary was not audited or independently reviewed.

SOCIAL AND ETHICS COMMITTEE REPORT

FOR THE YEAR ENDED 30 APRIL 2022

The group's social and ethics committee is pleased to submit its report for the financial year ended 30 April 2022.

INTRODUCTION

The board recognises the responsibility of the company to conduct its affairs with prudence, transparency, accountability and fairness and in a socially and environmentally responsible manner. It is within this context that the social and ethics committee assists the board with monitoring and reporting on social, ethical and transformational practices that are consistent with good and responsible corporate citizenship. The social and ethics committee is also responsible for oversight of the compliance by the group with relevant legislation.

The social and ethics committee operates under terms of reference that incorporate its statutory responsibilities and are aligned with the requirements of the Companies Act and King IV™ Report. The terms of reference were reviewed and updated during the reporting period and approved by the board, ensuring that the terms of reference comply with all regulatory and legislative guidelines and that the social and ethics committee performs its duties.

The mandate of the group social and ethics committee is to:

- Monitor whether the group complies with the relevant social, ethical and legal requirements (economic, social and governance – 'ESG').
- Bring to the attention of the board any relevant matters within the scope of its mandate.
- Report to shareholders on matters that fall within the scope of its mandate.

The group subscribes to the following areas of social responsibility and relevant standards:

- Social and economic development (relevant standards: United Nations Global Compact; Organisation for Economic Co-operation and Development ('OECD') recommendations on corruption; Employment Equity Act; Broad-based Black Economic Empowerment Act).
- Good corporate citizenship (including the promotion of equality, the prevention of unfair discrimination, the reduction of corruption, the contribution to community development, sponsorship, donations and charitable giving, the environment, health and public safety).
- The impact of the group's activities, products or services on communities.
- Consumer relationships (including advertising, public relations and compliance with consumer protection laws).
- Labour and employment (including employment relationships, contributions towards the educational development of employees. Relevant standards: International Labour Organisation Protocol on decent work and working conditions).

CODE OF ETHICS

The King IV™ Report recommends that the board govern the ethics of the company and the group in a way that supports the establishment of a culture of ethics.

The group subscribes to the highest ethical standards and behaviour in conducting its business and related activities. The group has a zero-tolerance policy with respect to committing or concealing fraudulent acts by employees, contractors or suppliers. NWK continues to make use of a Whistle-Blower Hotline (number: 0800 20 26 06) as a means of reporting possible fraudulent activities.

All employees are encouraged to report fraudulent activities in good faith and are made aware of the Protected Disclosures Amendment Act and the Witness Protection Act in the induction programme as a means to encourage employees to report suspected fraudulent activities. During the reporting period no calls were received on the Whistle-Blower Hotline.

Assurance services report fraud incidents to the audit committee, and should significant issues arise, will also report to the social and ethics committee. Stakeholders are advised that the code of ethics policy is available on the NWK group's website.

COMPOSITION AND FUNCTIONING OF SOCIAL AND ETHICS COMMITTEE

Best practices suggest that a majority of members of the social and ethics committee should be non-executive members. Having considered the size of the group and the expertise required from its executive directors for the operational execution of the mandate of the social and ethics committee, the social and ethics committee consists of two (2) executive and four (4) non-executive directors. For the year under review, the social and ethics committee was chaired by a non-executive director.

The current members of the social and ethics committee are as follows:

- J Mahne – non-executive director
- FH Badenhorst – non-executive director
- JJ du Preez – non-executive director
- MW Schoeman – independent non-executive director (appointed September 2021)
- DPG Kleingeld – group CFO
- TE Rabe – group CEO

The following employees attend the social and ethics committee meetings by invitation:

- Assistant Manager: Audit And Advisory - A Marais
- Director Economic Development - TB Modise
- Group Manager: Assurance Services - J Mathews
- Group Manager: Corporate Marketing and Communication - JJ Bezuidenhout
- Group Executive: Human Capital - DJ Coetzee

THE GROUP SUBSCRIBES TO THE HIGHEST ETHICAL STANDARDS AND BEHAVIOUR IN THE CONDUCT OF ITS BUSINESS AND RELATED ACTIVITIES.

The group secretary is tasked with the responsibility of secretary to the social and ethics committee.

The social and ethics committee brings any relevant matters within the scope of its mandate to the attention of the board. The chairperson reports formally to the board on the proceedings of the committee after each meeting on all matters within its duties and responsibilities. The social and ethics committee makes recommendations to the board on any area within its mandate that members deem appropriate where action or improvement is required.

During the period under review, the social and ethics committee executed its duties in accordance with the terms of reference.

MEETINGS

The social and ethics committee met three times during the year under review: on 27 May 2021, 21 September 2021 and 8 February 2022. All members attended these meetings and contributed effectively to the committee's deliberations and the committee discharged its responsibilities within its mandate.

KEY ACTIVITIES DURING THE REPORTING PERIOD

- Compiled an annual plan (2022) for the social and ethics committee based on the areas to be monitored by the committee in terms of the revised charter and statutory obligation.
- Provided a comprehensive report on corporate sustainability which serves as a working document, comparing the group's sustainability status with the requirements of the JSE's sustainability guidelines as far as is reasonably possible. The report tabled included a number of recommendations for consideration by management.
- Reviewed the environmental risk register presented by the NWK environmental officer following consultation with the NWK Risk Department.
- Reviewed the environmental management programme with the emphasis on water quality at Liquid Fertilisers, Lichtenburg.
- Reviewed the exemption from an air emissions licence, the liquid fertiliser – stack emission monitoring report 2021, the spillage procedure guideline and liquid fertiliser.
- Reviewed the corporate social responsibility report, communication with stakeholders report, the compliance report and fraud risk management report.
- Reviewed and recommended a new media policy regarding the handling of media inquiries.
- Reviewed and recommended the group's substance abuse policy to the board for approval.
- Monitored the Tip-Offs Anonymous reports received from third-party whistle-blowing reports (no tips-offs were recorded).
- Reviewed the corporate social responsibility reports detailing the various initiatives that the group supports.
- Reviewed the social and ethics committee year planning for 2022.

The social and ethics committee is satisfied with the group's progress in the areas of its ESG mandate, and in particular the continued efforts to engage actively with the local and provincial government, including North West's Department of Public Works, Roads and Transport, with the objective of providing assistance to the provincial government to make the province's dirt roads more accessible.

The committee determined that, during the financial year under review, it had discharged its statutory duty and other responsibilities as outlined in the Companies Act and in terms of its board-assigned mandate. The social and ethics committee will continue to strive to contribute to the overall sustainability of the group, including improved compliance, risk mitigation, ethics management and stronger stakeholder relationships, ensuring continued trust from the communities we serve.

FUTURE FOCUS

The social and ethics committee is aware that its function will continue to evolve as it addresses the responsibilities within its mandate and that management's responses will also adapt to relevant changes in the environmental, social and governance agenda. The following key activities are planned for the 2023 reporting period:

- A self-evaluation of the social and ethics committee using assessment metrics developed by the group company secretary and approved by the relevant stakeholders. The result of this self-assessment will be tabled before the board, including any recommended improvements or remedial actions.

- The ESG portion of the 2022 annual report.
- Establishment of ESG reporting and measurement metrics in consultation with stakeholders over the course of the 2022 calendar year, focusing on appropriate and relevant (limited and focused) measurement and refraining from theoretical measurements.
- Reporting of suspicious and unusual transactions as required by the FIC Act has been identified as an area for improvement and is receiving attention.
- Performance of an ergonomic risk assessment by an AIA-approved inspection authority, and incorporation of control measures and other requirements for establishing an ergonomics programme in the group.
- Reviewing of the NWK stakeholder engagement framework, ensuring active promotion of the NWK brand among internal and external stakeholders and building of trust among stakeholders through an integrated communication strategy.
- Reviewing of the effectiveness of skills development.
- Reviewing of King IV™ ESG compliance.
- Reviewing and, where appropriate, aligning with the sustainability and climate disclosure guidelines published by the JSE.
- Development of an electronic injury reporting and investigation system that will allow for better monitoring and identifying of trends with regard to root causes of incidents.
- Continued focus on enhancing compliance, where applicable across the group, with the data protection law (Protection of Personal Information Act, POPI Act).
- Support of leadership in an agricultural programme to promote the development of skills of identified potential leaders in the agricultural environment to hold potential leadership roles in agricultural forums and farmers' associations and as a board member of agricultural and other private companies.

I would like to acknowledge the commitment of and contribution by all committee members and express my appreciation for their support and guidance during the year. I also want to thank the exco team, and especially the group CEO and group company secretary and head of legal counsel, for their valued contributions, long hours and support to enable the social and ethics committee to function effectively. My prayer is that our Heavenly Father will provide us with wisdom and insight to ensure that NWK conducts its affairs with prudence, transparency, accountability, fairness and in a socially and environmentally responsible manner.

MARIUS SCHOEMAN
Independent Non-Executive Director NWK Ltd
Chairperson of the Social and Ethics Committee

14 July 2022

REPORT BY THE AUDIT AND RISK COMMITTEE

FOR THE YEAR ENDED 30 APRIL 2022

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 four non-executive directors appointed annually by the shareholders at the annual general meeting, meets at least three times a year to nominate an independent auditor for appointment, 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, on the advice of the boards, the shareholders appointed four members to serve on the committee of NWK Holdings Limited as well as NWK Limited. Mr MW Schoeman, as independent board member of NWK Limited, was appointed as member of the committee of NWK Limited and co-opted to serve on the committee of NWK Holdings Limited. Because the committees normally have joint meetings for practical reasons, 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 board 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.

The activities of Epko Oil Refinery Proprietary Limited (dormant), NWK Commodity Brokers Proprietary Limited (in the process of deregistration) and the newly acquired Lorenzo Motors Proprietary Limited are limited. The annual financial statements of these subsidiaries will only be reviewed. The committee assures all stakeholders that the fact that these subsidiaries are not audited does not affect the integrity of the consolidated annual financial statements. The committee will review the need to audit the annual financial statements of subsidiaries annually and make adjustments, if necessary.

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, group chief financial officer, group financial manager and 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 the 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 group company secretary assists the members with the scheduling, planning and organising of meetings, and it is the group company secretary's duty to ensure that discussion documents are properly drafted and meetings are fully minuted. The group company secretary uses the 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 group 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 group 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 group 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 group company secretary and, if circumstances require, with the group chief executive officer and group chief financial officer 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 meetings.

PERFORMANCE AND INDEPENDENCE REVIEW

It is the committee's practice to annually investigate and report to the board on the appropriateness of its charter and its independence, expertise and efficacy. On investigating its independence, expertise and effectiveness, the committee confirms that it carries out the duties imposed by the Companies Act, its charter and accepted principles of good corporate governance; that the committee members are not involved in the day-to-day management of the companies in the group; that no personal or business relationship exists between any member of the committee and the external auditor, the group chief executive officer, the group chief financial officer 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.

The members are, to a greater or lesser extent, 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 and resources. Furthermore, the committee is of the opinion that its charter is appropriate, that it adheres to the provisions of the Companies Act and the accepted principles of good corporate governance, that it takes into account the unique needs of the company, and thoroughly discusses the constitution of the committee, the appointment of committee members and the committee's duties and responsibilities.

FINANCIAL INFORMATION

It is the responsibility of the committee to ensure the integrity of the financial information of the company. In terms of this responsibility, it is the duty of the committee to review the annual financial statements, the interim financial statements, the condensed financial statements, the provisional announcements of results and any price-sensitive financial information that is issued for accuracy and completeness. It is the duty of the committee to ensure that the separate and consolidated annual financial statements are subjected to an effective audit.

GOING-CONCERN PRINCIPLE

The committee scrutinises the going-concern principle when preparing financial statements and advises the board in this regard. These investigations take into account the relevant financial statements under review; the financial position, results and ratios of the company; its financial budgets, capital needs, financial assets, financial liabilities, loan agreements, available facilities, and cash-generating assets; as well as the general economic and agricultural conditions, prevailing and expected market conditions, the political climate and other significant sustainability matters. The committee is of the opinion that the company is a going concern and has consequently recommended to the board that the separate and consolidated financial statements be prepared in accordance with the going-concern principle.

THESE INVESTIGATIONS TAKE INTO ACCOUNT THE RELEVANT FINANCIAL STATEMENTS UNDER REVIEW.

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

During the presentation of its audit plan, the external auditor identified the material uncertainty and judgements required with regards to the impairment assessment of term loans and trade receivables (excluding commodity customers) as a key audit matter. Although not classified as key audit matters, the auditor also pointed out certain other important issues including the estimation uncertainty and judgements involved on grain inventory, revenue recognition, journals and derivative instruments. The committee took note of all these matters.

ASSOCIATES AND JOINT VENTURES

Although the committee is not responsible for performing the legally prescribed functions relating to the financial statements of associates and joint ventures, the committee nevertheless assesses the financial statements as well as the accounting policies and practices of these entities to ensure consistent presentation in and the integrity of the consolidated financial statements.

RECOMMENDATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR APPROVAL

The consolidated interim financial statements were published during December 2021. The committee is of the opinion that those financial statements fairly presented the financial position of the company on 31 October 2021, 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 (international accounting standard 34) 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 2022 and its performance for the year then ended, are accurate and complete, comply with the provisions of the Companies Act, and have been prepared in accordance with the requirements of international financial reporting standards and the accounting policies of the company. Consequently, the committee submitted these separate and consolidated annual financial statements to the board for approval.

DIRECTORS' REPORT AND SUSTAINABILITY INFORMATION

The committee is of the opinion that the directors' report and sustainability information discuss the business of the company, its sustainability matters, its goals, performance and corporate governance thoroughly; that such matters are accurate and complete; and that there are no inconsistencies with the separate and consolidated annual financial statements. Consequently, the committee has submitted the directors' report and the sustainability information to the board for approval.

EXTERNAL AUDIT FUNCTION

In terms of the provisions of the Companies Act, the audit and risk committee is responsible for nominating an independent registered auditor annually for appointment as external auditor, for determining the audit fee and the terms of engagement of this auditor, for ensuring that the appointment of an external auditor complies with the applicable legislation, for determining the nature and scope of the non-audit functions that the external auditor may carry out, and for approving beforehand proposed agreements with the external auditor to perform non-audit functions. The committee assesses the independence and the effectiveness of the external audit function, approves the audit plan of the external auditor, and ensures that the external and the internal audit functions co-operate with one another.

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, PricewaterhouseCoopers Incorporated, is independent of the company and that the auditor possesses the necessary skills, expertise and resources.

NOMINATION

The committee has started the process to nominate a new external audit firm to replace the current auditors, Pricewaterhousecoopers Inc. due to the mandatory firm rotation required by the Independent Regulatory Board for Auditors. The nomination of the new external auditor will be made to the annual general meeting for appointment.

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.

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 annually, going forward audit plans will be approved every four months.

The head of the internal audit function has free access to the chairman of the committee and continually reports on their short- and long-term strategy, the effectiveness of the internal audit plan as well as the function's human and other resources, training needs, activities and audit findings at the committee meetings. To ensure direct and open communication, the head of the internal audit function has one-on-one meetings with the committee chairman prior to scheduled meetings and routinely during the year.

THE COMMITTEE IS OF THE OPINION THAT THE INTERNAL AUDIT FUNCTION IS INDEPENDENT, FUNCTIONS EFFECTIVELY AND HAS SUFFICIENT RESOURCES.

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.

The committee is of the opinion 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 internal audit function's formally documented assessment of the risk management process, 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.

TECHNOLOGY AND INFORMATION

The committee has reviewed the following regarding technology and information:

- The arrangements for governing and managing technology and information.
- Key areas of focus during the reporting period, including objectives, significant changes in policy, significant acquisitions and remedial actions taken as a result of major incidents.
- Actions taken to monitor the effectiveness of technology and information management and how the outcomes were addressed.
- Planned areas of future focus.

FINANCIAL FUNCTION

The audit and risk committee is responsible for assessing and for satisfying itself regarding the expertise and experience of the group chief financial officer and senior staff members responsible for the financial function, as well as the expertise, experience and resources of the financial function.

COMBINED ASSURANCE MODEL

It is the responsibility of the audit and risk committee to supervise the combined assurance model and to ensure that the combined assurance model is appropriate, efficient and cost-effective. The committee reviewed the effectiveness of the combined assurance model and is of the opinion that the combined assurance model is effective.

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

5 July 2022

The report by the audit and risk committee was not audited or independently reviewed.

RISK MANAGEMENT

FOR THE YEAR ENDED 30 APRIL 2022

For the year under review, agricultural companies were once again in a relatively better position regarding excellent harvests compared to the seasons before 2019/2020. The National Agricultural Marketing Council (NAMC) also predicts that the 2021/2022 ending stock of white and yellow maize will exceed that of the 2020/2021 season. The result of this is that there is some financial relief for grain producers who were exposed to the pre-2019/2020 season's drought and lower than normal harvests that cause a constraint on their cashflows.

In 2021/2022 we experienced an above-average long-term rainfall season. The average rainfall was even higher than in the previous year, which led to good harvests. These two seasons were a relief from the 2017/2018 and 2018/2019 droughts.

The uncertainty of a continuous onslaught from the government to amend section 25 of the Constitution, to legally expropriate land without compensation, is still a risk of high concern. However, in a significant development in the land reform debate, the National Assembly, on 7 December 2021, failed to pass a resolution to amend the South African Constitution to specifically allow land expropriation without compensation.

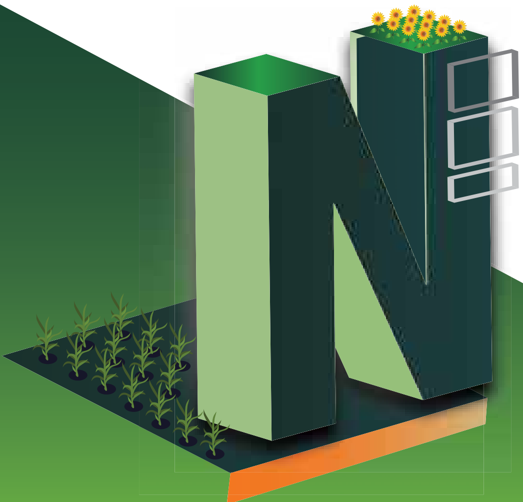
The repo rate was cut by 300 basis points to help mitigate the economic fallout of the COVID-19 pandemic until November 2021. In November 2021 the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB) increased the repo rate by 25 basis points. In March 2022 the MPC of the SARB increased the repo rate by another 25 basis points. The repo rate is therefore currently 4,75% and the prime rate is 8,25%. According to experts, further increases are expected.

Two new threats occurred during the 2021/2022 year that can have an impact on agricultural businesses and producers of agricultural commodities. The first was the double-control policy from China that provides a clear alert level regarding the energy consumption intensity reduction and amount reduction under China's Paris Agreement pledge to become carbon neutral. The impact of this involves a rise in the cost of pesticides, herbicides and fertiliser prices as manufacturers in China could not produce due to this double-control policy.

The second threat was the Russia-Ukraine conflict, which has a big impact on the global economy. These two countries are rich in minerals and key role-players in the exporting of oil, natural gases, sunflower oil, palladium and fertiliser materials, among other things. With exports influenced, the increasing demand for these resources caused input prices to rise.

The spill over effect of rising Brent crude oil prices is higher fuel prices, especially diesel, which is a large component of input costs for agricultural producers. This results in higher food prices, which in turn cause inflation to rise. When inflation goes up, interest rates also tend to go up, as was seen above, to get inflation under control.

No company can operate in a risk-free environment. As such, NWK aims to be ahead of the curve and to actively manage its risks via the Enterprise-wide Risk Management (ERM) Framework. The framework serves as a platform for management to proactively manage the uncertainty experienced in the agricultural environment. In addition, the ERM Framework enables management to exploit opportunities that arise from associated risks.



THE ROLE OF RISK MANAGEMENT

Risk management is not intended to impede business, but to assist management in the pursuit of their achievement of strategic goals. Therefore, the company strives to embed supporting and viable solutions into its culture to remain effective at risk management.

Risk management involves achieving an appropriate balance between identifying opportunities while minimising the adverse impacts of risks and, in turn, realising an acceptable level of value.

The company's risk management process is undistinguishably linked to strategy formulation and execution to optimise the risk-return profile of the business, decrease earnings volatility, reinforce management's confidence in business operations and risk monitoring, improve the transparency of decision-making, and maximise profitability. Achievement of the above will lead to an improvement in market and brand reputation, reduce risk premium and lower the cost of capital when approaching debt and capital markets.

As for the shareholders, a lower risk premium translates into potentially higher distributable earnings, thus enhancing shareholders' value.

RISK MANAGEMENT PHILOSOPHY

The risk management process is overseen by the board as an element of good corporate governance (King IV, Principle 11). The board determines the strategy of the company and controls its implementation, therefore the board – even though certain functions are delegated to management – is liable and responsible for risk management. The board is actively involved in identifying and checking key risks, determines the company's risk appetite, identifies the appropriate risk management policy and approves the risk management plan.

NWK recognises that risk management is not just the responsibility of the board or management, but rather the responsibility of everyone within NWK. Instead of being an independent, stand-alone process, risk management is integrated into business processes, including but not limited to strategy development, business planning, capital allocation, investment decisions, internal control and day-to-day operations.

RISK MANAGEMENT FRAMEWORK

Management is responsible for the day-to-day management of the Group. The group chief executive officer of NWK Limited is responsible and accountable for the operational activities and achievements of the Group, and therefore the responsibility for risk management is delegated to the group chief executive officer and his management team. It is the practice that the group chief executive officer delivers services to NWK Holdings Limited and use the necessary resources to perform these duties. The group chief financial officer is responsible for the risk reporting and communication on this basis.

The board expects management to develop an appropriate risk management plan and submit it to the board for approval, document, implement and maintain the risk management plan and assess its effectiveness annually, develop systems for monitoring adherence to acts and regulations and appraise the effectiveness of these systems annually, perform a formal risk analysis annually, manage risks within the allowable parameters, continually communicate the risk management policy and plan to employees so that risk management becomes an integral part of every employee's work practices, and regularly and at appropriate intervals report on the company's risks and their management.

THE RISK MANAGEMENT PROCESS

- Planning
- Identification
- Assessment
- Decision-making
- Monitoring
- Mitigation
- Reporting

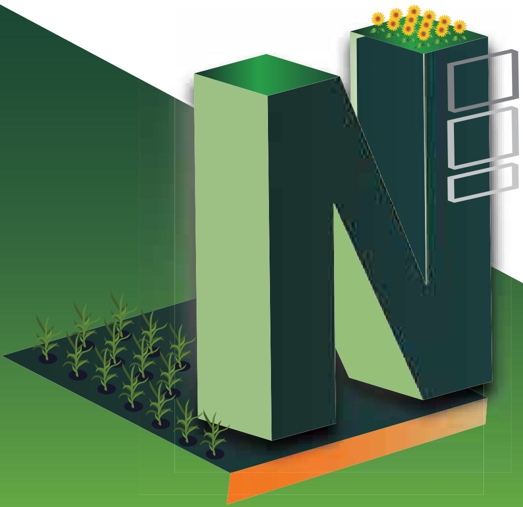
RISK IDENTIFICATION

The significant risks to which the company is exposed due to the nature and scope of its business have been identified, documented and, for management purposes, classified into appropriate risk categories. A risk weighting is performed on identified risks, based on the probability that the risk will realise, the possible influence of the risk, and the established control measures to limit the risk. The company's risk framework encompasses four distinct categories:

STRATEGIC RISK

A strategic risk is an event that could inhibit an organisation's ability to achieve its strategic objectives. The way the board and management choose to approach such strategic risks establishes the organisation's risk management philosophy and culture. The risk philosophy and culture adopted are also influenced by the company's vision, mission, objectives and values, which likewise define the company's risk appetite and risk tolerance.

OPERATIONAL RISK



Operational risks are identified in the same manner as strategic risks – in other words, the same methodology applies. However, due to the nature of the operational risks, they are managed more intensively. The key operational risks identified are assessed by their probability as well as their potential impact on the organisation. Strategies are pinpointed to mitigate the impact of the risks if and when they arise. Risk management strategies focus on one of four approaches: control, transfer, tolerate or terminate.

REPORTING RISK

Reporting risk is the risk that financial information is inadvertently altered or intentionally manipulated. Management has established systems of internal control to provide reasonable assurance of the validity, accuracy, comprehensiveness and timely accumulation of financial data. Such internal controls are subject to an independent assessment by internal audit when performing regular business process reviews. Furthermore, a measure of reliance is placed on the external auditor to confirm the fair presentation of the financial information at a statutory reporting level.

COMPLIANCE RISK

Compliance risk is the primary legislation affecting the group. These risks are identified and documented by the company's compliance officer with the assistance of legal counsel where necessary. The purpose is to determine responsibility within management for compliance with the legislation that affects the group.

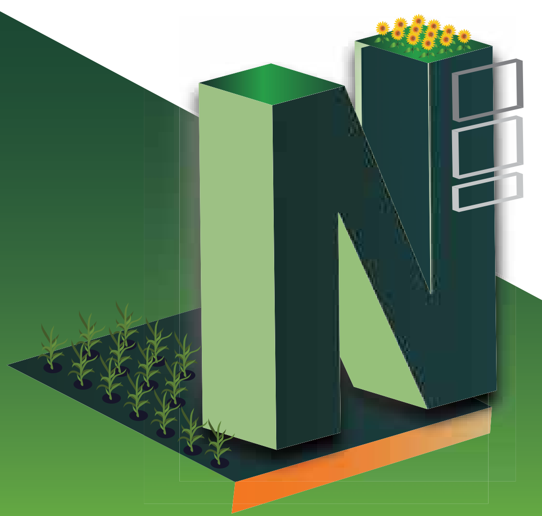
RISK RATING – TOP TEN RISKS

The likelihood and impact values are multiplied to display the inherent risk (impact x likelihood = inherent risk). Specific control measures are then applied to each risk to determine the actual residual risk level to which the group is exposed.

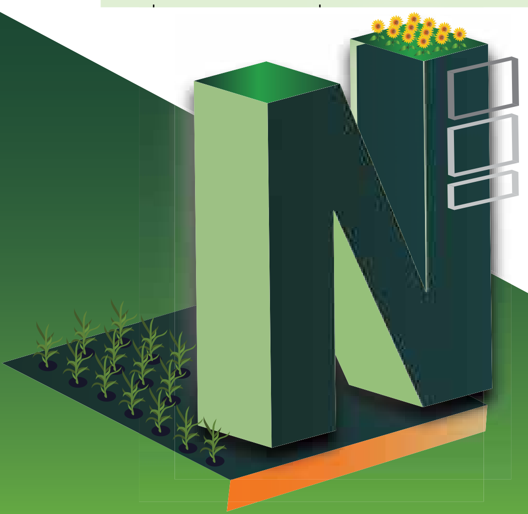
RISK MOVEMENTS

■ Unchanged ⬆ Risk higher ⬇ Risk lower ● New risk

NR	RISK	RISK DESCRIPTION	MITIGATING MEASURES	RISK MOVEMENT FROM 2020
1	Legal risk	Reputational damage, possible jail time and fines.	A compliance officer is appointed to monitor and mitigate the risks associated with laws and regulations in collaboration with the company secretary. These laws are closely monitored and reported. There is also a training schedule for the different target groups regarding compliance.	⬆
2	Market risk	Epko Oil Seed Crushing (Pty) Ltd may not realise the required profit margin due to volatile market movements.	Epko Oil Seed Crushing (Pty) Ltd removes price risk by proactively locking the gross processing margin through the use of derivatives and forward contracts when pre-approved and mandated levels are reached.	●
3	Operational risk	Epko Oil Seed Crushing (Pty) Ltd is dependent on customers using international benchmark prices for sunflower crude oil.	Service level agreements are in place with brokers to use the same instruments for hedging and pricing with customers.	⬇
4	Liquidity risk	Epko Oil Seed Crushing (Pty) Ltd: Debtors not settling outstanding balances, leading to the write off of bad debts.	Credit insurance is in place to reduce default risk to an acceptable level. Furthermore, debtor payment patterns are monitored on an ongoing basis to ensure compliance with payment terms and limits.	⬆



NR	RISK	RISK DESCRIPTION	MITIGATING MEASURES	RISK MOVEMENT FROM 2020
5	Credit risk	Epko Oil Seed Crushing (Pty) Ltd: Concentration risk regarding crude oil due to a limited number of clients.	Strategic positioning in the market to stand out in terms of quality and reliability.	
6	Market risk	Liquidity constraints on international markets may force Epko Oil Seed Crushing (Pty) Ltd to close out positions at unfavourable terms.	The commercial committee updates the hedging strategy proactively before significant changes in market dynamics.	
7	Operational risk	Epko Oil Seed Crushing (Pty) Ltd: Downtime is caused by poor service delivery.	A direct payment plan is established with Eskom to combat the issue of non-payment of electricity by the local municipality. Generators are installed to limit the downtime as a result of load-shedding and failing municipal infrastructure. As a last resort, insurance policies are in place to cover any remaining risk.	
8	Political risk	Deterioration of market conditions.	All agricultural companies are exposed to the uncertainty of market conditions and the disruption of the supply chain due to the COVID-19 pandemic and the instability caused by the Russia-Ukraine war. To a certain extent, the risk has to be accepted. However, the supply of farming equipment is closely monitored and good relationships with our suppliers are in place to help mitigate this risk.	
9	Operational risk	Epko Oil Seed Crushing (Pty) Ltd: Low-quality seed results in low-quality oil and meal that does not meet the minimum requirements as set out by clients.	There are agreements in place with suppliers of sunflower seed to ensure minimum specifications are met in terms of quality.	
10	Legal risk	Non-compliance with and non-adherence to legislation with specific reference to information technology.	IT technologists have an annual health check and safety training. There is also an annual safety and compliance assessment for the technologists. Access control (site-specific) is in place to help mitigate this risk. Network: A firewall is in place to regulate accessible websites and domains. Up-to-date malware and anti-virus protection and live monitoring of network traffic are in place. Email backups are being made, with a 60-month archive. There are also regular reviews to ensure there is compliance with the IT framework (Cobit) and compliance with the ISO 27001 standards.	



PIETER KLEINGELD
Group Chief Financial Officer

14 July 2022

FOR THE YEAR ENDED 30 APRIL 2022

The group's continuous striving to give back to the communities within which it operates did not lag behind, despite a second year of the COVID-19 pandemic and lockdown. NWK remains committed to co-responsibility in the workplace and community as one of its values that helps to build a strong reputation.

The COVID-19 pandemic and consequent lockdown also had a devastating impact on communities in 2021 and the aftermath will remain visible for many years to come. Despite the pandemic, NWK managed to initiate and complete its corporate social responsibility (CSR) projects in a meaningful manner.

NWK's investment in the education of our youth remains one of our priorities, given the high unemployment rate in South Africa. The company, in collaboration with the Potchefstroom campus of the North-West University, successfully hosted the eleventh Ikateleng Project (meaning to 'empower yourself' in Setswana) this year. Despite ongoing restrictions in 2021, the programme managed to successfully complete the 17 planned sessions by the end of September.

A total of 201 pupils (Grade ten to twelve) received additional tutoring in the following subjects: English, Mathematics, Mathematical Literacy, Economics, Business Studies, Physical Sciences, Life Sciences and Accounting. The main aim of Ikateleng is to enable learners to improve their academic results and qualify for tertiary education. About 73,21% of the Grade 12 learners of the Lichtenburg group, with which NWK was involved, passed with admission to a bachelor's degree.

The 2021 year was the eleventh year that the donation of laptops to the 21 top matriculants in the Ditsobotla subdistrict took place in collaboration with the provincial Department of Education. The 2021 year had its challenges and contact learning could not proceed as normal. Nonetheless, leaners persevered and achieved good results. Since the establishment of the project in 2013/2014, a total of 166 learners have received laptops valued at more than R1,5 million.

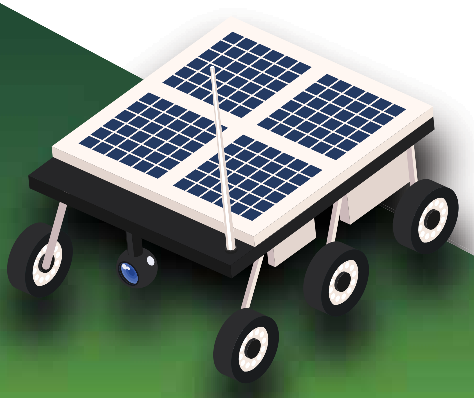
The School Shoe Project also took place in 2021 and no fewer than 500 pupils from schools in Itsoseng and Bodibe respectively received new school shoes, beanies, shoe polish and brushes. This project was launched in 2012/2013 in collaboration with the North West Department of Education. More than 4 500 pupils have since benefitted from this project.

In July 2021, generators were donated to five community radio stations so that they could continue broadcasting during load-shedding.

NWK is also involved with these radio stations by sharing market information (on grain and livestock, weather warnings, news that makes headlines such as disease outbreaks) as well as information on seasonal activities.

Crime remains a big concern in various communities and NWK, together with the police in Itsoseng and the Community Policing Forum, handed over 250 reflector jackets to patrollers in the area.

INVESTMENT IN THE EDUCATION OF OUR YOUTH REMAINS ONE OF NWK'S PRIORITIES.



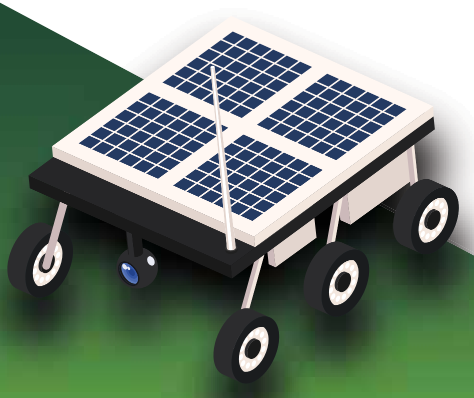
The Grip4Charity Supplier's Golf Day was finally hosted in October. Like in the past, NWK received excellent support from suppliers and the company donated R210 000 to two non-profit organisations, including Mev. Lichtenburg Elegant as well as the Abraham Kriel Children's Home in Potchefstroom. Over the past 16 years, R2 152 080 have been donated to 27 institutions since the day's inception in 2006.

During this time, NWK was also involved in other community projects, including the following:

- Hart-en-Hande project of Hoërskool Lichtenburg.
- The handover of Christmas hampers to residents of the SAVF Lichthuis.
- Funding the purchase of a drone by the Omgee Neighbourhood Watch to fight crime.
- Lichies Omgee's monthly cleaning action of the town, by donating shopping vouchers to participants.
- Lichies Omgee's food drive during August.
- Supplying wool to Coligny Library for the Bosom (sic) Buddy Project, from which covers for draining bags were knitted and handed over to cancer patients during Breast Cancer Month.
- The Lichtenburg tar project, which entails the repairing of potholes in collaboration with AfriForum from June 2021 to March 2022.
- A donation of 100 bags of cement to Najaarsrus (care facility for the elderly) in Coligny to repair their paving.
- A generator was donated to both NG Welsyn Lichtenburg and Hoërskool Lichtenburg, enabling them to continue with administrative duties during load-shedding.
- Drought aid in the form of 720 bags (28,8 tons) of molasses to 26 farmers in Graaff-Reinet in the Eastern Cape.
- The handover of grocery parcels to the 40 families in Bakerville during Christmas.
- The Adam and Eve project of Swartruggens Combined School through which needy pupils are being assisted.
- A financial contribution to assist with the grasshopper plague in the Northern Cape, parts of the central Karoo and the Eastern Cape.
- The monthly donation of pet food to Lichtenburg Animal Welfare.
- Participation of employees in the Flip Flop Day in aid of the Childhood Cancer Foundation SA (CHOC).

THEO RABE
Group Chief Executive Officer

14 July 2022



COMMUNICATION WITH STAKEHOLDERS

FOR THE YEAR ENDED 30 APRIL 2022

Effective communication is one of the keys to a company's success. It is therefore imperative for NWK to communicate relevant information to all stakeholders in a transparent manner. Media liaison is done in a coordinated fashion with the aim of establishing, broadening and protecting NWK's profile in the media.

The *NWK Arena* client magazine made its digital debut during October 2020, enabling this publication to share insightful agriculture-related articles with thousands of people across the world. According to statistics, the most readers access the site through their cell phone (*www.nwkarena.co.za*). This means that the magazine is now in the palm of the reader's hand. What is more, communication is now not only limited to bi-monthly publication, but articles can be published on a weekly or even daily basis.

The printed version still appears six times per year, with a print order of 4 800 per edition. With the introduction of the website, the printed version was also revisited. The layout is now modern and resembles more of a webpage look and feel. Every edition also contains a profile on an impressive farmer and NWK client.

What'sUp! is NWK's own employee newspaper and a team of representatives is responsible for submitting news from their departments to the editorial committee for publication. The paper appears four times per year and has a print order of 1 700. The focus is on marketing actions aimed at employees, profiles on employees and their hobbies, achievements by employees and their children, a message from the group CEO, as well as messages of condolences and congratulations.

The electronic newsletter also boasts a new design and is now known as Buzz/Gons. Employees can be informed of important company news immediately. These newsletters are also printed and put up on notice boards in the workplace in both Afrikaans and English.

Social media is a communication medium that NWK uses with great success to increase brand awareness and trust in this brand. NWK has two Facebook pages, namely NWK Limited and NWK Retail. NWK Limited currently has more than 10 500 followers and NWK Retail more than 8 800. NWK_Group on Twitter has more than 3 500 followers. The NWK Limited Facebook page mostly carries agriculture-related news and articles as well as company events. NWK Retail's focus is mainly on promotions and competitions in both retail and mechanisation and the opening of new branches. NWK's website, *www.nwk.co.za*, contains information about products and services offered by the company. The revamp of the website's design will be concluded in 2022.

OFM is NWK's main radio partner. As part of the annual contract's added value, NWK has the opportunity to have six business interviews aired over twelve months. This year's interviews were about how NWK adapted its workflow to the COVID-19 pandemic and lockdown; its new programme aimed at grooming future leaders, called Leaders in Agriculture; an overview of the 2021 grain delivery season; NWK's Loyalty Programme and how it rewards clients; an overview of the 2021 production season; as well as prospects for 2022's production season, against the background of rainfall in the NWK area.

In addition to NWK's partnership with OFM, the company is getting a lot of exposure on community radio stations in the region. The sharing of market information on a regular basis with listeners in their mother tongue aids emerging farmers tremendously in their development. Therefore, Benedict Modise, director of economic development at NWK, weekly participates in talk shows on the following stations:

- Mmabatho FM every Monday.
- Kopanang FM every Tuesday.
- Vaaltar and Ratlou FM every Wednesday.
- Modiri FM, Village FM as well as University FM every Thursday.

This platform has also proven to be very useful in sharing the latest information that has a significant impact on the industry. Technical information is shared in an efficient manner with emerging farmers, enabling them to farm more profitably and implement the latest modern farming practices. The community has been reacting quite positively towards these radio programmes and frequently engages by sharing their experiences. The number of listeners is currently more than 400 000 and is growing rapidly.

As a member of Agricultural Writers SA, NWK and New Holland SA were the main sponsors of Agricultural Writers North's annual awards ceremony for Farmer of the Year 2021. The winner stands the chance of being crowned Agricultural Writers SA's national Farmer of the Year. NWK was instrumental in nominating North West's finalist of Agricultural Writers North's annual awards ceremony – Grietha van Rensburg.

THEO RABE
Group Chief Executive Officer

14 July 2022

MISCELLANEOUS MATTERS

FOR THE YEAR ENDED 30 APRIL 2022

HUMAN CAPITAL STRATEGY

Customer focus and service delivery are still considered to be main priorities to support NWK's overall strategy, namely focusing on the complete employee value proposition and adding value to the employment life cycle – from recruitment to retirement.

This year we implemented a new HR/remuneration system.

We are also in the process of developing our own inhouse HR management system in order to automate our processes and therefore be more efficient.

With the assistance of Regenegys we also developed an agriculture leadership programme to assist our industry in building leadership capacity. This programme will be rolled out in the 2022/2023 financial year.

We are constantly looking at a more effective and streamlined organisational structure and in a few departments we managed to flatten the reporting lines.

Our Betrokka stategy role out also continued by enhancing the understanding of some key behaviours and actions in relation to our vision.

LEADERSHIP DEVELOPMENT

NWK's own Grow Leadership programme is continuously evolving and being reshaped to stay current and relevant. It was repositioned to provide progressive development by working through the three main themes, each with their own subthemes. The first main theme is 'unlocking your potential', which mainly focused on self-development, followed by 'unlocking your team', which had a strong coaching component, and finally 'unlocking your organisation', which also focused on creativity and innovation, which are critical for future business success and sustainability. The programme was run successfully this year by means of a virtual platform.

NWK has trained and qualified coaches and mentors who handle areas like dilemma coaching, career development and planning, leadership development, problem areas in the workplace, executive coaching, team coaching, etcetera.

Various internal leaders were facilitated by way of our leadership coaching programme, which was designed in-house. This forms part of succession planning, but also brings to life our involved-strategy theme for the year – building good-quality connections – in order to build better relationships with NWK's customers, employees and other shareholders. NWK's leaders were empowered further through articles and 'how to' guides in support of NWK's leadership model and involved strategy.

NWK also identified a need to create a talent pipeline to our board of directors, but also understands the greater need of our industry for leadership development programmes. The programme was redesigned to be delivered via an online platform. The Leadership in Agriculture programme comprises various training programmes to be completed.

NWK has a large number of complex projects running at any given time and a project management course through collaboration with the North-West University was also rolled out to improve efficiencies and skills in this area. Sixteen employees took part in this, and at the end of this course three persons attained distinctions.

During this period ten employees took part in the advanced management programme (AMP) in collaboration with the North-West University and successfully completed it. This course is equivalent to an NQF Level 7 qualification, which is comparable to the difficulty level of a degree. The group achieved 27 distinctions overall. This course was again presented online, which has become the preferred and practised way of doing courses.

TRAINING AND DEVELOPMENT

In the past financial year, the group spent 1,88% of the total remuneration costs on employee training. Spending in the previous year amounted to 2,5% of the total remuneration costs. COVID-19 regulations remained problematic. A positive spinoff, however, was due to trainers/facilitators who did not need to travel anymore, accommodation costs and, of course, travelling costs were taken out of the equation. This reduced costs on some courses by a considerable amount.

GRANTS

- Actual grants received for this financial year amounted to R564 317.

NWK nevertheless continued using the e-learning platform introduced in the previous year. These platforms will become more dominant in the learning sphere and give employees the freedom to choose from a wide variety of skill-enhancing courses.

Over the past financial year, the group again offered several learnerships to section 18(2) learners. (Section 18(2) learners are unemployed persons who are appointed temporarily and then trained in specific learnerships. They are also exposed to practical experience in the workplace in order to complete the relevant learnerships successfully.)

Because of the COVID-19 pandemic, these learnerships were repositioned online in order for them to still take place and to ensure the safety of our learners and continuous compliance with the COVID-19 rules and regulations. The following learnerships were offered and completed by the end of April 2022:

- National Certificate: Wholesale and Retail Operations (61595) NQF 4 (15 learners)
- National Certificate: Business Administration Services (57712) NQF 4 (15 learners)

THE NEW LEARNERSHIP PROGRAMMES WILL BE MORE ALIGNED WITH THE PROVISION OF ONLINE CLASSES AND ASSESSMENTS

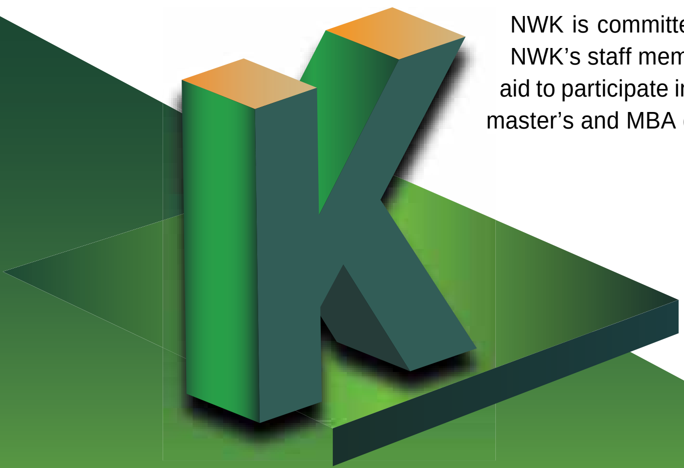
Africa Skills facilitated our disabled learners remotely and the following programme was presented:

- National Certificate: New Venture Creations (49648) NQF2 (15 learners)

A total of 45 section 18(2) learners took part in the training in 2021/2022, of whom 15 were learners with disabilities.

The new learnership programmes will be more aligned with the provision of online classes and assessments and a more paperless experience to learners. Costs will also be reduced, as the pricing of the new service provider is much more competitive, with much fewer logistical arrangements with the sending and receiving of learning materials.

It was decided that the next focus would also be on Generic Management NQF4 and Business Administration NQF4. There will be a total of 30 learners enrolled for these learnerships, to start in May 2022.



NWK is committed to developing in-house talent for the future, and NWK's staff members are therefore offered the opportunity via study aid to participate in various postgraduate diplomas, degrees, honours, master's and MBA degrees.

REMUNERATION PRACTICES AND BENEFITS 2021/2022

During the year we participated in a remuneration survey at 21st Century. The conclusion was that NWK's remuneration is still market-related.

Staff were continuously encouraged to make better provision for retirement through flexible contributions to and investment options in the pension fund.

Fixed guidelines were used to establish the remuneration for appointments, transfers and promotions in order to comply with legislation with respect to equal pay for work of equal value.

During the year, the remuneration division implemented a new HR/payroll system.

The following policies were reviewed and approved by the board:

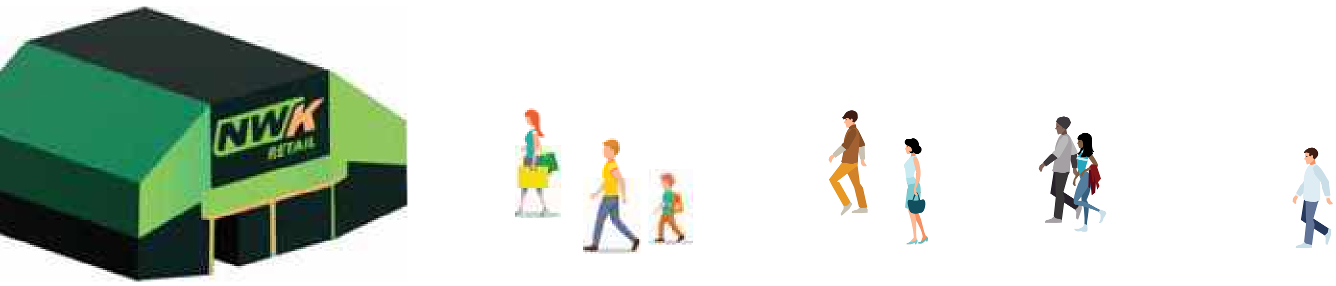
- Quarantine leave and practices
- Partially paid parental leave
- Remote work/flexible working place and hours
- Substance abuse policy
- Customer service standards

New health insurances were implemented for staff who cannot afford a medical scheme.

Section 197 employees:

- New Holland Kroonstad was taken over in August 2021.
- Oranje Toyota Vryburg (Vryburg Retail Fuel Station) was taken over in March 2022.

132 Employees switched between bargaining councils: from the Bargaining Council for the Grain Industry to the Motor Industry Bargaining Council.



MARKETING, NWK LOYALTY PROGRAMME AND CUSTOMER SERVICE

LOYALTY PROGRAMME

To date there have been 2 036 registrations for the Loyalty Programme, with 3 312 NWK accounts linked to the registrations. Since 1 May 2021 there were 363 new registrations, compared to the 305 new registrations in the previous year.

Registered Loyalty Programme clients contributed 48,63% of all gross profit transactions of the Trade Department (NWK Retail, NWK Fertiliser Marketing, Midchem, NWK Seed, Econobuild, Midchem, NWK Mechanisation) for the year, and 87,09% of all grain deliveries were made by registered Loyalty Programme clients.

The Loyalty Programme Trust is currently purchasing shares to the value of the 2021/2022 season. The shares purchased for the 2020/2021 season were allocated to the benefiting customers in April 2022.

Lojaliteit TYD VIR TERUGPLOEG NWK Loyalty TIME TO PLOUGH BACK

The following expansions to the Loyalty Programme were implemented:

- System development to accommodate the expanded recognition model as approved by management in order to include more customer categories.
- Expanded ways in which suppliers can contribute to the Loyalty Programme benefits afforded to Loyalty Programme clients.

The Loyalty Programme internal policy was amended and approved to:

- Align the internal policy with the trust deed and the Loyalty Programme rules.
- Clearly state the responsible persons, responsibilities and deadlines for better control.
- Ensure the smooth functioning of the Loyalty Programme system.

A senior financial person was appointed to ensure that monthly and yearly controls and reconciliations are performed and are correct.

Linking of client accounts to Loyalty Programme registrations was automated with the implementation of the central client file.

The Loyalty Programme website was redesigned to make it more user friendly and the registration screen was amended to facilitate and simplify the registration process.

PLANNING FOR 2022/2023

The Legal Department will make amendments to the Loyalty Programme trust deed and the Loyalty Proramme rules so that the documents are aligned.

The remaining top unregistered customers will be targeted to assist them in completing their registration.

The Loyalty Programme will be used as a vehicle to identify non-account holders.

The expanded ways in which suppliers can participate and contribute to the Loyalty Programme will be marketed to suppliers in order to get more suppliers aboard to contribute value to the programme.

The process in which points and value are calculated will be simplified to make it more understandable and attractive for clients.

CUSTOMER RELATIONSHIP MANAGEMENT

Phase 1, the customer-service portal, is in full operation. The training video will form part of the on-boarding.

Phase 2A, the structured customer-visit portal, is fully operational. Phase 2B, reporting on data gathered from Phase 1 and Phase 2A, is fully operational.

Phase 3, the scope of the customer-profile screens per department, has been revisited. The IT department indicated that the data analysis required is of such a nature and the sheer volume of data that needs to be processed per customer is so large that the ERP operational system is not the ideal system in which the customer profile analysis should be done. It was recommended that the customer-profile portal be developed and housed in ERP.

The customer-service portal is currently being marketed to customers through all available mediums.

A dedicated link to the customer-service portal was placed on the NWK website as well as on the Loyalty Programme website and NWK Online so that customers can get easier access to the portal.

PLANNING FOR 2022/2023

Users will receive further training with respect to Phase 1, Phase 2A and 2B.

Phase 1, 2A and 2B will be developed further to address needs that arise as users and clients make use of the CRM system.

Phase 3 will be completed and relevant training will be provided.

DYNAMIC PARTNER

This involved the identification and visiting of customers who show a large gap between the potential and actual business they do with NWK. BI analyses done with the aid of GIS information and the customer's trade and grain business with NWK were used as basis in order to generate possible additional business with NWK and reinforce customer relationships.

BI customer analyses were refined so that analyses could be done per season and per financial year.

Some customers farm in various entities and partnerships, which leads to discrepancies in determining potential and actual business for the customer. A better method of correctly linking accounts to a customer was established by determining the representative for each account as indicated in the central client file.

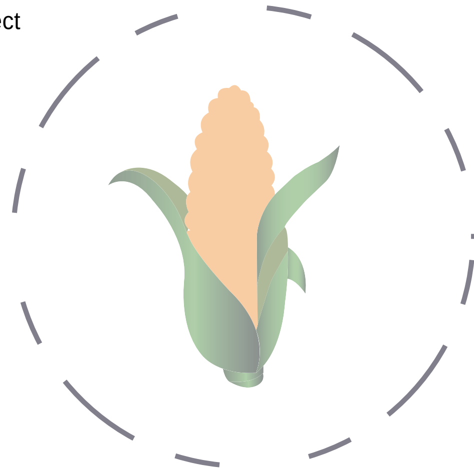
Investigations as to whether the customers require follow-up Dynamic Partner visits are ongoing, and new customers will be identified for visits.

BI will conduct analyses to determine to what extent the project produces results.

PLANNING FOR 2022/2023

New customers for the project will continue to be identified, as will visits and follow-up visits where necessary.

Accounts will be correctly 'informally' linked to customers. Some customers farm in partnership with others, but there is no legal relationship between the customers.



IDENTIFICATION OF UNKNOWN CUSTOMERS

Expansions of the Loyalty Programme benefits will be used to attract unknown customers to join so that they can be identified.

OCCUPATIONAL HEALTH AND SAFETY

This year, 2020 - 2021, still had COVID restrictions – fortunately not so severe as in the previous year. This created an environment where services from service providers could be obtained for legal compliance inspections and for training, and visits to sites could be resumed.

During the past year, 71 employees were trained in various safety training courses. Fire training was also resumed by the service provider when firefighting equipment was serviced. First aid training also resumed, as many first aiders' certificates had lapsed during lockdown. A new accident investigation course was designed at the start of the financial year. It will form part of training that will be provided during the new financial year (2022/2023).

Evaluations of NWK sites resumed during October 21. The newly designed safety system is being used for the new evaluation period, and so far results obtained are higher than expected. Compliance with regard to occupational health and safety was taken to a higher level. The new electronic report system integrates with the central evaluation system on the intranet. During 2022 some 16 premises of NWK were visited by the Department of Employment and Labour. No contravention notices were issued.

New legislation regarding asbestos and ergonomics was promulgated. Both these sets of new regulations are highly dependent on service providers to determine the extent of the impact on employees' health and safety. Firstly, we appointed an approved inspection authority (AIA) to determine the extent of quantities of asbestos, where they are situated, their condition, and the probability of employee exposure.

Fortunately for NWK, the reports delivered indicated that large quantities of asbestos do exist, but their condition is very good and employee exposure is very LOW. Further training of employees is therefore excluded, as is ongoing medical surveillance of exposed employees. However, the compliance meeting decided that although the liquid fertiliser plant, of which 70% of the buildings consist totally of asbestos, is in a very good condition due to annual maintenance, it will be dismantled over a four-year period and declared asbestos-free.

As per regulation, however, an AIA has to revisit our sites to confirm the condition of the asbestos. The same applies to the asbestos inventory, which the AIA has to confirm and update. NWK is now compliant with the regulations, and the asbestos plan as envisaged by the regulation will be submitted for approval at the next compliance meeting.

The Department of Employment and Labour was very happy at the visits mentioned above, also because we are the first in Lichtenburg to comply with the regulations.

As far as ergonomics are concerned, we appointed an AIA to do the risk assessment to determine ergonomics issues. For starters, 16 premises were identified, representing all the types of work done at NWK. The AIA started early in March 2022. The Safety and Health sections received the reports on 11 April 2022.

A report on the relevant matters will be drafted and submitted to the compliance meeting at the end of April 2022. Depending on the extent of the work to be done on ergonomics, we will become legally compliant before the end of 2022.

ENVIRONMENTAL HEALTH – COVID MANAGEMENT

NWK is committed to providing a working environment that is safe and without risk to the health and safety of its employees, contractors and others as far as is reasonably practicable by implementing and maintaining an effective health and safety management system.

With the outbreak of the COVID-19 pandemic, NWK therefore appointed a COVID compliance officer to oversee compliance with the directives issued by the Department of Labour and with sectoral directives. The compliance officer liaises with the Department of Health, the Department of Employment and Labour and the National Institute for Occupational Health on COVID-19-related matters.

Every business unit manager has also received written instructions to ensure that COVID-19 workplace plans are communicated to all workers and measures prescribed in the workplace plans are complied with.

COVID-19 awareness training was done by means of videos purchased specifically for this purpose. Continued awareness is ensured by means of posters/flyers and safety signs.

COVID-19 workplace policies, plans and risk assessments were compiled and discussed with all NWK employees. These workplace plans have been reviewed and updated in line with changes to directives issued by the Department of Employment and Labour.

During April 2021, NWK also launched an electronic symptom monitoring system that is currently in use at the head office.

Frequent cleaning and sanitation are carried out to ensure a hygienic work environment. Infected workplaces at outside branches are also sanitised if infections are reported.

Several vaccination drives were held at various NWK Limited premises where employees had the opportunity to obtain their COVID vaccines at the workplace.

ENVIRONMENTAL REPORT

NWK continues to improve in terms of environmental compliance and awareness. One of the main projects in the past year was the establishment of two grain bunkers – one near Grootpan Silo and one at Boschpoort Silo. An application for amendment was granted by the Department of Economic Development, Environment, Conservation and Tourism to the Boschpoort bunker and an exemption was granted for the Grootpan bunker. A further major project was the implementation of a spill response guideline, which was approved by the internal audit committee. The guideline was made available on the intranet and consultations were held with the various departmental representatives to assist them in implementing a department-specific spill response procedure. All spill response procedures are now made available on the intranet. Site managers are required to train their staff on the conditions of the procedure and to have the relevant spill kits readily available on site. Each of these procedures also contains an incident report template.

Liquid Fertiliser has made vast improvements in terms of compliance by implementing an environmental action plan. Midchem has also greatly improved their environmental compliance status by implementing a fully compliant waste storage area. Midchem's newest manager has also undergone environmental awareness training. Retail has implemented the use of 100% recyclable grocery bags at all retail outlets. Options are also being considered for the implementation of reusable carrier bags. Reuse is the most sustainable option and this will be promoted among NWK Retail clients.

An internal client satisfaction survey indicated that the environmental officer in general provided good to excellent service. An environmental risk register was drafted and supplied to the Risk Division. Liquid Fertiliser has improved its relationship with the local municipality by obtaining a signed agreement in terms of emergency action should waste water have to be released from site into the municipal canal. An internal memo was drafted at the request of Mr Dries van Tonder to evaluate the possibility of a risk budget for an environmental incident.

The environmental committee meets on a quarterly basis and fruitful discussions have been held with regard to problem-solving. The members make a great team in terms of brainstorming new ideas. Current projects include an environmental impact assessment at Liquid Fertiliser for a capacity expansion project, and a water use licence application process for boreholes located at Lottiehalte Silo and Epko. All NWK's authorised sites have undergone compliance inspections by an official from the Department of Economic Development, Environment, Conservation and Tourism in the past year and no compliance notices have been issued. Liquid Fertiliser has also been audited by the Department of Water and Sanitation and no compliance notice was issued.

A corporate environmental sustainability report has been drafted at the request of the social and ethics committee. This document is the first of its kind in the company and will be updated, modified and presented to the committee on an ongoing basis.

TRANSFORMATION AND LABOUR RELATIONS

STAKEHOLDER RELATIONSHIPS

NWK values each and every stakeholder and appreciates the role they play in our day-to-day business. Several platforms have been created to identify and engage with each stakeholder. Some of the stakeholders who play a pivotal role in NWK's business include but are not limited to the government, which plays a regulatory role among other things, partners in the form of industry associates, local communities, especially where NWK has a business interest, customers, who are mostly farmers – both commercial and emerging, its employees, including labour unions and suppliers.

At the centre of our engagement with stakeholders, which is done through continuous communication through various platforms, both internally and externally, is quality service and value for money. Regular meetings are held to discuss and address common challenges and interaction to check if the company is still relevant. Furthermore, stakeholders have also been afforded an opportunity to address common issues with the company.

The Labour Relations unit has been instrumental in improving and strengthening regular communication with the various unions that have members in NWK. Monthly meetings are held to ensure ongoing and proactive discussion on challenges and solutions. This platform has also seen the group CEO engaging with unions by attending a multilateral meeting where all unions are represented. Positive feedback was received in this regard.

NWK as an affiliate and member of the Bargaining Council for the Grain Industry (BCGI) continues to play a significant role in strengthening the BCGI through its seat on the board of directors of the council and the board of trustees of the BCGI Provident Fund.

EMPLOYMENT EQUITY ACT

NWK operates within the ambit of the law, which includes compliance with the Employment Equity Act. NWK strives to promote equal opportunities and fair treatment through the elimination of unfair discrimination at all levels in the workplace. The company has drawn and submitted a revised five-year employment equity plan, valid from 1 October 2019 to 30 September 2024, to the Department of Employment and Labour.

The goals and objectives of an employment equity plan are to ensure that NWK arranges and writes the annual employment activities in such a way they are communicated to all responsible parties. This is done to highlight the achievable date for each activity and also to monitor compliance with it. Because of operational factors that are aimed at improving productivity, the employment equity plan will be revised in due course to ensure that it remains relevant and its goals and targets are achievable.

NWK values ethical principles that promote diversity and inclusivity, and ensures they are upheld during the implementation of the employment equity plan. To ensure that NWK deals decisively with barriers that might hinder the successful implementation of the employment equity plan, the following processes are being implemented: talent strategy, workforce planning, employee induction, training and development, performance management, leadership development, career and succession planning, compensation and benefits, and culture.

In line with the provisions of the Act, the EEA2 and EEA4 forms for 2021 were submitted electronically on the Department of Employment and Labour website before the employment equity deadline. The Department of Employment and Labour has since issued acknowledgement letters, which indicated compliance in that respect.

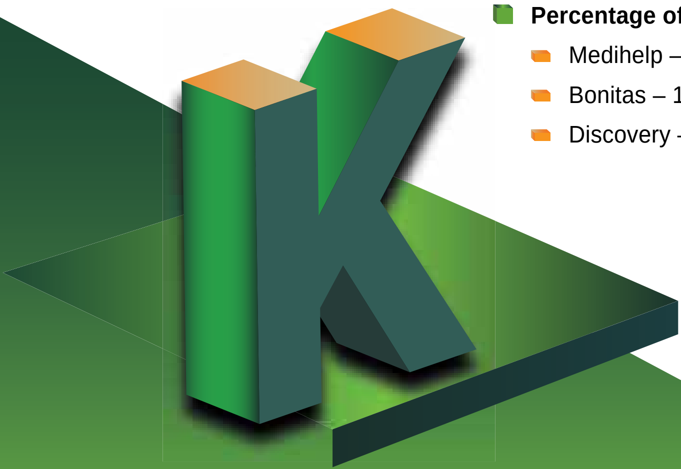
The envisaged impact of the proposed amendment to the Act, the Employment Equity Bill, which still has to be approved, has been discussed and inputs relating to it were submitted. The developments in this regard are being monitored with keen interest.

WORKFORCE PROFILE

Statistics for the financial year follow:

Information (metrics) for the annual report for the period 1 May 2021 to 30 April 2022

- **Total active employees as at 30 April 2022 (temporary and permanent)**
  - 1 668
- **Total remuneration cost to the group**
  - R393 306 514
- **Average total hours overtime worked per employee**
  - Average overtime hours per employee worked per month: 14,62



- **Percentage of employees per medical fund**
  - Medihelp – 8,42%
  - Bonitas – 1,8%
  - Discovery – 1,6%

- **Percentage of employees on medical insurance product**
  - 0,5%
- **Per race, per gender and per occupational level**

EQUITY LEVEL	A - AFRICAN		C - COLOURED		I - INDIAN	W - WHITE		GRAND TOTAL
	FEMALE	MALE	FEMALE	MALE	MALE	FEMALE	MALE	
Top management/executives							2	2
Senior management		1				1	5	7
Professionally qualified and experienced specialists and mid-management		3				7	39	49
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	25	3	5	1	105	174	314
Semi-skilled and discretionary decision making	65	414	24	21		152	93	769
Unskilled and defined decision making	49	383	1	12		2	1	448
Temporary employees	1	66	1			4	7	79
Grand total	**116**	**892**	**29**	**38**	**1**	**271**	**321**	**1 668**

- **Gender relationships per occupational level**

EQUITY LEVEL	FEMALE	MALE	GRAND TOTAL
Top management/executives		2	2
Senior management	1	6	7
Professionally qualified and experienced specialists and mid-management	7	42	49
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	109	205	314
Semi-skilled and discretionary decision making	241	528	769
Unskilled and defined decision making	52	396	448
Temporary employees	6	73	79
Grand total	**416**	**1 252**	**1 668**

Average age per occupational level

EQUITY LEVEL	AVERAGE AGE
Top management/executives	51
Senior management	53
Professionally qualified and experienced specialists and mid-management	49
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	44
Semi-skilled and discretionary decision making	41
Unskilled and defined decision making	40
Temporary employees	35
Grand total	**45**

New employee turnover

- 322 new employees during the year
- 36 employees resigned within the first year
- Therefore: 11,18%

Total employee turnover

- 13,25%

Voluntary terminations – breakdown

- Pensioned – 20
- Other working opportunities – 86
- Health – 1
- Personal reasons – 25
- Geographical reasons – 6
- Unknown – 83

Employees trained within the group

- 567 employees

Training cost for the group

- R6 533 623

NWK REMAINS COMMITTED
TO TRANSFORMATION
AND SUSTAINABILITY

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

NWK remains committed to transformation and sustainability, which is not limited to its broad-based black economic empowerment (B-BBEE) strategy. As part of aligning the programmes and interventions of the company with those of the B-BBEE Act, the job description as well as the unit of the Director: Transformation was changed to Director: Economic Development.

The fundamental objective of the Act is to advance economic transformation and enhance the economic participation of black people in the South African economy. NWK endorses that objective. The strategy which is being implemented is aimed at increasing the participation of previously disadvantaged individuals in the economy. In line with the recent verification, the current NWK BEE level has resulted in the company being non-compliant. The implementation of the above-mentioned strategy suffered a major blow due to, among other things, COVID-19.

The B-BBEE committee is faced with a mammoth task of improving and turning the situation around. The committee, which consists of five element champions, meets quarterly to monitor progress towards set goals and to monitor the financial impact thereof. NWK's flagship enterprise development programme, in which emerging farmers who are mostly from rural areas undergo a commercialisation or development programme, continues to grow. The programme managed to deliver commercial producers amidst the challenges that both the producers and the programme faced. Furthermore, some producers who are also suppliers of grain create employment opportunities for rural communities.

THEO RABE
Group Chief Executive Officer

14 July 2022

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NWK HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of NWK Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 April 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

NWK Holdings Limited's consolidated and separate financial statements set out on pages 23 to 141 comprise:

- the consolidated and separate statement of financial position as at 30 April 2022;
- the consolidated and separate statement of comprehensive income for the year then ended;
- the consolidated and separate statement of changes in equity for the year then ended;
- the consolidated and separate statement of cashflows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

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

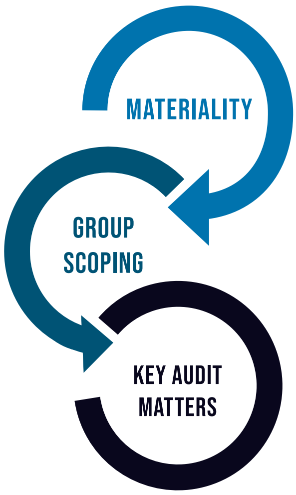
Independence

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

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

OUR AUDIT APPROACH

Overview



OVERALL GROUP MATERIALITY

- Overall group materiality: R34,2 million which represents 1% of total consolidated revenue (comprising the sum of revenue from the sale of goods, revenue from services rendered and interest revenue on financial assets at amortised cost).

GROUP AUDIT SCOPE

- The consolidated financial statements comprise ten components at year end, including the holding company. Full scope audits were performed on one component due to its financial significance to the Group, as well as on three components due to statutory reporting requirements. Analytical procedures were performed on the remaining components.

KEY AUDIT MATTERS

- Impairment assessment of trade receivables from agricultural customers, lease receivables and term loans to agricultural customers.

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

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

OVERALL GROUP MATERIALITY	R34,2 million
HOW WE DETERMINED IT	1% of total consolidated revenue (comprising the sum of consolidated revenue from the sale of goods, consolidated revenue from services rendered and consolidated interest revenue on financial assets at amortised cost).
RATIONALE FOR THE MATERIALITY BENCHMARK APPLIED	We chose total consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users. Consolidated revenue is a key driver and performance indicator of the Group's business. The Group operates in an environment of high revenue with low margins. Total consolidated revenue has remained more stable over the past five years. We therefore considered it to be the most appropriate benchmark. We chose 1% which is consistent with quantitative materiality thresholds that we would typically apply when using revenue to compute materiality.

How we tailored our group audit scope

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

The Group financial statements comprises ten components, being subsidiaries, joint ventures, associates and dormant entities, as well as the holding company. Full scope audits were performed on four components, which included joint ventures and subsidiaries. Only one component was deemed to be significant due to its financial significance to the Group. The other three full scope audits were performed in order to meet statutory reporting requirements. Analytical review procedures were performed on the remaining components considered as insignificant for group reporting purposes.

All testing was performed centrally by the group audit team. By performing the procedures outlined above, we obtained sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements as a whole.

KEY AUDIT MATTERS

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

We communicate the key audit matters that relate to the audit of the consolidated financial statements of the current period in the table below. We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment assessment of trade receivables from agricultural customers, lease receivables and term loans to agricultural customers. This key audit matter relates to the consolidated financial statements only. The Group has recognised trade receivables from agricultural customers, with a carrying value of R1 180,1 million as at 30 April 2022. The Group also recognised lease receivables and term loans to agricultural customers, which are reflected at carrying values of R4,9 million and R391,5 million respectively as at 30 April 2022. At 30 April 2022, the Group recognised loss allowances on the trade receivables from agricultural customers, lease receivables and term loans to agricultural customers amounting to R17,8 million, R0,1 million and R6,1 million respectively. Management firstly assess their trade receivables from agricultural customers, lease receivables and term loans to agricultural customers on an individual customer basis at the end of the reporting period to determine if the Group has no reasonable expectation of recovering the amount due by the customer in full (or a part thereof). Securities are provided by customers to the Group on loans and receivables to limit the Group's credit risk. Farm visits are performed during the production season with increased focus on higher risk debtors to identify production risks which are caused by climatological conditions, farming practices or any other factors that may increase the risk of default. Management further determines the recoverability of the trade receivables from agricultural customers, lease receivables and the term loans to agricultural customers by assessing the total outstanding balance against the securities held for that customer.	Through discussion held with management, we obtained an understanding of the accounting policies and notes applied in the preparation of the consolidated financial statements. We further evaluated the methodology used by management, which forms the basis of their impairment losses and expected credit loss (ECL) model, against the requirements of IFRS 9— *Financial Instruments* (IFRS 9). This was considered to be appropriate. In assessing the write-off performed prior to the ECL assessment, we performed the following procedures: - We compared the outstanding balances of all the debtors per the debtor's listing to the most recent value of their securities held by the Group to assess whether management identified all the debtors with exposure in their calculation. No material differences were noted; - We compared a sample of trade receivables from agricultural customers' balances to their respective credit limits per the Group's financial accounting system, as well as to their respective debtors' credit application forms, to evaluate whether credit limits were exceeded on the respective accounts. No material exceptions were identified in this regard; - We performed testing over the harvest estimates for a sample of individual debtors by obtaining the harvest estimation documentation and agreeing this to actual grain delivered. We identified no matters requiring further consideration in this regard; - We inspected a sample of underlying documentation (such as title deeds, notarial bonds, etc) to assess whether the securities held per customer are registered in the name of NWK Limited and whether NWK Limited has legal control over the realisation of the securities. We validated

Where management assesses that the customer's account (or a portion thereof) is not recoverable, this amount is directly written off against the customer's account. A write off constitutes a derecognition event.

Once the write-off has been determined, the Expected Credit Loss ('ECL') of the remaining balance of trade receivables from agricultural customers, lease receivables and term loans to agricultural customers are measured using a model that calculates the ECL as the probability-weighted amount of credit losses using the respective risks of default as the weights. The model uses historical write off rates as bases to determine the percentage of write-offs. Furthermore, current and expected environmental and economic factors are considered in a managements' overlay assessment to determine if an additional loss allowance should be added for the forward-looking information. The management overlay assessment includes the impact of the following factors:

- Rainfall expectations;
- South African Futures Exchange ('Safex') prices; and
- Crude oil prices.

Management expects forward looking information to have a very limited impact on the ECL at year end.

As crops are close to harvest at year end, accurate calculations can be made based on estimated Safex prices and yields to determine the ability of customers to honour their debt or if further adjustments are required in the form of a management overlay.

Although trade receivables from agricultural customers, lease receivables and term loans to agricultural customers are regarded as separate asset groups on the basis of their different risk exposures, these assets are treated as one group in the assessment of credit risk for a particular customer. The risk that a particular customer will not be able to meet its obligations when they fall due will therefore affect the recoverability of all of the customer's accounts and outstanding balances.

the securities held in mortgage bonds, notarial bonds, suretyships, company shares held, sessions on grain held at other agricultural entities as well as grain in storage at the Company, by agreeing these respective values from underlying documentation to the amounts recorded on the Group's financial accounting system. No exceptions were identified;

- We tested the reasonability of the market value of securities held on a sample basis by comparing these to external sources. No material differences were noted; and
- We tested the accuracy of the individual debtors' write-offs on a sample basis by obtaining explanations from management and inspecting relevant evidence for their respective balance write-offs. We further recalculated the amounts written off. No material misstatements and no matters requiring further consideration were noted.

In assessing the ECL on a collective basis, we assessed the appropriate application of the model by performing, inter alia, the following procedures:

- We evaluated management's grouping on all of the trade receivables from agricultural customers, lease receivables and term loans to agricultural customers based on credit risk characteristics, and the grouping based on the drivers of the credit risk. We noted no matters requiring further consideration.
- We tested the reasonability of all of the forward-looking key assumptions applied by management in the management overlay by comparing forward- looking factors, including rainfall, Safex prices and crude oil prices applied by management, to a range of external sources' inputs of these forward-looking factors. We found the assumptions applied by management to fall within our range of external data obtained.
- We compared all the historical customers balances and write-off rates used within the ECL model to underlying information. No material differences were noted; and

The respective risk of default for trade receivables from agricultural customers, lease receivables and term loans to agricultural customers are therefore determined on a customer-by-customer basis, regardless of which asset grouping they belong to. Once the customers have been allocated to a specific risk rating group, the ECL is then determined per asset group.

The matter was considered to be of most significance in the current year audit of the consolidated financial statements due to the level of judgement applied by management in determining the loss allowances, which are based on assumptions of the risk of default and expected loss rates. Management used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Refer to the following accounting policies and notes to the consolidated financial statements for details:

- Note C9 (Loans and lease receivables);
- Note C13 (Trade and other receivables);
- Note I3 (Credit risks);
- Note I4 (Impairment losses on financial assets);
- Note I5 (Direct write-offs on financial assets);
- Note I6 (Loss allowances for expected credit losses);
- Note I7 (Loss allowances for expected credit losses on trade and lease receivables); and
- Note I8 (Loss allowances for expected credit losses on term loans).

We tested the aging of the debtor's listing by tracing a sample to underlying documents to assess whether it is appropriately included in the correct age bracket. No material differences were noted.

We performed a stress test on the model, adjusting the range used by management to evaluate the impact on the ECL. Based on the outcome of our procedures, we did not note any aspect requiring further consideration.

We evaluated the disclosures relating to the impairment of trade receivables from agricultural customers and term loans to agricultural customers with reference to the disclosure requirements of IFRS 9 and IFRS 7 — Financial instruments: disclosures.

We compared the current year ECL as a percentage of total trade receivables from agricultural customers, lease receivables and term loans to agricultural customers, to our range of historically calculated percentages, which are dependent on the agricultural factors affecting the debtors in that year or preceding years. Based on the outcome of our procedures, we found that the expected trends for the current year were considered reasonable in comparison to the trends of past experience. We further found that these were consistent with the overall credit allowance in the current year based on assets being grouped together when assessing the overall credit risk by the Group.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled 'NWK Holdings Limited Annual Report 2022', which includes the Directors' report, the Report by the Audit and Risk Committee and the Certificate by the Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of NWK Holdings Limited and their predecessor entity, a co-op for 113 years.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS INC
Director: Louis Rossouw
Registered Auditor
Lichtenburg, South Africa

18 July 2022