TWK Investments Ltd

24 | REFINE YESTERDAY. REDEFINE TOMORROW. INTEGRATED REPORT

CONTENTS

ABOUT THIS REPORT

SCOPE

This integrated report covers the integrated financial performance, governance, environmental and social activities of the TWK Investments Group ("TWK", "the Group", "TWK Investments", or "the Company") for the year ended 31 August 2024 ("the year").

It aims to provide a balanced, understandable, and comprehensive review of the businesses by reporting on the financial and non-financial performances of the Group. This Integrated Report deals with the opportunities, risks and material issues faced by the Group in the ordinary course of business.

This Integrated Report was prepared in accordance with IFRS® Accounting Standards, the requirements of the Companies Act, the principles of the King IV™ Report on Corporate Governance and the International Integrated Reporting Framework of the International Integrated Reporting Council. The company's shares are listed on the CTSE. The directors are aware of their responsibilities and comply with all the CTSE listing requirements. Mention has been made where TWK has not complied with any prescriptions made by these bodies.

MATERIALITY

The materiality of information, both financial and non-financial, has been considered when deciding which information should be included in the Integrated Report.

The Integrated Report is intended to provide insight into issues identified as the most relevant and material to TWK and its stakeholder groups, that could potentially impact the Group as a going concern. Comprehensive information pertaining to stakeholder engagement and material issues relevant to the various stakeholder groups, has been included in this Report.

ASSURANCE

The Group's external auditor, PKF Pretoria Incorporated, conducted an independent audit of the Group's consolidated annual financial statements. Other sections of the report, consisting of non-financial information, have not been subjected to an independent audit or review and have been compiled based on internal records and information.

TWK has an Internal Audit Department which, together with the Audit and Risk Committee, assessed all internal and external assurances obtained and matches these to its identified risks.

The Integrated Report may contain certain forward-looking statements concerning the Group's strategy, financial conditions, growth plans and expectations. Such views involve both known and unknown risks, assumptions, uncertainties, and important factors that could materially influence the actual performance of the Group.

No assurance can, therefore, be given that these views will prove to be correct, and no representation or warranty, expressed or implied, is given as to the accuracy or completeness of such views.

The Annual Financial Statements have been audited by PKF Pretoria Incorporated, and the Independent Auditor's Report can be found in the Annual Financial Statements on page 66.

INTEGRATED REPORT AND OTHER RELATED DOCUMENTS

This Integrated Report for the year ended 31 August 2024 is published in various media and is available on the Group's website. For additional information and recent announcements, please visit TWK's website at **www.twkagri.com**.

APPROVAL OF THE INTEGRATED REPORT

The Board acknowledges its responsibility in ensuring the integrity of this Integrated Report.

The Board has applied its mind to the Integrated Report and in its opinion this report addresses the material issues and represents fairly the integrated performance of the TWK Group.

JS Stapelberg
Chairman

AS Myburgh
Managing Director

14 November 2024

SALIENT FEATURES

Revenue	R8,52bn	(2023: R7,96bn) ▲ 7,08%
EBITDA	R589,43m	(2023: R594,76m) ▼ 0,90%
Return on opening equity	6,92%	(2023: 4,46%) ▲ 55,42%
Operating profit margin	5,85%	(2023: 5,81%) ▲ 0,69%
Headline earnings per share	674,17c	(2023: 701,43c) ▼ 3,89%
Gearing ratio	112,43%	(2023: 129,97%) ▼ 13,49%
Cash flow from operating activities	R634,53m	(2023: R424,25m) ▲ 49,56%
Market capitalisation at 31 August	R977,41m	(2023: R1,87bn) ▼ 47,75%

ABRIDGED GROUP STRUCTURE

AS AT 31 AUGUST 2024

TWK AGRICULTURE HOLDINGS (PTY) LTD
66,41%

TWK INVESTMENTS LTD
LISTED ON THE CAPE TOWN STOCK EXCHANGE

SHISELWENI FORESTRY COMPANY LTD
(ESWATINI)
100%

SAWCO MINING TIMBER (PTY) LTD
(ESWATINI)
100%

TWK AGRI (PTY) LTD
75%

ARROWFEEDS (PTY) LTD
(ESWATINI)
100%

SUNSHINE SEEDLING SERVICES (PTY) LTD
81%

CONSTANTIA KUNSMIS (PTY) LTD
100%

TWK MOTORS (PTY) LTD
100%

BEDROCK MINING SERVICES (PTY) LTD
65%

TWK AT A GLANCE

DIVISIONS AND BRANDS

TWK is a diversified Group of companies with five divisions that conduct business across various segments. The five divisions and the related brands include the following:

TIMBER

TWK ensures that our timber and that of our suppliers are delivered to local and international markets at competitive prices. Exports to international markets are done from TWK's chipping mill in Richards Bay. We provide multiple processed and unprocessed timber products while cultivating 37 400 hectares of forestry plantations in South Africa and Eswatini.

Services and products

- Forestry plantations
- Timber marketing
- Woodchip export facility, Richards Bay
- Bedrock mining timber
- Treated timber plant
- Softwood and hardwood sawmills
- Charcoal production
- Sunshine Seedling Services (SSS) timber and vegetable seedling nurseries

Related brands:

RETAIL AND MECHANISATION

Our network of retail stores offers customers a well-priced, comprehensive range of products dedicated to the agricultural sector. At the end of August 2024, TWK's retail outlets totalled 31 (August 2023: 31), situated in KwaZulu-Natal (13), Mpumalanga (13), Eastern Cape (3), Limpopo (1) and Eswatini (1). Six branches include a New Holland Mechanisation agency and three include a Husqvarna agency. TWK also owns five fertiliser blending facilities located in Mpumalanga, KwaZulu-Natal, and the Western Cape.

Services and products

- Retail branches
- Constantia blending plants and fertiliser depots
- Mechanisation (including New Holland agencies)
- Gromor compost and fertiliser

Related brands:

FINANCIAL SERVICES

The Financial Services division, which comprises the financing and insurance divisions, provides unique financing and insurance solutions for agricultural and related industries. The TWK financing division offers various credit solutions to agricultural customers from production facilities to monthly accounts.

The TWK Insurance division was established in 1978 and over the years, the products and services have increased to complement the growth and development of the company's diverse client base. Currently, TWK Insurance has service centres in Mpumalanga, KwaZulu-Natal, Limpopo, Western Cape, Free State, and Gauteng.

Services and products

- Short-term insurance
- Crop insurance
- Plantation insurance
- Long-term insurance
- Medical aid and gap cover
- Alternative risk transfer
- Funeral administration
- Fiduciary services

Related brands:

GRAIN

The Grain division, among other things, provides commodity strategic support and services to farmers. We focus on hedging and selling grains at the best possible market prices, while the division also enables farmers and end users to safely store and dry their grains at our HACCP and SAFEX registered silos. Furthermore, we produce our own branded maize meal and animal feeds and supply it at retail, wholesale, and farm level.

Services and products

- Grain storage
- Grain marketing (SAFEX trading)
- Grain processing (RSA and Eswatini)

Related brands:

MOTORS

The Motors division offers a wide range of vehicle-related products and services. This division consists of various business units, with several represented brands as at 31 August 2024. Vehicle dealerships and business units are based in Piet Retief, Ermelo, and Standerton.

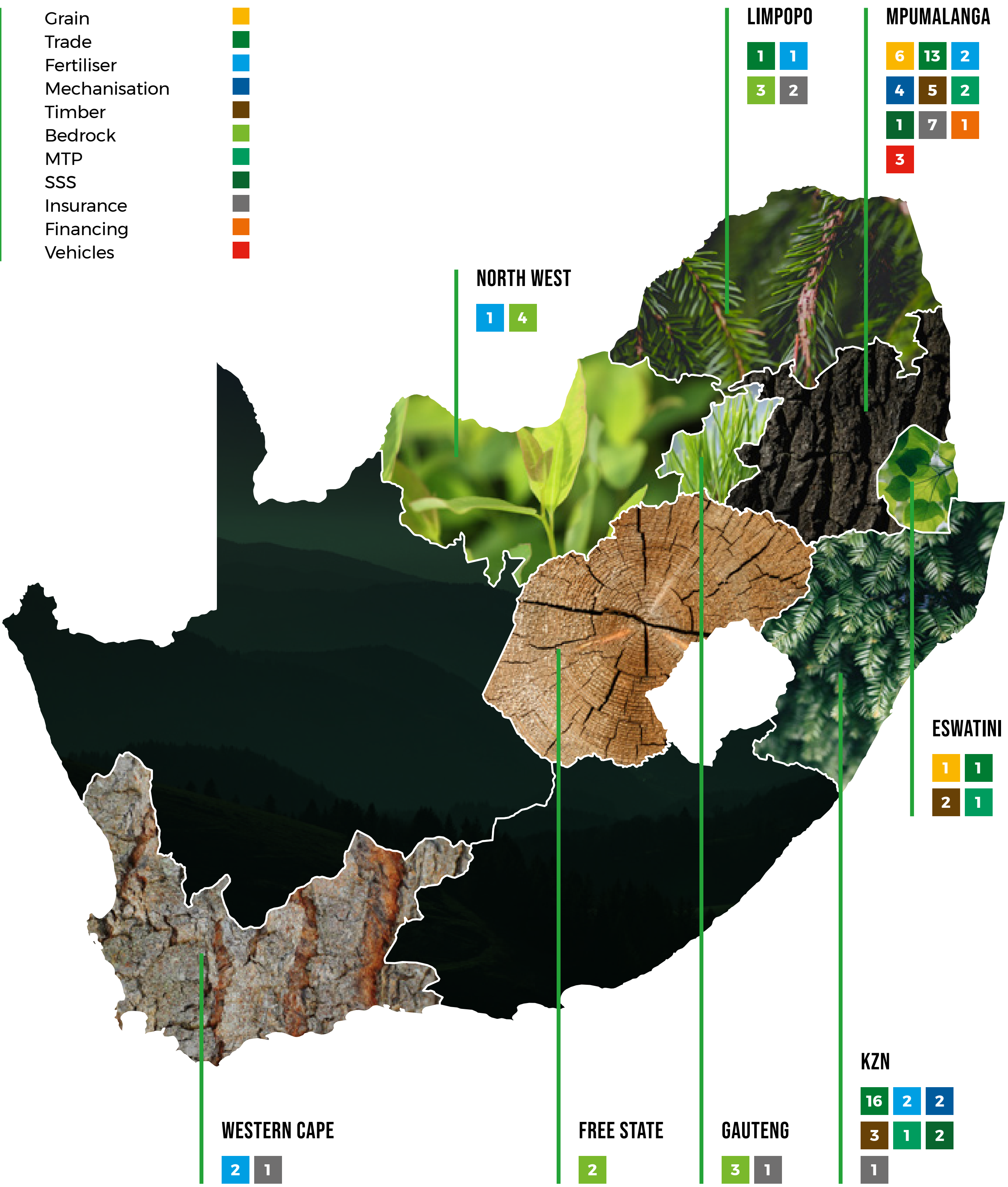
Services and products

- 2 Toyota dealerships
- 2 Isuzu dealerships
- 2 Haval and GWM dealerships
- Hino dealership
- 1 Total fuel station with fast food and convenience stores

Related brands:

OUR FOOTPRINT

- Grain
- Trade
- Fertiliser
- Mechanisation
- Timber
- Bedrock
- MTP
- SSS
- Insurance
- Financing
- Vehicles



OUR HISTORY

TWK Investments Ltd (TWK) is listed on the Cape Town Stock Exchange under the share code 4ATWK. The TWK story started in 1940 when the Transvaal Wattle Growers Co-operative Agricultural Company Ltd was registered. In 2014, the company was restructured into its current form with TWK Agriculture Holdings (Pty) Ltd as the ultimate holding company and TWK Investments as the investment entity.

1940s

1940: Transvaal Wattle Growers Co-operative is registered as a co-operation.

1948: Buys first property in Piet Retief.

1950s

1953: Headquarters opened in Piet Retief.

1956: Wood sales increase. Demand for firewood arises.

1960s

1960: Founding of CTC (Chipping Mill) in Richards Bay.

1962: TWK takes ownership of the Lothair trade branch.

1967: TWK acquires Piet Retief Engineering Works.

1970s

1971: Moolman branch acquired from NLK.

1973: The Mimosa Africana leaves Durban harbour at 13:34, loaded with premium South African timber on route to Japan. CTC signs contract with Japan.

1978: First grain silo, Mkondo is built.

1980s

1981: TWK buys farm Welverdiend and establishes its first nursery on the farm. TWK buys its first computer.

1982: Name is changed to Transvaal Wattlegrowers Co-operative Limited. CTC opens new hardwood woodchip mill in Richards Bay.

1984: Buys Ilmar Tyres Limited. Opening of Panbult Silo.

1986: TWK acquires shares in Gerpark Motors.

1990s

1990: Becomes a supplier of Massey Ferguson tractors and implements.

1991: Starts processing soya beans at Mkondo Mill. TWK buys farm Potgieterskeus, today forms part of TWK's Southern Farms.

1993: TWK buys farm Wyntoun (Northern Farms).

1997: The co-operation is registered as a public company.

1998: A new chipping plant opens at CTC in Richards Bay.

1999: TWK acquires shares in Arrowfeeds in Matsapha, Eswatini.

2000s

2001: Opens Carolina, Underberg, Kokstad, Ixopo, Dundee and Mooi River retail branches. Buys the majority share in Protea Tyres.

2002: TWK buys Shiselweni Forestry (SFC) Company and Sawco in Nhlangano, Eswatini.

2006: Expands the head office in Piet Retief.

2010s

2010: TWK acquires 13 KZN branches from Afgri.

2012: TWK launches its new corporate identity.

2013: Introduces an over-the-counter trading platform for TWK Holdings shares.

2014: Name change to TWK Agri (Pty) Ltd and achieves Level 5 B-BBEE status. TWK Investments shares are launched.

2015: Constantia Fertiliser opens a new blending plant outside Secunda. TWK recognised as the best employer by Agriseta.

2018: Bedrock Mining Timber Support (Pty) Ltd, is integrated within the TWK Group.

2020s

2020: TWK acquires shares in Sunshine Seedling Services.

2021: The first Integrated Report published by the Group. TWK Investments Ltd (TWK) is listed on the Cape Town Stock Exchange under the share code 4ATWK. TWK acquires Peak Timbers in Eswatini.

2023: Fires at Richards Bay chipping mills, negatively impacts the pulp exports to international markets.

2024: TWK sells off various business units that do not form part of its core business to align with the Group's vision and mission.

OUR STRATEGY

STAKEHOLDERS

Supplier of choice

Market of choice

A G R I

Achieving sustainable growth by knowing customers and gaining insights into our communities.

FINANCIAL PERFORMANCE

Investment of choice

A G R I

TWK's success comes through strong, sustainable growth in our diversified agriculture and adjacency businesses. It is sustained through the creation of shared value with the communities and customers we serve, our entrepreneurial spirit, commercial expertise, focused innovation, technology enablement and ongoing process optimisation.

PROCESS EXCELLENCE

Supplier of choice

Market of choice

A G R I

Optimising business processes and unlocking efficiencies among our business units, supported by software applications and governance frameworks.

PEOPLE AND DIGITAL TRANSFORMATION

Employer of choice

A G R I

Attract and retain skilled and talented individuals for various roles within the organisation.

Embrace technology and leverage data to enhance our product and service delivery, ensuring we remain at the forefront in meeting the needs of our stakeholders.

KEY VALUE DRIVERS

A Accountability   G Grow Trust   R Resilience   I Innovation

PILLAR 1
FOCUS ON CUSTOMERS

A commitment to act responsibly and ethically. Deliver the best possible service to customers. Develop insights into unique needs. Collaborate to create shared value and cultivate loyal, long-term relationships.

PILLAR 2
OPTIMISE VALUE CHAINS

Provide customer-centric, innovative agribusiness products, services, markets and solutions to farmers, commercial customers and rural communities. Deliver through exceptional retail and commercial experiences.

PILLAR 3
IMPROVE OPERATIONAL EFFICIENCIES

Optimise business models through increasing efficiency, productivity and value-add to ensure sustained competitiveness.

PILLAR 4
OPTIMISE CAPITAL MANAGEMENT

Increase shareholder value through prudent investment in a diversified portfolio of businesses that sustain long-term growth, including a focus on our own primary production.

Utilise
digital technology to develop intelligent products, services and solutions.

Organically develop
a portfolio of innovative products, services and solutions to meet customers' current and future requirements.

Develop
a holistic view of customers and transactions to ensure relationships and value are optimised over time.

Implement
sound strategic and operating disciplines to ensure governance, learning transfer, and adoption of leading practice.

A vibrant ecosystem
of partners, suppliers, and people with the right competencies, mindset, and resources, available in the right place at the right time.

Transform TWK
to remain competitive and relevant in a fast-changing world – embrace diversity, inclusion and sustainable practices.

CHAIRMAN'S REPORT

This has been an unusual and challenging year for TWK Investments. Leading up to the National Elections at the end of May 2024, we all waited with bated breath for the outcome. Regrettably, the positive outcome and more optimistic sentiment have not yet manifested into improved results for the financial year to 31 August 2024. Our results reflect the challenging trading environment that persisted throughout the year.

Despite the devastating impact on the Timber segment of the fire at a neighbouring facility at the start of the financial year, the prolonged financial strain on consumers due to high interest rates and unemployment, and farmers being negatively affected by El Niño, hampering the other segments' results, the Group continued to execute its stated strategy.

Our focused business model ensures that the Group consistently pursues a long-term strategy aimed at building a stronger, more competitive business capable of delivering consistent revenue and earnings growth. Our strategic priorities are firmly supported by the Group's deeply co-operative culture.

During the year under review, we continued to improve operational efficiencies and invest in high-quality assets. Although the results were below our expectations, we take comfort in knowing that this was mainly due to external market conditions beyond our control. The outlook for the coming year appears more promising, and we remain committed to achieving our five-year targets, which will unlock value for all stakeholders.

In September 2024, we hosted a strategy session to address areas of the business requiring attention and to adopt a more streamlined approach. This will enable the Group to proactively respond to volatile market conditions and enhance operations to ensure long-term sustainability.

We continue to prioritise customer centricity, drive our diversified business model and focus on the right product mix to deliver positive results despite macroeconomic challenges.

INDUSTRY TRENDS

The Group's diverse operations are subject to various macroeconomic challenges and global trading conditions.

The global woodchip market size reached US$9,7 billion in 2023 and is set to reach US$15,9 billion by 2032, representing a compound annual growth rate of 5,67%. A global increase in the use of woodchips for power generation, along with rising awareness of renewable energy sources, such as solar and wind power, are one of the main drivers behind this growth.

Woodchips are also used in the manufacturing of paper-based products, although a higher quality product is required for this. The demand for woodchips from South Africa is primarily driven by the paper demand from China, Japan and the Middle East. However, China's economic slowdown has negatively impacted TWK Timber over the past two years.

TWK Timber also supplies treated poles to the local mining, industrial and agricultural sectors. The South African mining sector was under tremendous pressure, resulting in some shafts being closed. The industrial sector was impacted by the economic pressures, and the agricultural sector by El Niño.

The Retail and Mechanisation, as well as the Financial Services segments are sensitive to the financial well-being of consumers and farmers. Both segments have faced constraints over the past two years due to high interest rates, elevated diesel costs caused by excessive loadshedding, and rising inflation. However, there is now a tangible sense of relief that interest rates will come down even further, loadshedding has subsided and inflationary pressures are easing.

Crop sizes and the price of maize, soya and other agricultural commodities primarily impact the Grain segment. White maize prices are trading at historic highs due to the sharp decline in production, a direct result of El Niño. The maize production is down 22% from the previous season. It is the lowest in six years, showing the sharp impact of the drought experienced in some parts of the country.

GROUP PERFORMANCE

The Group's performance is discussed in the Managing Director's Report on pages 16 to 27.

DIVIDEND

To maintain a balance between borrowed and own capital, as well as to provide for future dividends, the Board will continue to evaluate TWK's earnings after making provisions for long-term growth, cash resources and other factors as determined by the Dividend Policy.

The Board is declaring a final dividend of 75 cents per share, a 34,78% decrease on the prior year's dividend of 115 cents per share.

CORPORATE GOVERNANCE

The Group remains committed to sustainable business principles and the highest standards of ethics and corporate governance as contained in the King IV™ Report on Corporate Governance. The Board of Directors is ultimately accountable for the performance of the Company, but considers the interests of shareholders and clients, as well as the legitimate requirements of our stakeholders, which include employees, suppliers, regulators, and community organisations.

We recognise that strategy, risk, performance, and sustainability is inseparable. Through the Group's governance structures, the Board and the Executive Management team drive policies that mitigate legal and operational risks and ensure that we have the necessary policies and programmes in place to address corruption and uphold an ethical culture.

The Board has established subcommittees to oversee specific areas of the Group's business. These are the Audit and Risk Committee, the Social and Ethics Committee, the Nomination Committee, and the Remuneration Committee. The members of the Board attend meetings regularly and take their responsibilities seriously. The personal interests of directors and management are reported and monitored, as regulated in terms of the Companies Act. Closed periods apply to trading by directors during periods before the publication of the financial statements, as well as during specific strategic transactions and related matters.

As a Board, we continue to take active steps to mitigate the risks faced by the Group by creating internal controls to ensure compliance with policies and procedures that are designed to lessen risks such as fraud, bribery and corruption.

OUTLOOK

The Group's outlook for the 2025 financial year is considerably more optimistic than the previous year. The financial relief of interest rate cuts, loadshedding coming to an end and economic growth being forecasted, all bodes well for TWK.

We continue to focus on liquidity and cash flow and, where possible, cost-saving measures across our operations to ensure optimal working capital allocation. Our integrated business model ensures that the Group can deliver sustainable growth over the long term.

TWK's core businesses entail forestry and the provision of agricultural and agricultural-related services and inputs, as well as the provision of market access for agricultural products. Agriculture is a vital sector for our country's growth and food security, and we take pride in our active participation in this industry. Fortunately, the Government appears to be fully committed to both repairing and building additional capacity in critical infrastructure to support agriculture.

With our extensive footprint, infrastructure, market share and expertise, we not only focus on maintaining and growing existing businesses but also set specific targets for acquisitions and organic growth within the agricultural value chain. In line with market opportunities and our strategic goals, we will accelerate our growth in value-added activities and assets to ensure sustainability.

ACKNOWLEDGEMENTS

The unwavering dedication of TWK's Executive Management team and workforce, as well as their ability to maintain focus during challenging market conditions, are commendable. I want to extend my gratitude to our Board members for their support and wisdom. It is an honour and a privilege to serve as Chairman of a Board that performs its duties meticulously — my sincere thanks for that.

Mr. Eddie Fivaz resigned as Financial Director, effective 30 June 2024. The Board extends its gratitude to Mr. Fivaz for his invaluable contributions to our success and wishes him well in his future endeavours.

Mrs. Andri Geel was appointed our new Financial Director, effective 1 July 2024. Mrs. Geel brings extensive industry experience, particularly in the agriculture sector. The Board has complete confidence in Mrs. Geel's ability to lead our financial team effectively.

On behalf of TWK's Board members, I express our appreciation to our shareholders and other stakeholders: employees, partners, and suppliers. Everything we do at TWK aims to create value by serving you better than anyone else. We cannot thank you enough for your continued support. Then, to our heavenly Father, thank you for guiding us in this challenging year.

JS Stapelberg
Chairman

14 November 2024

MANAGING DIRECTOR'S REPORT

TWK Investments faced many headwinds for the year ended 31 August 2024. This was one of our most challenging years, and I would like to extend my heartfelt gratitude to the TWK family for their dedication and perseverance during this challenging period.

Revenue growth

7,08%

The Group reported an increase in revenue and a slight decrease in earnings before interest, depreciation and amortisation from continuing operations for the year ended 31 August 2024. The impact on earnings were primarily due to challenges faced by the Timber segment during the first half of the year, which was significantly impacted by the fire at the NCT Woodchip Mill, located adjacent to our facility in Richards Bay, on 30 September 2023. Although the Timber segment achieved commendable results in the second half, the inability to generate revenue for five months had a lasting negative impact in the current year.

The Retail and Mechanisation segment also faced pressures amid challenging macroeconomic conditions. Both retail and mechanisation were adversely affected by weak consumer demand, farmers that were affected by lower crops, high interest rates, and high diesel prices during the first half of the year. Constantia Fertilisers, however, reported improved results, benefiting from a more stable international fertiliser market and a new, robust trading model. The market and trading trends experienced by the Retail and Mechanisation segment were a global occurrence, with worldwide mechanisation sales declining by approximately 30%.

Despite a lower Production Book, the Financial Services segment delivered another solid set of results, aided by several acquisitions in the Insurance division, which contributed positively to its growth.

The Grain segment reported weaker results compared to the previous year, mainly due to losses in the industrial mill businesses, driven by persistently high commodity prices throughout the year.

Despite these challenges, our diversified, yet focused business model has enabled us to manage and mitigate these adverse factors to the best of our ability.

For the detailed Operational Review of each segment, refer to pages 20 to 27.

We have made progress on our shorter-term priority of optimising capital deployment by divesting from non-strategic assets. In September, we successfully sold our Toyota dealerships, and the sale of our Isuzu dealerships is expected to be finalised by mid-October. These businesses were part of our Motor segment.

Unfortunately, I must address the termination of the Sale of Shares in Roofspace Rental Group (Pty) Ltd ("Roofspace"), by TWK Agri (Pty) Ltd, a wholly-owned subsidiary of TWK Investments. As noted in the Company's Integrated Report 2023, the termination of this transaction, initially accounted for in FY 2023, was announced on 6 August 2024. As a result, there will be a restatement of TWK Investment's FY23 financial statements, reducing profit after tax for that year by R84 million. The Company is currently assessing its options for disposing of the Roofspace shares and/or assets, as we believe that this business is non-core to TWK's strategic focus.

THE TWK GROUP STRATEGY

The Group follows a highly disciplined and responsible approach to its strategy, which is built on four pillars: focusing on customers by providing solutions, improving operational efficiency, optimising value chains, and enhancing growth to create long-term, sustainable value. Technology plays a crucial role in enabling the success of these pillars.

The Company's core values form the acronym **"AGRI"**. The **A** for Accountability, the **G** for Grow Trust, the **R** for Resilience, and the **I** for Innovation. These values are embedded within the four pillars and serve as the foundation of our strategy.

The strategy emphasises maintaining diversified income streams while focusing on our core business. We regularly review our business and asset portfolio to ensure alignment with this strategy.

Growth through acquisitions remains a key focus, and we continue to evaluate opportunities that complement our core operations. However, we have observed that corporate actions are taking longer than expected in the current economic climate. Despite this, TWK remains agile and committed to our strategy. In doing so, we ensure that we can unlock capital and optimise the redeployment thereof. Our commitment is to do more with less.

Our commitment to investing in high-quality assets has significantly increased value for our stakeholders. Recognising the potential for further growth, we are very excited and optimistic about continuing to invest and increase value for all our stakeholders as we expand our reach and impact.

We will pursue growth opportunities with a disciplined capital allocation process, ensuring optimal risk-weighted returns. We do this because we understand the importance of maintaining a strong and flexible financial position amid volatility and uncertainty. Therefore, we are also committed to discipline and continue to focus on cost. With our focus on costs, prudent capital expenditure and stringent working capital management, we have maintained a robust financial position.

The Strategic goal is to be an integrated agri-business, and a significant player in forestry and the forestry value chain.

Supporting the communities in which we operate is a vital aspect of our social strategy. In South Africa, where poverty and unemployment are pressing social challenges, we are committed to fostering shared value through community engagement for mutual benefit.

Following the National Elections and the appointment of the Government of National Unity (GNU), there is a more positive sentiment towards the outlook for the South African economy. TWK is well positioned to benefit from any economic uplift.

As a management team, we have adopted a Strategy of Servant Leadership, believing it is essential to foster principles such as Humility, Psychological Safety, Rehumanising, Gratitude, Integrity, Authenticity, Resilience, Innovation and Hope. Servant Leadership forms the cornerstone of our staff engagement and culture in TWK.

We have made encouraging progress in cultivating an open, honest culture that inspires and motivates our teams. We are Embracing a new era of 'The TWK Way'. Only by being a fair and caring employer, a reliable and responsible citizen, and an honest and ethical company will TWK be able to operate as an effective and profitable business in the long term, ultimately creating sustained value for our stakeholders.

TWK's vision is not focused on becoming the biggest, but on being better – this means being more meaningful to our clients, offering more opportunities to our staff, and making a difference in South Africa and across Africa.

OUR VALUES

A

ACCOUNTABILITY

We add value in an ethical way
and take responsibility for our actions.

G

GROW TRUST

We grow our business by building
relationships of trust with all stakeholders.

R

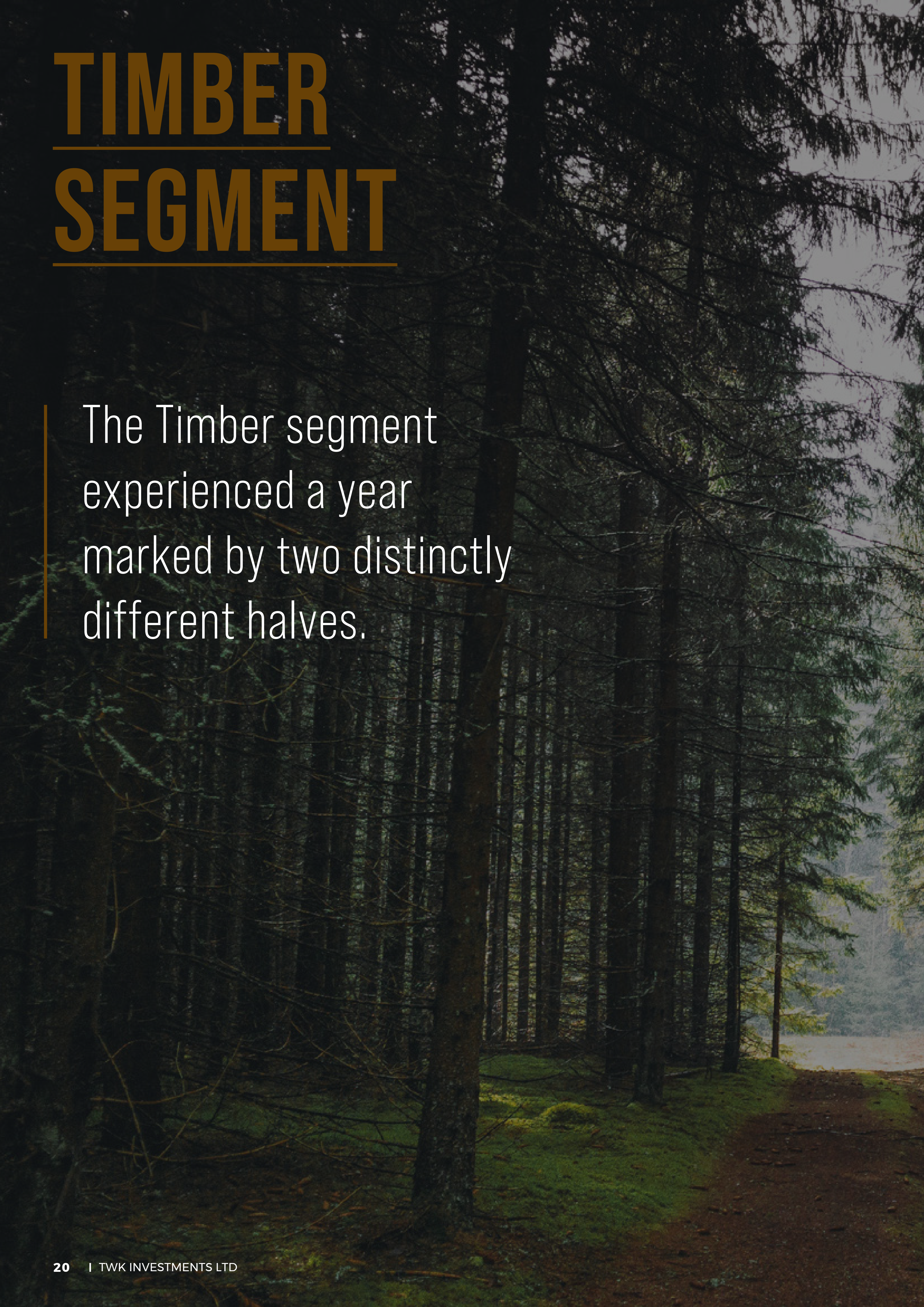
RESILIENCE

We drive sustainable growth
through agility and perseverance.

I

INNOVATION

We develop unique solutions
to solve complex challenges.



TIMBER SEGMENT

The Timber segment experienced a year marked by two distinctly different halves.

The first half of 2024 (1H2024) was particularly challenging due to the fire at the NCT Woodchip Mill in Richards Bay on 30 September 2023, which burned for two weeks.

Although TWK's adjacent woodchip facility was not directly damaged by the fire, the quality of its stockpiled woodchips were severely affected, leading to a significant operational shutdown. To prevent further damage and the stockpiles from catching fire, the stockpiles had to be sprayed with fire-retardant chemicals.

Despite these setbacks, TWK Timber commendably managed to sell a large portion of the damaged woodchips to biofuel markets at reduced prices. However, five shiploads of woodchips scheduled for export to Japan had to be cancelled, resulting in TWK not exporting to Japan for five months during 1H2024.

Fortunately, in the second half of the year (2H2024), TWK was able to fulfil 60% of the Japanese order and achieved 89% of its planned export volumes for the full financial year, a remarkable performance under the circumstances. Overall, TWK exported 666 169 tonnes of woodchips from its facility, down 2,7% from the 684 711 tonnes exported the previous year.

The total impact of the fire resulted in an insurance claim of R255 million, with TWK receiving a settlement of approximately R160 million for stock damage, clearance, business interruption, and related expenses.

As a result, revenue increased by 2,37% from R2,92 billion (August 2023) to R2,99 billion for the year ended 31 August 2024. EBITDA also declined by 14,15% from R402,29 million (August 2023) to R345,35 million, as did the EBITDA margin, which dropped from 13,77% (August 2023) to 11,55%.

Total sales volume
in tonnes

917 819

for the year 2024

Total sales volumes fell by 40,3% to 917 819 tonnes (August 2023: 1 536 948 tonnes) largely due to the Richards Bay fire, plantation fires affecting two major customers, and significant declines in both the industrial and mining timber markets. TWK was also unable to meet the demand from timber exchanges with national markets and significant South African timber producers. Additional sales losses resulted from large fires in the KwaZulu-Natal province, which decimated plantations.

Industrial lumber sales remained under pressure as consumers continued to be financially constrained, as confirmed by the results published by the DIY retailers. The treated pole market also saw declining sales, mainly due to plantation fires in the KwaZulu-Natal province.

The South African mining industry further compounded the challenges, negatively impacting timber sales to this sector. Bedrock, TWK Agri's subsidiary that supplies mining timber support products to the gold and platinum mining industries, continued to face difficulties, as several of its customers were forced to shut down shafts during the year.

TWK's Sunshine Seedlings ("SSS") shareholding, as at 31 August 2024, was 81% (31 August 2023: 71%), with the remaining 19% of the shares to be purchased by TWK next year. SSS delivered a solid performance during the year. However, this business is expected to face challenges following the fires in KwaZulu-Natal.

TWK's plantations, including the Peak Timber plantations in Eswatini, reported lower sales due to depressed market conditions and the fire at Richards Bay.

RETAIL AND MECHANISATION SEGMENT

At the end of August 2024, TWK's retail outlets totalled 31 (August 2023: 31), situated in KwaZulu-Natal (13), Mpumalanga (13), Eastern Cape (3), Limpopo (1) and Eswatini (1).

Six of these branches include a New Holland Mechanisation agency and three branches include a Husqvarna agency. TWK also owns five fertiliser blending facilities located in Mpumalanga, KwaZulu-Natal, and the Western Cape.

Revenue decreased by 3,04% from R2,99 billion (August 2023) to R2,90 billion as the segment continued to be impacted by lower sales volumes across the retail and mechanisation operations, marginally offset by an increase of 4,47% in sales volumes from Constantia Fertiliser.

EBITDA increased by 304,66% to R39,04 million from R9,65 million (August 2023), with the EBITDA margin increasing to 1,35% from 0,32% (August 2023). The main reason for this was improved trading performance from Constantia.

The socio-political uncertainty leading up to the National Elections significantly affected the performance of all businesses, further exacerbated by the financial strain faced by farmers and consumers in the regions where we trade.

The financial strain combined with high interest rates and increased diesel costs for much of the year, resulted in a sharp decline in production facilities. This trend is reflected in the Financial Services segment, which reported a 12,9% decrease in the Production Credit Book.

Mechanisation sales saw a 22,4% drop in New Holland units, down to 142 units (August 2023: 183), and a 44,3% decline in sales of other implements, down to 387 units (August 2023: 695). Given the challenging economic environment, we expected 2024 to be challenging. Ground working equipment sales also fell significantly, with excess stock carried over from the previous financial year into the current one.

This approach proved prudent when summer crops deteriorated rapidly from April 2024 to August 2024 due to insufficient rainfall, leading to reduced demand for fertiliser. Globally, mechanisation sales dropped by approximately 30%, reflecting a trend not limited to South Africa. Our focus shifted to reducing stock levels, albeit at lower profit margins. By the end of the 2024 financial year, stock levels had normalised.

Fertiliser tonnages sold for the year ending 31 August 2024 increased by 4,47%, rising from 186 501 tonnes (August 2023) to 194 830 tonnes. This growth was driven by a more stable international fertiliser market. Prices for crucial fertiliser commodities — nitrogen, potassium and phosphate — were less volatile than in the previous year, though they did rise gradually in the second half of 2024, stabilising towards the end of the financial year.

The Rand/Dollar exchange rate also strengthened by 6,8% from R19,12 (September 2023) to R17,82 (August 2024), contributing to improved performance. Our strategic decision to import smaller quantities of fertiliser more frequently on a 'Free Carrier Agreement (FCA)' basis also benefited the business. Under this arrangement, a third-party imports and warehouses goods on behalf of customers, reducing costs.

Consequently, the financial performance improved from the prior year. The port congestion at the beginning of the financial year negatively impacted all South African businesses. While there has been some progress, particularly in Durban, challenges remain. The ongoing N3 road construction further hindered the transport of raw materials, delaying deliveries to our plants. As a result, although FCA contracts helped achieve significant savings on demurrage and stockholding costs, margins remained tight due to continued financial pressure on farmers following a period of high commodity prices.

Looking ahead, enhanced strategies for sourcing, warehousing, and distribution are expected to ensure a more stable and profitable income stream for this segment. Product stock ranges are consolidated into a more robust, diversified product structure. The Retail and Mechanisation segment will also focus on improved risk management and streamlining the current management structure.

Fertiliser sales
increased by

4,47%

to 194 830 tonnes

FINANCIAL SERVICES SEGMENT

Revenue increased by 4,09% from R272,73m in August 2023 to R283,89m, with EBITDA increasing by 22,79% to R132,93m from R108,26m (August 2023).

INSURANCE DIVISION

The Insurance Division delivered strong results, driven by acquisitions that align with the Group's strategy, growth opportunities and continuous focus on customer service.

SHORT-TERM INSURANCE

The total ownership of Galinco Risk Services (Pty) Ltd. (Galinco), a short-term insurance brokerage, was acquired on 1 December 2023, as well as the short-term book of TLC Brokers International (Pty) Ltd on 28 March 2024, contributing to this year's growth.

Additionally, the Division purchased 100% shares of Abie Nell Makelaars (Pty) Ltd, another short-term insurance brokerage, on 1 August 2024. Alongside these acquisitions, written insurance premiums grew by 4,7% year-on-year, resulting in a 4,3% increase in commission income. A strong focus on customer service and experience also led to a 5,3% growth in fee income.

CROP INSURANCE

The total crop insurance premium increased by 0,6%, resulting in a 0,5% rise in commission received. Despite macroeconomic challenges, new client acquisitions contributed to a 0,5% increase in insured clients. However, this was offset by a 2,1% decline in insured hectares and a 6,6% reduction in the insured tree area.

MEDICAL INSURANCE

Medical insurance commission revenue rose significantly by 18%, driven primarily by a 21% increase in members from August 2023 to August 2024. Although high overhead costs resulted in an operating loss, the shift to a commission-based salary model for agents is expected to deliver positive results in the 2025 financial year. Growth was further supported by the acquisition of a medical aid book from an independent broker on 1 June 2024, adding 313 members.

Short-term insurance
fee income increased by

5,3%

for the year 2024

FUNERAL INSURANCE

TWK Financial Services, in collaboration with FutureGen, has a 60% shareholding in Executive Underwriting Managers (Pty) Ltd (EUM). EUM provides expert administrative underwriting services in the funeral industry and saw revenue growth of 14%, with 95 015 active policies as of 31 August 2024, insuring 597 317 lives (August 2023: 90 074 active policies and 577 551 lives).

CREDIT DIVISION

The Financial Services' total debtors book includes various facility types such as monthly accounts, term loans, asset financing, revolving credit, and forestry facilities, all catering to our clients' diverse needs.

The Production Credit Book decreased by 12,9% during the period under review, peaking at R798,8 million (peak 2023 financial year: R916,7 million). Net interest income decreased by 0,5% due to the decrease in the Production Book.

During the past season, most regions within TWK's client base experienced favourable agricultural production conditions. The credit portfolio continues to perform well, with non-performing balances decreasing year-on-year. Bad debts are written off as a percentage of the total debtors' book for the Group, and stood at 0,74%, compared to 0,75% in the prior year.

Maintaining the quality of the credit portfolio remains a strategic priority for the Group, supported by robust collateral and prudent risk management.

GRAIN SEGMENT

Revenue and EBITDA for the year ended 31 August 2024 increased by 35,22% from R1,76bn (August 2023) to R2,38bn and 17,38% from R55,84m (August 2023) to R65,55m, respectively.

The EBITDA margin decreased to 2,75% (August 2023: 3,17%). The margin was under pressure, due to losses made in the industrial mill businesses due to the high white maize price that persevered during the year under review, underpinned by a weak exchange rate.

The Grain Storage business received 50,87% more grain into the silos compared to the previous year, primarily due to higher maize and soybean yields in Mpumalanga. The business also benefited from reduced maize and soybean exports during the second half of the year. Additionally, profits were positively impacted by efficient and optimal cost management processes.

The Grain Marketing business delivered another robust set of results, significantly exceeding budget expectations. This success was primarily driven by expanding its market reach and adding three new grain traders during the financial year. These factors helped increase the grain volumes marketed, boosting profitability.

TWK, through its South African Grain Mill business, supplies white maize meal to food retailers and consumers. However, the Mkhondo Mill incurred a loss due to the persistently high average price of white maize during the review period. Political uncertainty ahead of the National Elections in May 2024 also affected sales volumes, as consumer spending remained under significant pressure. While the severe loadshedding that plagued the country ended March 2024, the Mkhondo municipal area was affected for seven out of the twelve months, limiting factory output. Unfortunately, loadshedding continues in this area despite the national loadshedding ending.

Arrow Feeds, based in Eswatini, reported a revenue decline of 1,95%, primarily due to the elevated price of white maize. Sales volumes also increased by 0,98%. However, animal feedlot sales were less affected by the higher white maize price, since yellow maize prices did not rise sharply as those for white maize used in human consumption. A continued focus on efficiencies, margin management, and infrastructure upgrades is expected to support future sales growth.

OUTLOOK FOR 2025

We remain cautiously optimistic about the 2025 financial year. Although positive sentiment has given us renewed optimism, the cyclicality of our business remains a risk. We continue to be committed to achieving sustainable growth for our stakeholders through gaining market share and increasing profitability. The focus remains on improving our liquidity and cash flow, and where possible cost-saving measures to ensure that all our operations are effective and efficient.

We will continue to make the tough decisions necessary to protect and enhance our business's resilience and sustainability, looking beyond our current situation to the future we wish to create.

The Timber segment anticipates strong export sales volumes, though this will be tempered by the strengthening of the Rand against the US Dollar, which is expected to put pressure on export prices. Trading conditions in the mining and industrial sectors are likely to remain challenging, given the current outlook for the mining sector and the impact of the KwaZulu-Natal fires. These fires are expected to result in an oversupply of saw logs over the next two years, which will drive down prices. However, the agricultural sector is expected to perform better due to the La Niña weather pattern, which is favourable for this part of the business.

One of the key focus areas of the Board will be the recovery of the Trade Segment. The outlook for the Retail and Mechanisation segment is much more positive. With interest rates coming down and favourable rainfall expected due to the forecasted La Niña weather pattern, strong crop yields are anticipated in our operating regions. These factors combined should enable Constantia Fertiliser to deliver better results in the 2025 financial year compared to 2024.

The Financial Services segment anticipates improved trading conditions as a result of integrating recent acquisitions, with farmers in a more robust financial position due to better crops, lower interest rates, and improving macroeconomic conditions.

The outlook for the Grain Segment is mixed. The Grain Storage and Grain Marketing businesses are expecting a satisfactory performance for the six months ending 28 February 2025. However, the industrial mill businesses are likely to remain under pressure if the current white maize price continues, which is expected until the next crop season in March 2025. With predictions of a La Niña weather pattern, good rainfall and better crops are anticipated, which should reduce maize prices. To mitigate the impact of volatile white maize prices, the industrial milling businesses are diversifying their product offerings to create more stable revenue streams.

The Group has sufficient working capital and undrawn financing facilities to service its operating activities and ongoing investments. The syndication loan structure with Standard Bank, ABSA and FNB underpins the Group's growth prospects.

We believe the Group's strategy is resolute and will over the long-term, unlock value for all stakeholders.

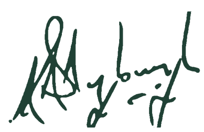
GRATITUDE

In closing, I extend my gratitude to all our clients and customers that stood by us during the year, your support, albeit under tremendously trying times as TWK faced a myriad of challenges, is appreciated.

My sincere thanks go to all my colleagues for their continued support. TWK faced unprecedented operational challenges brought about by circumstances beyond our control. We will continue embracing new challenges, pursuing sustainable growth, and creating value for all stakeholders by staying true to our AGRI — Accountability, Grow, Trust, Resilience and Innovation — Values.

A word of appreciation goes to Eddie Fivaz, previous Financial Director, who resigned effective 30 June 2024, for his contribution to the success of TWK. A warm welcome to Andri Geel who assumed the role of Financial Director on 1 July 2024 — we look forward to your valuable contribution.

As always, I express my sincere appreciation to all members of the Board for their commitment, advice and positive contributions and our Heavenly Father for holding His hand over TWK during this challenging year.



AS Myburgh
Managing Director

14 November 2024

ESG REPORT

With deep roots in South Africa and a significant presence in Eswatini, TWK Agri is committed to support the communities and industries in both countries. Our shared history and strong local connections are the foundation of our continued growth and resilience.

At TWK, we believe that our commitment to sound environmental, social, and governance (ESG) principles are essential to our success as a diversified group of companies. This report showcases how we integrate social responsibility, ethical conduct and sustainability into every aspect of our operations and corporate culture. We recognise that our impact goes beyond financial performance.

We are dedicated to fostering a workplace that champions diversity and inclusion, where every voice is valued and heard. Our focus on employee safety and well-being is central to creating a supportive and thriving environment for everyone in the TWK family. The organisation has a total of 2 849 active employees, who make up a diverse and committed workforce.

Employee engagement activities, such as wellness initiatives and the push-up challenge – in which 250 employees participated this year – aim to build team spirit and promote health.

Upholding human rights is a responsibility we take seriously, and we embed these principles into our practices through **The TWK Way**.

Engaging with our stakeholders — that includes our employees, customers, communities, and investors — drives our commitment to transparency and accountability, shapes our decisions, and provides an invaluable guide for our future direction.

Despite the challenges within our industry, we remain steadfast in our commitment to making a positive impact and building a more sustainable environment for the generations to come.

2024 total number of active employees

2 849

BOARD OF DIRECTORS

JS STAPELBERG (62)

B.Eng Agricultural Engineering

Chairman

Board member of TWK Group entities since: 1997

Appointed member of TWK Investments since: 14.08.2013

AS MYBURGH (53)

BCom (Law)

Managing Director

Joined TWK Group: 2009

Appointed in current position: 01.06.2012

A GEEL (44)

BCom, BCom Honours, CA(SA)

Financial Director

Joined TWK Group: 2024

Appointed in current position: 01.07.2024

TI FERREIRA (48)

Diploma in Agriculture

Vice Chairman

Board member of TWK Group entities since: 2016

Appointed Board member of TWK Investments since: 11.02.2016

WJ STEENKAMP (53)

CA(SA), ACMA (UK)

Lead Independent Non-executive director

Appointed Board member of TWK Investments since: 01.08.2022

CA DU TOIT (71)

BCom, MBA

Independent Non-executive Director

Board member of TWK Group entities since: 2012

Appointed Board member of TWK Investments since: 14.08.2013

PJ LINDEQUE (60)
BCom, BCom Honours, CA(SA)

Independent
Non-executive Director

Board member of TWK Group entities since: 2024
Appointed Board member of TWK Investments since: 11.01.2024

BN MOYO (41)
LLB

Independent
Non-executive Director

Joined TWK Group: 2024
Appointed to current position: 11.01.2024

J MOKOROSI (45)
BCom

Independent
Non-executive Director

Joined TWK Group: 2024
Appointed to current position: 11.01.2024

KP PAUL (58)
Matric

Non-executive Director

Board member of TWK Group entities since: 2023
Appointed Board member of TWK Investments since: 11.01.2023

HG HIESTERMANN (45)
Matric

Non-executive Director

Board member of TWK Group entities since: 2020
Appointed Board member of TWK Investments since: 05.03.2020

HW KÜSEL (63)
B.LLB

Non-executive Director

Board member of TWK Group entities since: 2012
Appointed Board member of TWK Investments since: 14.08.2013

JCN WARTINGTON (64)
Diploma In Agriculture (Plant Production),
Diploma in Farming Implements Technology

Non-executive Director

Board member of TWK Group entities since: 2002
Appointed Board member of TWK Investments since: 14.08.2013

EXECUTIVE MANAGEMENT

FJ BRAUCKMANN (60)

Executive Manager: Exports and Projects
Joined TWK Group: 2008
Appointed to current position: 01.01.2012

LC COETZER (66)

Managing Director: Constantia Kunsmis
Joined TWK Group: 2010
Appointed to current position: 01.09.2021

AL DUVENAGE (53)

Executive Manager: Grain
Joined TWK Group: 2023
Appointed to current position: 01.07.2023

GS GROBLER (48)

Chief Executive Manager: Financial Services
Joined TWK Group: 2002
Appointed to current position: 10.10.2008

JM LOUW (56)

Chief Executive Manager: Trade, Mechanisation and Constantia

Joined TWK Group: 2024

Appointed to current position: 01.07.2024

MJ POTGIETER (45)

Chief Risk Officer/ Group Company Secretary

Joined TWK Group: 2004

Appointed to current position: 27.08.2015

DW SCHROEDER (52)

Chief Executive Manager: Timber

Joined TWK Group: 2022

Appointed to current position: 01.12.2022

DP VAN RENSBURG (39)

Executive Manager: Corporate Services

Joined TWK Group: 2014

Appointed to current position: 01.01.2020

CORPORATE GOVERNANCE

The TWK Board is firmly committed to responsible corporate citizenship and the implementation of effective corporate governance. The Group's unwavering dedication to conduct business with integrity, sustainability, equity, and accountability is at the core of the Group's philosophy. This steadfast commitment is reflected in the Group's strict adherence to the applicable corporate guidelines.

The Group's corporate best practices, contained in its Memorandum of Incorporation, board charter, policies, and operating procedures, are regularly assessed against the practical realities and their execution. The Board evaluates all applicable legislation, operating codes, and practices to ensure its conduct considers the recommendations of the King Code.

The King Code's fundamental principles and practical application are deeply ingrained throughout the Group and are being successfully implemented. The Board is confident that the Group will comply with the provisions and recommendations of the King Code to the best of the Group's ability.

TWK balances stakeholders' corporate governance expectations and the requirement to deliver consistent and competitive financial returns in an environment of comprehensive and changing regulation and ongoing growth. The Board and management are unwavering in their commitment to continually enhancing management practices and structures.

This proactive approach ensures that the Group meets and exceeds stakeholders' corporate governance expectations, instilling optimism about the Group's future.

Corporate governance within TWK is more than just a set of rules and regulations – it is the basis for managing our business daily.

Where TWK deviates from specific King IV™ guidelines, the Board believes that this deviation is warranted and managed appropriately:

- The Board does not comprise a majority independent directors. Some directors (primary producers) conduct arms-length business with different TWK divisions and/or are invested in the TWK Group to an extent that could be regarded as material from their perspective. However, these directors typically satisfy the other criteria for being classified as independent directors.
- The non-executive chair of the Board is not considered an independent director. The chair is assisted by an experienced non-executive director who serves as the lead independent director.

THE BOARD

The Board comprises 13 members, including two executive members, and the rest are non-executive members elected by the Company's shareholders. Non-executive directors serve for three years and retire on a rotational basis per the Memorandum of Incorporation.

Mr. WJ Steenkamp is the lead independent director of TWK Investments. Non-executive directors are nominated and elected by shareholders, and provisions are made for a transparent nomination process. Before election, nominated candidates are rigorously evaluated by the Nomination Committee for competence, adherence to corporate principles, and the Memorandum of Incorporation. This transparency ensures the Board's independence and integrity.

The Nomination Committee comprises four non-executive directors and makes recommendations to the Board and shareholders. At the Board's first meeting after the annual general meeting, the directors elect a chairperson and vice-chairman among them. These non-executive directors play a vital role in the Board's decision-making process. A decision-making framework delegates certain powers to the chief executive officer and executive management.

The Board divides responsibilities and delegates authority to relevant committees to manage strategy, performance, resources, conduct standards, and corporate governance effectively.

The Board's composition is meticulously designed to ensure a balanced mix of expertise and perspectives. The chairman, who provides leadership within the Board, fosters communication between the Board, management, and stakeholders. The managing director, on the other hand, is primarily responsible for implementing strategy and operating the business. This balance of roles and perspectives instils confidence in the Board's decision-making process, reaffirming the Board's commitment to sound and transparent operations.

Although the Board maintains overall responsibility and control, the managing director oversees the Company's daily business. No individual director has unfettered decision-making powers, and all directors have unrestricted access to the Group's information, records, documents, and property. They may also obtain independent professional advice regarding the Company's affairs.

The Board is unwavering in its responsibility to provide guidance and oversee the Group's operations and strategy. This includes designing and reviewing strategy, approving budgets, monitoring operating results against budgets, evaluating the Group's financial position, and overseeing remuneration and performance of executive management, IT, and technology governance. This commitment ensures the Group's strategic direction is secure.

Managing a director's conflict of interests is strictly regulated, and directors and management are expected to act independently and transparently. Directors must disclose any material interests that may impact the Group annually and at every Board and Committee meeting, with the Company Secretary noting these disclosures.

The board and subcommittee meetings are held according to approved meeting procedures and attendance is excellent. Board meetings are held regularly according to the annual work plan, with additional meetings as necessary.

BOARD OF DIRECTORS

JS Stapelberg
Non-executive director (Chairman)

TI Ferreira
Non-executive director (Vice-Chairman)

CA du Toit[3]
Independent Non-executive director

HG Hiestermann[2]
Non-executive director

HW Küsel
Non-executive director

KP Paul
Non-executive director

JCN Wartington
Non-executive director

WJ Steenkamp[1/4]
Independent non-executive director

AS Myburgh
Managing director

A Geel
Financial director

BN Moyo[1]
Non-executive director

J Mokorosi[1/2]
Non-executive director

PJ Lindeque[1/2]
Non-executive director

1. Mr. WJ Steenkamp; Ms. BN Moyo; Ms. J Mokorosi; and Mr. PJ Lindeque are directors of TWK Investments and TWK Agri (Pty) Ltd only (i.e. not directors of TWK Agriculture Holdings (Pty) Ltd).
2. Mr. HG Hiestermann would no longer serve; and Mr. PJ Lindeque and Ms. J Mokorosi would serve on the Audit and Risk Committee, with effect from the AGM on 11 January 2024.
3. Mr. CA du Toit acts as Lead Independent Director of TWK Agriculture Holdings (Pty) Ltd.
4. Mr. WJ Steenkamp acts as Lead Independent Director of TWK Investments Ltd and TWK Agri (Pty) Ltd

AUDIT AND RISK COMMITTEE

Chairman
WJ Steenkamp

Members
CA du Toit, J Mokorosi, PJ Lindeque

For further details on this committee refer to pages 75 of this integrated report

SOCIAL AND ETHICS COMMITTEE

Chairman
HW Küsel

Members
TI Ferreira, HG Hiestermann, KP Paul, JCN Wartington, BN Moyo

For further details on this committee refer to pages 48 of this integrated report

BOARD OF DIRECTORS

REMUNERATION COMMITTEE

Chairman
WJ Steenkamp

Members
JS Stapelberg, CA du Toit, PJ Lindeque

For further details on this committee refer to pages 46 of this integrated report

NOMINATION COMMITTEE

Chairman
WJ Steenkamp

Members
JS Stapelberg, CA du Toit, PJ Lindeque

For further details on this committee refer to pages 34 of this integrated report

TWK Agri 1999/014168/07
TWK Investments 1997/012251/06
TWK Agriculture Holdings 1997/003334/07

BOARD MEETING ATTENDANCE

DIRECTOR	8 Nov 2023	10 Jan 2024	6 Mar 2024	13 May 2024	5 Jun 2024	28 Aug 2024
JS Stapelberg	✓	✓	✓	✓	✓	✓
TI Ferreira	✓	✓	✓	✓	✓	✓
CA du Toit	✓	✓	✓	✓	✗	✓
HG Hiestermann	✓	✓	✓	✓	✓	✗
HW Küsel	✓	✓	✓	✓	✓	✓
KP Paul	✓	✓	✓	✓	✓	✓
JCN Wartington	✗	✓	✓	✓	✓	✓
WJ Steenkamp	✓	✓	✓	✓	✓	✓
AS Myburgh	✓	✓	✓	✓	✓	✓
JEW Fivaz	✓	✓	✓	✗	✗	N/A
PJ Lindeque	N/A	N/A	✓	✓	✓	✓
J Mokorosi	N/A	N/A	✓	✓	✓	✓
BN Moyo	N/A	N/A	✓	✓	✓	✓
A Geel	N/A	N/A	N/A	N/A	N/A	✓

All directors have dedicated their time and skills to the Board's functioning. Based on the recommendation from the Nomination Committee, the Board considers any director nominated for election or re-election at the annual general meeting competent and committed to serving the Group and protecting stakeholders' interests. This unwavering commitment to the Group's interests is at the core of our governance practices.

EVALUATION OF THE BOARD

Following a thorough evaluation, the Board, with the support of the Company Secretary, has affirmed its operational effectiveness. The contributions of the directors to the Board and its committees were carefully assessed, and the effectiveness of the Board and its committees in carrying out their responsibilities was also thoroughly evaluated. The evaluation concluded positively, confirming the effective operation of the Board and its committees.

COMPANY SECRETARY

JP Roodt assumed the role of Company Secretary starting 1 September 2024, succeeding MJ Potgieter. The Company Secretary is crucial for the Group's corporate governance and is responsible to the Board for ensuring compliance with relevant procedures, statutes, and regulations. To facilitate the effective functioning of the Board, all directors had timely access to information necessary for fulfilling their duties. This information included corporate announcements, investor communications, and any developments that could impact the Group. Directors also had access to management as needed. The Company Secretary's effectiveness, qualifications, and experience were evaluated to ensure he maintains an arms-length relationship with the Board. The appointment and removal of the Company Secretary is a decision made by the Board. The Company Secretary's Certificate can be found on page 72 of the Integrated Report.

ETHICAL CODE OF CONDUCT

TWK, its subsidiaries, and its staff are dedicated to acting honestly and ethically in all duties and personal conduct, upholding the highest moral standards. The TWK Code of Ethics outlines our commitment to conducting business legally and ethically. Every director and employee has pledged to adhere to this Code, emphasising the importance of fairness in their responsibilities and interactions with customers, suppliers, and other stakeholders. This commitment helps maintain our reputation for integrity and accountability. We have established adequate grievance and disciplinary procedures to promote and ensure the practical application of the Code of Ethics.

CLOSED PERIOD FOR TRADING SHARES

The Group enforces a closed period for share trading before interim and annual financial results are published. This period prevents trading when related individuals may have access to price-sensitive information through the Share Trading Policy. During this closed period, no director, staff member, or associated persons or entities can engage in any transactions involving TWK shares as defined in the Share Trading Policy.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

Risk control and management are essential components of the Group's corporate framework. The Group takes a proactive approach to managing risks by implementing appropriate controls. Regular and systematic risk assessments are conducted to quantify and prioritise risks. The Audit and Risk Committee, with its crucial role in evaluating the internal control processes and their outcomes, provides reasonable assurance to the stakeholders, the Board and management, that risks are effectively managed. Management consistently focuses on enhancing the risk management process, and the Internal Audit Department is utilised to strengthen the Company's internal control and risk management model. For more details, please refer to the Risk Management Report located on pages 38 of this Integrated Report.

COMPLIANCE WITH LEGISLATION

The Board is accountable for adhering to legislation. The relevant laws and regulatory framework receive continuous attention and are integrated into the risk management model. Ongoing awareness campaigns and training sessions are conducted throughout the Group.

TRANSFORMATION AND BLACK ECONOMIC EMPOWERMENT

TWK endorses broad-based black economic empowerment that aligns with the Group's business strategies and recognises the importance of meaningful empowerment for sustainable growth.

GENDER EQUALITY

At TWK, we are committed to achieving gender equality and ensuring that merit is not influenced by gender. We actively manage our human resource development, ensuring that women and men have equal opportunities to participate in management at all levels. We firmly reject any form of unfair discrimination based on gender within the Group.

PROTECTION OF PERSONAL INFORMATION ACT (“POPIA”)

The Group is committed to safeguarding personal information and ensuring adherence to POPIA standards. Our dedicated internal compliance division, led by Information Officer JP Roodt, actively and continuously monitors our practices to uphold the highest integrity and trust. We strive to create a secure environment where personal data is respected and protected.

WHISTLEBLOWING HOTLINE

Good corporate governance requires companies to implement mechanisms that combat theft, fraud, and other unethical practices. One important initiative is the whistleblowing hotline, which serves as a tool to address unethical behaviour. The Group's whistleblowing hotline is managed as an independent reporting mechanism in partnership with a reputable external service provider.

Whistleblowers can anonymously register tip-offs via telephone, fax, email, or the service provider's website. Depending on the nature of the report, the tip-offs are relayed to the Chief Financial Officer, the Managing Director, or the Chairman of the Audit and Risk Committee. The hotline reinforces the Group's zero-tolerance approach to crime, corruption, and unethical behaviour. Periodically, internal communication campaigns are conducted to raise awareness of the hotline and emphasise the anonymity of reporters.

INSURANCE

The Group maintains comprehensive insurance policies to safeguard against various insurable risks. Each type of coverage is reviewed annually to ensure adequate protection, with oversight from the Audit and Risk Committee. Any areas where the Group is uninsured or underinsured are thoroughly investigated and addressed. A vital component of the insurance programme involves specific retained risks, which are carefully evaluated and monitored. Additionally, efforts are made to identify, prevent, and mitigate risks that cannot be insured.

TECHNOLOGY AND INFORMATION GOVERNANCE

The TWK Board, in close collaboration with the Executive Management, supports achieving the strategic Information and Communications Technology (“ICT”) objectives of the TWK Group. The Board oversees the results of management's implementation of information systems, integrations, data analysis (reporting), cybersecurity measures, and IT infrastructure within the TWK Group. The IT Steering Committee (“Steerco”) is responsible for these initiatives' governance, implementation, and risk management. It provides feedback to the TWK Board and receives necessary guidance in return. TWK aims to create an adaptable IT environment that addresses current and future business needs with minimal delays and disruptions. This environment will enable the TWK IT team to manage and analyse data effectively, offering valuable insights for TWK Management and facilitating predictive data modelling.

BUSINESS RISK REPORT

RISK MANAGEMENT METHODOLOGY

Risk is an inherent part of any business and identifying and managing the risks specific to our business is critical to our long-term success, therefore the Group considers the management of business risks a high priority, with a focus on risks with a significant impact on the business and/or high probability of occurrence.

The Board is responsible for risk management and is supported by the Audit and Risk Committee. The Audit and Risk Committee met four times during the period under review to among other things monitor and report on the effectiveness of the risk identification, assessment, and management process. Our well-defined approach is also regularly reviewed by the Board to ensure that it remains relevant and dynamic at all levels of the business, to ensure we can be responsive to changing business conditions.

The Board has determined the Group's top risks, using a risk rating matrix which takes into consideration both the probability of the risk event occurring and the impact if the risk event occurs. The risk rating matrix is based on the residual risk after taking into consideration the internal control environment and related mitigation.

The implementation of risk management lies with management and staff and is committed to the following risk management action plan:

- Identifying the risk to which the Group is exposed
- Identifying the most effective ways of eliminating or mitigating the risk exposure as far as is reasonably practical.
- Insuring against catastrophic incidents and other losses beyond our self-insurance capacity.

We apply an enterprise-wide risk management approach, involving all levels of management to identify risks. The senior management at each business unit is responsible for the development and implementation of a sound risk control programme based on the Group's risk control standards.

The Chief Risk Officer oversees the risk management methodology and framework.

RISK MANAGEMENT FRAMEWORK

BOARD

Overall responsibility for Group strategy and managing risk.

AUDIT AND RISK COMMITTEE

Oversight of the Group's material risks and sustainability strategy.

EXECUTIVE MANAGEMENT

Oversight of the Group's material risks and implementation of the Group's strategy. Overseen by the Chief Risk Officer.

INTERNAL RISK SUB-COMMITTEE

Review and monitor the risk management actions plans, policies and procedures.

BUSINESS UNITS

Responsible for risk assessment and implementing of risk policies and procedures.

RISK MANAGEMENT PROCESS

TWK follows a systematic, cyclical risk management process, involving a series of steps from the identification of a risk to the analysis, evaluation and management of the risk, and finally the monitoring of the measures taken in reaction to the risk.

The business units are required to conduct an annual, detailed review of their risks and compile a risk register which is reviewed and approved by the Internal Risk Committee. This process ensures that the various business units review the principal risks in their respective businesses. The Internal Risk Committee reviews the actions and controls implemented to mitigate the risks.

The executive team and the Board analyse the main risks affecting the business and categorise each risk identified, then evaluate it in terms of criteria as defined in the risk management methodology, including the potential impact of the risk on the Group and the expected probability of its occurrence.

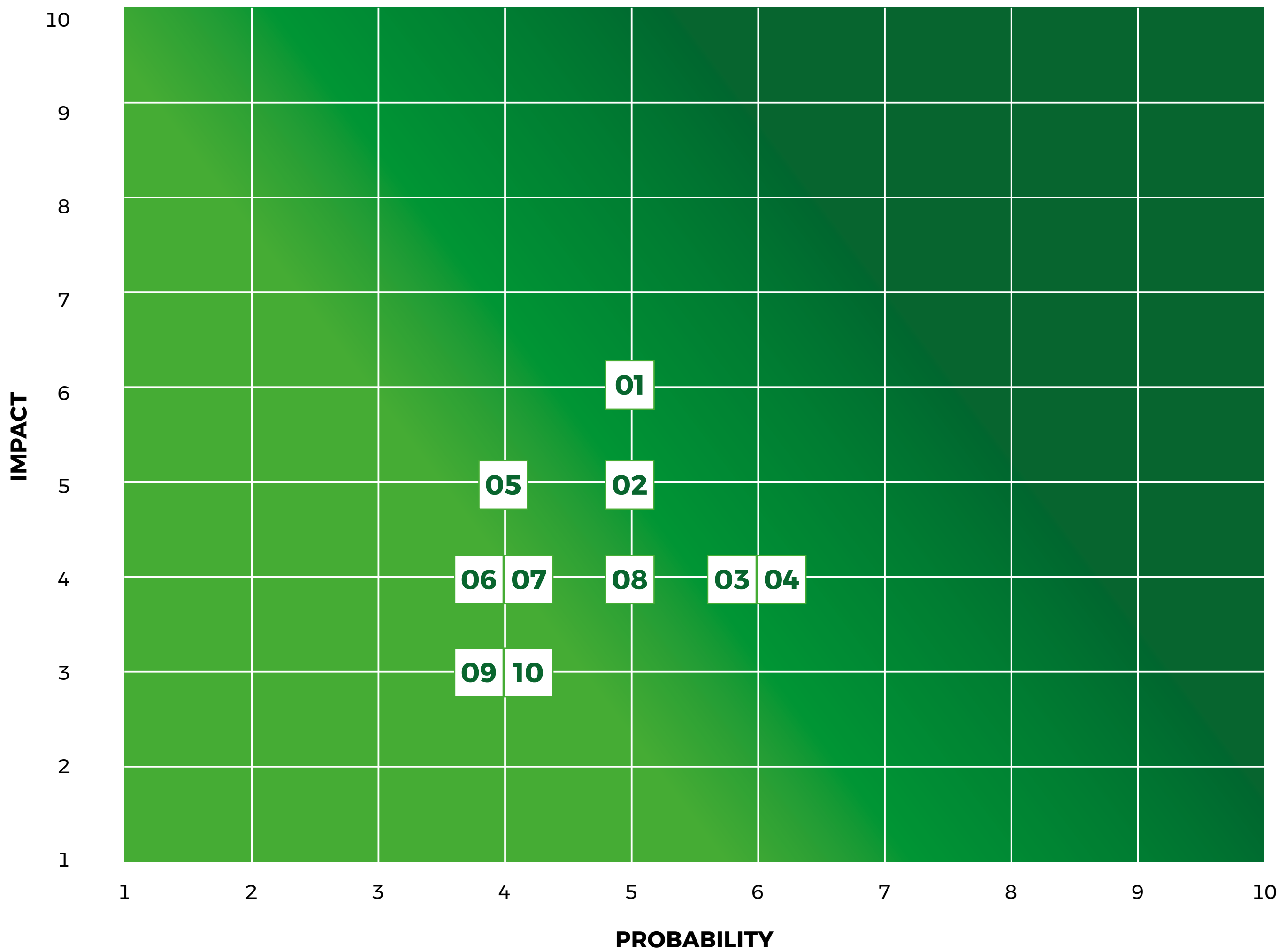
Risks are then ranked utilising the residual risk status; this is the value of risk that the organisation is exposed to considering the inherent risk, reduced by the related controls that exist to manage that risk.

The effectiveness of the controls that are in place to manage the risk in question are reviewed and tested regularly by Internal Audit. This is a measure of how well management perceives the identified controls to be working in effectively managing the risks.

MAJOR RISKS

01	Political and economic risk
02	Third-party infrastructure
03	Cybersecurity
04	Weather and climate
05	Market risks
06	Customers and competition
07	Employee engagement
08	Fires
09	Technology
10	Fraud and theft

INHERENT RISK RATING



01 POLITICAL AND ECONOMIC RISK

DESCRIPTION

- Political uncertainty and the influence on the macro economy.
- The Group operates in South Africa and Eswatini with differing political, economic, and legal systems.
- Global geopolitical conflicts can have far-reaching economic consequences.
- Uncertainty over future business conditions leads to caution when making investment decisions, which can influence future financial performance.
- Increased costs can be incurred through additional regulations or taxes, while the ability to execute strategic initiatives could be restricted, reducing profitability and affecting future performance.
- Political uncertainty significantly impacts economic conditions, such as the cost of inputs, customer behaviour and the ability of TWK to carry out its daily activities. Operations may have to stop and service provision becomes impossible, which could lead to TWK having to adapt its investment, growth plans, and allocation of resources to deal with greater political uncertainty.
- Economic pressures on customers, high inflation levels and greylisting of South Africa.
- Political instability, poverty, inequality, and high unemployment levels can result in civil unrest that can impact the business negatively.
- Business is subject to various regulatory requirements and policies.
- Uncertainties in respect of land ownership rights and potential impact thereof.

MITIGATION

- TWK anticipates different political and economic scenarios to enable TWK to be successful under different or challenging circumstances and to adjust strategy accordingly.
- Active monitoring and regular formal and informal engagement with government, local communities, and business partners to assist us to remain well-informed of changes and new developments.
- Remaining up to date with legal and regulatory developments and implementing actions to ensure compliance.
- Diversified business model in industries, geographies and customers.
- Support of industry business associations advocating and facilitating favourable business environments.
- Support of and relationships with community safety structures.

02 THIRD-PARTY INFRASTRUCTURE

DESCRIPTION

- Disruption of logistical supply chains due to third-party infrastructure and related factors.
- TWK exports woodchips to customers through the Richards Bay export channel owned and operated by Transnet. We require a stable rail and port infrastructure network that operates reliably at design capacities.
- Inability of national energy supplier to provide consistent and sufficient electrical supply.
- Ageing public infrastructure (rail, roads, and essential services) without required re-investment and maintenance negatively impacts the reliability and efficiency thereof. This leads to increased costs for the business and its customers.
- An adverse impact on logistical capabilities and failure to supply electricity poses a business continuity risk. The unavailability of key infrastructure affects delivery of products to customers and impacts revenue.
- Geographies (rural) where the group operate are impacted by degrading municipal infrastructure (electricity, water, roads, sewerage).
- Increased sustainability costs in an environment where infrastructure and services cannot be relied upon.

MITIGATION

- Ongoing engagement with role players to optimise the logistical chains.
- Improved operational flexibility at our operations.
- Improved operating parameters and planning.
- Optimised loading, reduced loading variability and improved turnaround.
- Investment in backup energy solutions at critical business operations.

03 CYBERSECURITY

DESCRIPTION

- Increasing reliance on digital infrastructure has elevated cybersecurity risks.
- A cyber attack could compromise sensitive data's confidentiality, integrity confidentiality, integrity, or authenticity.
- Potential impacts include data manipulation or uncontrolled critical information and expertise outflow.
- Customer expectations for improved access to online transactions and data heighten the risk of data breaches.
- The frequency and sophistication of cybersecurity threats continue to rise, exposing the organisation to more significant vulnerabilities..

MITIGATION

- The IT Steerco oversees the group's approach to cybersecurity, ensuring it remains a top priority.
- Measures are in place to protect against external threats, which are regularly reviewed and updated to address evolving risks.
- Comprehensive processes are implemented to safeguard the confidentiality and integrity of sensitive information, including encryption, access controls, and secure authentication protocols.
- Contingency plans, such as data recovery and business continuity strategies, are continuously revised to respond quickly to incidents and minimise operational disruption.
- Redundant communication channels are established across operational locations to maintain secure and continuous access in the event of a cyber attack or system failure.
- Regular security audits and vulnerability testing are performed to identify and resolve weaknesses.
- Cybersecurity training is provided to employees, promoting awareness and adherence to best practices to mitigate human error as a potential risk factor.
- Cybersecurity insurance is in place for the Group.

04 WEATHER AND CLIMATE

DESCRIPTION

- Climate change is one of the significant challenges of our era. Physical and transitional risks may have significant implications for the environment and conditions in which TWK operates.
- Operational disruption in the event of extreme weather events.
- TWK and our producer clients rely on favourable weather conditions for sustainable timber and agricultural-related production. Droughts can have a significant impact.
- Increased frequency of severe weather events, e.g. droughts, floods, fires, hail and winds.

MITIGATION

- Diversified business models and the vast geographical area in which we operate mitigate the risk.
- TWK's operations, which include the plantations, are located mainly in the high-rainfall areas of South Africa and Eswatini.
- Development of timber species that require less water and that are more disease resistant.
- The drive to replace plastic packaging with low carbon, renewable fibre creates opportunities for TWK as a significant role player in the timber industry.
- Implementing strategies to decrease the group's carbon footprint.
- Insurance cover against asset damage and business interruption losses.

05 MARKET RISKS

DESCRIPTION

Volatile commodity prices

- The raw materials we use or market (buy and resell) are largely commodity based (timber, grains, fertiliser and agriculture inputs), meaning access to sustainable sources of these raw materials at competitive prices is essential to our operations.
- The prices for many of these raw materials generally fluctuate in correlation with global commodity cycles and fluctuations can be significant and unexpected, with undesired impact on margins.

Credit risk

- Credit risk arises from the possibility that the value of receivables or other financial assets of the TWK Group may be impaired because counterparties cannot meet their payment or other performance obligations. Increase in agricultural input costs and commodity prices increase the customer's requirements for credit.

Volatile exchange rates

- Exchange rate risk relates to the possibility that changes in the currency exchange rates may affect the value of the TWK assets or financial transactions.
- TWK is exposed to the effect of changes in foreign currency rates mainly as an exporter of woodchips and purchaser of imported raw materials (especially fertiliser).
- TWK is exposed to the effect of changes in foreign exchange rates that directly impact the local price of certain commodities (e.g. grains).

MITIGATION

Volatile commodity prices

- We are committed to sourcing our raw materials from sustainable and responsible suppliers.
- Robust risk management and flexible purchasing and stockholding strategies for acquisition of key raw materials for own use or for resell.
- Market knowledge and experience and utilisation of industry research and forecast.
- Only strategic and reliable suppliers of critical raw materials are used.
- Diversification in specific commodity exposure and suppliers.
- Intergroup supply of timber.
- Derivative instruments to manage and hedge exposure to grain price risk.

Credit risk

- Adjustment of prices to markets or customers in line with commodity price movements.
- Shift in global timber supply chains may present opportunities.
- A dedicated credit division is responsible for analysing customers' creditworthiness and establishing credit limits based on a board-approved credit policy.
- Continuous customer engagements by relationship managers on a decentralised basis.
- Diversification in receivables, over a wide geographical area and in different sectors.
- Excellent financial standing of largest customers being financed.
- Appropriate and increasing security cover of the overall debtors' book.
- Utilisation of credit default insurance where applicable.

Volatile exchange rates

- Foreign exchange risk management strategies, including hedging for exports and imports.
- Continuous monitoring of exchange rate movements and sensitivities and evaluation of the impact on our financial results.
- Regular review of our pricing structures and monitoring of import and export flows.
- TWK can respond to currency fluctuations by adjusting raw material selling prices and commodity purchasing prices accordingly.

06 CUSTOMERS AND COMPETITION

DESCRIPTION

- Customers and market risk involves the uncertainty of demand for products and services that can be affected by factors such as changes in global supply chains, technology, consumer preferences and behaviours.
- TWK's timber division relies on a number of key large local and international markets, with a decrease or loss of a key market that can negatively impact the business.
- TWK's retail division relies on the retention and satisfaction of its primary producer clients.
- Competition risk describes the risk that growing competitive pressure impacts market share and business margins achieved.
- The markets in which TWK operates are characterised by strong competition and are often price driven.
- Competitors with strong growth aspirations are increasingly targeting TWK traditional geographical areas.

MITIGATION

- Industry knowledge, understanding, monitoring and forecast of industry and market trends.
- Excellent and longstanding customer relationships built on trust and keeping commitments.
- Diversification in industries and customers.
- Balance between local and international timber markets.
- Sustainable timber fibre to remain an international scarce resource.
- Customer service focus.
- Renewal of TWK Information technology systems to improve business information and data to ensure and manage customer satisfaction.
- Striving to be the "Supplier of Choice".
- TWK endorses a healthy competitive environment, which drives improvements such as cost reductions and quality improvements.
- TWK has a good reputation, maintains excellent relationships with clients, and is known to keep to its commitments. TWK has adopted the growing of trust as a key value.
- TWK's loyalty scheme programme in which qualifying farmer clients obtain TWK shares based on total business executed through TWK.
- TWK continuously improves the value offering and basket of products and services to suit the unique needs of the client.
- The diversified income streams are an effective mitigating strategy.
- Ongoing supplier and customer engagement to improve customer offerings.
- The Group also continually evaluates its options for strengthening and consolidating its market position, in particular through strategic expansion, and proactive cross-selling between the different operating segments.

07 EMPLOYEE ENGAGEMENT

DESCRIPTION

- Skilled and dedicated employees are essential for the success of TWK. TWK operates in certain rural and remote areas and in extremely competitive markets. If we are unable to recruit adequately skilled employees in these areas and retain them within TWK, this could have significant adverse consequences for the Group's future development.
- The ability of TWK to attract, retain and develop a skilled and committed workforce is a critical component for the effective execution of our strategy and to ensure sustainability. Access to the right skills, particularly management and industry specific technical skills, are critical to support performance and growth of our business.
- Loss of knowledge or key skills through retirement or through resignation, emigration or semigration (as a result of rural and/or national socio-economic conditions) can impact operations negatively.

MITIGATION

- Appropriate employee recruitment and development measures.
- Active promotion of the benefits of working for TWK through comprehensive human resources marketing, including an employer branding campaign through the "Employer of Choice" initiative.
- Our core values and culture play an integral part of the initiative.
- Our human resources policies are based on the principles regarding our position on human rights, ethics, and our corporate values.
- Competitive remuneration policy with compensation containing short-term, medium-term and long-term components.
- Increased flexibility offered for office location of the workforce and flexible working times where practical.
- TWK invests in its personnel through an extensive range of training and development opportunities, with focus on internal promotions.
- Increase focus on succession planning and strategies for senior management and specialist positions.
- TWK's accreditation to offer SAICA training programme for aspiring accountants.
- Socio-economic development in rural towns and communities in which employees are residents.

08 FIRES

DESCRIPTION

- TWK manages many plantation assets including its own plantations and plantations where TWK has marketing rights. Severe plantation fires can have a substantial financial impact and disrupt long-term planning.
- TWK operates several plants with concentrated asset (plant and inventory) values (e.g. Richards Bay timber chipping mill, sawmills, grain silos, warehouses).

MITIGATION

- Effective and comprehensive fire management plans and processes.
- Effective detection technology.
- Planting different species that are less prone to burning in strategic areas.
- Quick response time and air support.
- Support of industry fire associations.
- Good relationship with organised structures, neighbours and communities.
- Preventative maintenance programmes.
- Internal and external assessments on high-value plants.
- External and self-insurance against fire damage.

09 TECHNOLOGY

DESCRIPTION

- Business and production processes and internal and external communities are increasingly dependent on IT systems.
- A significant technical disruption or failure of systems could severely impair operations and production processes.
- There is an escalating demand for enhanced business management information.
- Customer expectation for improved access to transaction data and online interaction.
- TWK is actively evolving and renewing its operational IT systems, which carry certain operational risks during the transition.
- Rapid advancements in technology pose challenges in keeping up with the latest innovations, and failing to do so may lead to a competitive disadvantage.
- Disruptive technologies can swiftly alter industry standards.
- Stagnation in adopting new practices or tools may hinder operational efficiency and growth.

MITIGATION

- An IT steering committee oversees the group's ICT strategy, which is regarded as a high priority.
- Management responsible for Information Technology specifically focuses on system upgrades or migrations and ensures that it is well planned with contingency plans.
- Operational capacity of the IT division has been increased significantly – scarce resources like RPG Developers are trained internally and through an Academy.
- Technical precautions, including data recovery and continuity plans, are defined and continuously updated.
- TWK stays informed about industry-specific technology trends and best practices, adapting accordingly to remain competitive.
- TWK actively supports research within the forestry industry, contributing to advancements in technology and practices.
- Continuous functionality and renewal of information systems, together with enhanced electronic customer interactions are prioritised to improve efficiency and customer satisfaction.

10 FRAUD AND THEFT

DESCRIPTION

- TWK operates in an environment where the risk of fraud and theft is heightened due to various socio-economic factors.
- The company deals with substantial values of commodities and inventories, creating significant opportunities for fraudulent activities and theft.
- Cash transactions at TWK stores increase exposure to fraud, as cash handling can be a vulnerable point in the operational process.
- Recent trends indicate a rise in fraud and theft incidents, which may threaten the integrity of operations and financial performance.
- The potential for internal fraud by employees and external threats from opportunistic criminals and organised syndicates necessitates robust preventative measures to safeguard assets and ensure compliance with regulatory standards.

MITIGATION

- Implementation of stringent internal controls and audit processes to monitor financial transactions and inventory management effectively, supported by our internal audit division.
- Regular employee training and awareness programmes on fraud prevention and ethical practices are conducted.
- Appropriate surveillance systems and security measures are in place at retail locations and bulk facilities to deter theft and monitor cash handling processes.
- Established cash clearing and efforts to limit cash transactions are ongoing to reduce exposure to fraud.
- Robust inventory management systems with regular audits detect discrepancies early and maintain accurate records.
- The asset protection division actively monitors and addresses security concerns to safeguard company assets.
- Engagement with law enforcement and local authorities to stay informed about prevalent fraud trends and enhance cooperation in addressing theft incidents.
- A whistleblower facility allows employees to report suspicious activities confidentially without fear of retaliation.
- Collaboration with other industry stakeholders is actively pursued to share information about potential fraud threats and best practices for prevention.

REMUNERATION REPORT

INTRODUCTION

TWK's remuneration philosophy is designed to support and reinforce the achievement of the TWK Group's strategic objectives. We aim to ensure fair and reasonable compensation for all employees, facilitating the attraction, retention and motivation of talent essential for realising the Group's vision.

The Remuneration Committee (Remco) is accountable for overseeing remuneration policies and practices across the TWK Group. Remco ensures that remuneration levels are competitive and sufficient to attract, retain and motivate employees at all levels.

REMUNERATION POLICY

OBJECTIVES OF THE REMUNERATION POLICY

The primary objective of the Group Remuneration Policy is to ensure fair and reasonable compensation for all employees. The policy is designed to:

- Support the achievement of TWK's strategic objectives.
- Attract, retain, and reward employees contributing to TWK's vision.
- Promote internal equity and fairness, adhering to the principle of equal pay for equal work.
- Maintain employee costs within budget and ensure sustainability.

REMCO

CHAIRPERSON	WJ Steenkamp
MEMBERS	JS Stapelberg, CA du Toit
INDEPENDENCE	The majority of Remco members are independent non-executive directors
SECRETARY	MJ Potgieter

ROLE AND FUNCTION

Remco evaluates the Group's Remuneration Policy with the assistance of independent external consultants, as needed, to determine market-related remuneration levels.

RESPONSIBILITIES

Performance Review: Regularly reviews Exco performance to motivate and retain employees by linking remuneration to both corporate and individual performance.

Executive Compensation: Ensures the appropriate combination of "guaranteed pay" and "variable pay" for executive directors, aligning their interests with those of shareholders.

Succession Planning: Assesses succession plans for executive and senior management levels, with the Managing Director responsible for ensuring robust plans are in place.

Remuneration Approval: Approves the remuneration of senior management reporting to the Managing Director and reviews remuneration details of direct reports.

Recommendations: Recommends adjustments to directors' and Exco members' total remuneration for Board approval.

ASSURANCE

Remco adheres to principles of good corporate governance and the Group's value statement. Members confirm their diligence in fulfilling their duties and ensuring compliance with the Remco mandate.

Activities undertaken by Remco during the year:

- Reviewed the Remuneration Policy to ensure alignment with applicable regulations, corporate governance guidelines and stakeholder feedback.
- Aligned the Remuneration Report with King IV™ Principles to clearly link strategy, value creation, performance and remuneration.
- Assessed the remuneration packages of executive directors to ensure competitiveness and alignment with shareholder interests and Group performance.

KEY PRINCIPLES OF THE REMUNERATION POLICY

All positions within the TWK Group have been graded using the Peromnes® evaluation method, with support from Deloitte. This aligns job titles with the Job Title Code of REMWEB® for reliable benchmarking.

To position TWK Agri as a leading sustainable agriculture company, we prioritise attracting talented employees and maintaining competitive remuneration levels.

Key benchmarks aim to:

- Be achievable and competitive.
- Be sustainable and affordable.
- Utilise reliable, comparable data.

TWK Agri employs the National Remuneration Guide by Deloitte and the Peromnes® Graded Tables, targeting the 50th percentile of the REMWEB® market, considering regional and industry variations.

In line with good governance practices, the Managing Director attends Remco meetings by invitation only and abstains from discussions regarding their own remuneration.

REMUNERATION STRUCTURE

TWK's remuneration structure comprises a basic salary and various benefits, including:

- Monthly basic salary with statutory deductions (PAYE, UIF, SDL).
- Provident fund and death/disability cover.
- Pro-rata employment bonus payable in December.
- Vehicle allowance or company vehicle (if applicable).
- Fuel card and cell phone allowances (if applicable).
- Commission structures and overtime (if applicable).

Remuneration structures may vary across divisions, occupational levels, entities, and affiliated companies.

SALARY INCREASES AND REVIEWS

Annual salary increase ranges are determined by Remco or through negotiations with unions. Factors influencing approved increase percentages include:

- Average CPI for the 12-month period ending August.
- Predicted increases per Occupational Level from Deloitte and Remchannel surveys.
- Company and segmental performance.
- Proximity to benchmarked salaries (50th percentile of REMWEB®).

VARIABLE PAY (STI)

Variable pay is contingent on achieving set criteria at both segment and collective business levels, based on a reasonable return on capital for the financial year. This includes discretionary profit share bonuses aimed at attracting and retaining talent while rewarding significant performance.

Remco determines the total profit share value based on established criteria before presenting it to the Board for approval. Variable pay may also include commissions for employees in sales roles.

LONG-TERM INCENTIVES (LTI)

The Group's LTI programme is the TWK Agri share options incentive scheme, available to key employees. This scheme aligns management interests with those of shareholders, recognising contributions to the Group's equity growth.

Share options are allocated proportionally to employee contributions, with pricing approved by Remco, in accordance with the TWK Agri share option policy and relevant CTSE listing requirements. Options vest within designated periods and are exercisable as defined in Section 8C of the Income Tax Act.

DIRECTORS' SERVICE CONTRACTS

The Managing Director's contract has been renewed for period 01 January 2022 to 31 December 2024. The Board has approved the appointment of Mrs A Geel as Financial Director of the Company for a three-year period from 1 July 2024 to 31 May 2027. As per the Company's MOI, the appointment will be tabled for approval at the forthcoming Annual General Meeting.

NON-EXECUTIVE AND EXECUTIVE DIRECTORS' REMUNERATION

The remuneration, short term incentives, equity share based payments and travel costs for TWK Agri's non-executive and executive directors are listed below:

Non-executive directors	Remuneration	Travel expenses	VAT
JS Stapelberg	615 510	8 698	
WJ Steenkamp	600 151	23 293	
HG Hiestermann	389 642	21 645	
HW Küsel	443 279	26 628	
TI Ferreira	505 397	23 255	
KP Paul	380 537	27 572	
BN Moyo	227 126	8 401	
PJ Lindeque	240 606	8 813	
J Mokorosi	240 606	6 492	
CA du Toit	460 036	23 521	72 534
JCN Wartington	380 537	21 074	

Executive directors	Remuneration	Short-term incentive	Share-based payment vested	Fuel excluded from remuneration
AS Myburgh	5 737 999	3 000 000	1 484 060	85 241
JEW Fivaz*	3 329 144	7 750 744	864 630	114 111
A Geel†	566 211	–	–	17 780

* *September 2023 – June 2024*
† *July 2024 – August 2024*

SOCIAL AND ETHICS COMMITTEE REPORT

The purpose of the Report by the Social and Ethics Committee is to report on how the committee performed its responsibilities as defined for the financial year ended 31 August 2024.

COMPOSITION

The committee consists of at least three members who are directors or prescribed officers of the Company, and at least one member who is not involved in the day-to-day management of the Company.

During the period under review, the committee consisted of six non-executive directors, namely KP Paul, TI Ferreira, HW Küsel, JCN Wartington, HG Hiestermann and BN Moyo. The managing director and other members of Executive Management also attend meetings. The chairman of the committee attends the annual general meeting and reports to the shareholders about the committee's activities. The committee meets at least twice a year. Further meetings may be requested if deemed necessary.

SOCIAL AND ETHICS COMMITTEE MEETING ATTENDANCE

MEMBER	6 Mar 2024	28 Aug 2024
KP Paul	✔	✔
TI Ferreira	✔	✔
HW Küsel	✔	✔
JCN Wartington	✔	✔
HG Hiestermann	✔	✖
BN Moyo	✔	✔

OBJECTIVES AND RESPONSIBILITIES

The committee performs its statutory obligations as prescribed in the Companies Act (Regulation 43), as well as additional non-statutory functions as per the recommended practices of the King IV™ Report on Corporate Governance. According to its mandate, the committee must monitor the business activities applicable to relevant legislation, other legal requirements or prevailing codes of best practice regarding the following:

1. Social and economic development, including the Group's goals in terms of:
   a) the 10 principles of the United Nations Global Compact Principles;
   b) the Organisation for Economic Co-operation and Development's recommendations on corruption;
   c) the Employment Equity Act; and
   d) the Broad-Based Black Economic Empowerment Act.
2. Good corporate citizenship, including promoting equality, preventing unfair discrimination, reducing corruption, developing the community in which the Group operates, and recording sponsorships, donations and charity expenses.
3. The environment, health and public safety, including the impact of business activities, products or services.
4. Relationships with consumers, including company advertisements, public relations and compliance with consumer protection laws.
5. TWK Agriculture Holdings (Pty) Ltd, TWK Agri (Pty) Ltd, the main operating entity, currently has a Level 5 B-BBEE rating. The preferential procurement component of the B-BBEE scorecard remains a challenge due to the nature of TWK's business, with significant purchases from large generic suppliers that are not majority black owned.

GOOD CORPORATE CITIZENSHIP

The Board, Executive Management and employees of the TWK Group and its subsidiaries strive for the highest standards of corporate governance in our operations. Throughout the Company, consideration is given to the recognition of human rights, fair labour practices, the environment and the fight against corruption through adequate internal control, independent external audits, internal audits, external communication and appropriate accounting practices. TWK acknowledges its duty to contribute to the socioeconomic upliftment of the community in which it conducts business. This includes sponsorships and donations to different institutions. All sponsorships, donations and charity expenses are recorded and reported to the Committee.

THE ENVIRONMENT, HEALTH AND PUBLIC SAFETY

The conservation of the environment in which we operate is a priority, and therefore, TWK is committed to protecting the environment and reducing the impact of the Group's activities on the environment. We are committed to protecting the environment, preserving our natural resources, utilising them in an efficient and responsible way, and implementing sound environmental practices in all our business operations. We will restrain from doing business with third parties who do not go about their business in an environmentally responsible way.

Special attention is given to health and safety issues in the workplace to ensure a healthy workforce, a safe environment for our employees and a work environment in which our operations can be maintained and improved. Compliance with the Occupational Health and Safety Act is managed through health and safety committees and regular internal audits from the Health and Safety department. The safety of our employees is of paramount importance and training is provided to emergency workers, fire-fighters, and forklift and machine operators on an ongoing basis. Where applicable, employees are continuously sent for medical observation.

CONSUMERS AND CUSTOMERS

Customer satisfaction is an ongoing focus. The success of our customers is also our success; therefore, we strive to understand our customers' needs in order to deliver quality products and services to them. We build personal relationships by communicating with our customers through publications, information days and, where possible, personal visits.

LABOUR RELATIONS

At TWK our workforce is one of our most valuable assets. For this reason, TWK, striving to be an employer of choice, focuses on creating healthy labour relationships. This year, TWK again granted several bursaries to matric learners and assisted employees in obtaining formal qualifications. At the same time, various training initiatives were driven at administrative and operational points. The development and the enhancement of our workforce's skills is a top priority that allows us to play a key role in achieving sustainable growth in our workforce, as well as the community in which we operate. We treat our employees fairly, respecting their human rights and human dignity, and remunerate them at a competitive level. We provide a safe and healthy working environment to our employees and do not tolerate any form of discrimination based on religion, race, or gender.

ORGANISATIONAL ETHICS

A code of ethics, describing the principles according to which TWK operates its businesses, is signed by all Board members and employees. The code of ethics is available on the Company's website. TWK strives to maintain sound relationships with all stakeholders and is fully committed to the ethical principles of equity, accountability, transparency, and social responsibility. The ethics strategy is being implemented and includes a range of focus areas including the creation of more ethics awareness, promotion of discussions on ethics (ethics talk) and ensuring buy-in to ethical standards throughout the different occupational levels in the organisation.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

The Committee believes that the TWK Group adheres to high sustainability standards and international best practices. Recently, TWK conducted an assessment of its business activities' environmental impacts, evaluating each division's effects on key environmental values. The assessment found that while many activities do have impacts, effective environmental, quality, health, and safety management systems mitigate most of these to acceptable levels.

On behalf of the Social and Ethics Committee,

HW Küsel
Chairperson of the Social and Ethics Committee

14 November 2024

OUR VALUE ADD

2024 total value created	R8 794m	
Income from sale of goods	R8 202m	(2023: R7 639m)
Income from services rendered	R36m	(2023: R40m)
Income from commissions received	R208m	(2023: R205m)
Interest received (trading)	R111m	(2023: R115m)
Other operating income	R257m	(2023: R98m)
All other gains and income	R16m	(2023: R4m)

OUR SUPPLIERS

The TWK Group provides a market and a distribution network to a large number of suppliers including primary producers of commodities and trade and commercial suppliers.

Total procurement spend 2024

R7 190m

(2023: R6 413m)

OUR CUSTOMERS

Servicing our customers is the reason for our existence.

Agricultural clients are rewarded through the innovative TWK Loyalty Scheme.

Value of loyalty scheme awards

R18,3m

(2023: R26,4m)

OUR EMPLOYEES

We value our employees as one of the most important assets of the TWK Group.

Servicing the agriculture industry – we provide jobs in rural communities.

TWK currently supports

56 employees

to further their tertiary education

Total employee costs

R600m

(2023: R597m)

Total skills development expenditure

R6,51m

(2023: R3,14m)

OUR SHAREHOLDERS

Investors in TWK have enjoyed extremely good returns through capital appreciation of the share price and dividends paid. TWK Investments Limited listed on the Cape Town Stock Exchange on 30 September 2021.

Total comprehensive income attributable to owners of the parent

R221m

(2023: R149m)

Dividend per share (Rands)
(Declared post year-end)

2020	2021	2022	2023	**2024**
0,65	1,14	1,50	1,15	0,75

OUR FINANCIERS

TWK values its relationship with its major financiers..

Finance cost

R311m

(2023: R282m)

OUR COMMUNITIES

Making a difference in the communities in which we operate – that is part of our core vision.

Total spend on community initiatives

R4,25m

(2023: R4,2m)

GOVERNMENT

Current tax for the year

R58m

(2023: R62m)

PAYE

R120m

(2023: R129m)

SOCIAL RESPONSIBILITY

WITH TRUST, WE GROW

Our volunteering and social responsibility initiatives, as well as our robust ethics and transparency, encourage stewardship over our environment, our communities and ourselves.

TWK Agri's community support goes beyond financial contributions. Our social responsibility initiatives span a wide range of activities designed to uplift communities, promote educational advancement, and contribute to sustainable development. By engaging in various programmes and partnerships, TWK Agri ensures that its support reaches the people and areas that need it most.

KEY ACTIVITIES

Community outreach and engagement:
We actively engage with communities through programmes that focus on educational support and development. This year, we expanded our reach to include initiatives that encourage environmental stewardship and sustainable farming through our Garden Life Projects.

EDUCATIONAL PARTNERSHIPS FOR COMMUNITY UPLIFTMENT

By building strong partnerships with local organisations and government bodies our initiatives recognise academic excellence and improve rural school infrastructure in communities in Piet Retief, Ermelo and Nelspruit. It's important to us that the end results include essential resources, opportunities for both learners and educators and positive learning environments for all. Through initiatives like the School Circuit Awards Programme and collaboration with the Department of Education, we recognise academic excellence, empower teachers, and contribute to develop positive learning environments. In sports, our sponsorships encourage participation, teamwork and achievement.

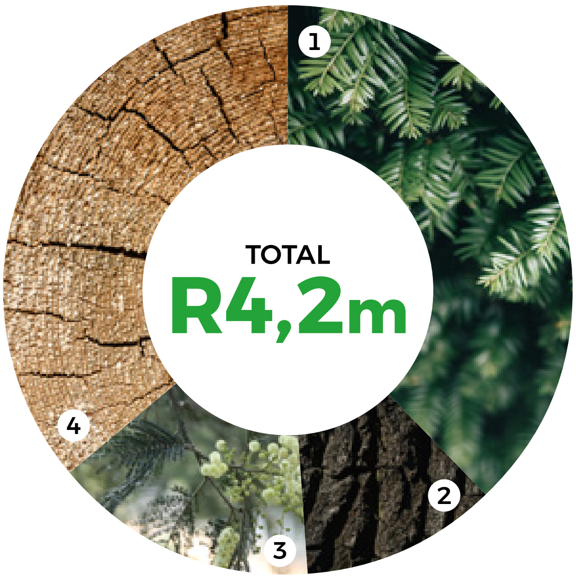
> "We build strong partnerships with local organisations and government bodies to create opportunities for both learners and educators."

VOLUNTEERISM AND COMMUNITY DEVELOPMENT

TWK Agri's commitment to supporting communities are broad and stretch across Gauteng, KwaZulu-Natal, and other regions, reinforcing our positive impact. As an example, our support extends to numerous Mandela Day initiatives, where employees volunteer at local projects such as Rustplaas Dog Shelter, Uzwelo Children's Home, and Sakhile Educational Home in Piet Retief; New Ermelo Primary School in Ermelo; and Rustig Old Age Home in Nelspruit.

> "Our volunteer initiatives are spread across Gauteng, KwaZulu-Natal, and other regions, making a positive impact in all the rural communities in which we operate."

SED ALLOCATION



1. Community development	**R1 631 189**
2. Education	**R453 628**
3. Farming community	**R624 778**
4. Youth and community sports	**R1 543 913**

SOCIAL RESPONSIBILITY SPEND OVERVIEW

In the 2023-2024 financial year, TWK Agri invested R4,2 million in social responsibility projects.

ETHICAL CONDUCT: UPHOLDING OUR VALUES

Ethical conduct is central to everything we do at TWK Agri. It goes beyond compliance — it's about embodying our values and creating a culture of integrity, trust, and accountability.

The TWK Code of Conduct serves as a compass for our employees, guiding their actions and decisions so we all uphold integrity and excellence in every aspect of our work. More than a set of rules, it reflects who we are and how we choose to conduct business.

Aligned with our vision of "Achieving Sustainable Growth, Together," the Code supports our mission to deliver value across agriculture, forestry, and related industries. It reinforces our core values — Accountability, Grow Trust, Resilience, and Innovation — fostering a culture of mutual respect, pride, and commitment, anchored in doing what is right.

RECENT INITIATIVES

The company reviewed and refreshed its Code of Ethics and Code of Conduct to strengthen awareness and engagement around these principles. This initiative was driven by feedback from the 2023 employee engagement and culture survey, which highlighted the need to reintroduce our corporate values. By enhancing clarity and communication around these standards, we are helping employees better understand their essential role in upholding TWK's ethical foundation.

As part of this refresh, TWK also revised its disciplinary code to promote fair and constructive outcomes. This updated approach supports our commitment to ethical conduct while encouraging a more consultative and supportive environment for employees.

> "Our refreshed Code of Conduct reinforces our core values to foster a culture of mutual respect, pride, and commitment, anchored in doing what is right."

The revised code aligns with our broader goal of enhancing employee engagement through fair and transparent practices.

CORNERSTONES OF OUR CODE OF CONDUCT

- Respecting our stakeholders
- Maintaining a positive working environment
- Adhering to laws, rules, codes, and standards
- Acting with integrity and responsibility
- Promoting business practices that reflect our values
- Speaking up against and reporting unethical behaviour

This commitment to ethical conduct helps establish TWK Agri as a responsible corporate citizen, reinforcing our reputation and fostering a sense of shared purpose and pride within the organisation.

ANONYMOUS TIP-OFFS

At TWK we are deeply committed to promoting an ethical culture that prioritises transparency and accountability. We understand that whistleblowing plays a crucial role in maintaining integrity within our organisation. By encouraging employees to voice concerns without fear of retaliation, we create an environment where ethical practices can thrive.

The following instances were reported through our whistleblowing mechanism:

Number of reports	Number of investigations	Number of convictions
8	8	2

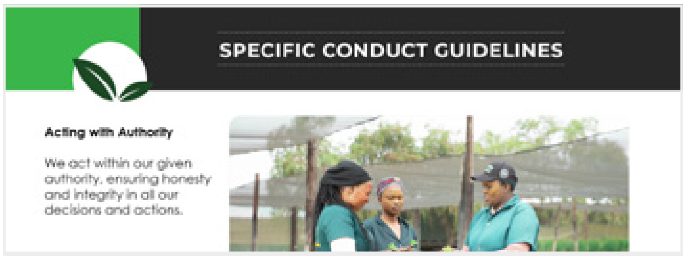
We apply a "zero tolerance" approach towards fraud and corruption and protect employees who raise concerns relating to fraud and corruption from victimisation.

The following alleged offences were reported to the "Tip-Offs Anonymous" line:

Customer complaints	HR infringements
0 (2023: 0)	5 (2023: 7)
Unethical behaviour/fraud	**Theft**
1 (2023: 0)	2 (2023: 1)

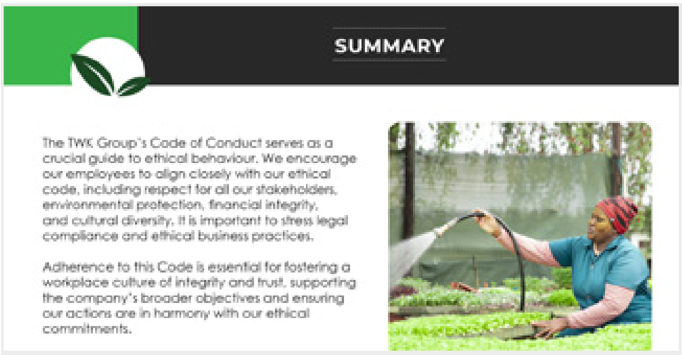
> "Whistleblowing plays a crucial role in maintaining integrity in TWK in a way that creates an environment where ethical practices can thrive"

TWK's Code of Ethics is owned by each employee.



Sticking by our ethics means honouring each other.

We all live our Code of Ethics from day to day.



TWK's Code of Ethics guide us to better growth.

DIVERSITY AND INCLUSION

GETTING THE BALANCE RIGHT

TWK continues to strengthen representation across all levels, and this year we are especially proud of our achievements towards a balanced gender ratio.

FEMALE PROMOTIONS

1. Female **61%**
2. Male **39%**

FEMALE DEMOGRAPHIC

1. Female **34%**
2. Male **66%**

> "Women made up 61% of all the promotions throughout the year."

TWK Agri remains committed to creating a diverse and inclusive workplace that truly reflects the communities we serve. By fostering an environment where everyone feels valued and supported, we ensure that diversity and inclusion are at the heart of our organisational culture. This commitment drives our success and builds resilience for the future.

KEY HIGHLIGHTS FROM 2024

Increased female representation:
We saw a 6,14% growth in the number of female employees in Corporate Services and a 7,38% increase in Financial Services.

Female promotions:
Women made up 61% of all the promotions throughout the year.

Overall workforce demographics:
In 2024, female employees made up 34% of our total workforce, a marked 2% increase from the previous year.

Our ongoing efforts to strengthen diversity and inclusion create a positive and supportive environment where all employees are able to contribute, grow, and succeed. This continuous focus on inclusion helps us maintain an engaged and motivated workforce that drives our success and upholds our core values. Although 34% of employees are female, we continue to develop our efforts to achieve a balanced gender ratio.

EMPLOYEE INVESTMENT

STRENGTHENING THE TWK HEARTBEAT

Investing in employee growth and education is not just a commitment but a cornerstone of our organisational culture and we are proud of all those who have achieved.

At TWK, we believe that our most valuable asset is our people. By fostering a dynamic learning environment, we empower our team members to enhance their skills, embrace new challenges, and achieve their full potential.

In the following sections, we are proud to outline the various initiatives we have implemented to support our employees' professional development and continuous learning.

TWK's bursary programme offers Grade 12 learners a golden step up into several crucial sectors of work.

TRAINING	2024	2023
Study assistance	**56**	59
Bursaries	**7**	7
SAICA	**9**	
MBA	**3**	4
Online training users	**937**	992
Apprentices	**22**	20
Learnerships	**74**	
TOTAL SKILLS DEVELOPMENT SPEND (R)	**6 517 643**	2 983 259

EMPLOYEE SAFETY

PROTECTING OUR OWN

Investing in employee growth and fostering a culture of safety and accountability involves nurturing a supportive environment where employees feel empowered, equipped with effective training, and encouraged to proactively manage risks together.

"We introduced several health and wellness programmes aimed at supporting our employees' physical and mental well-being."

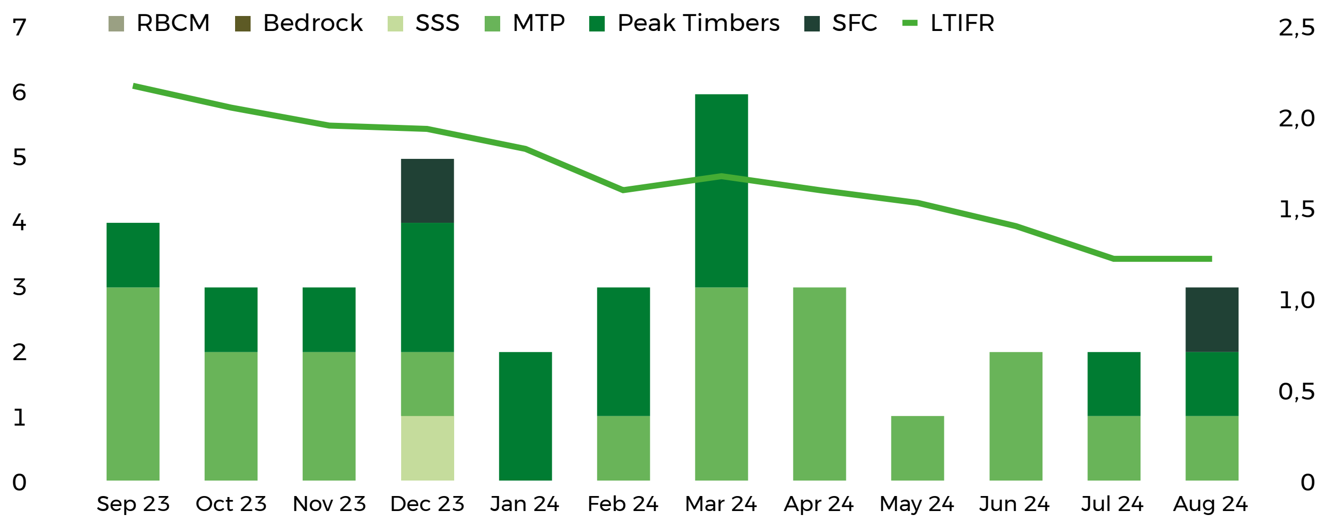
Safety is central to TWK Agri's approach to all its activities, ensuring that every employee, contractor, and client can engage with confidence in a secure environment. Our safety policies, training programmes, and proactive risk management strategies are designed to protect everyone involved in our operations — from the fields to our retail stores and beyond.

By embedding safety practices into every level of our organisation, we not only support our employees' well-being but also safeguard our contractors, clients, and other stakeholders — and it means we promote a culture where safety is shared and prioritised by all.

During the 2023 – 2024 financial year, we achieved significant progress in improving safety standards across our divisions:

LOST TIME INJURY FREQUENCY RATE (LTIFR):

Our LTIFR decreased by approximately 43% and number of injuries on duty by 47,5%, highlighting the effectiveness of our proactive safety initiatives and heightened safety awareness among employees.



Safety training and awareness: Over 2 500 employees participated in health and safety training sessions, contributing to a culture of vigilance and preparedness.

Incident reporting and management: Our reporting system ensures that incidents — no matter how minor they are — are reported, reviewed, and addressed. This approach has led to improved identification of safety risks and the implementation of preventive measures.

Employee engagement in safety programmes: We encourage all employees to actively participate in safety programmes and initiatives, fostering a shared responsibility for maintaining a safe working environment.

Health and wellness initiatives: In addition to safety training, we introduced several health and wellness programmes aimed at supporting our employees' physical and mental well-being. We introduced the Momentum Employee Assistance Programme, which provides employees with access to digital financial education packages, lifestyle coaching, and wellness content in multiple languages.

TWK forestry employees attending a safety training in full PPE gear.

Safety upskilling means all TWK employees benefit.

TWK puts safety first with skills development and providing the correct PPE.

HUMAN RIGHTS

RESPECT MEANS RESILIENCE

By keeping the doors open for dialogue we're promoting a culture of respect while staying accountable to our ethical cornerstones.

TWK Agri is committed to upholding human rights and maintaining a respectful and fair workplace. Guided by the principles of the International Labour Organisation (ILO), we ensure that fair labour practices, transparent grievance handling, and respect for diversity are embedded in our culture.

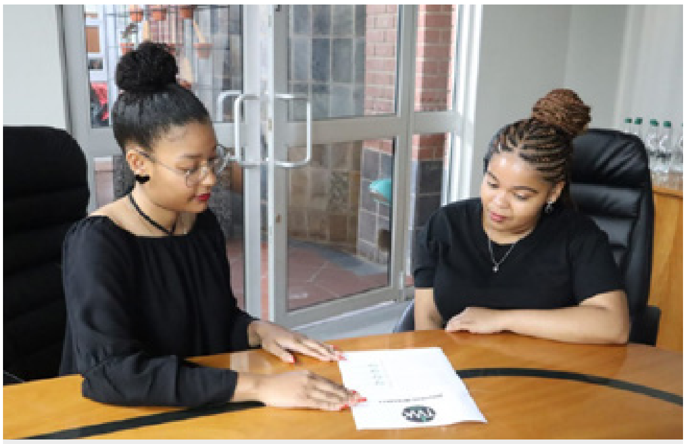
Our alignment with ILO standards is reflected through formal collective agreements with five key trade unions — AMCU, CEPPWAWU, LIWASA, NUMSA, and SALU. These agreements provide a platform for open dialogue, covering essential employment terms such as wages and working conditions, and ensuring that employees have a voice in shaping their work environment.

In addition, our refreshed Code of Conduct has particular application in the realm of employee rights. It is specifically geared to reinforce ethical conduct, which itself supports human rights.

Our grievance-handling policy is designed to ensure that employees can raise concerns safely and confidently. We conduct regular training on grievance handling and conflict resolution to maintain fairness and accountability in all our interactions.

KEY ACHIEVEMENTS:

- **Five formal collective agreements:** Supporting open communication and fair labour practices.
- **Enhanced grievance handling:** Updated policies and training initiatives to resolve employee concerns fairly and efficiently.



TWK fosters constructive dialogue with trade unions, building open and mutually beneficial relationships.

"Fair labour practices, transparent grievance handling, and respect for diversity are reflected through formal collective agreements with five key trade unions."

STAKEHOLDER ENGAGEMENT

LISTENING, RESPONDING, BUILDING

We focus on transparency, collaboration, and responsiveness in our relationships with stakeholders, making sure to understand and address each one's needs.

TWK Agri is dedicated to building solid relationships with employees, customers, communities, and business partners. Our engagement strategies focus on transparency, collaboration, and responsiveness, ensuring that we understand and address stakeholder needs effectively.

EMPLOYEE ENGAGEMENT

The newly introduced 'TWK Way' initiative has upskilled line managers across 69 branches, improving their ability to connect with employees and support them through open communication and effective problem-solving. The success of this initiative is evident in our Employee Relations Survey, which identified key areas for growth, such as better internalisation of company values, and establishing a culture of choice.

In response, we implemented targeted training and engagement strategies, fostering a more inclusive work environment. Feedback from the survey also highlighted areas for improvement, such as the need for more precise strategic direction and stronger emotional connections between management and employees.

> "The Employee Relations Department advocates for employees' needs to help create an inclusive environment where everyone feels valued."


SEPTEMBER 2024

FIELDNOTES

TWK Agri's monthly newsletter

ISSUE NO.8

Good luck you got this!

TWK Motors announce the sale of its Toyota Piet Retief and Toyota Standerton dealerships, including the Hino Trucks franchise, to Toyota Naboom, effective 01 September 2024. This transaction has been finalised following approval from the Competition Commission.

This strategic move aligns with TWK Agri's focus on refining our core business areas and exploring new growth opportunities. We are deeply grateful to our dedicated employees at both dealerships for their unwavering commitment and exceptional service. Your contributions have been invaluable, and we are committed to ensuring a smooth transition for all affected employees.

We extend our best wishes to Toyota Naboom for continued success in their new endeavour. We are confident that these dealerships will maintain their high standard of service and continue to thrive under new ownership.

LET'S TALK

TWK Intranet - Your Voice Matters!

Get TWK on WhatsApp

Email: communication@twkagri.com

HIGHLIGHTS

1. TWK Motors
2. Performance Reviews
3. Plank Challenge Winners Announced
4. Vacancies
5. Upcoming Events
6. Glen Aggy Entry Link

TWK AGRI NEWSLETTER

PAGE 1

Fieldnotes, TWK's monthly newsletter sent to all our employees

Over 1 173 employees are registered for JEM and receive communication and payslips through WhatsApp, making it easier for employees to access their information and stay connected. This initiative has improved communication efficiency and reduces administrative time, allowing employees to focus more on their roles.

EMPLOYEE RELATIONS DEPARTMENT

In 2024, the Industrial Relations Department was restructured into the Employee Relations Department to provide more comprehensive support and engagement, reflecting our commitment to putting people first.

The Employee Relations department plays a vital role in fostering a healthy workplace culture by serving as a bridge between management and employees. This team is dedicated to promoting open communication, resolving conflicts, and ensuring that employee concerns are heard and addressed. By actively engaging with employees and advocating for their needs, the department helps create an inclusive environment where everyone feels valued.

Additionally, Employee Relations is instrumental in advancing TWK's employee wellness programme, which supports mental and physical well-being, enhances job satisfaction, and ultimately contributes to a more productive and harmonious workplace.

Enhancing customer engagement through the TWK Customer Portal

TWK Agri's implementation of its Customer Portal application has transformed customer engagement by providing a customer portal with real-time insights and interactive functionality. The tool empowers customers with greater visibility and control over their accounts and business conducted with TWK.

Community engagement

Our community engagement efforts focus on partnerships and participation in local projects that drive positive outcomes. Through initiatives like Mandela Day and collaboration with the Vumbuka Trust, we provide educational support, infrastructure development, and resources to uplift communities in areas like Piet Retief, Nelspruit, and Ermelo.

Strengthening local ties

TWK Agri's presence in rural communities is strengthened by the involvement of employees and partnerships that amplify our impact. Projects and support of various schools have created lasting value and fostered strong relationships.

Industry partnerships

Through active collaboration with agricultural associations and local industry bodies, TWK Agri facilitates knowledge-sharing and capacity-building in the agricultural sector. Our sponsorship of local farming events and study groups provides platforms for farmers to learn best practices and showcase their products, reinforcing our role as a partner in sustainable development.

> "Our sponsorship of local farming events and study groups provides platforms for farmers to learn best practices and showcase their products."

Being aware of the TWK Way means we have an eye on the future, while building a better present.

ENVIRONMENTAL SUSTAINABILITY

EARTH MATTERS

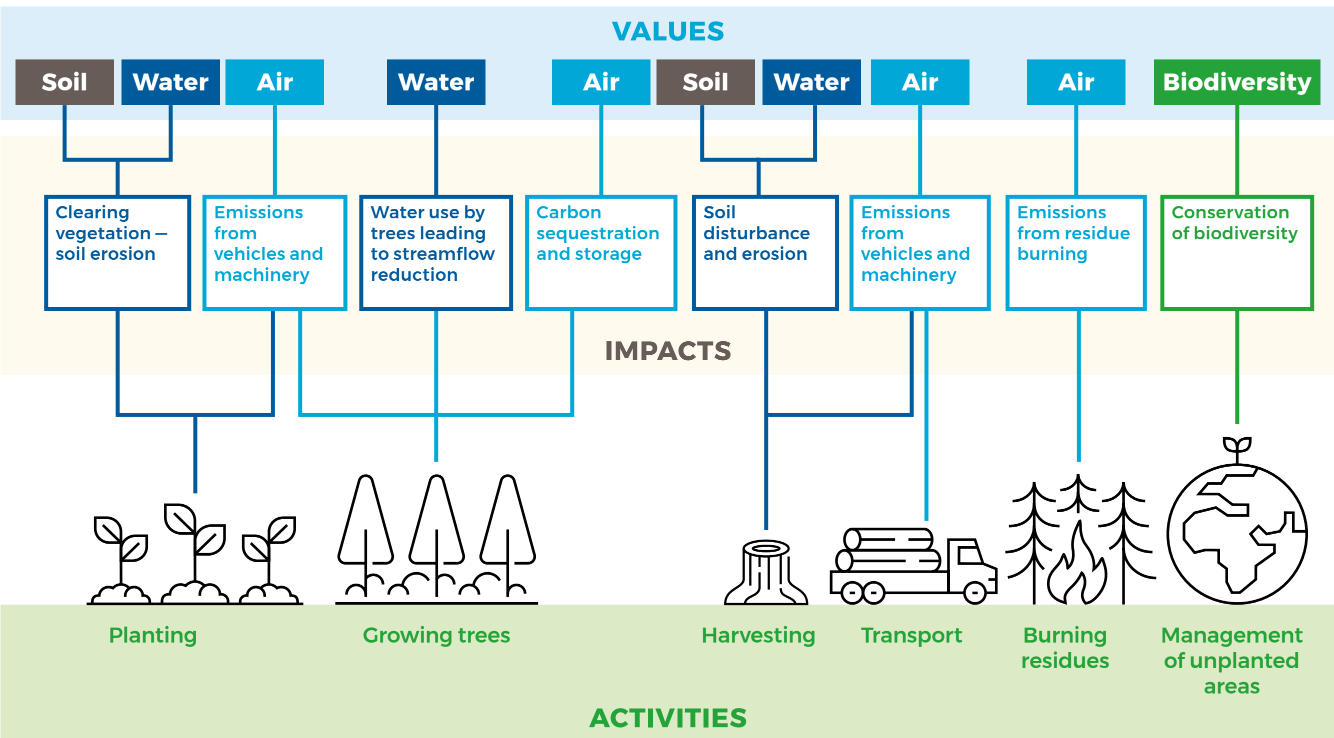
Managing our environmental impact means our focus remains on climate resilience while ensuring biodiversity and staying in line with the UN's sustainability goals.

> "Our goal is to expand dual certification to cover all forestry land by supporting the establishment of a national PEFC™ standard in Eswatini."

TWK recently completed an in-depth exercise to identify and assess the environmental impacts of its operations across the various business divisions. This assessment, aligned with the IFRS® S1 and S2 sustainability standards, focused on understanding how our activities affect critical environmental values such as soil, water, air quality, and biodiversity.

The study confirmed that, although most impacts are effectively managed through existing environmental and safety management procedures, certain activities like soil erosion, vehicle emissions, and streamflow reduction continue to pose challenges, providing key focus points in our approach to environmental sustainability.

TWK AGRI'S ENVIRONMENTAL IMPACT ASSESSMENT FOR THE FORESTRY DIVISION ILLUSTRATES THE RELATIONSHIP BETWEEN ACTIVITIES AND THEIR ENVIRONMENTAL IMPACT



SUSTAINABLE FOREST MANAGEMENT AND CERTIFICATION

TWK Agri manages a total of 78 639 hectares of land in South Africa and Eswatini. Of this, 60 053 hectares are Forest Stewardship Council (FSC®) certified, with an additional 2 187 hectares carrying dual FSC® and Programme for the Endorsement of Forest Certification (PEFC™) status. Our goal is to expand dual certification to cover all forestry land by supporting the establishment of a national PEFC™ standard in Eswatini.

CARBON STORAGE AND GREENHOUSE GAS (GHG) EMISSIONS

Our total carbon stock is 5 922 624 tonnes. Operational emissions totalled 27 078 tonnes of carbon. Moving forward, we will continue to focus on reducing emissions through sustainable forestry practices and improved energy efficiency.

BIODIVERSITY CONSERVATION AND LAND MANAGEMENT

TWK Agri manages 23 505 hectares of land specifically designated for conservation, representing 29,9% of our total landholding. This includes high conservation value (HCV) areas, where we focus on preserving biodiversity and protecting indigenous species. Our commitment to biodiversity conservation involves ongoing monitoring and partnerships to enhance environmental outcomes.

SUSTAINABLE TIMBER PROCUREMENT

In the financial year, TWK Agri procured 1,4 million tons of timber, with 49,5% being 100% certified. We aim to increase this proportion to 65% over the next five years by supporting timber growers in obtaining certification and promoting responsible forestry management practices.

CLIMATE CHANGE MITIGATION AND ADAPTATION

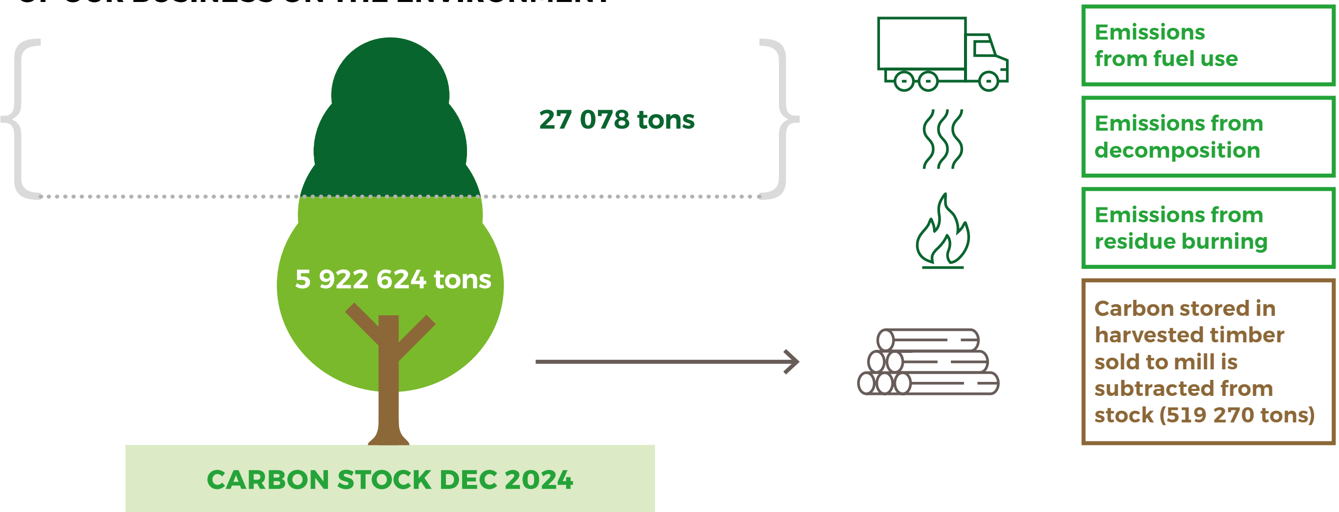
TWK Agri participates in several research projects focused on climate resilience, water use efficiency, and site-specific forestry management. These research initiatives support the development of adaptation strategies and provide insights into how we can enhance our resilience in the face of environmental changes.

Project 1: Climate resilience in the forestry sector – identifying and developing adaptation measures to enhance resource resilience, reduce risk and increase sustainability.

Project 2: Water resource resilience – advancing knowledge on water use efficiency in Eucalyptus stands in Mpumalanga.

Project 3: Greenhouse Gas (GHG) Emissions and Carbon Accounting – developing local standards for GHG reporting in the forestry sector.

TWK FORESTRY DIVISION'S METHOD IDENTIFIES THE IMPACT OF OUR BUSINESS ON THE ENVIRONMENT



> "We participate in several research projects focused on climate resilience, water use efficiency, and site-specific forestry management."

COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

TWK Agri actively contributes to achieving the United Nations Sustainable Development Goals (SDGs) through its comprehensive environmental initiatives, reflecting a deep-rooted commitment to sustainable growth and community well-being.

SDG 6:
Clean water and sanitation
— TWK Agri implements strategies to optimise water use and reduce consumption wherever possible.

SDG 11:
Sustainable cities and communities
Promoting sustainable land management practices, aiming to contribute positively to community and environmental well-being.

SDG 12:
Responsible consumption and production
TWK Agri promotes responsible sourcing and production processes to ensure sustainability across its supply chain.

SDG 13:
Climate action
Efforts are focused on reducing greenhouse gas (GHG) emissions and exploring ways to improve climate resilience.

SDG 15:
Life on land
TWK Agri is committed to conserving biodiversity through sustainable land-use practices.

> "We support local timber growers and suppliers in their environmental certification, which not only ensures we source sustainably-produced timber but also helps build resilience."

Certification and sustainable forest management

Total forest land managed
78 639
hectares in South Africa and Eswatini

29,9%
Total land owned managed in a natural state for conservation

FSC® certified land
60 053
hectares (76,37% of total forest land)

Dual certified land (FSC® and PEFC™)
2 187
hectares

65%
of timber procured is certified (target 100%)

Carbon stock
5 922 624
tons

Total emissions
27 078
tons of carbon

SUSTAINABLE PROCUREMENT PRACTICES

TWK Agri is committed to promoting responsible and sustainable procurement practices throughout its supply chain in a way that supports environmental stewardship, community development, and economic resilience.

An example starts from our procurement of certified timber to our support for local timber growers and suppliers in obtaining their own certification. In this, we support sustainably-produced timber while also building industry and community capacity and resilience.

But sustainable procurement extends beyond certification. It involves promoting best practices, reducing waste, and ensuring that all stakeholders in our supply chains adhere to principles of environmental and social responsibility.

To this end, TWK Agri's procurement strategy is guided by the following principles:

- **Responsible sourcing:** Ensuring that all timber and other raw materials are sourced from suppliers who comply with legal and sustainability standards.
- **Supplier engagement:** Working closely with suppliers to promote sustainable practices, improve product quality, and encourage continuous improvement.
- **Traceability and transparency:** Implementing systems to track and document the origin of procured materials, ensuring transparency and accountability through the supply chain.

By maintaining these standards across the board, TWK Agri aims to create a positive ripple effect, driving the adoption of sustainable practices and contributing to the long-term health of the forestry and agricultural sectors in balance with the natural environment.

REPORT BY THE FINANCIAL DIRECTOR

Although gratitude may not immediately come to mind when reflecting on one of our most financially challenging years, I would like to sincerely acknowledge the unwavering dedication and hard work of our teams.

Their extraordinary efforts protected our Richards Bay Wood chipping mill and minimised the impact of the fire at the adjacent NCT Woodchip mill on 30 September 2023. Improved performance in the Timber segment during the latter half of the year, alongside solid results from our Grain and Financial Services segments, positively contributed to our overall performance.

I am particularly grateful for the loyalty and resilience demonstrated by all our teams, who have remained steadfast despite exceptionally difficult trading conditions, particularly in our Retail and Mechanisation segment.

For the financial year ended 31 August 2024, the Group reported a 7,08% increase in revenue from continuing operations to R8,52 billion (August 2023: R7,96 billion) and a 0,9% decrease in earnings before interest, depreciation, and amortisation ("EBITDA") to R589,43 million (August 2023: R594,76 million).

Revenue growth was primarily driven by an increase in market share in the Grain segment, along with a weaker exchange rate, which supported Timber revenue. However, HEPS declined by 3,89% to 674,17 cents, mainly due to challenging trading conditions during the year.

Earnings per share from continuing operations increased by 23,23% to 719,28 cents, largely due to the impact of restatements in the prior year.

Cash flow from operations increased by 49,56%, supported by reduced Timber and grain stock levels at year-end and a continued focus on effective working capital management across the Group. Interest-bearing debt decreased by R162,24 million to R2,58 billion, largely due to repayments on term loans and lower inventory levels.

Unfortunately, the prior year was impacted by restatements, primarily relating to the cancellation of the sale of shares in our Roofspace subsidiary. This termination reduced FY2023 profit after tax by R84 million and further impacted the current year with a negative profit after tax effect of R45,6 million due to an impairment of assets and additional provisions for doubtful debt on outstanding receivables. A prior-year impairment loss of R67,8 million was also recognised on goodwill, largely due to a decline in sales to the mining sector, specifically affecting Bedrock, a Timber segment subsidiary. This reflects the subdued economic outlook for the gold mining industry and the loss of volume contracts with key clients. Additional details regarding these restatements are provided in Note 54.

Further restatements include the correct classification of the TWK Cell structure, which was previously reported under trade and other receivables and is now recognised as a financial asset measured at fair value through other comprehensive income. More information on this is provided in Note 20.

In line with our short-term priority to optimise capital deployment, we made progress in divesting non-strategic assets. While last year we were in advanced negotiations to sell shares in TWK Motors (Pty) Ltd, this year we completed an asset sale transaction, disposing of assets and stock related to the Haval, Hino and Toyota dealerships in August 2024. The proceeds from this transaction have been recorded in other non-operating gains and losses (Note 41). The sale of Isuzu dealership assets is expected to be finalised by mid-October, and the associated assets and liabilities have been classified as held for sale in both the current and comparative periods. The Total filling station in Mkhondo will continue to operate under TWK Motors (Pty) Ltd, with TWK Agri (Pty) Ltd retaining full ownership.

The Group was unable to meet some of its financial covenant ratios during the year. Due to prior-year restatements and challenging trading conditions in the current year, we notified all lenders that the interest cover ratio and cumulative debt service cover ratio for the period ending 31 August 2023 had been breached. The Group also breached the interest cover ratio covenant for the period ending 31 August 2024. However, the lenders condoned these breaches for both reporting periods, and approval was obtained before year-end. As a result, the lenders will not exercise any rights under the facility due to these covenant breaches. The Group consistently met its obligations throughout the year by making timely repayments on its facilities as they became due.

While we anticipate continued challenges in the trading environment in the near term, we remain confident in the resilience of the Group's diversity, scale, and positioning. We have made significant progress in fulfilling our strategic objectives during the year, and we believe these achievements will be reflected in our future results.

To ensure our accounting policies align with the Group's commercial realities, risks, and strategies, we reviewed and amended our accounting policy for Agri direct sales. Under IFRS® 15, revenue and cost of sales are now recognised on a net basis as commission earned, rather than on a gross basis. As a result, revenue decreased by R1,50 billion in FY2023 and by R1,03 billion the current year.

No other material changes have been made to the accounting policies applied in the preparation of the financial statements. These policies are outlined in the financial statements, which have been prepared in accordance with IFRS and the Companies Act. Our auditors, PKF, have issued an unqualified audit opinion.

FIVE-YEAR REVIEW

The summary of the five-year review is as follows:

FIGURES IN RAND	2024	2023 Restated	2022	2021	2020
Revenue	**8 524 191 987**	7 960 534 003	7 748 614 997	7 293 835 101	6 664 893 410
Operating profit	**498 562 147**	462 390 045	613 908 368	512 140 038	294 299 346
EBITDA	**589 435 054**	594 764 590	668 748 958	527 934 435	330 949 466
Net profit after tax	**140 016 192**	88 213 291	361 984 590	256 023 167	108 371 589
Total assets	**6 471 915 068**	6 577 286 904	6 243 581 965	5 441 558 147	4 438 317 576
Return on total assets – EBIT (%)	**8,02**	8,09	9,69	8,41	5,94
Current ratio	**1,07**	1,08	1,09	1,13	1,19
Gearing ratio (%) – net interest-bearing borrowings	**112,43**	129,97	124,60	147,40	145,80
Headline earnings per share (cents)	**674,17**	701,43	875,71	595,08	401,27
Return on opening equity (%)	**6,92**	4,46	18,47	16,41	7,75
Price earnings (%)	**6,11**	8,69	6,05	5,44	8,72
Dividend per share (declared post year-end) (cents)	**75**	115	150	114	65
Net asset value per share	**58,56**	54,05	52,55	46,36	42,83
Market cap 31 August	**977 408 378**	1 870 613 916	1 882 345 858	1 279 991 911	885 249 792

FINANCIAL PERFORMANCE

Revenue from continuing operations increased by 7,08% to R8,52 billion (2023: R7,96 billion), primarily driven by a rise in market share within the Grain segment and woodchip export revenue, which benefited from the weaker Rand.

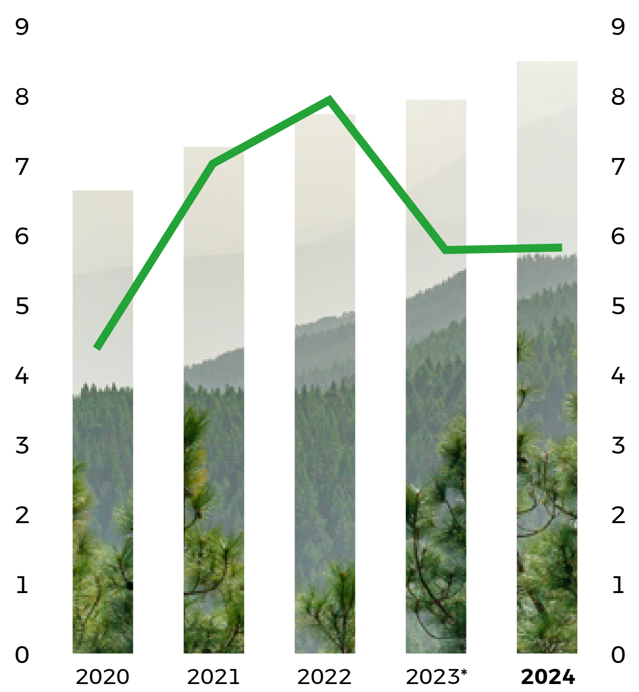
EBITDA from continuing operations declined slightly with 0,90% to R589,43 million (2023: R594,76 million), supported by improved performance in the Financial Services segment and Constantia Fertiliser. However, earnings were significantly impacted by lower sales volumes in the Timber segment, mainly due to the Richards Bay fire, plantation fires affecting two major customers, and substantial declines in both the industrial and mining timber markets. These challenges were further intensified by financial pressures on consumers and operational difficulties faced by gold and platinum mines.

In response to constrained sales growth, we implemented strict cost management measures across the Group. As a result of various cost-saving and optimisation initiatives, overall costs declined by 8,0%, despite inflationary pressures. Operating expenditure as a percentage of turnover decreased to 12,42% (2023: 14,40%, adjusted for the impact of the Bedrock impairment on prior year expenses), reflecting our commitment to disciplined expense control and enhanced operational efficiency.

Operating profit increased by 7,82% to R498,56 million (2023: R462,39 million), supported by cost savings, improved results from Constantia Fertiliser compared to the prior year, and strong performances in the Grain and Financial Services businesses.

Operating profit also includes R163,86 million in insurance income, of which R160 million was related to compensation for stock damage, clearance, and business interruption due to the Richards Bay fire. The Group's operating margin increased slightly to 5,85%, up from 5,81%.

OPERATING PROFIT MARGIN



Restated

Revenue (Rbn)
Operating profit margin (%)

Finance costs totalled R202,53 million, including lease-related finance expenses, representing a 14,45% increase compared to the previous year. This rise was primarily due to the significant cash flow impact from the Richards Bay fire on the Group, which necessitated an additional R100 million in the overdraft facility to support the Group during the mill's production halt. The R100 million was repaid in March. Additionally, R108,37 million in interest was capitalised to the cost of plantations. In the coming year, our focus will remain on effectively managing working capital and keeping interest expenses within predefined covenants.

HEPS decreased by 3,89% to 674,17 cents (August 2023: 701,43 cents), reflecting the impact of material and non-trading items on the results. Basic earnings per share (EPS) from continuing operations increased by 23,23% to 719,28 cents (August 2023: 583,70 cents).

STATEMENT OF FINANCIAL POSITION

The Group's balance sheet remains strong, supported by a diversified asset base. Total assets decreased by 2%, from R6,58 billion to R6,47 billion, primarily due to lower grain and timber stock levels at year-end and the disposal of some of our dealerships during the year. This decline was partially offset by an increase in biological assets and goodwill, driven by the recent acquisition of agency insurance rights and businesses in the Insurance division. Additionally, land and buildings increased due to external revaluations of selected assets and further capital investment in this category as well as machinery.

Inventory and accounts receivables decreased by R161,89 million and R17,74 million, respectively, with inventory tightly managed, leading to a reduction in Group inventory days to 62 days.

Trade receivables were effectively managed, with sufficient securities in place to mitigate credit risk. Lower production facility usage by our producers during the year contributed to a 0,5% decrease in net interest income as well as lower facilities at year-end. Credit risk was in line with the prior year, with the expected credit loss provision at 5%. Debtor days decreased to 54 days, and we do not foresee any significant increase in credit risk.

The net asset value (NAV) per share increased by 8,33%, reaching R58,56 as of 31 August 2024, up from R54,05 as of 31 August 2023.

STATEMENT OF CASH FLOWS

Net cash from operations for August 2024 was higher than the previous year, driven by more efficient working capital management. However, cash used in financing activities increased due to repayments on external borrowing facilities.

Dividends totalling R38,88 million (August 2023: R55,38 million) were paid during the year.

CAPITAL STRUCTURE

Maintaining a sound capital structure remains essential for the Group, as we strive to manage gearing effectively and ensure access to sufficient funding to support operations and drive growth. Our goal is to optimise our cost of capital by balancing equity and debt.

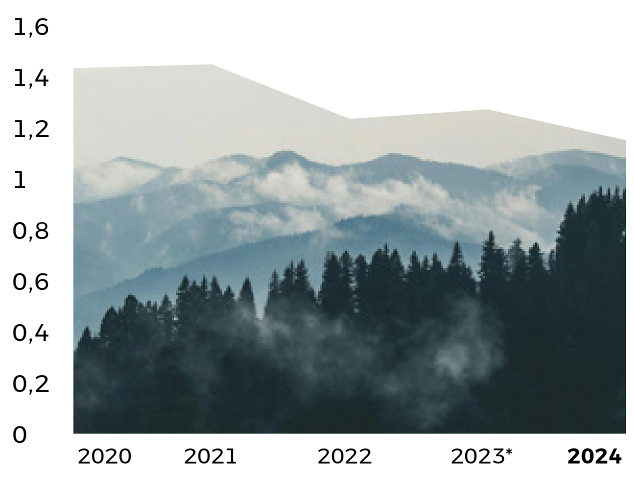
The Group's primary sources of net debt include long-term borrowings and a syndicated revolving credit facility, giving us access to diverse sources of debt financing with varying maturities.

The Group's equity ratio improved to 33,5% (2023: 30,7%), and the gearing level decreased to 112,43% at year-end (2023: 129,97%). This was mainly due to loan repayments, lower production account balances, and reduced grain and timber stock levels. These metrics are comfortably within our internal thresholds, leaving sufficient headroom for the coming year's requirements.

The current ratio at year-end remained steady at 1,07 times (2023: 1,08 times), indicating that working capital remains well-funded and closely managed. Our continued financial discipline is evidenced by a sharp focus on liquidity and working capital management. Both stock and debtor days decreased from the previous year, and we maintained tight control over collections despite the challenging economic environment.

Shareholders' equity increased by R143,97 million, while long- and short-term loans decreased by R142,89 million. Long-term borrowings were reduced by R98,38 million due to repayments, and short-term borrowings fell by R44,51 million, supported by lower inventory and debtor levels. Our unused short-term facility of R457,39 million (2023: R348,98 million) provides us with ample liquidity.

GEARING RATIO



** Restated*

The Group also continually monitors gearing levels and compliance with covenants to ensure we maintain an appropriate capital structure. Compliance is reported to the Audit and Risk Committee and the Board of Directors.

Our capital management strategy focuses on investing in both organic and inorganic growth while returning surplus funds to shareholders through dividends. Capital is primarily allocated to production facilities for producers, inventory, capital projects, working capital for expansion, and mergers and acquisitions. During the year, we invested R71,35 million in property, plant, and equipment, R25,11 million in new business acquisitions, and R8,65 million in agency rights and intangible assets.

LOOKING AHEAD

Despite the challenges likely to persist in our trading environment for the foreseeable future, the Group is well-positioned to optimise and grow our business. We are guided by a clear strategic direction, with a strong focus on expanding market share both locally and internationally, reducing costs, unlocking efficiencies, discontinuing underperforming activities, and optimising working capital.

Maintaining robust governance structures to support the Group remains a top priority. Management is also revisiting the finance operating model to ensure that all teams operate effectively, deliver value, and align with our broader business strategy. Along with our continued investment in Information Technology, these will be key priorities in the year ahead.

APPRECIATION

In closing, I would like to extend my heartfelt thanks to every staff member, the Executive Committee, stakeholder, financiers and the Board of Directors. It is through your collective teamwork, support, leadership, and strategic vision that the Group was able to navigate what has been a very challenging year.

Ultimately, all that we have achieved is only possible through the Grace we receive from Above, and we remain profoundly grateful for it.

A Geel
Group Financial Director

14 November 2024

PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

The consolidated financial statements have been prepared by MJ van Tonder AGA(SA) and CJ Lange CA(SA) under the supervision of A Geel — Financial Director.

STATEMENT BY THE COMPANY SECRETARY

In accordance with section 88(2)(e) of the Companies Act, I certify that, to the best of my knowledge and belief, TWK has submitted all required returns and notices to the CIPC for the financial year ending 31 August 2024 required of a public company in terms of the Companies Act, and that all such returns and notices are accurate, correct, and current.

MJ Potgieter

Company Secretary

18 October 2024

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. In conducting this responsibility, they rely on the information, assessments and estimates of management. The fair presentation and integrity of the Company and Group financial statements are also evaluated based on accounting systems and internal financial control measures which are monitored on an ongoing basis during the financial period.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgements and estimates. Financial Statements are prepared in accordance with IFRS Accounting Standards, the IFRIC Interpretations, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. These financial statements incorporate accounting policies that have been consistently applied to all periods presented and are consistent with those applied in the previous financial year.

The directors acknowledge that they are ultimately responsible for the system of internal financial control, established by the Group, and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is beyond reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements that are free from material misstatements, whether due to fraud or error. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year to 31 August 2025 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future. Management is comfortable to conclude that the business will continue as a going concern and is very satisfied with the results the Group has. Based on the Group and Company financial statements, the present position of the Company and the Group, budgets for the coming year and available financing facilities, the directors have no reason to believe that the Company and Group will not be a going concern. The going concern principle is therefore accepted and applied in the preparation of the Group and Company financial statements.

The external auditor is responsible for independently auditing and reporting on the Group's financial statements. The financial statements have been examined by the Group's external auditor and their report is presented on pages 80 to 84. The auditors had unrestricted access to all financial records and related information, minutes of shareholders, directors and Board committee meetings. The directors are of the opinion that all submissions and management declarations presented to the auditors were correct, valid and relevant.

The Directors hereby confirm that: (a) the Group Annual Financial Statements set out on page 85 to 185 fairly present in all material respects the financial position, financial performance and cash flows of the Group in terms of IFRS Accounting Standards; (b) no facts have been omitted or untrue statements made that would make the Group Annual Financial Statements false or misleading; (c) internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated subsidiaries have been provided to effectively prepare the Group Annual Financial Statements; and (d) the internal financial controls are adequate and effective and can be relied upon in compiling the Group Annual Financial Statements.

The financial statements have been prepared on the going concern basis, were approved by the Board of Directors on 14 November 2024 and were signed on their behalf by:

JS Stapelberg
Chairman

A Geel
Financial Director

AUDIT AND RISK COMMITTEE REPORT

This report is provided by the Audit and Risk Committee for the financial year ended 31 August 2024.

The audit and risk committee ("the committee") has an independent role with accountability to both the board and to shareholders. The committee's responsibilities include the statutory duties prescribed by the Companies Act 71 of 2008, activities recommended by King IV as well as additional responsibilities assigned by the board.

COMPOSITION

The Committee comprises of at least three non-executive directors, elected annually by the shareholders of the Company on recommendation of the Board.

The Committee holds sufficient scheduled meetings to discharge all its duties as set out in the terms of reference but subject to a minimum of three meetings per year.

The managing director, financial director, external and internal auditors, together with the appropriate Board members, attend the meetings on invitation. The internal and external auditors have unrestricted access to the committee.

The membership of the committee comprises of three non-executive directors, two of whom are independent.

An effectiveness evaluation was performed in terms of which the Board satisfied itself that each Audit Committee member has the suitable skill and experience to serve on the Audit Committee.

The committee met four times during the period under review.

MEMBER	8 Nov 2023	6 Mar 2024	13 May 2024	28 Aug 2024
CA du Toit	✔	✔	✔	✔
HG Hiestermann	✔	N/A	N/A	N/A
WJ Steenkamp	✔	✔	✔	✔
PJ Lindeque	N/A	✔	✔	✔
J Mokorosi	N/A	✔	✔	✔

The chairman of the committee and the external auditors attend the annual general meeting.

A formal work plan is compiled by the committee to ensure that all duties assigned to it by the Board during the year are carried out.

MANDATE DELEGATED BY THE BOARD

The responsibilities of the audit committee are set out in a formal charter which is revised regularly by the Board. In terms of the charter, the following is expected of the committee:

1. Performing its statutory duties as prescribed by the Companies Act, with specific reference to the audit quality, audited independence and financial policies and reporting concerns;
2. Satisfying itself of the suitability, independence, effectiveness and the quality of the external auditors and its audit partner;
3. Recommendations regarding the appointment of an independent external auditor (including the audit partner) in accordance with the provisions of the Companies Act;
4. Approval of fees payable to auditors and the terms and conditions of the appointment;
5. Consideration of any non-audit work by such auditors, and determining whether the provision of such services would materially affect their independence;
6. Reviewing the Audit Committee charter to be in line with the recommendations of King IV™;
7. Holding separate meetings with management and the external and internal auditors to discuss relevant matters;
8. Receiving and handling any concerns or complaints regarding accounting practices, internal audit work and internal financial control in an appropriate manner;
9. Considering incidents reported on the whistle-blowing platform and monitor actions taken;
10. Reporting to the Board on matters relating to accounting policies, financial controls, financial records and financial reporting;
11. Evaluation of the annual audit plan;
12. Reviewing and recommending for adoption by the Board the Group's consolidated interim results for the six months ended 29 February 2024 and the consolidated annual financial statements for the year ended 31 August 2024;

13. Consideration and review of the accounting practices, policies and procedures, as well as the effectiveness of internal financial controls;
14. Ensuring that the financial planning, management and reporting of the business is conducted in accordance with the applicable accounting policies and IFRS Accounting Standards;
15. Monitoring compliance with applicable legislation and regulatory aspects;
16. Evaluation of the effectiveness of management information and internal control systems;
17. Ensuring that the internal control function is effective and that the internal auditor has unrestricted access to the chairman of the Audit and Risk Committee and the chairman of the Board;
18. Confirming and monitoring the internal audit process and assessing the effectiveness of the internal audit function;
19. Granting assistance to the Board in order to ensure that the business implements an effective risk management policy and plan and risk disclosure is complete, timely, and relevant;
20. Consideration of the skills and capacity of the finance function in general and the financial director in particular;
21. Recommending the interim and annual financial statements to the Board for approval;
22. Consideration of the Group's liquidity and solvency;
23. Ensuring risk management is integrated into business operations;
24. Performing an assessment of risks and opportunities emanating from the triple context within which the Group operates with reference to the capitals that the Group uses and affects;
25. Ensuring risk management assessments are conducted on a continuous basis;
26. Ensuring that management considers and implements appropriate risk responses; and
27. Ensuring risk management reporting in the annual report is comprehensive and relevant.

INTERNAL FINANCIAL CONTROLS

Based on the results of the formally documented review of the design, implementation and effectiveness of the TWK Group's internal financial control system conducted by the internal audit function during the 2024 financial year and, in addition, after considering information and explanations provided by management and discussions with the external auditor about the results of their audit, the committee believes that the TWK Group's internal financial control system is effective and provides a basis for preparing reliable financial statements.

EXTERNAL AUDIT

The external auditors of the Company are PKF Pretoria Inc., headed by Mr Brendan Robinson. The auditors regularly attend the Audit and Risk Committee meetings.

The committee is satisfied that the external auditor is independent of the Group in accordance with the Companies Act, which includes consideration of compliance with the independence or conflict of interest criteria as prescribed by the Independent Regulatory Board for Auditors.

The committee in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2024 financial year.

The committee approved the terms regarding the non-audit services by the external auditor, and the nature and scope of the non-audit services that may be provided by the external auditor. No material non-audit services were provided by the external auditors during the year under review.

INTERNAL AUDIT

The internal audit function provides information to assist in the establishment and maintenance of an effective system of internal control to manage the risks associated with the business.

The internal audit function is responsible for the following:

- evaluating governance processes, including ethics;
- assessing the effectiveness of the risk methodology and internal financial controls; and
- evaluating business processes and associated controls in accordance with the annual audit plan

The internal audit function is established by the board. The committee is responsible for overseeing internal audit, in particular in respect of:

- Overseeing the functioning of the internal audit department;
- Satisfying itself of the competence of the internal auditors and adequacy of internal audit resources;
- Approving the annual internal audit plan;
- Reviewing the functioning of the internal audit programme and department to ensure co-ordination between the internal and external auditor; and
- Ensuring the internal audit function is subject to independent quality review as appropriate.

The internal auditor has unrestricted access to the chairman of the Audit and Risk Committee and the chairman of the Board.

The Company has a formal risk management process in terms of which financial and control risks are identified, analysed, and updated, and internal audits concentrate, inter alia, on these risks.

EVALUATION OF GROUP CFO AND FINANCE FUNCTION

The committee is satisfied that the expertise and experience of the financial director is appropriate to meet the responsibilities of the position. This is based on the qualifications, levels of experience, and the board's assessment of the financial knowledge of the financial director. The committee is also satisfied as to the appropriateness, expertise and adequacy of resources of the finance function and the experience of senior members of management responsible for the finance function.

ANNUAL INTEGRATED REPORT AND THE GROUP ANNUAL FINANCIAL STATEMENTS

The committee has evaluated the Annual Integrated Report, incorporating the Group Annual Financial Statements, for the period ending 31 August 2024 and believes that the Group has complied with the requirements of the Companies Act, 2008, as well as IFRS Accounting Standards in all material respects. The committee is also satisfied that the financial statements reflect the position of the Company and Group correctly, that all factors that may have an impact on the integrity of the report have been taken into account, and that the reporting of risk management, as included in this report, is complete and applicable.

The committee and the Board have considered the annual report on correctness and integrity and believe that the report is in all material respects a fair representation of the Group's activities and performance.

The committee has therefore recommended the Annual Integrated Report and the Group Annual Financial Statements for approval to the board. The board subsequently approved the report and the Group Financial Statements, which was open for discussion at the Annual General Meeting.

Based on the results of the formal documented review of the group's system of internal controls for the year, which was performed by the internal audit function and the managing director and financial director internal control confirmation, nothing has come to the attention of the committee to indicate that the internal financial controls were not operating effectively.

APPROVAL OF THE AUDIT AND RISK COMMITTEE REPORT

The committee confirms that it has functioned in accordance with its terms of reference for the 2024 financial year and that its report to shareholders has been approved by the board.

WJ Steenkamp

Chairman: Audit and Risk Committee

DIRECTORS' REPORT FOR THE YEAR ENDED AUGUST 2024

The Directors have pleasure in presenting their report for the year ended August 2024.

OVERVIEW OF ACTIVITIES

TWK is involved in agricultural services and is incorporated and domiciled in the Republic of South Africa. The activities of the Company, its subsidiaries and associates are as follows:

- Marketing of forestry and agricultural products;
- Handling and storage of grain;
- Processing of forestry and grain products;
- Supply of agricultural inputs;
- Trade activities;
- Financial and agricultural services; and
- Credit extension.

With its strategic footprint, infrastructure, facilities, and client network, it follows a differentiated market approach.

There were no fundamental changes in the nature of the Group's business during the period under review.

FINANCIAL RESULTS

The Group achieved a profit before tax of R326,27 million (2023 R298,96 million) and total assets decreased to R6,38 billion (2023: R6,58 billion).

The operating results and financial position of the Group are set out in detail in the financial statements, and are explained in the chairman's report, the managing director's report and the financial director's report.

GOING CONCERN

After consideration of the current financial position and existing credit facilities of the Company and its subsidiaries, as well as the budgets and cash flow projections for the financial year ending 31 August 2025, the Board has satisfied itself that the Company is a going concern and that it complies with the solvency and liquidity requirements of the Companies Act. The financial statements have therefore been prepared on a going concern basis.

EVENTS AFTER THE REPORTING PERIOD

Management received an offer after reporting period for the sale of assets of the Sawco Pine Mill operating under SAWCO Mining Timber (Pty) Ltd. The offer is currently being considered and will only be approved on the next board meeting that will be held in November 2024. A final dividend of 75 cents per share was declared after the reporting date and will be paid in December 2024. The directors are not aware of any other matters or circumstances that occurred between the end of the financial year and the date on which the financial statements were approved that have not been dealt with in the Group and Company financial statements and which may have a significant influence on the activities of the Group and Company or results of those activities.

INTEREST OF DIRECTORS IN CONTRACTS

No contracts in which directors and officials have a material interest were incurred during the year. The share register is available for inspection at the Company's registered office.

BORROWING POWERS

In terms of the Company's Memorandum of Incorporation, the directors may, at their discretion, exercise all the powers of the Company in order to obtain funding.

DIVIDENDS

Dividends already been declared and paid to shareholders during the 12 months is set out in the attached statement of changes in equity after approval has been granted by the Board in this regard. Dividends are recommended and approved by the Board of Directors, based on the financial year-end statements. TWK is of the opinion that there will be continued payment of dividends, although no assurance can be given that dividends will be paid in the future or in respect of the amounts to be paid from year to year. The payment of future dividends will depend on the Board's ongoing evaluation of TWK's earnings, after providing for long-term growth, cash and debt resources, and reserves available for payment of a dividend based on the evaluation of the going concern and other factors.

Taking into consideration the goals, as set out in the strategic plans of the Company, the Board has the flexibility to determine the most fitting allocation of profits to shareholders, as well as deciding on the specific intervals at which dividends must be paid and, if applicable, on the payment of interim dividends.

Within the framework of the above flexibility, the Board also has the discretion to determine the form or combination of the distribution, for example cash, share dividend or the buyback of shares. Notwithstanding the aforementioned, the Company's general policy will be, in the absence of conditions that require a deviation, to maintain the pay-out of profits to its shareholders based on normal growth goals and dividend cover guidelines of four times in any of the forms of compensation mentioned above.

DIRECTORS

Full details of the directors appear in the integrated report.

DIRECTORS' INTERESTS

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

DIRECTORS' LIABILITIES

Directors and executive officers of the group are covered by directors' and officers' liability insurance.

SECRETARY

The Company Secretary is MJ Potgieter.

Business address:

11 De Wet Street

Piet Retief

2380

INTEREST IN SUBSIDIARIES AND OTHER FINANCIAL ASSETS

Details of the Company's interest in subsidiaries, associates and other financial assets are contained in the notes to the financial statements.

AUDITORS

PKF Pretoria Incorporated has been appointed as the auditors. A decision to appoint the auditors will be submitted at the forthcoming annual general meeting.

AUTHORISED AND ISSUED SHARE CAPITAL

Refer to note 24 of the financial statements for detail on the movement in the issued share capital. The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act 71 of 2008. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares under the control of the directors until the next AGM.

INDEPENDENT AUDITOR'S REPORT

PKF Pretoria
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Independent Auditor's report
To the Shareholders of TWK Investments Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of TWK Investments Ltd & Subsidiaries (the group) set out on pages 85 to 185 which comprise the consolidated statement of financial position as at 31 August 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 August 2024 and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the company, in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa.

We have fulfilled our other ethical responsibilities, in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

PKF PRETORIA INC.

Key audit matter	How the key audit matter was addressed in the audit
Valuation of Biological Assets – planted wattle, eucalyptus and pine trees As disclosed in note 8 of the consolidated financial statements the group recognised biological assets with a fair value of R1,3 billion in the non-current assets and R445 million in the current assets. Biological assets comprise planted wattle, eucalyptus and pine trees. Biological assets are required to be measured in accordance with IAS 41 *Agriculture*. The group therefore measures its biological assets at fair value less cost to sell with any gains or losses recognised through profit or loss. Refer to accounting policy 1.7 for further details on the valuation method. The biological assets received significant attention from senior personnel within the audit team. Executive management of the group was directly involved in the assumptions, estimation and judgements made. The group determines the fair value of biological assets using the discounted cash flow method. This method is complex, highly judgemental, and subject to significant assumptions. These assumptions include unobservable inputs which results in the fair value measurement being categorised as a Level 3 within the Fair value Hierarchy in terms of IFRS 13 - *Fair Value Measurement.* The most significant of these assumptions applied in the discounted cash flow model includes: 1. Determination of a discount rate which is calculated as an after tax weighted average cost of capital (“WACC”); 2. Determination of the Mean Annual Increment (MAI) and expected yields per log specie and class are based on relevant growth models (growth rate); 3. Determination of the sales prices per ton based on the historic product sales mix, as well as current and future expected sales prices per log specie as well as costs to sell; 4. Determination of the operational costs and costs to harvest and sell, based on the current and expected future costs per ton of the forest management and harvesting activities. The valuation of biological assets is considered to be a key audit matter due to the significant assumptions, judgements and estimations required which include: - The valuation being subject to complexity, significant judgement and assumptions made by management; - The magnitude of the balance in relation to the consolidated financial position; and - Biological assets forming a key measurement in the group’s business.	Our audit included the following procedures to address the key audit matter: We obtained an understanding, evaluating the design, and the operating effectiveness of the controls related to the valuation of biological assets through discussions with management. This includes the process around preparing budgets that drive the cash flows produced by the group and assessed them for reasonability. We evaluated the discount cash flow method against criteria in IAS 41 *Agriculture* and IFRS 13 *Fair Value Measurement.* We critically evaluated the appropriateness and consistency of the significant assumptions and judgements applied by management by performing the following procedures: - We independently calculated the WACC using external data sources. We found management’s discount rate to be within an acceptable range of our calculation. We recalculated the biological assets value at year end by applying management’s WACC to the future cash flows over the expected periods of the cash flows; - We assessed the valuation calculation for arithmetical accuracy. We assessed the reasonableness of the underlying data used in the cash flow model which include: - The projected MAI and yield rates that the existing plantations are predicted to produce, by comparing the projected information to historic MAI and yield rates of the Group; - The sales prices per ton based on the current and future expected sales prices per specie, by comparing the projected information to historic sales prices adjusted for inflationary increases; - The cost to harvest and operational costs of the forest management and harvesting activities, by comparing the projected information to historic costs adjusted for inflationary cost increases; - We assessed management’s significant assumptions and judgements against historical practices and the biological harvesting plans. We noted no material inconsistencies in this regard; Evaluating the adequacy of the financial statement’s disclosures, including disclosures of the key assumptions, judgements and sensitivities to confirm compliance with IFRS 13. We considered management bias in evaluating consistency of key assumptions by comparing these to prior periods and considered changes in the economic environment. We found the assumptions to be consistent with prior periods and the economic environment, with no indication of management bias.

PKF PRETORIA INC.

	Based on the results of our work performed, we accepted management's MAI and projected yield volumes, sales prices, cost of harvest, operational costs and costs to sell as reasonable.

Key audit matter	How the key audit matter was addressed in the audit
Allowance for expected credit losses against trade receivables. As disclosed in note 18, the consolidated financial statements include trade receivables. The Group recognised trade receivables of R1,2 billion in the consolidated financial statements. The Group recognised a R56.7 million loss allowance for trade receivables. The allowance for expected credit losses are required to be measured in accordance with IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. Refer to accounting policy 1.11 for further details on the impairment method. The group measures the loss allowance by applying the simplified approach. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The determination of the allowance for expected credit loss (ECL) on trade receivables that have not been handed over to legal, requires estimation of the probability of default (PD) and the loss given default (LGD). Both assumptions are significant inputs into the ECL model and have a significant impact on the calculation of the allowance. When determining the PD management has identified an external source with reference to similar portfolios as reference point for the forward-looking information. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics. When determining the LGD, management considers the quality and expected realisation value of securities held for customers. Customers that have been handed over to legal are provided for based on the exposure to credit risk and the quality and expected realisation value of securities held for the specific customer. The expected losses is considered to be a key audit matter due to the significant assumptions, judgements and estimations required which include: - The valuation being subject to complexity, significant judgement and assumptions made by management; - The magnitude of the trade receivables balance in relation to the consolidated financial statements.	Our audit included the following procedures to address the key audit matter: We obtained an understanding, evaluating the design, and tested the operating effectiveness of the controls related to the credit application process, including securities offered against the credit applied for, and the credit limits assigned to each customer. We independently calculated an allowance for expected credit losses by recalculating the probability of default (PD) and the loss given default (LGD) assumptions using inputs and assumptions tested during the audit and compared the result to management's allowance. We compared historical actual losses to expected losses as an indication of the historic appropriateness of the forward-looking assumptions applied by management in determining the expected credit losses. Our procedures to assess the probability of default (PD), includes: - Comparing the estimated loss rate to external sources of loss rates; - Assessing the type of portfolios for which management obtained loss rates externally, to similar external sources to determine whether the type of asset portfolio used in management's calculation is appropriate; - Assessing the shared credit risk characteristics of each group into which management has grouped the trade receivables. Our procedures to test the loss given default (LGD), includes: - Selecting a sample of customer and tested the existence and contractual value of the securities held by inspecting that the security is formally registered in favour of the Group; - Comparing the value of the security to the value of the trade receivable as at 31 August 2024; - Recalculating the total exposure to credit risk taking the value of the security and the value of the trade receivable into consideration. Our procedures relating to customers handed over to the legal department include the selection of a sample of customers and testing the following: - Inspecting the contractual value of the securities held by inspecting that the security is formally registered in favour of the Group; - Comparing the value of the security to the value of the trade receivable as at 31 August 2024; - Recalculating the total exposure to credit risk taking the value of the security and the value of the trade receivable into consideration. We evaluated the trade receivables grouped in categories based on shared characteristics to measure the expected credit losses.

PKF PRETORIA INC.

	We considered management bias in evaluating consistency of key assumptions by comparing these to prior periods and considered changes in the probability of default. We found assumptions and judgements to be consistent with prior periods with no indication of management bias. We assessed the adequacy of the presentation and disclosures made in note 18 to the consolidated financial statements on judgements and estimates made in the allowance for expected credit losses.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "TWK Investments Ltd Integrated Report 2024", which includes the Audit and Risk Committee Report, the Directors' Report and Statement by the Company Secretary as required by the Companies Act of South Africa and Report by the Financial Director. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

PKF PRETORIA INC.

PKF

- 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 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. .

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 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 PKF Pretoria Incorporated has been the auditor of TWK Investments Limited for 14 years.

PKF PRETORIA INC.

PKF Pretoria Incorporated
Per: Brendan Robinson
Director
Registered Auditor
15 November 2024

Emwil House West
Ground floor
15 Pony Street
Tijger Vallei Office Park
Silver Lakes
0081

Directors: P R Smith | B Robinson | S Fernandes | L G Sinyilili

PKF Pretoria is a member of PKF South Africa, the network of member firms of PKF South Africa Inc., and PKF Global, the network of member firms of PKF International Limited. Each member firm is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s) of PKF South Africa or PKF Global.

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024

FIGURES IN RAND	Notes	2024	2023*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**1 322 055 639**	1 245 634 703
Investment property	6	**6 100 000**	6 200 000
Right-of-use assets	7	**71 027 219**	77 601 262
Biological assets	8	**1 301 106 217**	1 230 312 170
Goodwill and intangible assets	9	**141 558 039**	117 148 998
Investments at fair value	19	**60 710 052**	61 946 261
Investments in associates and joint ventures	11	**29 347 316**	24 468 631
Loans to group companies	12	**5 016 677**	8 923 935
Finance lease receivables	13	**11 972 093**	14 456 631
Loans receivable	17	**43 404 070**	62 920 332
Deferred tax asset	15	**45 571 130**	58 583 769
		3 037 868 452	2 908 196 692
CURRENT ASSETS			
Inventories	16	**1 147 010 472**	1 308 906 702
Trade and other receivables	18	**1 256 373 764**	1 274 119 195
Biological assets	8	**445 486 859**	374 322 409
Finance lease receivables	13	**10 743 927**	14 167 647
Financial assets at fair value through other comprehensive income	20	**43 610 719**	26 899 154
Loans to group companies	12	**78 639**	5 150 725
Loans receivable	17	**24 364 748**	35 296 067
Derivative financial instruments	21	**7 695 476**	2 340 276
Current tax receivable		**25 082 650**	26 311 678
Cash and cash equivalents	22	**146 797 778**	116 258 342
		3 107 245 032	3 183 772 195
Non-current assets held for sale and assets of disposal groups	23	**326 801 584**	485 318 017
TOTAL ASSETS		**6 471 915 068**	6 577 286 904
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	24	**834 801 875**	828 641 158
Reserves		**82 655 709**	32 993 216
Retained income		**1 242 341 993**	1 124 412 350
Own equity		**2 159 799 577**	1 986 046 724
Non-controlling interest		**6 227 306**	36 009 871
TOTAL EQUITY		**2 166 026 883**	2 022 056 595

* *The prior year comparatives have been restated as a result of the prior period errors and reclassifications as well as the reclassifications for the effect of discontinued operations. Refer to notes 23, 54 and 55.*

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024 CONTINUED

FIGURES IN RAND	Notes	2024	2023*
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	30	**786 603 086**	876 668 467
Lease liabilities	7	**54 499 047**	58 165 243
Loans from group companies	28	**12 200 000**	36 600 000
Retirement benefit obligation	14	**3 713 000**	4 076 000
Deferred tax liability	15	**317 533 605**	297 423 764
		1 174 548 738	1 272 933 474
CURRENT LIABILITIES			
Borrowings	30	**1 516 539 163**	1 722 954 811
Trade and other payables	32	**987 511 163**	1 040 348 763
Lease liabilities	7	**22 859 823**	24 974 655
Derivative financial instruments	21	**6 602 259**	5 600 677
Loans from group companies	28	**153 126 211**	121 947 982
Other loans payable	29	**–**	700 696
Provisions	31	**11 275 823**	11 111 565
Contract liabilities	33	**25 756 045**	2 196 920
Current tax payable		**500 300**	6 713 345
Dividend payable	47	**4 508 777**	1 055 876
Bank overdraft	22	**164 906 095**	488 628
		2 893 585 659	2 938 093 918
Liabilities of disposal groups	23	**237 753 788**	344 202 917
TOTAL LIABILITIES		**4 305 888 185**	4 555 230 309
TOTAL EQUITY AND LIABILITIES		**6 471 915 068**	6 577 286 904

* *The prior year comparatives have been restated as a result of the prior period errors and reclassifications as well as the reclassifications for the effect of discontinued operations. Refer to notes 23, 54 and 55.*

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2024

FIGURES IN RAND	Notes	2024	2023*
CONTINUING OPERATIONS			
Revenue		**8 413 356 554**	7 845 586 643
Finance Income		**110 835 433**	114 947 360
Total revenue	34	**8 524 191 987**	7 960 534 003
Cost of sales	35	**(7 189 654 910)**	(6 412 714 977)
GROSS PROFIT		**1 334 537 077**	1 547 819 026
Other operating income	36	**257 138 612**	98 330 566
Other operating gains/(losses)	37	**(16 511 881)**	(11 072 541)
Loyalty scheme expenses	48	**(18 282 490)**	(26 400 000)
Other operating expenses		**(1 058 319 171)**	(1 146 287 006)
OPERATING PROFIT	38	**498 562 147**	462 390 045
Investment income	39	**7 241 367**	8 550 620
Finance costs	40	**(202 537 131)**	(176 959 843)
Share of profit from associates and joint ventures		**7 166 773**	6 331 657
Other non-operating gains/(losses)	41	**15 835 986**	(1 353 046)
PROFIT BEFORE TAXATION		**326 269 142**	298 959 433
Taxation	42	**(81 040 210)**	(100 970 267)
PROFIT FROM CONTINUING OPERATIONS		**245 228 932**	197 989 166
DISCONTINUED OPERATIONS			
(Loss)/profit from discontinued operations	23	**(105 212 740)**	(109 775 875)
PROFIT FOR THE YEAR		**140 016 192**	88 213 291
OTHER COMPREHENSIVE INCOME:			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:			
Remeasurements on net defined benefit liability		**200 480**	188 668
(Losses)/gains on property revaluation		**61 719 264**	38 845 018
Changes in fair value of equity investments at fair value through other comprehensive income		**245 401**	11 729 869
Income tax relating to items that will not be reclassified		**(1 749 685)**	(5 326 936)
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		**60 415 460**	45 436 619
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAXATION	43	**60 415 460**	45 436 619
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**200 431 652**	133 649 910
PROFIT ATTRIBUTABLE TO:			
OWNERS OF THE PARENT:			
From continuing operations		**265 099 515**	215 149 181
From discontinued operations		**(105 212 740)**	(109 775 875)
		159 886 775	105 373 306
NON-CONTROLLING INTEREST:			
From continuing operations		**(19 870 583)**	(17 160 015)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		**220 520 899**	148 591 266
Non-controlling interest		**(20 089 247)**	(14 941 356)
		200 431 652	133 649 910
EARNINGS PER SHARE			
FROM CONTINUING OPERATIONS			
Basic earnings per share (c)	44	**719,28**	583,70
Diluted earnings per share (c)	44	**681,06**	550,67
FROM DISCONTINUED OPERATIONS			
Basic loss per share (c)	44	**(285,47)**	(297,82)
Diluted loss per share (c)	44	**(270,30)**	(280,97)

* *The prior year comparatives have been restated as a result of the prior period errors and reclassifications as well as the reclassifications for the effect of discontinued operations. Refer to notes 23, 54 and 55.*

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2024

FIGURES IN RAND	Share capital	Treasury shares	Total share capital	Revaluation reserve	Restructuring reserve
BALANCE AT 1 SEPTEMBER 2022	884 202 338	(48 781 960)	835 420 378	46 849 667	(41 727 522)
Profit for the year	–	–	–	–	–
Other comprehensive income	–	–	–	36 102 420	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	–	36 102 420	–
Shares bought back	–	(6 779 220)	(6 779 220)	–	–
Transfer between reserves	–	–	–	–	–
Prior period corrections directly through equity	–	–	–	–	–
Transfer of reserve upon impairment of investment in subsidiary	–	–	–	–	–
Share-based payments	–	–	–	–	–
Dividends	–	–	–	–	–
Changes in ownership interest	–	–	–	–	–
Business combinations	–	–	–	–	–
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS OF COMPANY RECOGNISED DIRECTLY IN EQUITY	–	(6 779 220)	(6 779 220)	–	–
BALANCE AT 1 SEPTEMBER 2023	884 202 338	(55 561 180)	828 641 158	82 952 087	(41 727 522)
Profit for the year	–	–	–	–	–
Other comprehensive income	–	–	–	59 911 668	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	–	59 911 668	–
Treasury shares	–	6 160 717	6 160 717	–	–
Transfer between reserves	–	–	–	–	–
Share-based payments	–	–	–	–	–
Dividends	–	–	–	–	–
Changes in ownership interest	–	–	–	–	–
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS OF COMPANY RECOGNISED DIRECTLY IN EQUITY	–	6 160 717	6 160 717	–	–
BALANCE AT 31 AUGUST 2024	**884 202 338**	**(49 400 463)**	**834 801 875**	**142 863 755**	**(41 727 522)**
Note(s)	24	24	24	26 and 43	

* *The prior year comparatives have been restated as a result of the prior period errors and reclassifications as well as the reclassifications for the effect of discontinued operations. Refer to notes 23, 54 and 55.*

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2024 CONTINUED

Share-based payments reserve	Reserve for investments at fair value through OCI	Change of ownership reserve	Total reserves	Retained income	Total attributable to equity holders of the Group/Company	Non-controlling interest	Total equity
5 555 904	1 786 714	326 382	12 791 145	1 072 620 548	1 920 832 071	59 095 295	1 979 927 366
–	–	–	–	105 373 304	105 373 304	(17 160 015)	88 213 289
–	7 012 244	–	43 114 664	103 296	43 217 960	2 218 659	45 436 619
–	7 012 244	–	43 114 664	105 476 600	148 591 264	(14 941 356)	133 649 908
–	–	–	–	–	(6 779 220)	–	(6 779 220)
–	(4 818 489)	–	(4 818 489)	4 818 489	–	–	–
–	–	–	–	(9 494 998)	(9 494 998)	–	(9 494 998)
–	–	(15 673 756)	(15 673 756)	6 863 297	(8 810 459)	–	(8 810 459)
3 362 815	–	–	3 362 815	–	3 362 815	–	3 362 815
–	–	–	–	(56 319 767)	(56 319 767)	(5 659 010)	(61 978 777)
–	–	(5 783 163)	(5 783 163)	448 181	(5 334 982)	(3 709 572)	(9 044 554)
–	–	–	–	–	–	1 224 514	1 224 514
3 362 815	(4 818 489)	(21 456 919)	(22 912 593)	(53 684 798)	(83 376 611)	(8 144 068)	(91 520 679)
8 918 719	3 980 469	(21 130 537)	32 993 216	1 124 412 350	1 986 046 724	36 009 871	2 022 056 595
–	–	–	–	159 886 775	159 886 775	(19 870 583)	140 016 192
–	612 694	–	60 524 362	109 762	60 634 124	(218 664)	60 415 460
–	612 694	–	60 524 362	159 996 537	220 520 899	(20 089 247)	200 431 652
–	–	–	–	–	5 376 427	–	6 160 717
–	(267 605)	–	(267 605)	267 605	–	–	–
(7 104 821)	–	–	(7 104 821)	–	(7 104 821)	–	(7 104 821)
–	–	–	–	(42 334 499)	(42 334 499)	(5 784 081)	(48 118 580)
–	–	(3 489 443)	(3 489 443)	–	(3 489 443)	(3 909 237)	(7 398 680)
(7 104 821)	(267 605)	(3 489 443)	(10 861 869)	(42 066 894)	(46 768 046)	(9 693 318)	(56 461 364)
1 813 898	**4 325 558**	**(24 619 980)**	**82 655 709**	**1 242 341 993**	**2 159 799 577**	**6 227 306**	**2 166 026 883**
		27		43			

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

FIGURES IN RAND	Notes	2024	2023*
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	45	**634 527 676**	424 254 425
Investment income	39	**6 620 452**	6 568 391
Dividend income		**3 997 548**	3 195 190
Finance costs		**(310 908 250)**	(282 356 344)
Tax paid		**(57 763 558)**	(61 585 266)
Cash flows of held for sale		**59 221 948**	(24 059 940)
NET CASH FROM OPERATING ACTIVITIES		**335 695 815**	66 016 456
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	**(71 355 242)**	(131 520 389)
Sale of property, plant and equipment	5	**17 315 358**	11 794 683
Purchases of intangible assets	9	**(6 607 842)**	(2 523 006)
Disposal of intangible assets	9	**–**	64
Consideration paid for agency rights	9	**(2 077 702)**	(525 000)
Disposal of agency rights	9	**–**	1 304 977
Consideration paid for business combinations	9	**(31 843 414)**	(40 385 132)
Purchase of biological assets	8	**(278 447 344)**	(245 222 125)
Sale of biological assets	8	**230 404 220**	199 632 238
Purchases of investments at fair value	19	**(9 670 433)**	(7 514 622)
Proceeds from disposal of investments at fair value	19	**11 440 478**	–
TWK Cell Capital contribution	20	**(17 000 000)**	–
Proceeds received on disposal of business		**20 000 000**	68 550 000
Investment cash flows from discontinued operations		**(1 726 826)**	98 316
NET CASH FROM INVESTING ACTIVITIES		**(139 568 747)**	(146 309 996)
CASH FLOWS FROM FINANCING ACTIVITIES			
Buy back of shares		**(6 160 717)**	(6 779 120)
Dividends paid	47	**(38 881 485)**	(55 383 375)
Repayment of borrowings		**(304 035 073)**	(205 653 467)
Proceeds from borrowings		**7 554 043**	238 357 211
Receipts from loans receivable — forestry loans		**30 450 170**	16 108 064
Advances to loans receivable — forestry loans		**(2 590)**	(999 977)
Receipts from finance receivables		**6 233 724**	–
Advances to finance receivables		**(325 466)**	(9 158 249)
Lease liability payments		**(31 735 516)**	(30 165 374)
Proceeds from loan to Group Companies		**8 979 344**	(2 814 994)
Repayment of loan from Group Companies		**(24 400 000)**	(24 400 000)
Advances received from loan from Group Companies		**30 917 337**	97 547 982
Other loans payable		**–**	(1 350 609)
Financing cash flow from discontinued operations		**(15 034 046)**	(37 946 902)
NET CASH FROM FINANCING ACTIVITIES		**(336 440 275)**	(22 638 810)
TOTAL CASH MOVEMENT FOR THE YEAR		**(140 313 207)**	(102 932 350)
Cash at the beginning of the year		**115 769 714**	214 586 079
Cash and cash equivalents for disposal group		**6 435 176**	4 115 985
TOTAL CASH AT END OF THE YEAR	22	**(18 108 317)**	115 769 714

* *The prior year comparatives have been restated as a result of the prior period errors and reclassifications as well as the reclassifications for the effect of discontinued operations. Refer to notes 23, 54 and 55.*

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

1.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS® Accounting Standards as issued by the International Accounting Standards Board, and IFRIC® Interpretations issued and effective at the time of preparing these consolidated financial statements and the Companies Act of South Africa as amended.

These consolidated financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the CTSE listing requirements.

The consolidated financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the Group's functional currency, and are rounded to the nearest Rand.

These accounting policies are consistent with the previous period.

1.2 SEGMENTAL REPORTING

The Group determines and presents operating segments based on the information that is internally provided to the Group's Executive Management.

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and in which it may incur expenditure.

Segment results that are reported to the decision makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of corporate assets, head office expenses and income tax, and is allocated to the Corporate segment.

The basis of segmental reporting has been set out in note 4.

1.3 CONSOLIDATION

BASIS OF CONSOLIDATION

Subsidiaries

A Subsidiary is a company that is owned or controlled by the Group. The Group has control of an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and it has the ability to affect those returns through its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. All the subsidiaries have the same financial year-end and the same accounting policies as the holding company.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation.

Change in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value,with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.4 JOINT ARRANGEMENTS

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

JOINT VENTURES

An interest in a joint venture is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, interests in joint ventures are carried in the statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the joint venture, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in a joint venture in excess of the group's interest in that joint venture, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the joint venture.

Any goodwill on acquisition of a joint venture is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Profits or losses on transactions between the group and a joint venture are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

When the company loses joint control, the company proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.5 INVESTMENTS IN ASSOCIATES

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for using the equity method after initially being measured at cost, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Consolidated Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

For associates with different year-ends, the Group uses independently reviewed 12 month management accounts in the preparation of the consolidated financial statements.

1.6 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated annual financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

KEY SOURCES OF ESTIMATION UNCERTAINTY

Trade receivables

The Group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. Refer to note 18 for details regarding the impairment of trade receivables.

Trade receivables are subject to the impairment provisions of IFRS 9 — Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The assessment is done at initial recognition of the trade receivables. Further the impairment provision is monitored at the end of each reporting period. The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9.

Allowance for slow moving, damaged and obsolete inventory

Inventory is valued at the lower of cost and net realisable value. A provision is raised against inventory according to nature, condition and age.

Fair value estimation

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Impairment testing

The Group reviews and tests for impairment the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indicators that an impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows are used to determine the value in use of tangible and intangible assets, as well as goodwill, and are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply demand, together with economic factors such as exchange rates, inflation and interest.

Property, plant and equipment

Management reviews the useful life and residual value of fixed assets on an annual basis, and adjustments are made as appropriate. Management uses their experience, judgement and assumptions in the process of determining the life span and residual values.

Goodwill

The group tests goodwill for impairment on an annual basis. The recoverable amount of the cash-generating units (CGUs) are determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a one-year period. Cash flows beyond the one- year period are extrapolated using a reasonable growth rate covering a four-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates that are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. The key assumptions for CGUs that have significant goodwill allocated to them is presented in note 9.

Provisions

Provisions were raised and management determined an estimate based on information available. Additional disclosure of these estimates of provisions are included in note 31.

Biological assets

Refer to note 8 for details regarding calculations and assumptions.

Deferred tax asset

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the loss can be utilised. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of taxable future profits, together with future tax planning strategies.

Post-retirement medical benefit

Refer to note 14 for details regarding calculations and assumptions.

Share-based payments

Refer to note 25 for details regarding calculations and assumptions.

1.7 BIOLOGICAL ASSETS

The Group recognises a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets exclude bearer plants, which are included in property, plant and equipment. Forestry assets consists of own plantations and plantations bought on a standing timber basis.

Forestry assets as well as seedlings are measured on initial recognition and at subsequent reporting dates at fair value less costs to sell and is a Level 3 measure in terms of the fair value measurement hierarchy as established by IFRS 13 – Fair Value Measurement. Costs to sell include the incremental selling costs necessary to get the biological assets ready to sell, including the estimated costs of transport to the market, but excludes finance costs and income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Losses resulting from natural disasters such as abnormal rainfall or drought, frost, hail and epidemic deaths and losses resulting from fire damage and theft, and the recovery of the loss from a third party is considered a separate economic event. Consequently, the carrying value of the biological asset is reduced by the loss and the associated expense as a fair value adjustment included in the statement of comprehensive income. Initial and subsequent expenditure incurred for the establishment and conservation of biological assets are capitalised as costs directly attributable to the biological transformation required to obtain the fair value at which biological assets are valued.

The Group uses the income approach in determining the fair value of plantations as it believes that this method yields the most appropriate valuation. In arriving at plantation fair values, the key inputs are market prices, costs to sell, discount rates and volume and growth estimations. Of these key inputs, discount rates, and the volume and growth estimations are key assumptions that have significant estimation and judgement. All changes in fair value are recognised in profit or loss in the period in which they arise.

The impact that changes in market prices, costs to sell, discount rates, and volume and growth assumptions may have on the calculated fair value on plantations is disclosed in the notes to the consolidated financial statements.

Livestock is measured on initial recognition at cost and subsequently at fair value less costs to sell.

1.8 INVESTMENT PROPERTY

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the entity, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

FAIR VALUE

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.9 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits flowing from the item for more than one period of use in the production or supply of goods or services, or for administrative purposes, and are not acquired for resale purposes will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes site preparation, the purchase price of the equipment and directly attributable labour, installation and other costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Borrowing costs are capitalised on qualifying assets. The capitalisation of borrowing costs ceases when the asset is in the location and condition necessary for it to be capable of commercial operation. Start-up and ongoing maintenance costs are not capitalised.

Plant, machinery, structures and motor vehicles are carried at cost less accumulated depreciation and any impairment losses.

Bearer plants are included in property, plant and equipment. Bearer plants are living plants which are used in the production or supply of agricultural produce and are expected to bear produce for more than one period. They only qualify as bearer plants if there is only a remote likelihood of them being sold as agricultural produce.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Land and buildings are subsequently carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses on buildings, based on periodic, but at least quadrennial, valuations by external independent valuers. Land is not depreciated as it is deemed to have an unlimited useful life.

An increase in an asset’s carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Any decrease in an asset’s carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period to the extent that no credit balance exists in the revaluation surplus in respect of that asset.

The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity. The revaluation surplus in equity related to a specific item of land and buildings is transferred directly to retained income when the asset is derecognised.

Depreciation is calculated to write off the asset's cost amount over its estimated useful life to its estimated residual value. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The depreciable amount of property, plant and equipment, i.e. the cost (or revalued amount) less the residual value as defined, is allocated on a straight line basis over its useful life.

The useful life and residual value of property, plant and equipment are reviewed on an annual basis. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The evaluation regarding the useful life and residual values of assets can only be established with certainty when the item of plant and equipment near the end of their useful life. Useful life and residual value evaluation may result in a larger or smaller depreciation expense. If the residual value of an asset equals the carrying amount, the depreciation is discontinued until the carrying amount exceeds the residual value.

Leasehold Improvements are written off over the period of the lease agreement. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the line item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they incur.

The estimated useful lives of items of property, plant and equipment are within the following intervals:

Item	Average useful life
Buildings and structures	20 to 50 years
Plant and machinery	4 to 22 years
Furniture and fixtures	3 to 8 years
Motor vehicles	3 to 6 years
IT equipment	2 to 4 years
Bearer plants	5 years

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.10 GOODWILL AND INTANGIBLE ASSETS

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, of the acquired business at the date of acquisition, and liabilities assumed.

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

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Goodwill and intangible assets are initially recognised at cost. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Goodwill and intangible assets except computer software, is regarded as having an indefinite useful life because there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The useful life and residual values of computer software are reviewed at the beginning of each reporting period and adjusted if appropriate. The evaluation regarding the useful lives and residual values of computer software can only be established with certainty when the item of asset is near the end of their useful life. The estimated useful life of computer software is 4 to 10 years.

Amortisation is calculated on a straight line basis to write of computer software's cost amount over its estimated useful life to its estimated residual value.

1.11 FINANCIAL INSTRUMENTS

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

The classification of financial instruments, depends on the business model for managing the financial assets, as well as the contractual terms of the cash flows.

Financial assets are classified as those measured subsequently at fair value either through OCI or profit or loss, or measured at amortised cost.

Financial assets which are equity instruments:

- Designated as at fair value through other comprehensive income (OCI).

Financial assets are classified and measured at amortised cost only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit and loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether an irrevocable election has been made at the time of initial recognition to account for the equity investment at FVOCI.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

LOANS RECEIVABLE

Classification

Loans receivable are classified as financial assets at amortised cost when both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

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

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

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

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

TRADE AND OTHER RECEIVABLES

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 18).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at the expected consideration receivable from contracts with customers. Other receivables are measured at initial recognition at fair value.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables by applying the simplified approach which is presented by IFRS 9. In accordance with this approach, the expected credit losses are estimated using a provision matrix. The provision matrix has been developed by making use of an internal risk rating which is mapped to the indicative mapping methodology for corporate exposure based on information published by rating agencies. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. A comprehensive Probability of Default (PD) rating of an external source is used as reference point for forward looking information. Trade receivables is grouped in categories based on shared characteristics to measure the expected credit losses.

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 18.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 38).

Credit risk

Details of credit risk are included in the trade and other receivables note (note 18) and the financial instruments and risk management note (note 52).

INVESTMENTS IN EQUITY INSTRUMENTS

Classification

Investments in equity instruments are presented in note 19. They are classified as mandatorily at fair value through OCI. As an exception to this classification, the Group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income, depending on their classification. Details of the valuation policies and processes are presented in note 19.

Dividends received on equity investments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 39).

NON-HEDGING DERIVATIVES

Classification

Non-hedging derivatives are classified as mandatorily at fair value through profit or loss.

The Group participates in various over-the-counter (OTC) future buying and selling contracts for the buying and selling of commodities. Although certain contracts are covered by the physical provision or delivery during normal business activities, OTC-contracts are regarded as a financial instrument (note 21).

Recognition and measurement

Derivatives are recognised when the Group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Transactions in foreign currencies are translated to the functional currency of the Group at the rate of exchange ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the rates of exchange ruling at the reporting date. Any foreign exchange differences are recognised in profit or loss in the year in which the difference occurs. The profit or loss are included under other operating gains and losses (note 37).

BORROWINGS AND LOANS FROM RELATED PARTIES

Classification

Loans from Group companies (note 28), other loans payable (note 29) and borrowings (note 30) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 40).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 52 for details of risk exposure and management thereof.

TRADE AND OTHER PAYABLES

Classification

Trade and other payables (note 32), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are measured at amortised cost.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost.

Fair value determination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the annual financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Represents those assets which are measured using unadjusted quoted prices in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2: Inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3: Applies inputs which are not based on observable market data.

For assets and liabilities that are recognised in the annual financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.12 TAX

CURRENT TAX ASSETS AND LIABILITIES

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

DEFERRED TAX ASSETS AND LIABILITIES

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

TAX EXPENSES

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.13 LEASES

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

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

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

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

GROUP AS LESSEE

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense (note 38) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

Details of leasing arrangements where the Group is a lessee are presented in note 7 Right-of-use assets and Lease liabilities (Group as lessee).

LEASE LIABILITY

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

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

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of- use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 38).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 40).

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right- of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

RIGHT-OF-USE ASSETS

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the right-of-use asset comprise the following:

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

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

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

Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

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

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

GROUP AS LESSOR

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

FINANCE LEASES

Amounts due from lessees are recognised from commencement date at an amount equal to the Group net investment in the lease. They are presented as lease receivables (note 13) on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be receivable by the Group from the lessee, a party related to the lessee or a third party unrelated to the Group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The Group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in investment income in profit or loss (note 39).

The Group applies the impairment provisions of IFRS 9 to lease receivables. Refer to the accounting policy for trade and other receivables as lease receivables are impaired on a consistent basis with that accounting policy.

1.14 INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Cost of inventory items is determined in accordance with the weighted average cost method, unless it is more appropriate to apply another basis on account of the characteristics of the inventory. The cost of grain commodities is determined on the basis of fair value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

1.15 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

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

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

1.16 IMPAIRMENT OF ASSETS

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also test goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.17 SHARE CAPITAL AND EQUITY

Ordinary shares are classified as equity.

If the Group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares in TWK Investments Ltd which have been acquired by the TWK Agri Aandele Aansporings Trust, are classified as treasury shares. The cost of these shares is deducted from equity and the number of shares is deducted from the total number of shares.

1.18 SHARE-BASED PAYMENTS

The Group grants share options to certain employees under an employee share plan. The fair value is measured at grant date and the expenses are spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted as part of the TWK Group employee share option plan is measured using the Black-Scholes option pricing model, taking into account the terms and conditions under which the options were granted. The amount recognised as an expense with a corresponding increase in equity is adjusted at each reporting date to reflect the actual number of share options that vest or are expected to vest. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become due, including taking into account the forfeiture of instruments due to resignation and these assumptions are reviewed on an annual basis.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.19 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

DEFINED CONTRIBUTION PLANS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

DEFINED BENEFIT PLANS

For defined benefit plans the cost of providing the benefits is determined based on the current value of expected medical aid contribution by taking into account mortality tables.

Actuarial valuations are conducted on an annual basis by independent actuaries and any gains or losses are recognised in profit or loss.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

1.20 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.21 REVENUE RECOGNITION

The Group recognises revenue from the following major sources:

- Sale of goods – agricultural products and produce – Exports
- Sale of goods – farming equipment, agricultural products and produce – Local
- Sale of goods – contract fertiliser sales
- Sale of goods – storage and handling of grain related products
- Sale of goods – commodity goods – Local
- Sale of goods – commodity goods – Exports
- Sale of goods – motor vehicles and other related items; fuel and servicing of motor vehicles
- Rendering of services – Commission on sale of agricultural products and produce and contract fertiliser sales
- Rendering of services – Rendering of services – servicing of farming equipment
- Rendering of services – Commission income
- Rendering of services – Finance income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, and represents the amounts receivable for goods and services provided in the normal cause of business, net of trade discounts and volume rebates, as well as value added tax. The Group assesses all revenue agreements in order to determine if it is acting as principal or agent. All intergroup sales are eliminated in full on consolidation.

The company has elected to use the practical expedient, in IFRS 15.63. The practical expedient states that a company need not adjust the promised amount of consideration for the effects of a significant financing component if the company expects, at contract inception, that the period between when the company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of goods – agricultural products and produce – Exports

The Group offers processed timber products to international markets. Revenue is recognised when control of the goods has transferred, being when the risk and rewards is transferred to the customer. Based on incoterms, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risk of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the risk and rewards is transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional. No warranty is provided by the Group and the Group does not have any obligation to take back any goods and provide refunds to customers.

Sale of goods – farming equipment, agricultural products and produce – Local

The Group offers a large variety of products that cater for the different agricultural and related industries. Our products include farming equipment, fertiliser, seed, livestock products, hardware, building material, fuel, fencing, spares, processed and unprocessed timber products and grain products, motor vehicles and related items.

Revenue from the sale of goods is recognised when control of the goods has transferred, being when the risk and rewards is transferred to the customer. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risk of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the risk and rewards is transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional. No warranty is provided by the Group and the Group does not have any obligation to take back any goods and provide refunds to customers.

Sale of goods – contract fertiliser sales

For contract fertiliser sales revenue is recognised when control of the goods has transferred, being when the risk and rewards is transferred to the customer. Due to the nature of the transaction and the timing difference between the date of the contract and the expected date of the delivery, the obligation is performed at a point in time and gives rise to a contract liability. Revenue is recognised based on the quantity of product delivered to date relative to the total quantity of product delivered. No warranty is provided by the Group and the Group does not have any obligation to take back any goods and provide refunds to customers.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Sale of goods – storage and handling of grain related products

The storage of grain is seen as a single performance obligation which is satisfied by the Group over a period of time as the customer receives and consumes the benefit of being able to store the product at the grain storage facility. The revenue from the storage of grain is recognised as the grain is stored over time. The revenue from the sale of grain is recognised at the point of delivery of the grain.

An output-based method is being followed to measure the completion of the service, as the customer only pays for specific activities to be performed which entails that revenue is recognised on the basis of the value of services transferred to date relative to the total service promised.

The revenue from the handling of grain is seen as a single performance obligation which is satisfied by the Group at a point in time. The revenue from the handling of grain is recognised upon completion of the handling activity by the Group. No warranty is provided by the Group and the Group does not have any obligation to take back any goods and provide refunds to customers.

Sale of goods – commodity goods – Local

For local commodity sales, revenue is recognised when control of the goods has transferred, being when the risk and rewards is transferred to the customer. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risk of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the risk and rewards is transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional. No warranty is provided by the Group and the Group does not have any obligation to take back any goods and provide refunds to customers.

Sale of goods – commodity goods – Exports

For export commodity sales, revenue is recognised when control of the goods has transferred, being when the risk and rewards is transferred to the customer. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risk of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the risk and rewards is transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional. No warranty is provided by the Group and the Group does not have any obligation to take back any goods and provide refunds to customers.

Sale of goods – motor vehicles and other related items; fuel and servicing of motor vehicles

The Group owned a variety of Motor dealerships where revenue is generated through the sale and servicing of vehicles and trucks. Revenue is recognised when control of the goods has transferred, being when the risk and rewards is transferred to the customer.

Where applicable, warranties are provided by the product supplier and administered by the Group. As the warranty obligation is on the product supplier, The Group does not recognise any provision for the cost involved with this liability. With effect from 31 August 2024, the Group disposed of all Motor dealerships, and revenue have been reclassified to Discontinued Operations in the current and prior financial year.

The Group also owns filling stations where revenue is earned through the sale of fuel and related products.

The company does not have any obligation to take back any goods and provide refunds to customers.

Rendering of services – Commission on sale of agricultural products and produce and contract fertiliser sales

The Group acts as an agent on the marketing of certain agricultural products and produce as well as contract fertiliser sales. Payment terms is the same as discussed under sale of goods – agricultural products and produce and sale of goods – contract fertiliser sales. Commission is earned on these transactions.

Revenue is recognised when the service are provided.

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Rendering of services – servicing of farming equipment

Customers are being charged for servicing of these items based on the time spent and parts used. The revenue for the servicing of these items will be recognised when the service is complete if the service does not take a significant period. If, however, the service does take a significant period, revenue will be recognised as the customer's asset is enhanced and TWK obtains a right to payment. If it is not possible to complete the service due to further faults, the client is liable for the charges for time spent and materials used to the point when the service ceases.

The warranty is provided by the product supplier and administrated by the Group.

As the warranty obligation is on the product supplier, the Group does not recognise any provision for the cost involved with this liability. The company does not have any obligation to take back any goods and provide refunds to customers.

Rendering of services – Commission income

The Group offers a variety of insurance products and services to a diverse client base of which it acts as agent. The main products offered are:

- Short-term insurance.
- Crop insurance.
- Plantation insurance
- Long-term insurance
- Medical aids.
- Funeral insurance; and
- Alternative Risk Transfer

Commission income is recognised at a point in time in the accounting period in which the services are being rendered.

Rendering of services – Finance income

Financial income comprises of interest income and dividend income.

The Group offers its clients with a variety of products to assist with their financing requirements which include month accounts, term loan facilities, forestry loans, asset financing and production facilities. Interest income is earned on these products.

Interest income is recognised, in profit or loss, using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest accrues daily and is recognised on a monthly basis.

1.22 COST OF SALES

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

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

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.23 BORROWING COSTS

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

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

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 TRANSLATION OF FOREIGN CURRENCIES

FOREIGN CURRENCY TRANSACTIONS

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.25 LOYALTY SCHEME PAYMENTS

The Group operates a loyalty scheme to incentivise clients for doing business with the Group by awarding shares to be taken up in the Group and/or cash payments on an annual basis. All bona-fide farmers that do significant business with the Group by contributing to gross profit exceeding a set minimum amount qualify to be awarded through the Loyalty Scheme. These payments are accounted for in the period in which the loyalty scheme payments are made when applicable. The shares are being kept in a trust which is controlled by the Group.

2. CHANGES IN ACCOUNTING POLICY

The accounting policy adopted in the preparation of the Group annual financial statements is consistent with the policy followed in the preparation of the Group annual financial statements for the previous financial year. No other new standards have been adopted in the current financial year.

3. NEW STANDARDS AND INTERPRETATIONS

3.1 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 September 2024 or later periods:

Standard/interpretation	Effective date: Years beginning on or after	Expected impact
• Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026	Unlikely there will be a material impact
• Amendment to the Classification and Measurements of Financial Instruments — Amendments to IFRS 9 and IFRS 7	1 January 2026	Unlikely there will be a material impact
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Unlikely there will be a material impact
• IFRS 19 Subsidiaries without Public Accountability: Disclosures — Basis for Conclusions	1 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements — Basis for Conclusion	1 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements — Illustrative Examples	1 January 2027	Unlikely there will be a material impact
• IFRS Accounting Taxonomy 2023 — Update 1 International Tax reform — Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability	Unknown	Unlikely there will be a material impact
• IFRS Accounting Taxonomy 2023 — Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update	Unknown	Unlikely there will be a material impact

The Group is in the process of evaluating the effect of all standards and interpretations not yet effective, however no significant changes are anticipated. Therefore these standards and interpretations are not expected to have a significant impact on the Group's financial position or financial performance, however, additional disclosure may be required.

4. SEGMENTAL INFORMATION

The Group has identified reportable segments which represent the structure used by Management to make key operating decisions and assess performance.

The reportable segments are divided into business units based on the products and services offered and the economic sector in which they operate. The geographical area in which the operating segments operate are of secondary concern, with the associated cost to develop considered excessively.

These reportable segments, as well as the products and services from which each of them derives revenue, are set out below:

Reportable segment	Products and services
Timber	Establishment, maintenance and harvesting of plantations, market access of timber as well as value adding and marketing of timber and timber-related products.
Retail and Mechanisation	Sales and retail outlets, direct sales of farming input requirements and sales of mechanisation goods, as well as production and marketing of fertiliser and related products.
Financial Services	Credit extension to agricultural producers and corporate clients. Insurance includes commission received on short-term-, crop-, and life insurance premiums and administration fees.
Grain	Income received from handling and storage of agricultural produce, production and marketing of maize meal and animal feeds and commission earned on marketing of grain.
Motors	Sale of motor vehicles, trucks and related products as well as fuel stations. The underlying business of the segment has been classified as held for sale.
Renewable Energy	Supply of electricity via solar energy. The underlying business of the segment has been classified as held for sale.
Corporate	Head office services, information technology, human resources, properties, corporate marketing, internal audit and group financing.

SEGMENTAL REVENUE AND RESULTS

Management assesses the performance of the operating segments based on the measure of earnings before tax (EBT). Income tax is managed on a Group level and is not allocated to the operating segments. The segment information provided to Management is presented below:

FIGURES IN RAND	Total segment revenue	Inter-segment revenue	Revenue from external customers	Operating profit before depreciation, amortisation and capital items (EBITDA)	Capital and non-operational
2024					
CONTINUING OPERATIONS					
Timber	**4 974 700 859**	**(1 987 450 223)**	**2 987 250 636**	**345 347 780**	**(19 590 816)**
Retail and Mechanisation	**5 760 051 787**	**(2 861 314 781)**	**2 898 737 006**	**39 042 196**	**700 696**
Financial Services	**276 710 845**	**7 177 907**	**283 888 752**	**132 932 089**	**–**
Grain	**4 725 762 109**	**(2 345 894 761)**	**2 379 867 348**	**65 546 656**	**–**
Motors	**–**	**–**	**–**	**25 953**	**20 000 000**
Corporate	**101 478 086**	**(127 029 841)**	**(25 551 755)**	**6 540 381**	**(5 818 068)**
TOTAL	**15 838 703 686**	**(7 314 511 699)**	**8 524 191 987**	**589 435 055**	**(4 708 188)**

4. SEGMENTAL INFORMATION CONTINUED

FIGURES IN RAND	Depreciation and amortisation *	Investment income	Interest expense	Income from equity-accounted investments	Profit before tax
2024					
CONTINUING OPERATIONS					
Timber	**(26 552 120)**	**1 368 066**	**(86 292 052)**	**1 554 035**	**215 834 893**
Retail and Mechanisation	**(28 109 226)**	**317 513**	**(39 434 075)**	**3 239 454**	**(24 243 442)**
Financial Services	**(3 506 534)**	**1 263 436**	**(77 218 432)**	**–**	**53 470 559**
Grain	**(5 273 652)**	**2 152 753**	**(24 721 698)**	**–**	**37 704 059**
Motors	**(289)**	**1 306 112**	**–**	**–**	**21 331 776**
Corporate	**(6 886 910)**	**833 487**	**25 129 127**	**2 373 284**	**22 171 297**
TOTAL	**(70 328 731)**	**7 241 367**	**(202 537 130)**	**7 166 773**	**326 269 142**
RECONCILING ITEMS					
Discontinued operations **					**(105 212 740)**
Taxation					**(81 040 210)**
PROFIT AFTER DISCONTINUED OPERATIONS, LOYALTY SCHEME PAYMENTS AND TAX					**140 016 192**

* *An amount of R13 963 887 has been reclassified to discontinued operations and does not for part of the segment detail.*

** *The value reported under Discontinued Operations have been isolated from the main segments before taking into account intercompany eliminations, as follows:*

FIGURES IN RAND	2024
Timber	**(45 942 644)**
Motors	**(93 892)**
Retail and Mechanisation	**227 035**
Renewable Energy	**(59 403 239)**
TOTAL	**(105 212 740)**

FIGURES IN RAND	Total segment revenue	Inter-segment revenue	Revenue from external customers	Operating profit before depreciation, amortisation and capital items (EBITDA)	Capital and non-operational
2023					
CONTINUING OPERATIONS					
Timber	3 543 922 236	(625 758 734)	2 918 163 502	402 286 227	(70 161 449)
Retail and Mechanisation	6 450 336 148	(3 460 649 118)	2 989 687 030	9 648 192	(1 353 046)
Financial Services	274 012 058	(1 285 413)	272 726 645	108 257 377	–
Grain	2 415 007 059	(654 987 380)	1 760 019 679	55 839 740	–
Motors	–	–	–	(29 603 694)	–
Corporate	94 312 876	(74 375 729)	19 937 147	48 337 108	261 528
TOTAL	12 777 590 377	(4 817 056 374)	7 960 534 003	594 764 950	(71 252 967)

4. SEGMENTAL INFORMATION CONTINUED

FIGURES IN RAND	Depreciation and amortisation *	Investment income	Interest expense	Income from equity-accounted investments	Profit before tax
2023					
CONTINUING OPERATIONS					
Timber	(21 981 485)	2 268 706	(60 799 449)	1 821 841	253 434 391
Retail and Mechanisation	(28 604 835)	1 046 667	(26 385 318)	3 494 997	(42 153 343)
Financial Services	(3 167 148)	883 488	(56 449 546)	–	49 524 171
Grain	(4 787 955)	1 890 626	(7 507 561)	–	45 434 850
Motors	–	1 663 293	(6)	–	(27 940 407)
Corporate	(3 933 562)	797 840	(25 817 962)	1 014 819	20 659 773
TOTAL	(62 474 985)	8 550 620	(176 959 842)	6 331 657	298 959 435
RECONCILING ITEMS					
Discontinued operations **					(109 775 875)
Taxation					(100 970 267)
PROFIT AFTER DISCONTINUED OPERATIONS, LOYALTY SCHEME PAYMENTS AND TAX					88 213 291

* *An amount of R15 390 573 has been reclassified to discontinued operations and does not form part of the segment detail.*

** *The value reported under Discontinued Operations have been isolated from the main segments before taking into account intercompany eliminations, as follows:*

FIGURES IN RAND	2023
Timber	(84 329 594)
Motors	(6 730 634)
Retail and Mechanisation	(3 173 732)
Renewable Energy	(15 541 915)
TOTAL	(109 775 875)

SEGMENT ASSETS AND LIABILITIES

Segment assets and liabilities are measured in a manner consistent with that of the annual financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets and liability.

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the consolidated statement of financial position:

FIGURES IN RAND	**Capital expenditure**	**Total assets**	**Total liabilities**	**Net assets**
2024				
CONTINUING OPERATIONS				
Timber	**30 475 940**	**2 828 369 183**	**(1 676 636 846)**	**1 151 732 337**
Retail and Mechanisation	**4 634 166**	**815 467 149**	**(692 175 231)**	**123 291 918**
Financial Services	**8 336 132**	**1 075 839 274**	**(1 007 412 133)**	**68 427 141**
Grain	**512 886**	**513 086 482**	**(405 055 526)**	**108 030 956**
Motors	**–**	**123 000 540**	**(50 953 010)**	**72 047 530**
Renewable Energy	**–**	**191 676 299**	**(180 366 387)**	**11 309 912**
Corporate	**27 396 119**	**924 476 141**	**(293 289 052)**	**631 187 089**
TOTAL	**71 355 243**	**6 471 915 068**	**(4 305 888 185)**	**2 166 026 883**

4. SEGMENTAL INFORMATION CONTINUED

FIGURES IN RAND	Capital expenditure	Total assets	Total liabilities	Net assets
2023				
CONTINUING OPERATIONS				
Timber	63 201 069	2 743 938 937	(1 751 350 882)	992 588 055
Retail and Mechanisation	14 399 483	811 039 446	(698 945 225)	112 094 221
Financial Services	3 101 823	1 127 860 208	(1 098 214 179)	29 646 029
Grain	5 581 588	493 344 557	(412 837 564)	80 506 993
Motors	1 637 447	236 144 260	(179 668 925)	56 475 335
Renewable Energy	–	268 990 434	(257 680 522)	11 309 912
Corporate	43 598 847	895 969 062	(156 533 012)	739 436 050
TOTAL	131 520 257	6 577 286 904	(4 555 230 309)	2 022 056 595

5. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
FIGURES IN RAND	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	**1 036 273 283**	**(9 914 892)**	**1 026 358 391**	958 788 235	(9 914 892)	948 873 343
Plant and machinery	**326 727 087**	**(167 943 079)**	**158 784 008**	307 103 566	(154 751 342)	152 352 221
Furniture and fixtures	**36 822 891**	**(20 521 307)**	**16 301 584**	32 854 771	(19 514 792)	13 339 979
Motor vehicles	**150 365 113**	**(77 150 142)**	**73 214 971**	164 976 390	(78 517 737)	86 458 653
IT equipment	**35 649 666**	**(22 041 025)**	**13 608 641**	31 468 182	(18 875 955)	12 592 227
Bearer plants	**5 633 509**	**(1 341 761)**	**4 291 748**	4 883 809	(660 881)	4 222 928
Structures	**44 595 697**	**(15 099 401)**	**29 496 296**	40 471 636	(12 676 284)	27 795 352
TOTAL	**1 636 067 246**	**(314 011 607)**	**1 322 055 639**	1 540 546 589	(294 911 883)	1 245 634 703

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

FIGURES IN RAND	Opening balance	Additions	Disposals	Classified as held for sale
2024				
Land and buildings	**948 873 343**	**19 005 758**	**(1 480 000)**	**(120 000)**
Plant and machinery	**152 352 224**	**26 203 411**	**(2 818 755)**	**–**
Furniture and fixtures	**13 339 979**	**5 839 350**	**(190 482)**	**–**
Motor vehicles	**86 458 653**	**7 405 160**	**(8 338 165)**	**–**
IT equipment	**12 592 227**	**6 369 087**	**(179 173)**	**–**
Bearer plants	**4 222 928**	**2 096 048**	**(1 346 346)**	**–**
Structures	**27 795 352**	**4 436 428**	**–**	**–**
TOTAL	**1 245 634 706**	**71 355 242**	**(14 352 921)**	**(120 000)**

FIGURES IN RAND	Revaluations	Depreciation	Impairment loss	Total
2024				
Land and buildings	**61 409 990**	**–**	**(1 330 700)**	**1 026 358 391**
Plant and machinery	**–**	**(16 952 872)**	**–**	**158 784 008**
Furniture and fixtures	**–**	**(2 687 263)**	**–**	**16 301 584**
Motor vehicles	**–**	**(12 310 677)**	**–**	**73 214 971**
IT equipment	**–**	**(5 173 500)**	**–**	**13 608 641**
Bearer plants	**–**	**(680 882)**	**–**	**4 291 748**
Structures	**–**	**(2 735 484)**	**–**	**29 496 296**
TOTAL	**61 409 990**	**(40 540 678)**	**(1 330 700)**	**1 322 055 639**

5. PROPERTY, PLANT AND EQUIPMENT CONTINUED

FIGURES IN RAND	Opening balance	Additions	Disposal	Classified as held for sale*
2023				
Land and buildings	913 370 229	42 535 765	(127 721)	(45 742 441)
Plant and machinery	130 781 405	41 402 796	(5 416 263)	(91 402)
Furniture and fixtures	9 470 718	5 900 847	(149 112)	–
Motor vehicles	76 045 211	26 194 576	(4 778 501)	–
IT equipment	11 239 342	5 831 781	(152 905)	–
Bearer plants	2 112 467	4 423 274	(1 833 949)	–
Structures	26 416 192	5 231 350	(6 806)	(1 408 572)
TOTAL	1 169 435 564	131 520 389	(12 465 257)	(47 242 415)

* *The prior year comparatives have been restated for the effect of the reclassification of discontinued operations. Refer to note 23.*

FIGURES IN RAND	Revaluations	Depreciation	Total
2023			
Land and buildings	38 845 017	(7 506)	948 873 343
Plant and machinery	–	(14 324 312)	152 352 224
Furniture and fixtures	–	(1 882 474)	13 339 979
Motor vehicles	–	(11 002 633)	86 458 653
IT equipment	–	(4 325 991)	12 592 227
Bearer plants	–	(478 864)	4 222 928
Structures	–	(2 436 812)	27 795 352
TOTAL	38 845 017	(34 458 592)	1 245 634 706

PROPERTY, PLANT AND EQUIPMENT ENCUMBERED AS SECURITY

Certain property, plant and equipment with a carrying value of R908 249 048 (2023: R808 532 796), have been pledged to secure borrowings. Refer to note 30.

REVALUATIONS

Land and buildings are subsequently carried at the revalued amount. On a yearly basis, the Directors evaluate on a critical basis, after all known market factors are taken into consideration, if there is any indication of a material increase or decrease on an individual basis of all land and buildings. If such indication exists, the identified land and buildings are valued by an external independent valuer.

However, land and buildings are valued at least quadrennial by external independent valuers. A rotation schedule applies to identify properties falling due for revaluation. The board would also include other properties for valuation, sooner than required, if indicators exist that requires the same.

The last valuation on selected assets was on 31 August 2024. Valuations were performed by independent valuers, Mr. C. Winckler and Mr. W. Winckler of Valuers Africa (Pty) Ltd. The valuers are registered professional valuers and are not connected to the Group.

During the current financial year, the company carried out a desktop valuation on the properties not subjected to a revaluation in accordance with the quadrennial rotation schedule where it was noted that the fair value of the assets differs from its carrying amount. The fair value was determined by an independent external valuer, Valuers Afrika (Pty) Ltd, who identified, based on their professional expertise and understanding of the market, which assumptions should be changed since the last revaluation that was performed.

Where no comparable information is available, the income capitalisation method of valuation is being used to revalue land and buildings. Where comparable information is available, the comparable sales method is used and for specialised property, the depreciated replacement cost is being used.

5. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Valuation reports on valuations performed by the independent valuer for the 2024 and 2023 financial year, utilised vacancy and capitalisation rates ranging from:

Capitalisation rate	9,70% to 13,50%
Vacancy rate	1,67% to 10,00%
Average market rental growth rate	2,00% to 8,00%
Expense rate	19,77% to 41,57%
Depreciation factor	8,00% to 41,00%

SENSITIVITY ANALYSIS

As changes to the capitalisation, vacancy rates and average market rental growth rate may impact the calculated fair value, the effect of an increase of 1% and the effect of a decrease of 1% in each of the assumptions, while keeping the other constant, is as follows:

	2024		2023	
FIGURES IN RAND	**1%**	**-1%**	1%	-1%
1% change in capitalisation rate	**(24 400 000)**	**28 900 000**	(12 602 968)	15 094 024
1% change in vacancy rate	**3 100 000**	**(3 400 000)**	2 350 500	(2 350 500)
1% change in average market rental growth rate	**6 753 268**	**(6 341 867)**	2 117 517	(2 117 517)
	(14 546 732)	**19 158 133**	(8 134 951)	10 626 007

The carrying value of the revalued assets under the cost model, excluding assets classified as held for sale, would have been:

FIGURES IN RAND	**2024**	2023
Land and buildings	**526 565 969**	536 631 161

FAIR VALUE INFORMATION

The fair value measurement of Land and Buildings have been categorised as a Level 3 measure in terms of the fair value measurement hierarchy as established by IFRS 13, which is consistent with the prior year.

6. INVESTMENT PROPERTY

	2024			2023		
FIGURES IN RAND	**Cost/ valuation**	**Accumulated depreciation**	**Carrying value**	Cost/ valuation	Accumulated depreciation	Carrying value
Investment property	**6 100 000**	**–**	**6 100 000**	6 200 000	–	6 200 000

RECONCILIATION OF INVESTMENT PROPERTY

FIGURES IN RAND	**Opening balance**	**Fair value adjustments**	**Total**
2024			
Investment property	**6 200 000**	**(100 000)**	**6 100 000**

FIGURES IN RAND	Opening balance	Fair value adjustments	Total
2023			
Investment property	7 113 435	(913 435)	6 200 000

6. INVESTMENT PROPERTY CONTINUED

DETAILS OF VALUATION

Investment property is carried at fair value. On a yearly basis, the Directors evaluate on a critical basis, after all known market factors are taken into consideration, if there is any indication of a material increase or decrease in the fair value of investment property. If such indication exists, investment property is valued by an external independent valuer.

However, investment property is valued at least quadrennial by external independent valuers. A rotation schedule applies to identify properties falling due for revaluation. The board would also include other properties for valuation, sooner than required, if indicators exist that requires the same.

The last valuation on investment property was on 31 August 2024. Valuations were performed by independent valuer's, Mr. C. Winckler and Mr. W. Winckler of Valuers Africa (Pty) Ltd. The valuers are registered professional valuers and are not connected to the Group.

During the current financial year, the company carried out a desktop valuation on the properties not subjected to a revaluation in accordance with the quadrennial rotation schedule where it was noted that the fair value of the assets differs significantly from its carrying amount. The fair value was determined by an independent external valuer, Valuers Afrika (Pty) Ltd, who identified, based on their professional expertise and understanding of the market, which assumptions should be changed since the last revaluation that was performed.

Where no comparable information is available, the income capitalisation method of valuation is being used to revalue land and buildings. Where comparable information is available, the comparable sales method is used and for specialised property, the depreciated replacement cost is being used.

Valuation reports utilised vacancy and capitalisation rates ranging from:

Capitalisation rate	12%
Vacancy rate	5%
Average market rental growth rate	3%

AMOUNTS RECOGNISED IN PROFIT AND LOSS FOR THE YEAR

FIGURES IN RAND	2024	2023
Rental income from investment property	**1 195 158**	1 164 304
Direct operating expenses arising from investment property	**(581 932)**	(344 154)
Changes in fair value recognised in profit/(loss)	**(100 000)**	(913 435)
	513 226	(93 285)

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases several assets including land and buildings, motor vehicles and equipment. The average lease term is:

Land and buildings	7 years
Motor vehicles	4 years
Equipment	5 years

The Group also has certain lease terms of 12 months or less and leases of low value. The Group applies the recognition exemption for these leases. The Group has the option to purchase some of these assets at a nominal amount on completion of the lease term.

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES CONTINUED

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

RECONCILIATION OF MOVEMENT ON RIGHT-OF-USE ASSETS

FIGURES IN RAND	Opening balance	Additions	Termination/ cancellation of leases	Transfers	Remeasure-ment	Depreciation	Total
2024							
Land and buildings	**70 618 048**	**20 930 940**	**(125 633)**	**3 105 061**	**(1 596 225)**	**(24 673 879)**	**68 258 312**
Motor vehicles	**1 760 082**	**948 096**	**–**	**–**	**–**	**(1 116 683)**	**1 591 495**
Equipment	**5 223 132**	**–**	**–**	**(3 105 061)**	**(452 626)**	**(488 033)**	**1 177 412**
	77 601 262	**21 879 036**	**(125 633)**	**–**	**(2 048 851)**	**(26 278 595)**	**71 027 219**

FIGURES IN RAND	Opening balance	Additions	Termination/ cancellation of leases	Remeasure-ment	Depreciation	Total
2023						
Land and buildings	53 214 005	39 501 375	(145 068)	1 995 271	(23 947 535)	70 618 048
Motor vehicles	2 399 418	435 010	–	199 457	(1 273 803)	1 760 082
Equipment	6 407 924	–	–	57 030	(1 241 822)	5 223 132
	62 021 347	39 936 385	(145 068)	2 251 758	(26 463 160)	77 601 262

LEASE LIABILITIES

RECONCILIATION OF MOVEMENT ON LEASE LIABILITIES

FIGURES IN RAND	Opening balance	Additions	Interest	Termination/ cancellation of leases	Transfers	Remeasure-ment	Payments	Total
2024								
Land and buildings	**74 754 271**	**21 078 254**	**5 755 779**	**(161 601)**	**2 973 077**	**(1 472 930)**	**(28 669 254)**	**74 257 596**
Motor vehicles	**3 304 096**	**749 893**	**147 325**	**–**	**–**	**–**	**(2 498 173)**	**1 703 141**
Equipment	**5 081 532**	**–**	**116 770**	**–**	**(2 973 077)**	**(259 003)**	**(568 089)**	**1 398 133**
TOTAL	**83 139 899**	**21 828 147**	**6 019 874**	**(161 601)**	**–**	**(1 731 933)**	**(31 735 516)**	**77 358 870**

FIGURES IN RAND	Opening balance	Additions	Interest	Termination/ cancellation of leases	Remeasure-ment	Payments	Total
2023							
Land and buildings	56 234 381	39 486 039	4 489 330	(145 068)	1 648 479	(26 958 891)	74 754 270
Motor vehicles	3 138 858	1 539 354	178 708	–	199 457	(1 752 281)	3 304 096
Equipment	6 018 456	–	368 941	–	148 337	(1 454 202)	5 081 532
TOTAL	65 391 695	41 025 393	5 036 979	(145 068)	1 996 273	(30 165 374)	83 139 898

The maturity analysis of lease liabilities is as follows:

FIGURES IN RAND	2024	2023
Within one year	**27 093 829**	29 211 389
One to five years	**52 398 312**	76 203 993
More than five years	**20 096 801**	22 721 164
TOTAL	**99 588 942**	128 136 546

8. BIOLOGICAL ASSETS

FIGURES IN RAND	Carrying value 2024	Carrying value 2023
Forestry assets	**1 711 051 469**	1 573 132 821
Seedlings	**28 528 362**	24 624 380
Livestock	**7 013 245**	6 877 378
TOTAL	**1 746 593 076**	1 604 634 579
Immature (classified as non-current assets)	**1 301 106 217**	1 230 312 170
Mature (classified as current assets)	**445 486 859**	374 322 409
	1 746 593 076	1 604 634 579

Mature forestry assets are those plantations that are harvestable, while immature forestry assets have not yet reached that stage of growth. Timber is harvested according to a rotation plan, once trees reach maturity. This period ranges from 7 to 25 years, depending on species, climate and location.

All seedlings are classified as current assets as they are expected to be sold within 1 year.

RECONCILIATION OF BIOLOGICAL ASSETS

FIGURES IN RAND	Opening balance	Additions due to planted and purchased	Additions through business combinations	Decreases due to harvest/sales	Gains/(losses) arising from changes in fair value	Borrowing cost capitalised	Total
2024							
Forestry assets	**1 573 132 821**	**193 303 726**	**–**	**(144 310 494)**	**(19 445 704)**	**108 371 120**	**1 711 051 469**
Livestock	**6 877 378**	**140 251**	**–**	**(1 090 358)**	**1 085 974**	**–**	**7 013 245**
Seedlings	**24 624 380**	**82 868 346**	**–**	**(82 868 346)**	**3 903 982**	**–**	**28 528 362**
	1 604 634 579	**276 312 323**	**–**	**(228 269 198)**	**(14 455 748)**	**108 371 120**	**1 746 593 076**
2023							
Forestry assets	1 425 914 492	172 186 126	–	(129 086 694)	(1 277 605)	105 396 502	1 573 132 821
Livestock	6 548 855	943 406	–	(614 883)	–	–	6 877 378
Seedlings	20 114 389	69 427 801	2 664 792	(69 930 661)	2 348 059	–	24 624 380
	1 452 577 736	242 557 333	2 664 792	(199 632 238)	1 070 454	105 396 502	1 604 634 579

NON-FINANCIAL INFORMATION

	Pine	Eucalyptus	Wattle	Total
2024				
HECTARES OF EACH OWN PLANTATION				
Balance as at 31 Augusts 2023	**6 394**	**23 881**	**2 364**	**32 639**
Planted during the year	**247**	**1 525**	**327**	**2 100**
Harvested during the year	**(262)**	**(1 677)**	**(304)**	**(2 238)**
Adjusted measurement	**2**	**(101)**	**(46)**	**(145)**
BALANCE AS AT 31 AUGUST 2024	**6 381**	**23 628**	**2 341**	**32 349**
2023				
HECTARES OF EACH FORESTRY ASSET				
Balance as at 31 August 2022	5 946	24 107	2 570	32 624
Planted during the year	455	1 992	92	2 539
Harvested during the year	(44)	(2 089)	(248)	(2 381)
Adjusted measurement	50	(132)	(29)	(111)
Delineations and fire	(14)	2	(20)	(32)
BALANCE AS AT 31 AUGUST 2023	6 394	23 881	2 364	32 639

8. BIOLOGICAL ASSETS CONTINUED

QUANTITIES OF LIVESTOCK

	Cattle	Total
2024		
BALANCE AT 31 AUGUST 2023	**1 133**	**1 133**
Due to births	**187**	**187**
Due to death	**(9)**	**(9)**
Due to sale	**(175)**	**(175)**
Due to theft	**(1)**	**(1)**
BALANCE AS AT 31 AUGUST 2024	**1 135**	**1 135**
2023		
BALANCE AT 31 AUGUST 2022	1 044	1 044
Due to births	185	185
Due to death	(17)	(17)
Due to sale	(79)	(79)
Due to theft	–	–
BALANCE AS AT 31 AUGUST 2023	1 133	1 133

Plantations consists of own plantations and plantations bought. TWK manages plantations on land that the Group owns, as well as plantations bought on a standing timber basis. The Group discloses both of these as directly managed forestry assets on a standing timber basis.

Own plantations comprised of 32 349 (2023: 32 639) hectares of tree plantations on land that the Group owns which range from newly established plantations to plantations that are approximately 24 years old. Standing timber comprised of 81,52 (2023: 48,76) hectares of tree plantations of which the Group has only the marketing rights. During the year the Group harvested 420 559 (2023: 439 794) tonnes of timber on land that the Group owns, as well as plantations bought on a standing timber basis.

The Group manages the establishment, maintenance and harvesting of its plantations on a compartmentalised basis. These plantations comprise pulpwood and sawlogs and are managed to ensure that the optimum fibre balance is supplied to the most relevant market.

The Group manages its plantations on a rotational basis and as such, increases by means of growth are negated by fellings for sales over the rotation period.

PLEDGED AS SECURITY

Plantations with a carrying value of R1 011 314 265 (2023: R835 903 730) have been pledged to secure borrowings. Refer to note 30.

OWN PLANTATIONS

METHODS AND ASSUMPTIONS USED IN DETERMINING FAIR VALUE

Own plantations are measured at fair value less costs to sell at the harvesting stage and is a Level 3 measure in terms of the fair value measurement hierarchy as established by IFRS 13 Fair Value Measurement, which is consistent with the prior year. Standing timber are measured at fair value.

The Group uses the income approach in determining fair value of plantations. The approach makes use of market prices and cost to sell, discount rate as well as volume and growth estimates as key inputs. The valuation does not take replanting into account and is based on a finite period derived from the expected rotation of the different plantation species.

8. BIOLOGICAL ASSETS CONTINUED

MARKET PRICES AND COSTS TO SELL

The fair value is derived by using market prices less costs to sell. Costs to sell include all costs associated with getting the harvested agricultural produce to the market, including harvesting, loading, transport and allocated fixed overheads. The net selling price is influenced by the species, maturity profile and location of timber. Mature timber that is expected to be felled within 12 months from the end of the reporting period is valued using current market prices less costs to sell. Such timber is expected to be used in the short term and, consequently, current selling prices are considered an appropriate reflection of fair value. Selling prices are adjusted with an expected increase at date of maturity for younger timber. Future log prices were adjusted upwards with 6,5% (inflation +2%) for the following year, as well as over the long term. Cost inflation used in the calculation was 4,5% for the following year, as well as over the long term.

DISCOUNT RATE

The fair value of the biological assets has been calculated using an after tax discount rate. The cost of equity derivations is incorporated within Weighted Average Cost of Capital (WACC), along with the cost of debt, to reflect the blended cost of both equity and debt capital.

The cost of capital derivations is determined by using an appropriate risk-free rate, determined Beta and adjusted with a risk premium.

The cost of debt is the cost of funds attributable to the assets.

The discount rate used is the applicable real after tax discount rate.

VOLUME AND GROWTH ESTIMATIONS

The Group focuses on good forestry techniques which include ensuring that the rotation of plantations is met with adequate planting activities for future harvesting. The age threshold used for quantifying immature timber is dependent on the rotation period of the specific timber. Trees are generally felled at the optimum age when ready for intended use. The Group has projected growth estimation over the period of rotation based on historical data which is representative of the species and sites on which trees are grown. Periodic adjustments are made to existing models for new genetic material. Volume and growth assumptions are used in determining standing tons at valuation date.

The fair value of South African plantations has been calculated using a real after tax discount rate of 11,26% (2023: 9,13%). The Group currently values approximately 454 448 (2023: 600 205) tons of timber using market prices and costs to sell that are in line with industry norms. The average annual growth is measured at approximately 13,01 (2023: 12,92) tons of timber per hectare while immature timber comprises approximately 2 264 (2023: 2 323) hectares of plantations.

The fair value of Eswatini plantations has been calculated using a real after tax discount rate range of 11,78% to 12,27% (2023: 9,31% to 9,34%). The Group currently values approximately 4 771 203 (2023: 4 860 838) tons of timber using market prices and costs to sell that are in line with industry norms. The average annual growth is measured at approximately 14,10 (2023: 13,03) tons of timber per hectare while immature timber comprises approximately 21 903 (2023: 23 114) hectares of plantations.

8. BIOLOGICAL ASSETS CONTINUED

As changes to market prices, costs to sell, the discount rate, and volume and growth assumptions applied in the valuation of plantations may impact the calculated fair value, the Group has calculated the sensitivity of a change in each of these assumptions as tabled below:

	%	Changes in fair value (R)
MARKET PRICE CHANGES		
1% increase in market prices	2,46	42 048 466
1% decrease in market prices	(2,46)	(42 048 466)
DISCOUNT RATE		
1% increase in discount rate	(5,51)	(94 231 821)
1% decrease in discount rate	5,51	94 231 821
GROWTH ASSUMPTIONS		
1% increase in growth rate	1,32	22 570 560
1% decrease in growth rate	(1,32)	(22 570 560)
HARVEST AND TRANSPORTATION COST		
1% increase in costs	(1,27)	(21 802 279)
1% decrease in costs	1,27	21 802 279

SEEDLINGS

Seedlings are measured at fair value less costs to sell based on the age of the seedlings and is a Level 3 measure in terms of the fair value measurement hierarchy as established by IFRS 13 Fair Value Measurement which is consistent with the prior year.

The Group uses the income approach in determining fair value of seedlings. The approach makes use of market prices and cost to sell as well as volume and growth estimates as key inputs.

MARKET PRICES AND COSTS TO SELL

The fair value of seedlings is derived by using market prices less costs to sell. Costs to sell include all costs associated with getting the harvested agricultural produce to the market, including harvesting, loading, transport and allocated fixed overheads.

The net selling price is influenced by the species and maturity of seedlings. All seedlings are expected to be sold within 12 months from the end of the reporting period and are therefore valued using current market prices less costs to sell. As seedlings are expected to be sold in the short term, current market prices are considered an appropriate reflection of fair value. Selling prices are adjusted for the maturity of the seedlings.

VOLUME AND GROWTH ESTIMATIONS

The age of seedlings has been determined by the order or sow date of the seedlings, to determine their maturity. As changes to market prices, costs to sell, volume and growth assumptions applied in the valuation of seedlings may impact the calculated fair value, the Group has calculated the sensitivity of a change in each of these assumptions as tabled below:

	%	Changes in fair value (R)
MARKET PRICE CHANGES		
5% increase in market prices	5,00	1 147 651
5% decrease in market prices	(5,00)	(1 147 651)
GROWTH ASSUMPTIONS		
5% increase in growth rate	5,00	1 479 006
5% decrease in growth rate	(5,00)	(1 479 006)

8. BIOLOGICAL ASSETS CONTINUED

LIVESTOCK

The valuation technique used to determine the fair value of livestock is based on the market price of livestock of similar age, weight and market values. Significant unobservable inputs are therefore not applicable.

The fair value measurement of livestock has been categorised as level 2 fair values based on observable market sales data.

RISK MANAGEMENT STRATEGY RELATED TO BIOLOGICAL ASSETS

The Group is exposed to the following risks relating to biological assets:

REGULATORY AND ENVIRONMENTAL RISK

Non-compliance could have a negative effect on sales prices and volumes sold to optimal markets. The Group has established environmental policies and procedures aimed at compliance with environmental legislation. Regular reviews are performed to ensure that systems in place is adequate. The Group manages its plantations with FSC requirements.

SUPPLY AND DEMAND RISK

The Group is exposed to risk arising from fluctuations in the price and sales volume of timber. When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

CLIMATE AND OTHER RISKS

The plantations are exposed to the risk of damage from climate changes, diseases, fires and other natural forces. This could have a direct impact on the annual growth rate which will negatively impact the fair value of Biological assets. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including fire protection, forest health inspections and industry pest and disease surveys. The Group is also insured against fire and other forces of nature.

9. GOODWILL AND INTANGIBLE ASSETS

	2024			2023		
FIGURES IN RAND	**Cost/ valuation**	**Accumulated amortisation**	**Carrying value**	Cost/ valuation	Accumulated amortisation	Carrying value
Patents and trademarks	**184 168**	**–**	**184 168**	184 168	–	184 168
Sole distributor rights	**3 000 000**	**–**	**3 000 000**	3 000 000	–	3 000 000
Computer software	**26 459 188**	**(13 857 871)**	**12 601 317**	20 106 743	(10 603 810)	9 502 933
Goodwill	**29 137 809**	**–**	**29 137 809**	35 022 583	–	35 022 583
Agency insurance rights	**96 634 745**	**–**	**96 634 745**	69 439 314	–	69 439 314
TOTAL	**155 415 910**	**(13 857 871)**	**141 558 039**	127 752 808	(10 603 810)	117 148 998

RECONCILIATION OF INTANGIBLE ASSETS

FIGURES IN RAND	**Opening balance**	**Additions**	**Additions through business combinations**	**Amortisation**	**Impairment loss**	**Total**
2024						
Patents and trademarks	**184 168**	**–**	**–**	**–**	**–**	**184 168**
Sole distributor rights	**3 000 000**	**–**	**–**	**–**	**–**	**3 000 000**
Computer software	**9 502 933**	**6 607 842**	**–**	**(3 509 458)**	**–**	**12 601 317**
Goodwill	**35 022 583**	**–**	**–**	**–**	**(5 884 774)**	**29 137 809**
Agency insurance rights	**69 439 314**	**2 077 703**	**25 117 728**	**–**	**–**	**96 634 745**
	117 148 998	**8 685 545**	**25 117 728**	**(3 509 458)**	**(5 884 774)**	**141 558 039**

9. GOODWILL AND INTANGIBLE ASSETS CONTINUED

FIGURES IN RAND	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
2023						
Patents and trademarks	184 168	–	–	–	–	184 168
Sole distributor rights	3 000 000	–	–	–	–	3 000 000
Computer software	8 533 225	2 523 006	(64)	(1 553 234)	–	9 502 933
Goodwill	117 144 770	–	–	–	(82 122 187)	35 022 583
Agency insurance rights	70 219 228	525 000	(1 304 914)	–	–	69 439 314
	199 081 391	3 048 006	(1 304 978)	(1 553 234)	(82 122 187)	117 148 998

OTHER INFORMATION

During the year the Group acquired insurance agency rights to the value of R2 077 702 (2023: R525 000) to further expand the insurance business.

During the year, the Group also acquired 100% interest in Galinco Risk Services (Pty) Ltd. The total insurance agency rights of R24 217 009 represents the excess of the cost of the acquisition over the fair value of the net identifiable assets and liabilities assumed of the acquired business. Refer to note 10.

During the current year, the Group also acquired 100% interest in Abie Nell Makelaars (Pty) Ltd. The total agency insurance rights of R900 721 represents the excess of the cost of the acquisition over the fair value of the net identifiable assets and liabilities assumed of the acquired business. Refer to note 10.

REVIEW OF USEFUL LIFE ASSESSMENT AND IMPAIRMENT

Amortisation is calculated to write off computer software's carrying amount over its estimated useful life to its estimated residual value. The useful life and residual values are reviewed at the beginning of each reporting period and adjusted if appropriate.

The evaluation regarding the useful life and residual values of computer software can only be established with certainty when the item of asset is near the end of their useful life. The estimated useful lives of items of computer software is 4 to 10 years.

Goodwill, agency insurance rights and sole distributor rights is regarded as having an indefinite useful life because there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Management review Goodwill annually to determine whether events and circumstances continue to support an indefinite useful life and review for impairment by comparing its recoverable amount to its carrying amount.

Goodwill and agency insurance rights is allocated to the Group's cash generating units based on the different business segments. The recoverable amount of a cash generating unit is based on the calculation of the value in use. The calculation uses cashflow forecasts prepared by management for the next five years. Due to the nature of and the strategic objectives of the cash generating units, a longer than 5 years cashflow forecasts was used.

FIGURES IN RAND	**2024**	2023
INTANGIBLE ASSETS WITH INDEFINITE LIVES ARE ALLOCATED TO THE FOLLOWING CASH GENERATING UNITS:		
Agency insurance rights relating to the insurance business unit	**96 634 745**	69 439 315
Goodwill relating to the timber business unit	**29 137 809**	35 022 483
Sole distributor rights relating to the trade business unit	**3 000 000**	3 000 000

9. GOODWILL AND INTANGIBLE ASSETS CONTINUED

The following assumptions were used in the determination of the recoverable amounts of each cash generating unit:

Discount rates:

Agency insurance rights	12,26% to 13,53%
Timber business unit	13,53% to 14,43%
Sole distributor rights	12,26%

Using the budget as base data, growth was increased by 4,60%.

The forecasted cashflows are based on actual results and assumptions regarding own strategies and market development. The discount rate reflects the specific risks that are related to the business.

Management determined the budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

DETAILS OF IMPAIRMENT LOSS

During the current year, goodwill amounting to R5 884 774 (2023: 73 311 729), relating to the Timber division was impaired. This impairment was primarily driven by a decline in sales to the mining sector, as several of Bedrock's customers shut down some of their shafts. The assumptions used in the previous year's evaluation did not adequately reflect the deteriorating market conditions, resulting in the recognition of an additional impairment of R67 811 730 in the prior year. Refer to note 54.

During the prior year, goodwill amounting to R8 810 458, related to the Trade division, was impaired. The impairment is due to a decline on the discounted future cash flow expected to be generated by Gromor (Pty) Ltd. The impairment has been set off against the change of ownership reserve available for Gromor (Pty) Ltd. Refer to note 27.

10. INTERESTS IN SUBSIDIARIES

Name of company	Held by	Country of incorporation and principal operation	% holding 2024	% holding 2023
TWK Autospares (Pty) Ltd [3]	TWK Motors (Pty) Ltd	South Africa	**100,00**	100,00
The Lionsriver Farmers Exchange (Pty) Ltd [5]	TWK Motors (Pty) Ltd	South Africa	**100,00**	100,00
Rothman Motors (Pty) Ltd [5]	TWK Motors (Pty) Ltd	South Africa	**100,00**	100,00
TWK Agri Collections (Pty) Ltd [3]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
Constantia Kunsmis (Pty) Ltd [2]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
TWK Insurance Brokers (Pty) Ltd [3]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
TWK Motors (Pty) Ltd [5]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
TWK Rekenaardienste (Pty) Ltd [2]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
Lydenburg Saagmeule (Pty) Ltd [1]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
BedRock Mining Support (Pty) Ltd [1]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
Machrie Korttermyn (Pty) Ltd [3]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
Fidesure Brokers (Pty) Ltd [3]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
Sunshine Seedling Services (Pty) Ltd [1]	TWK Agri (Pty) Ltd	South Africa	**81,00**	71,00
Executive Underwriting Managers (Pty) Ltd [3]	TWK Agri (Pty) Ltd	South Africa	**60,00**	60,00
Roofspace Rental Group (Pty) Ltd [6]	TWK Agri (Pty) Ltd	South Africa	**85,00**	85,00
Gromor (Pty) Ltd [2]	Constantia Kunsmis (Pty) Ltd	South Africa	**100,00**	100,00
Farmyard Organics (Pty) Ltd [2]	Gromor (Pty) Ltd	South Africa	**100,00**	100,00
Castle Walk Property Investments (Pty) Ltd [7]	TWK Investments Ltd	South Africa	**100,00**	100,00
TWK Agri (Pty) Ltd [1, 2, 3, 4, 7]	TWK Investments Ltd	South Africa	**75,00**	75,00
Arrowfeeds (Pty) Ltd [4]	TWK Investments Ltd	Eswatini	**100,00**	100,00
Shiselweni Forestry Company Ltd [1]	TWK Investments Ltd	Eswatini	**100,00**	100,00
TWK Swaziland (Pty) Ltd [2]	TWK Investments Ltd	Eswatini	**100,00**	100,00
Nhlangano Timber Company (Pty) Ltd [1]	Shiselweni Forestry Company Ltd	Eswatini	**100,00**	100,00
Olmacs (Pty) Ltd [1]	Shiselweni Forestry Company Ltd	Eswatini	**100,00**	100,00
SAWCO Mining Timber (Pty) Ltd [1]	Shiselweni Forestry Company Ltd	Eswatini	**100,00**	100,00
SAWCO Treated Timber (Pty) Ltd [1]	Shiselweni Forestry Company Ltd	Eswatini	**100,00**	100,00
Rudamans Nelspruit (Pty) Ltd [2]	TWK Agri (Pty) Ltd	South Africa	**100,00**	100,00
Galinco Risk Services (Pty) Ltd [3]	TWK Agri (Pty) Ltd	South Africa	**100,00**	–
Abie Nell Makelaars (Pty) Ltd [3]	TWK Agri (Pty) Ltd	South Africa	**100,00**	–

Nature of business subsidiaries

1. Timber: *Production and marketing of timber related products.* **2. Retail and Mechanisation:** *Sale and retail outlets, as well as production and marketing of fertiliser and related products.* **3. Financial Services:** *Credit extension and insurance relate products and services.* **4. Grain:** *Handling and storage as well as production and marketing of grain related products.* **5. Motors:** *Sale of motor vehicles and related services.* **6. Renewable Energy:** *Supply of electricity via solar energy.* **7. Corporate:** *Property holding and head office services.*

During the prior year, the Group acquired 100% of the issued share capital of Rudamans Nelspruit (Pty) Ltd.

On 28 February 2023, a sale of share transaction was concluded for the sale of shares held in Roofspace Rental Group (Pty) Ltd. However, in the current year, the agreement was terminated, resulting in a restatement of prior year figures. Refer to note 54. The Group is reconsidering its options to dispose of the shares held in Roofspace Rental Group (Pty) Ltd and/or the assets held in the company.

In the prior year, advanced negotiations were underway for the sale of shares in TWK Motors (Pty) Ltd. In the current year, however, only an asset sale transaction was concluded, resulting in the disposal of assets and stock related to the Haval and Toyota dealerships in August 2024. The profits from the asset sale have been included in other non-operating gains and losses. Refer to note 41. The sale of assets related to the Isuzu dealership is expected to be finalised by mid-October and has been disclosed as part of discontinued operations. All associated assets and liabilities have been classified as held for sale for both the current and comparative periods. The Total filling station located in Mkhondo will continue to operate under TWK Motors (Pty) Ltd, with TWK Agri (Pty) Ltd retaining 100% ownership of the business. Refer to note 23 for additional details.

10. INTERESTS IN SUBSIDIARIES CONTINUED

During the current year the Group also acquired an additional 10% (2023: 10%) of the issued share capital of Sunshine Seedlings Services (Pty) Ltd.

During the current year, the Group also acquired 100% of the issued share capital of Galinco Risk Services (Pty) Ltd and Abie Nell Makelaars (Pty) Ltd.

SUBSIDIARIES PLEDGED AS SECURITY

TWK Agriculture Holdings (Pty) Ltd, TWK Investments Ltd and TWK Agri (Pty) Ltd signed unlimited suretyship as guarantee for the loan facilities. Refer to note 30.

Shiselweni Forestry Company Ltd signed a suretyship limited to an amount of R250 000 000 for the Standard Bank overdraft facility. Refer to note 22 and 30.

The shares of Castle Walk Property Investments (Pty) Ltd serves as security for the loan facilities granted by ABSA Bank to TWK Investments Ltd.

BUSINESS COMBINATIONS

New business combinations during the current financial year impacted the Group's profit and revenue numbers as follows:

Revenue:	R6 641 805	(2023: R143 075 371)
Profit/(loss) before tax:	R2 096 380	(2023: (R5 521 224))

RUDAMANS NELSPRUIT (PTY) LTD

On 1 November 2022 the Group acquired 100% shareholding in Rudamans Nelspruit (Pty) Ltd. The acquisition of Rudamans was made to further grow the Trade business.

The excess of the cost of the acquisition of the shareholding over the fair value of the Group's share of the net identifiable assets and liabilities assumed of the acquired business at the date of acquisition amounted to R0. On 31 August 2023, all operations of Rudamans Nelspruit (Pty) Ltd have been sold to TWK Agri (Pty) Ltd.

Fair value of assets acquired and liabilities assumed:

FIGURES IN RAND	2024	2023
Property, plant and equipment	–	9 652 346
Inventory	–	28 206 144
Deferred tax	–	230 078
Trade and other receivables	–	9 593 512
Cash and cash equivalents	–	2 397 894
TOTAL ASSETS	–	50 079 974
Trade and other payables	–	(9 252 111)
Bank overdraft	–	(9 246 039)
Other current liabilities	–	(2 017 104)
TOTAL LIABILITIES	–	(20 515 254)
NET IDENTIFIABLE ASSETS ACQUIRED	–	29 564 720
Less: Non-controlling interest in net identifiable assets on date of acquisition	–	–
NET IDENTIFIABLE ASSETS ACQUIRED ATTRIBUTABLE TO THE PARENT	–	29 564 720
Less: Cash consideration paid	–	(29 564 720)
GOODWILL	–	–

The acquisition was funded from operating cashflows.

10. INTERESTS IN SUBSIDIARIES CONTINUED

SUNSHINE SEEDLINGS SERVICES (PTY) LTD

On 1 September 2023, the Group acquired an additional 10% (2023: 10%) shareholding in Sunshine Seedling Services (Pty) Ltd. The acquisition of Sunshine Seedling Services was made to further grow the Timber business. The acquisition was funded from operating cashflow.

The excess of the cost of the acquisition of the shareholding over the fair value of the goup's share of the net identifiable assets and liabilities assumed of the acquired business at the date of acquisition amounted to R3 488 517 (2023: R5 783 163) and have been accounted for as a change in ownership interest. The Group has the irrevocable right to acquire a further 19% of the shares in Sunshine Seedling Services (Pty) Ltd over the next 2 years at agreed terms and financial ratios. The estimate of the range for the outstanding 19% of the shares is between R15,4 million an R18,8 million.

Fair value of assets acquired and liabilities assumed:

FIGURES IN RAND	2024	2023
Property, plant and equipment	**10 956 600**	7 049 768
Right-of-use assets	**8 041 608**	10 175 621
Biological assets	**24 624 380**	19 611 530
Inventories	**18 127 193**	14 524 614
Trade and other receivables	**2 724 453**	3 879 655
Cash and cash equivalents	**5 583 902**	9 487 392
Other current assets	**3 854 450**	844 782
TOTAL ASSETS	**73 912 595**	65 573 362
Borrowings and other loans	**–**	(2 336 753)
Lease liabilities	**(7 386 257)**	(6 696 450)
Deferred tax	**(12 197 686)**	(9 508 077)
Trade and other payables	**(17 192 273)**	(11 370 224)
Other current liabilities	**(4 764 680)**	(4 594 227)
TOTAL LIABILITIES	**(41 540 896)**	(34 505 731)
NET IDENTIFIABLE ASSETS ACQUIRED	**32 371 689**	31 067 631
Less: Non-controlling interest in net identifiable assets on date of acquisition	**(22 157 487)**	(16 264 056)
NET IDENTIFIABLE ASSETS ACQUIRED ATTRIBUTABLE TO THE PARENT	**10 214 212**	14 803 575
Less: Cash consideration paid	**(6 725 686)**	(9 020 412)
CHANGE OF OWNERSHIP INTEREST RECOGNISED ON DATE OF ACQUISITION BY CONTROLLING SHAREHOLDER	**3 488 526**	5 783 163

The fair value of trade and other receivables acquired of R2 724 453 (2023: R3 879 655) included a provision of R484 404 (2023 R179 268) which was not expected to be collected.

10. INTERESTS IN SUBSIDIARIES CONTINUED

GALINCO RISK SERVICES (PTY) LTD

On 30 November 2023 the Group acquired a 100% shareholding in Galinco Risk Services (Pty) Ltd. The acquisition of Galinco Risk Services was made to further grow the Insurance business.

The excess of the cost of the acquisition of the shareholding over the fair value of the Group's share of the net identifiable assets and liabilities assumed of the acquired business at the date of acquisition amounted to R0.

Fair value of assets acquired and liabilities assumed:

FIGURES IN RAND	2024	2023
Property, plant and equipment	24 398	–
Deferred tax	–	–
Trade and other receivables	342 266	–
Cash and cash equivalents	1 483 988	–
Agency insurance rights	24 217 009	–
TOTAL ASSETS	26 067 661	–
Trade and other payables	(1 122 617)	–
Other current liabilities	(345 044)	–
TOTAL LIABILITIES	(1 467 661)	–
NET IDENTIFIABLE ASSETS ACQUIRED	24 600 000	–
Less: Non-controlling interest in net identifiable assets on date of acquisition	–	–
NET IDENTIFIABLE ASSETS ACQUIRED ATTRIBUTABLE TO THE PARENT	24 600 000	–
Less: Cash consideration paid	(24 600 000)	–
BARGAIN PURCHASE	–	–

The acquisition was funded from operating cashflows.

ABIE NELL MAKELAARS (PTY) LTD

On 1 August 2024 the Group acquired a 100% shareholding in Abie Nell Makelaars (Pty) Ltd. The acquisition of Abie Nell makelaars was made to further grow the Insurance business.

The excess of the cost of the acquisition of the shareholding over the fair value of the Group's share of the net identifiable assets and liabilities assumed of the acquired business at the date of acquisition amounted to R0.

Fair value of assets acquired and liabilities assumed:

FIGURES IN RAND	2024	2023
Property, plant and equipment	30 556	–
Deferred tax	11 913	–
Trade and other receivables	17 820	–
Cash and cash equivalents	10 461	–
Agency insurance rights	900 721	–
NET IDENTIFIABLE ASSETS ACQUIRED	971 471	–
Less: Non-controlling interest in net identifiable assets on date of acquisition	–	–
NET IDENTIFIABLE ASSETS ACQUIRED ATTRIBUTABLE TO THE PARENT	971 471	–
Less: Cash consideration paid	(971 471)	–
BARGAIN PURCHASE	–	–

The acquisition was funded from operating cashflows.

10. INTERESTS IN SUBSIDIARIES CONTINUED

TOP CROP NURSERY PARTNERSHIP

On 1 March 2023 the Group acquired certain assets from Top Crop Nursery Partnership, as a going concern for a total consideration of R1 800 000. The acquisition of Top Crop Nursery was made to further grow the Timber business. The assets comprised of the moveable nursery assets and inventory. A bargain purchase was recognised as a result of the net assets purchased at fair value exceeding the consideration paid and have been included in other operating income. Refer to note 36.

Fair value of assets acquired and liabilities assumed:

FIGURES IN RAND	2024	2023
Property, plant and equipment	–	2 071 999
Biological assets	–	2 695 907
Inventory	–	2 314 869
Trade and other receivables	–	4 675 677
	–	11 758 452
Less: Trade and other payables	–	(8 951 151)
NET IDENTIFIABLE ASSETS ACQUIRED	–	2 807 301
Less: Cash consideration paid	–	(1 800 000)
GAIN ON A BARGAIN PURCHASE IN A BUSINESS COMBINATION INCLUDED IN OTHER OPERATING INCOME	–	1 007 301

The acquisition was funded from operating cashflows.

SUMMARISED FINANCIAL INFORMATION OF MATERIAL SUBSIDIARIES DISCLOSED ON A STANDALONE BASIS (I.E. BEFORE INTERGROUP ELIMINATIONS)

SUMMARISED STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities
2024						
Constantia Kunsmis (Pty) Ltd	77 839 752	424 166 428	502 006 180	21 220 961	400 562 100	421 783 061
BedRock Mining Support (Pty) Ltd	25 139 809	112 266 032	137 405 841	–	41 545 822	41 545 822
TWK Agri (Pty) Ltd	1 205 184 522	3 074 541 504	4 279 726 026	1 000 924 557	3 077 701 382	4 078 625 939
Shiselweni Forestry Company Ltd	1 618 730 248	524 434 449	2 143 164 697	647 607 382	578 151 465	1 225 758 847
Gromor (Pty) Ltd	1 919 173	8 492 949	10 412 122	562 137	12 394 365	12 956 502
SAWCO Mining Timber (Pty) Ltd	52 310 992	78 394 613	130 705 605	6 702 686	151 473 205	158 175 891
SAWCO Treated Timber (Pty) Ltd	9 625 967	38 055 969	47 681 936	–	53 956 991	53 956 991
Sunshine Seedling Services (Pty) Ltd	19 517 612	61 995 596	81 513 208	21 984 258	27 533 699	49 517 957
Executive Underwriting Managers (Pty) Ltd	4 393 530	10 962 213	15 355 743	41 800	1 251 358	1 293 158
TOTAL	3 014 661 605	4 333 309 753	7 347 971 358	1 699 043 781	4 344 570 387	6 043 614 168

10. INTERESTS IN SUBSIDIARIES CONTINUED

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FIGURES IN RAND	Revenue	Profit/(loss) before tax	Tax expense	Profit/(loss)	Other comprehensive income	Total comprehensive income
2024						
Constantia Kunsmis (Pty) Ltd	**1 529 846 752**	**(15 706 172)**	**3 395 772**	**(12 310 400)**	**–**	**(12 310 400)**
BedRock Mining Support (Pty) Ltd	**425 280 513**	**2 092 029**	**(2 342 422)**	**(250 393)**	**–**	**(250 393)**
TWK Agri (Pty) Ltd	**8 272 616 497**	**11 394 866**	**(24 178 143)**	**(4 529 426)**	**(2 297 303)**	**(6 826 729)**
Shiselweni Forestry Company Ltd	**461 844 893**	**116 782 452**	**(7 352 548)**	**109 429 904**	**50 409 996**	**159 839 900**
Gromor (Pty) Ltd	**37 200 935**	**20 117 274**	**(8 703 728)**	**11 413 546**	**–**	**11 413 546**
SAWCO Mining Timber (Pty) Ltd	**256 034 535**	**(19 639 529)**	**(4 492 362)**	**(24 131 891)**	**536 832**	**(23 595 059)**
SAWCO Treated Timber (Pty) Ltd	**61 075 821**	**(6 321 130)**	**1 448 424**	**(4 872 706)**	**2 786 282**	**(2 086 424)**
Sunshine Seedling Services (Pty) Ltd	**81 299 838**	**10 337 153**	**(3 382 593)**	**6 954 561**	**–**	**6 954 561**
Executive Underwriting Managers (Pty) Ltd	**25 594 704**	**9 455 787**	**(2 636 566)**	**6 819 221**	**–**	**6 819 221**
TOTAL	**11 150 794 488**	**128 512 730**	**(48 244 166)**	**88 522 416**	**51 435 807**	**139 958 223**

SUMMARISED STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities
2023						
Constantia Kunsmis (Pty) Ltd	97 197 302	459 045 084	556 242 386	37 347 643	426 361 221	463 708 864
BedRock Mining Support (Pty) Ltd	36 502 028	106 975 375	143 477 403	296 709	47 070 283	47 366 992
TWK Agri (Pty) Ltd	1 264 957 957	3 348 824 617	4 613 782 574	1 200 483 011	3 159 787 484	4 360 270 495
Shiselweni Forestry Company Ltd	1 529 168 281	454 767 503	1 983 935 784	684 050 226	520 605 886	1 204 656 112
Gromor (Pty) Ltd	12 046 334	9 383 544	21 429 878	6 909 644	28 478 160	35 387 804
SAWCO Mining Timber (Pty) Ltd	59 689 624	63 160 395	122 850 019	7 128 261	119 596 985	126 725 246
SAWCO Treated Timber (Pty) Ltd	5 541 105	31 954 640	37 495 745	–	41 684 376	41 684 376
Sunshine Seedling Services (Pty) Ltd	19 118 510	54 794 076	73 912 586	19 299 462	22 241 434	41 540 896
Executive Underwriting Managers (Pty) Ltd	4 492 707	9 516 734	14 009 441	21 852	2 599 000	2 620 852
TOTAL	3 028 713 848	4 538 421 968	7 567 135 816	1 955 536 808	4 368 424 829	6 323 961 637

10. INTERESTS IN SUBSIDIARIES CONTINUED

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FIGURES IN RAND	Revenue	Profit before tax	Tax expense	Profit/(loss)	Other comprehensive income	Total comprehensive income
2023						
Constantia Kunsmis (Pty) Ltd	1 891 828 478	(47 230 244)	13 144 890	(34 085 354)	–	(34 085 354)
BedRock Mining Support (Pty) Ltd	466 249 958	(24 591 566)	(2 883 134)	(27 474 700)	–	(27 474 700)
TWK Agri (Pty) Ltd	7 305 392 233	84 526 681	(40 753 896)	77 245 647	5 478 079	82 723 726
Shiselweni Forestry Company Ltd	428 743 623	122 275 906	(54 188 630)	68 087 276	17 649 252	85 736 528
Gromor (Pty) Ltd	39 067 750	6 851 471	(1 849 897)	5 001 574	–	5 001 574
SAWCO Mining Timber (Pty) Ltd	231 713 376	(22 200 690)	6 057 264	(16 143 426)	4 324 250	(11 819 176)
SAWCO Treated Timber (Pty) Ltd	44 225 884	(4 037 911)	1 109 576	(2 928 335)	–	(2 928 335)
Sunshine Seedling Services (Pty) Ltd	72 713 329	13 927 021	(3 453 965)	10 473 056	–	10 473 056
Executive Underwriting Managers (Pty) Ltd	22 713 940	8 504 660	(2 277 597)	6 227 063	–	6 227 063
TOTAL	10 502 648 571	138 025 328	(85 095 389)	86 402 801	27 451 581	113 854 382

The net assets recognised in the individual financial statements of the acquired companies are at fair value as at the acquisition date and due to the fact that no other identifiable assets were identified, goodwill was recognised were applicable. The goodwill has been tested for impairment and the headroom was sufficient.

NATURE OF BUSINESS AND NON-CONTROLLING INFORMATION OF SUBSIDIARIES

Company	Nature of business	Proportion of non-controlling interest and their voting rights %	Non-controlling interest result for the year R	Accumulated non-controlling interest R
TWK Motors (Pty) Ltd	Sale of motor vehicles and related services	n/a	n/a	n/a
Constantia Kunsmis (Pty) Ltd	Manufacturing and distribution of fertiliser	n/a	n/a	n/a
Shiselweni Forestry Company Ltd	Growing of timber and other related operations	n/a	n/a	n/a
SAWCO Mining Timber (Pty) Ltd	Production and supply of timber related products	n/a	n/a	n/a
TWK Agri (Pty) Ltd	Agricultural products and services	25	(17 078 074)	705 519
BedRock Mining Support (Pty) Ltd	Timber-based underground support to South African mines	n/a	n/a	n/a
Sunshine Seedling Services (Pty) Ltd	Production and marketing of agricultural products	19	1 321 366	5 345 978
Lionsriver Farmers Exchange (Pty) Ltd	Fuel service stations including convenience stores, food outlets and related business	n/a	n/a	n/a
Executive Underwriting Managers (Pty) Ltd	Funeral insurance and underwriters	40	2 727 688	5 625 034
Roofspace Rental Group (Pty) Ltd	Supply of electricity via solar energy	15	(6 841 563)	(5 450 133)

A total dividend of R2 125 990 (2023: R2 659 010) was paid to the non-controlling shareholders of Sunshine Seedling Services (Pty) Ltd.

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following table lists all of the associates and joint ventures in the company:

Name of Company	Associate or joint venture	Held by	% ownership interest 2024	% ownership interest 2023	Carrying amount 2024	Carrying amount 2023
Henleo 1080 (Pty) Ltd	Associate	Constantia Kunsmis (Pty) Ltd	**45,00**	45,00	**13 569 077**	11 360 711
Silulu Forestry Company (Pty) Ltd	Associate	Shiselweni Forestry Company Ltd	**45,00**	45,00	**6 536 605**	4 982 570
African Collateral Management (Pty) Ltd	Associate	TWK Agri (Pty) Ltd	**45,00**	45,00	**894 645**	162 771
Canyon Springs Investments 140 (Pty) Ltd	Joint venture	TWK Investments Ltd	**50,00**	50,00	**8 346 989**	7 962 579
					29 347 316	24 468 631

The percentage ownership interest of the above associates and joint ventures is equal to the percentage voting rights.

Henleo 1080 (Pty) Ltd is incorporated in South Africa with interest in the manufacturing and distribution of fertiliser. The issued share capital of Henleo 1080 (Pty) Ltd is R100. A dividend of R2 291 306 (2023: R0) has been declared in the current financial year. The financial year-end of Henleo 1080 (Pty) Ltd is 28 February. The financial information above is based on independently reviewed 12 month management accounts.

Silulu Royal Forestry Company (Pty) Ltd is incorporated in Eswatini with an interest in agricultural activities. The interest was acquired to further expand the timber business of the TWK Group. The issued share capital of Silulu Royal Forestry Company (Pty) Ltd is R100. No dividends (2023: R567 482) have been declared and paid by Silulu Royal Forestry Company (Pty) Ltd during the year. The financial year-end of Silulu Royal Forestry Company (Pty) Ltd is 31 August. The financial information above is based on 12 month audited financial statements.

African Collateral Management (Pty) Ltd is incorporated in South Africa with an interest in grain storage. The interest was acquired to further expand the grain business of the TWK Group. The issued share capital of African Collateral Management (Pty) Ltd is R120. No dividends have been declared or paid by African Collateral Management (Pty) Ltd during the year. The financial year-end of African Collateral Management (Pty) Ltd is 31 March. The financial information above is based on 12 month management accounts.

Canyon Springs Investments 140 (Pty) Ltd is incorporated in South Africa with an interest in the rental of property industry. The interest was acquired to further expand the corporate business of the TWK Group. The issued share capital of Canyon Springs Investments 140 (Pty) Ltd is R100. A dividend of R1 257 000 (2023: R915 000) have been declared and paid by Canyon Springs Investments 140 (Pty) Ltd during the year. The financial year-end of Canyon Springs Investments 140 (Pty) Ltd is 31 August. The financial information above is based on 12 month audited financial statements.

The Group accounts for its investments in associates and joint ventures using the equity method.

SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES AND JOINT VENTURES

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FIGURES IN RAND	Revenue	Profit/(loss) from continuing operations	Total comprehensive income
2024			
Henleo 1080 (Pty) Ltd	**28 590 911**	**8 637 817**	**8 637 817**
Silulu Royal Forestry Company (Pty) Ltd	**4 681 329**	**3 453 411**	**3 453 411**
African Collateral Management (Pty) Ltd	**11 342 491**	**1 399 832**	**1 399 832**
Canyon Springs Investments 140 (Pty) Ltd	**2 098 062**	**3 282 819**	**3 282 819**
	46 712 793	**16 773 879**	**16 773 879**

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES CONTINUED

SUMMARISED STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
2024					
Henleo 1080 (Pty) Ltd	**23 635 002**	**10 679 040**	**3 037 917**	**1 122 621**	**30 153 504**
Silulu Royal Forestry Company (Pty) Ltd	**67 827 443**	**1 269 048**	**53 829 408**	**741 293**	**14 525 790**
African Collateral Management (Pty) Ltd	**11 830 138**	**4 758 749**	**11 199 731**	**3 401 056**	**1 988 100**
Canyon Springs Investments 140 (Pty) Ltd	**19 503 519**	**55 298**	**2 703 056**	**161 785**	**16 693 976**
	122 796 102	**16 762 135**	**70 770 112**	**5 426 755**	**63 361 370**

RECONCILIATION OF NET ASSETS TO EQUITY-ACCOUNTED INVESTMENTS

FIGURES IN RAND	Total net assets	Interest in investment at % ownership	Investment
2024			
Henleo 1080 (Pty) Ltd	**30 153 504**	**13 569 077**	**13 569 077**
Silulu Royal Forestry Company (Pty) Ltd	**14 525 790**	**6 536 605**	**6 536 605**
African Collateral Management (Pty) Ltd	**1 988 100**	**894 645**	**894 645**
Canyon Springs Investments 140 (Pty) Ltd	**16 693 976**	**8 346 989**	**8 346 989**
	63 361 370	**29 347 316**	**29 347 316**

RECONCILIATION OF MOVEMENT IN EQUITY-ACCOUNTED INVESTMENTS

FIGURES IN RAND	Investment at beginning of year	Share of profit	Dividends received	Investment at end of year
2024				
Henleo 1080 (Pty) Ltd	**11 360 711**	**3 239 454**	**(1 031 088)**	**13 569 077**
Silulu Royal Forestry Company (Pty) Ltd	**4 982 570**	**1 554 035**	**–**	**6 536 605**
African Collateral Management (Pty) Ltd	**162 771**	**731 874**	**–**	**894 645**
Canyon Springs Investments 140 (Pty) Ltd	**7 962 579**	**1 641 410**	**(1 257 000)**	**8 346 989**
	24 468 631	**7 166 773**	**(2 288 088)**	**29 347 316**

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FIGURES IN RAND	Revenue	Profit/(loss) from continuing operations	Total comprehensive income
2023			
Henleo 1080 (Pty) Ltd	23 697 988	6 267 412	6 267 412
Silulu Royal Forestry Company (Pty) Ltd	1 287 291	4 048 535	4 048 535
African Collateral Management (Pty) Ltd	14 211 365	2 031 547	2 031 547
Canyon Springs Investments 140 (Pty) Ltd	2 882 604	1 704 096	1 704 096
	42 079 248	14 051 590	14 051 590

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES CONTINUED

SUMMARISED STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
2023					
Henleo 1080 (Pty) Ltd	26 254 320	9 770 819	9 960 457	818 659	25 246 023
Silulu Royal Forestry Company (Pty) Ltd	54 352 283	3 361 914	40 184 958	6 456 859	11 072 380
African Collateral Management (Pty) Ltd	11 393 416	3 411 608	12 898 176	1 545 134	361 714
Canyon Springs Investments 140 (Pty) Ltd	18 500 000	38 754	2 548 246	65 351	15 925 157
	110 500 019	16 583 095	65 591 837	8 886 003	52 605 274

RECONCILIATION OF NET ASSETS TO EQUITY-ACCOUNTED INVESTMENTS

FIGURES IN RAND	Total net assets	Interest in associate at % ownership	Investment
2023			
Henleo 1080 (Pty) Ltd	25 246 023	11 360 711	11 360 711
Silulu Royal Forestry Company (Pty) Ltd	11 072 380	4 982 570	4 982 570
African Collateral Management (Pty) Ltd	361 714	162 771	162 771
Canyon Springs Investments 140 (Pty) Ltd	15 925 157	7 962 579	7 962 579
	52 605 274	24 468 631	24 468 631

RECONCILIATION OF MOVEMENT IN EQUITY-ACCOUNTED INVESTMENTS

FIGURES IN RAND	Investment at beginning of year	Share of profit	Dividends received	Investment at end of year
2023				
Henleo 1080 (Pty) Ltd	7 865 714	3 494 997	—	11 360 711
Silulu Royal Forestry Company (Pty) Ltd	3 030 832	2 207 104	(255 366)	4 982 570
African Collateral Management (Pty) Ltd	—	162 771	—	162 771
Canyon Springs Investments 140 (Pty) Ltd	8 025 532	852 047	(915 000)	7 962 579
	18 922 078	6 716 919	(1 170 366)	24 468 631

12. LOANS TO GROUP COMPANIES

ASSOCIATES

FIGURES IN RAND	2024	2023
HENLEO 1080 (PTY) LTD		
The unsecured loan bears interest at a prime linked rate. The loan have been repaid in the current financial year.	–	3 302 990
AFRICAN COLLATERAL MANAGEMENT (PTY) LTD		
Subject to the availability of funds of the Company, the loan shall be repaid from time to time as agreed between the Company and all its Shareholders with reasonable terms of at least 18 months. The unsecured loan bears interest at a prime linked rate.	**5 016 677**	5 620 945
SILULU ROYAL FORESTRY COMPANY (PTY) LTD		
The unsecured loan is used for day-to-day funding requirements, bears no interest and have no fixed terms of repayment	**78 639**	5 029 025
	5 095 316	13 952 960

HOLDING COMPANY

FIGURES IN RAND	2024	2023
TWK AGRICULTURE HOLDINGS (PTY) LTD		
The unsecured loan are used for day-to-day funding requirements, bears no interest and have no fixed terms of repayment.	–	121 697

SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS

FIGURES IN RAND	2024	2023
Non-current assets	**5 016 677**	8 923 935
Current assets	**78 639**	5 150 725
	5 095 316	14 074 660

EXPOSURE TO CREDIT RISK

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. Refer to note 18 for guidance on how expected credit losses is calculated.

In determining the amount of expected credit losses, the Group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate. The expected loss rate percentage for loans to Group companies is zero.

FAIR VALUE OF GROUP LOANS RECEIVABLE

The carrying value of group loans receivable approximates its fair value.

13. FINANCE LEASE RECEIVABLES

FIGURES IN RAND	2024	2023
MATURITY ANALYSIS OF LEASE PAYMENTS RECEIVABLE		
– within one year	**13 348 295**	14 188 660
– in second to fifth year inclusive	**14 745 442**	18 968 506
Gross investment in leases	**28 093 737**	33 157 166
Less: Unearned interest income	**(5 374 710)**	(4 510 891)
Present value of minimum lease payments receivable	**22 719 027**	28 646 275
Less: Loss allowance	**(3 007)**	(21 997)
NET INVESTMENT IN THE LEASE	**22 716 020**	28 624 278
Non-current assets	**11 972 093**	14 456 631
Current assets	**10 743 927**	14 167 647
	22 716 020	28 624 278

Finance lease receivables represent items sold over varying terms of up to 60 months. The underlying asset serves as security for the lease agreement. Interest rates are market related and both variable and fixed depending on the specific agreement.

The carrying value of finance lease receivables have been pledged to secure borrowings (see note 30).

EXPECTED CREDIT LOSSES

Finance lease receivable inherently exposes the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable counterparties with consistent payment histories. Credit risk is mitigated by holding the leased assets as collateral. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Finance lease receivables are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. Refer to note 18 for guidance on how expected credit losses is calculated.

Finance lease receivables are classified into the following categories:

FIGURES IN RAND	Total exposure to credit risk	Expected loss rate (%)	Loss allowance
2024			
Category 1	**4 512 855**	**0,07**	**3 007**
Category 2	**–**	**9,08**	**–**
Category 3	**–**	**100,00**	**–**
TOTAL	**4 512 855**		**3 007**
2023			
Category 1	12 172 130	0,09	10 955
Category 2	–	31,07	–
Category 3	11 042	100,00	11 042
TOTAL	12 183 172		21 997

14. RETIREMENT BENEFITS

DEFINED BENEFIT PLAN

The defined benefit plan which belongs to 6 persons (2023: 7 persons) of past staff members of TWK Agri (Pty) Ltd consists of a postemployment medical aid subsidy. This benefit is no longer offered to any serving employee. TWK Agri subsidies the full medical scheme contributions of all continuation members. This subsidy includes the contributions payable on behalf of the company's previous employees and their spouses for the duration of their lives. Certain subsidies are paid directly to the medical scheme on behalf of members while others are paid to members themselves. The last valuation was on 31 August 2024. An independent actuary, Mr D Freidus of Five 2 Two Actuaries determined the value of the obligation and the annual cost of such benefits.

At year-end the number of members consisting of former employees was 6 (2023: 7).

CARRYING VALUE

FIGURES IN RAND	2024	2023
Present value of the defined medical benefit obligation	**(3 713 000)**	(4 076 000)

MOVEMENTS FOR THE YEAR

FIGURES IN RAND	2024	2023
Opening balance	**(4 076 000)**	(4 585 000)
Actuarial gains and losses	**162 520**	188 668
Benefits paid on behalf of members	**675 480**	841 332
Interest cost	**(475 000)**	(521 000)
	(3 713 000)	(4 076 000)

KEY ASSUMPTIONS USED

The liability as at 31 August 2024 takes into account mortality tables as required by IAS19 and the calculation is based on the current value of expected medical aid contributions by taking into account assumptions described below. All former employees who qualify to form part of this scheme are retired. The valuation does not include an accrued service factor in the calculation of the liability value of current employees as they do not qualify for the scheme.

FIGURES IN RAND	2024	2023
Mortality tables	**PA(90)**	PA(90)
Discount rates used (%)	**10,50**	12,70
Healthcare inflation rate (%)	**6,75**	9,35

SENSITIVITY ANALYSIS

The effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost rates on the accumulated post-employment benefit obligation is as follows:

FIGURES IN RAND	2024	2023
Increase of 1%	**(519 000)**	(156 000)
Decrease of 1%	**132 000**	147 000

The effect of an increase of one percentage point and the effect of a decrease of one percentage point in the discount rate used is as follows:

FIGURES IN RAND	2024	2023
Increase of 1%	**141 000**	157 000
Decrease of 1%	**(152 000)**	(170 000)

15. DEFERRED TAX

DEFERRED TAX LIABILITY

FIGURES IN RAND	2024	2023
Property plant and equipment	**(21 044 036)**	(20 492 945)
Revaluation of land and buildings	**(22 076 935)**	(13 261 202)
Prepayments	**(3 676 854)**	(5 301 153)
Biological assets	**(350 743 139)**	(343 937 033)
Fair value adjustments on investments	**(2 458 739)**	(640 625)
TOTAL DEFERRED TAX LIABILITY	**(399 999 703)**	(383 632 958)

DEFERRED TAX ASSET

FIGURES IN RAND	2024	2023
Income received in advance	**1 477 534**	1 139 645
Accruals and provisions	**37 043 196**	38 929 407
Right of use assets	**6 565 665**	7 676 262
Deferred tax balance from temporary differences other than unused tax losses	**45 086 395**	47 745 313
Tax losses available for set off against future tax income	**82 950 833**	97 047 650
TOTAL DEFERRED TAX ASSET	**128 037 228**	144 792 963

The deferred tax assets and the deferred tax liability consist of income tax in South Africa and Eswatini and therefore relates to different jurisdictions.

The deferred tax relating to the South African companies is as follows:

FIGURES IN RAND	2024	2023
Deferred tax liability	**(113 204 395)**	(108 157 573)
Deferred tax asset	**79 837 308**	97 583 949
TOTAL NET DEFERRED TAX LIABILITY	**(33 367 087)**	(10 573 624)

The deferred tax relating to Eswatini companies is as follows:

FIGURES IN RAND	2024	2023
Deferred tax liability	**(306 221 630)**	(299 371 173)
Deferred tax asset	**67 626 242**	71 704 803
TOTAL NET DEFERRED TAX LIABILITY	**(238 595 388)**	(227 666 370)

The deferred tax asset and deferred tax liability have been offset in the Statement of Financial Position as follows:

FIGURES IN RAND	2024	2023
Deferred tax liability	**(317 533 605)**	(297 423 764)
Deferred tax asset	**45 571 130**	58 583 769
TOTAL NET DEFERRED TAX LIABILITY	**(271 962 475)**	(238 839 995)

It should be noted that this summary disclosure has been prepared in accordance with the requirements of IAS 12 par.74, and further to align the note disclosure with presentation on the face of the Statement of Financial Position.

15. DEFERRED TAX CONTINUED

RECONCILIATION OF DEFERRED TAX ASSET/(LIABILITY)

FIGURES IN RAND	2024	2023
At beginning of year	**(238 839 995)**	(196 904 875)
Decrease in tax loss available for set off against future taxable income	**(6 709 262)**	(3 493 165)
(Deductible)/taxable temporary difference on right of use assets	**(1 110 299)**	4 120 210
Taxable temporary difference movement on PPE	**78 902**	3 638 373
Deductible temporary difference on revaluation of land and buildings	**(8 815 733)**	(225 253)
Deductible temporary difference on accruals and provisions	**(2 104 753)**	(4 950 415)
Deductible temporary difference on fair value adjustments on investments	**(16 531 653)**	332 032
Taxable/(deductible) temporary difference on biological assets	**22 713 933**	(41 153 626)
Taxable temporary difference on income received in advance	**337 889**	223 571
Taxable/(deductible) temporary difference on prepayments	**1 989 623**	(426 847)
Deductible temporary difference on effect of rate change	**(22 971 127)**	–
	(271 962 475)	(238 839 995)

CHANGE IN TAX RATE

In July 2024, a new corporate tax rate was enacted in Eswatini. Consequently, as of 1 July 2024, the corporate tax rate in Eswatini was reduced from 27,5% to 25%. The change resulted in a gain of R22 971 127 related to the remeasurement of deferred tax assets and liabilities of the Group's subsidiaries in Eswatini.

16. INVENTORIES

FIGURES IN RAND	2024	2023
Raw materials	**30 990 281**	34 452 115
Work in progress	**3 590 835**	4 247 387
Finished goods	**557 284 959**	717 882 171
Agricultural products	**245 540 125**	200 222 041
Grain inventory at fair value	**329 588 140**	366 932 416
	1 166 994 340	1 323 736 130
Inventories (write-downs)	**(19 983 868)**	(14 829 428)
	1 147 010 472	1 308 906 702

Inventory to the value of R23 680 348 has been recognised as an expense for the current year.

INVENTORY PLEDGED AS SECURITY

Inventory with a carrying value of R1 033 461 373 (2023: R1 188 745 591) have been pledged to secure borrowings granted to the Group, as set out in note 30.

The price of grain inventory is hedged in terms of the Group's grain policy on the South African Future Exchange (Safex). Variance margins are also set off against these items and consequently the carrying value is equal to the fair value thereof. Inputs used in the valuation include the Safex price, differential, premium, storage and handling, interest, commission and the spreads.

17. LOANS RECEIVABLE

Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:

FIGURES IN RAND	2024	2023
FORESTRY AND TERM LOANS	**67 782 075**	98 232 246
The Forestry and term loans bears interest at a prime-linked rate and is granted over a period between 5 and 10 years to clients which are repayable in monthly or annual instalments. The Group holds collateral as security.		
Loss allowance	**(13 257)**	(15 847)
	67 768 818	98 216 399
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS		
Non-current assets	**43 404 070**	62 920 332
Current assets	**24 364 748**	35 296 067
TOTAL IN LOANS RECEIVABLE	**67 768 818**	98 216 399

LOANS PLEDGED AS SECURITY

Loans with a carrying amount of R67 768 818 (2023: R98 216 399) have been pledged to secure borrowings. Refer to note 30.

EXPOSURE TO CREDIT RISK

Loans receivable inherently exposes the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

The maximum exposure to credit risk without taking credit enhancements and collateral into account is equal to the total carrying value of the asset. The actual exposure to credit risk at the reporting date is the carrying amount of loans mentioned above, less securities held by the Group.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk.

Loans receivables are classified into the following stages, in accordance with IFRS 9 Financial instruments, for impairment purposes, considering changes in credit risk since initial recognition and risk characteristics on initial recognition for impairment purposes as follows:

STAGE 1: THE LOSS ALLOWANCE MEASURED AT AN AMOUNT EQUAL TO 12-MONTH EXPECTED CREDIT LOSSES.

This represent loans where there has not been a significant increase in credit risk since initial recognition. For the portfolio impairment assessment, the loans are not individually assessed but grouped to perform a grouped assessment.

STAGE 2: THE LOSS ALLOWANCE MEASURED AT AN AMOUNT EQUAL TO LIFETIME EXPECTED CREDIT LOSSES.

Loans whose credit risk have increased significantly since initial recognition as well as loans with higher risk characteristics on initial recognition. For the portfolio impairment assessment loans are not individually considered, but loans with similar credit risks and characteristics are grouped together and assessed for impairment. These loans have not been handed over to the legal department for collections, but there is an indicator of impairment.

STAGE 3: LOANS THAT ARE CREDIT-IMPAIRED

Loans whose credit risk have increased significantly since initial recognition. These debtors are handed over to the legal department for recovery. The specific impairment represents the actual risk for bad debt determined by the legal department, taking into account the recovery possibility, all securities, the clients' financial situation and the expected realisation of securities held for the specific customers. A portfolio portion is provided for debtors where a recovery possibility exists.

The amount of the provision for impairment losses is determined using the following formula:

Impairment = Total book x probability of Default % (PD%) x Loss Given Default % (LGD%)

17. LOANS RECEIVABLE CONTINUED

On that basis the loss allowance was determined as follows for loans receivables:

CREDIT LOSS ALLOWANCES

FIGURES IN RAND	Total exposure to credit risk	Expected loss rate (%)	Loss allowance
2024			
Category 1	**19 886 132**	**0,07**	**13 257**
Category 2	**–**	**1,00**	**–**
Category 3	**–**	**85,00**	**–**
TOTAL	**19 886 132**		**13 257**
2023			
Category 1	17 607 886	0,09	15 847
Category 2	–	1,00	–
Category 3	–	85,00	–
TOTAL	17 607 886		15 847

CREDIT LOSS ALLOWANCE RECONCILIATION

FIGURES IN RAND	2024	2023
Opening balance	**15 847**	16 413
Remeasurement of loss allowance	**(2 590)**	(566)
Amount written off	**–**	–
	13 257	15 847

EXPOSURE TO INTEREST RATE RISK

Refer to note 52 for details of interest rate risk management for investments in loans receivable.

FAIR VALUE OF LOANS RECEIVABLE

The amortised cost of the loans is R67 768 818 (2023: R98 216 399) and approximates the fair value of these loans.

18. TRADE AND OTHER RECEIVABLES

FIGURES IN RAND	2024	2023
FINANCIAL INSTRUMENTS:		
Trade receivables	**1 113 969 148**	1 229 850 843
Loss allowance	**(56 768 122)**	(61 293 978)
Trade receivables at amortised cost	**1 057 201 026**	1 168 556 865
Deposits	**1 934 960**	2 657 934
Other receivable	**90 157 160**	46 353 236
NON-FINANCIAL INSTRUMENTS:		
VAT	**91 312 418**	34 182 996
Employee costs in advance	**257 107**	95 925
Prepayments	**15 511 093**	22 272 239
TOTAL TRADE AND OTHER RECEIVABLES	**1 256 373 764**	1 274 119 195

18. TRADE AND OTHER RECEIVABLES CONTINUED

FINANCIAL INSTRUMENT AND NON-FINANCIAL INSTRUMENT COMPONENTS OF TRADE AND OTHER RECEIVABLES

FIGURES IN RAND	2024	2023
At amortised cost	**1 149 293 146**	1 217 568 035
Non-financial instruments	**107 080 618**	56 551 160
	1 256 373 764	1 274 119 195

Trade receivables consist mainly of production accounts and current accounts.

Production accounts mainly include the extension of credit to producers on a seasonal basis for purpose of procuring inputs and or mechanisation purchases from or via the Group. These accounts bear interest at market-related rates.

Current accounts consist of 30 day monthly accounts and is interest free for the first 30 days after statement. Interest on arrear accounts is levied at guideline rates as determined by the National Credit Act.

TRADE AND OTHER RECEIVABLES PLEDGED AS SECURITY

Trade and other receivables with a carrying value of R1 004 235 204 (2023: R1 031 458 219) have been pledged to secure the borrowings as set out in note 30.

The maximum exposure to credit risk without taking credit enhancement and collateral into account equal to the total carrying value of the trade receivables. The actual exposure to credit risk at the report date is the carrying amount of receivables mentioned above less securities held by the Group.

EXPOSURE TO CREDIT RISK

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

Before accepting new and existing customers the Group uses firm accessing procedures, according to the approved credit policy, to assess the customer's credit quality and defines credit limits by customer. The actual exposure to credit risk at the reporting date is the carrying amount of receivables mentioned above less securities held by the Group. In addition to the above, credit guarantee insurance cover is purchased on a portion of the debtors book to compensate for possible non-payments.

The Group has no significant concentration of credit risk due to its wide spread of customers. The Group has policies in place to ensure that sales of products and services are only made to customers with an appropriate credit history, within approved credit limits and against appropriate securities.

Management believes that credit risk inherent in trade receivables has sufficiently been accounted for through the provision of impairment. Refer to note 52 for details on credit risk.

Deposits and other receivables are also subject to the impairment provision of IFRS 9. In determining the amount of expected credit losses, the Group has taken into account any historic default experience, the financial position of counterparties, as well as future prospects. The expected loss rate percentage for these accounts is zero.

EXPECTED CREDIT LOSSES

Financial assets are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The impairment provision is monitored at the end of each reporting period, taking into account all reasonable and supportive information, including that which is forward-looking. The basis of impairment of a financial asset is dependent on the risk profile on initial recognition and on whether the credit risk of the financial asset has increased significantly since initial recognition. The Group measures the loss allowance by applying the simplified approach which is presented by IFRS 9 and determined on the following basis:

The payment period of production accounts and current accounts must be settled within 12 months and therefore lifetime expected credit losses are based in the guidance of IFRS 9.

18. TRADE AND OTHER RECEIVABLES CONTINUED

In accordance with this approach, the expected credit losses are estimated using a provision matrix, which is presented below.

The provision matrix has been developed by making use of the Group's internal risk rating grade which is mapped to the indicative mapping methodology for corporate exposure based on information published for receivables with similar characteristics. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Drivers such as prime rate, GDP growth, CPI and credit growth are taken into account. TWK has identified a comprehensive probability of Default (PD) rating of an external source with reference to similar portfolios as reference point for forward looking information. To measure the expected credit losses, trade receivables have been grouped based on the Group share credit risk characteristics.

The different categories in trade debtors are defined as follows:

- **Performing –** Clients with an excellent credit history, financial position, cash flow and repayment ability.
- **Increased risk –** Client with good repayment ability and security without any indicator of non-performance, but without a strong financial position and balance sheet. TWK do not have a long-term relationship or credit history with the client.
- **Underperforming –** Clients with payments being overdue for a short period of time, but with stable financial position and good securities in place.
- **High risk –** Clients with payments being overdue for a longer period, but with stable financial position and good securities in place.
- **Non-performing –** Clients with history of non-performing and financial distress.
- **Default –** Mostly accounts that have been handed over to the attorneys for collections.

The categories are grouped together based on the risk profile and the days past due on the following basis:

- **Category 1:** Performing
- **Category 2:** Increased risk, Underperforming, High risk, Non-performing
- **Category 3:** Default

The amount of the provision for impairment losses is determined using the following formula:

Impairment = Total book x probability of Default % (PD%) x Loss Given Default % (LGD%)

On that basis the loss allowance was determined as follows for trade receivables:

FIGURES IN RAND	Total exposure to credit risk	Expected loss rate (%)	Loss allowance
2024			
Category 1	**829 813 487**	**0,07**	**236 524**
Category 2	**173 086 179**	**2,58**	**3 169 010**
Category 3	**133 180 288**	**76,55**	**53 362 588**
TOTAL	**1 136 079 954**		**56 768 122**
2023			
Category 1	836 605 699	0,09	777 477
Category 2	176 518 833	10,71	18 909 930
Category 3	55 248 703	75,31	41 606 571
TOTAL	1 068 373 235		61 293 978

18. TRADE AND OTHER RECEIVABLES CONTINUED

FIGURES IN RAND	2024	2023
SPECIFIC IMPAIRMENT		
Opening balance	**(23 141 033)**	(19 776 798)
(Increase) in provision during the year	**(20 520 314)**	(15 576 064)
Amounts written off	**18 627 110**	12 211 829
CLOSING BALANCE	**(25 034 237)**	(23 141 033)
PORTFOLIO IMPAIRMENT		
Opening balance	**(38 152 945)**	(32 580 104)
Remeasurement of loss allowance	**6 419 060**	(5 572 841)
CLOSING BALANCE	**(31 733 885)**	(38 152 945)
TOTAL LOSS ALLOWANCE	**(56 768 122)**	(61 293 978)

In addition to the loss allowance, trade receivables are written of when there is no reasonable expectation of recovery.

FAIR VALUE OF TRADE AND OTHER RECEIVABLES

The fair value of trade and other receivables, after taking into account the specific and portfolio impairments, approximates the carrying value of trade and other receivables.

19. INVESTMENTS AT FAIR VALUE

Investments at fair value through other comprehensive income comprise of equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

FIGURES IN RAND	2024	2023
DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:		
Signafi Venture Capital Fund	**975 000**	975 000
Investment is fixed for a minimum of 5 years.		
EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:		
Listed and unlisted shares	**59 735 052**	60 971 261
	60 710 052	60 971 261
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS		
Non-current assets	**60 710 052**	61 946 261

FAIR VALUE INFORMATION

The fair value measurement of financial assets at fair value have been categorised as follows in terms of the fair value measurement hierarchy:

- **Level 1:** The listed shares held in BKB Limited are measured based on the latest share trading price. The share price used was R5,10 (2023: R5,50).
- **Level 1:** The listed shares held by Castle Walk Property Investments (Pty) Ltd in York Timber Holdings Limited were measured at fair value based on the market share price of R1,83 in 2023. The shares have been sold in the current year.
- **Level 3:** The unlisted shares held in NTE Company (Pty) Ltd and UCL Company (Pty) Ltd are valued based on the normalised earnings per share relative to the price-to-earnings ratio for similar assets. The price earnings ratio used is 2,40 (2023: 2,40) and 2,60 (2023: 2,60) respectively.
- **Level 1:** The shares held in TWK Agriculture Holdings (Pty) Ltd by TWK Motors (Pty) Ltd and the TWK Group Customer Loyalty Scheme Trust, which trade OTC, are measured at fair value based on the market share price. The share price used was R57,00 (2023: R60,00).
- **Level 3:** The shares held in Westovia (Pty) Ltd by Sunshine Seedling Services (Pty) Ltd are measured at cost.

19. INVESTMENTS AT FAIR VALUE CONTINUED

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

INVESTMENTS HELD AT REPORTING DATE

FIGURES IN RAND	2024 Fair value	2024 Dividends received	2023 Fair value	2023 Dividends received
Listed shares – BKB Limited shares – Held by TWK Investments Ltd	**11 730**	**–**	12 650	–
Unlisted shares – UCL Company (Pty) Ltd shares – Held by a nominee of TWK Investments Ltd	**1 998 472**	**60 241**	894 296	40 779
Unlisted shares – NTE Company (Pty) Ltd shares – Held by TWK Investments Ltd	**10 887 048**	**343 106**	10 261 411	308 796
Unlisted shares – TWK Agriculture Holdings (Pty) Ltd – Held by TWK Motors (Pty) Ltd	**37 224 192**	**1 306 112**	39 183 360	1 632 640
Unlisted shares – TWK Agriculture Holdings (Pty) Ltd – Held by TWK Group Customer Loyalty Scheme Trust	**9 503 610**	**–**	9 461 847	–
Listed shares – York Timber Holdings Limited – Held by Castle Walk Property Investments (Pty) Ltd	**–**	**–**	1 047 697	–
Unlisted shares – Westovia (Pty) Ltd – Held by Sunshine Seedling Services (Pty) Ltd	**110 000**	**–**	110 000	–
TOTAL	**59 735 052**	**1 709 459**	60 971 261	1 982 215

SENSITIVITY ANALYSIS

As changes to the Price/Earnings ratio may impact the calculated fair value, the effect of a increase of 0,25 in the Price/Earnings ratio and the effect of a decrease of 0,25 in the Price/Earnings ratio on the calculated fair value is as follow:

FIGURES IN RAND	2024 0,25	2024 (0,25)	2023 0,25	2023 (0,25)
NTE Company (Pty) Ltd	**1 134 067**	**(1 134 067)**	1 068 897	(1 068 897)
UCL Company (Pty) Ltd	**192 161**	**(192 161)**	85 990	(85 990)
	1 326 228	**(1 326 228)**	1 154 887	(1 154 887)

RECONCILIATION OF INVESTMENTS AT FAIR VALUE

FIGURES IN RAND	Opening balance	Purchases	Gains/(losses) in other comprehensive income	Sales	Total
2024					
Listed shares – BKB Limited shares – Held by TWK Investments Ltd	**12 650**	**–**	**(920)**	**–**	**11 730**
Unlisted shares – NTE Company (Pty) Ltd shares – Held by TWK Investments Ltd	**10 261 412**	**–**	**625 636**	**–**	**10 887 048**
Unlisted shares – UCL Company (Pty) Ltd shares – Held by a nominee of TWK Investments Ltd	**894 295**	**–**	**1 104 177**	**–**	**1 998 472**
Unlisted shares – TWK Agriculture Holdings (Pty) Ltd – Held by TWK Motors (Pty) Ltd	**39 183 360**	**–**	**(1 959 168)**	**–**	**37 224 192**
Unlisted shares – TWK Agriculture Holdings (Pty) Ltd – Held by TWK Group Customer Loyalty Scheme Trust	**9 461 847**	**9 670 432**	**764 111**	**(10 392 780)**	**9 503 610**
Listed shares – York Timber Holdings Limited – Held by Castle Walk Property Investments (Pty) Ltd	**1 047 697**	**–**	**–**	**(1 047 697)**	**–**
Unlisted shares – Westovia (Pty) Ltd – Held by Sunshine Seedling Services (Pty) Ltd	**110 000**	**–**	**–**	**–**	**110 000**
	60 971 261	**9 670 432**	**533 836**	**(11 440 477)**	**59 735 052**

19. INVESTMENTS AT FAIR VALUE CONTINUED

FIGURES IN RAND	Opening balance	Purchases	Gains/(losses) in other comprehensive income	Total
2023				
Listed shares — BKB Limited shares — Held by TWK Investments Ltd	19 550	–	(6 900)	12 650
Unlisted shares — NTE Company (Pty) Ltd shares — Held by TWK Investments Ltd	9 332 394	–	929 018	10 261 412
Unlisted shares — UCL Company (Pty) Ltd shares — Held by a nominee of TWK Investments Ltd	877 537	–	16 758	894 295
Unlisted shares — TWK Agriculture Holdings (Pty) Ltd — Held by TWK Motors (Pty) Ltd	34 938 496	–	4 244 864	39 183 360
Unlisted shares — TWK Agriculture Holdings (Pty) Ltd — Held by TWK Group Customer Loyalty Scheme Trust	2 249 121	7 212 726	–	9 461 847
Listed shares — York Timber Holdings Limited — Held by Castle Walk Property Investments (Pty) Ltd	1 100 000	301 896	(354 199)	1 047 697
Unlisted shares — Westovia (Pty) Ltd — Held by Sunshine Seedling Services (Pty) Ltd	–	110 000	–	110 000
	48 517 098	7 624 622	4 829 541	60 971 261

NUMBER OF SHARES IN UNLISTED COMPANIES

FIGURES IN RAND	2024	2023
Listed shares — BKB Limited shares — Held by TWK Investments Ltd	**2 300**	2 300
Unlisted shares — NTE Company (Pty) Ltd shares — Held by TWK Investments Ltd	**3 431 064**	3 431 064
Unlisted shares — UCL Company (Pty) Ltd shares — Held by a nominee of TWK Investments Ltd	**514 888**	514 888
Unlisted shares — TWK Agriculture Holdings (Pty) Ltd — Held by TWK Motors (Pty) Ltd	**653 056**	653 056
Unlisted shares — TWK Agriculture Holdings (Pty) Ltd — Held by TWK Group Customer Loyalty Scheme Trust	**166 730**	168 311
Listed shares — York Timber Holdings Limited — Held by Castle Walk Property Investments (Pty) Ltd	**–**	572 512
Unlisted shares — Westovia (Pty) Ltd — Held by Sunshine Seedling Services (Pty) Ltd	**2**	2
	4 768 040	5 342 133

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

FIGURES IN RAND	2024	2023
TWK Agri cell structure	**43 610 719**	26 899 154
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS		
Current assets	**43 610 719**	26 899 154

The Cell Captive Agreement with Yard Insurance Ltd became active on 1 June 2022. This cell will insure the cell owner and/or the cell owner group's risks with Yard Insurance. The interest in the insurance cell is represented by an investment in class A ordinary shares in Yard Insurance entitling the group to the profits of the cell.

The Group is required to ensure that the insurance cell always remains in a financially sound position and maintains Minimum Capital Requirements and Solvency Capital Requirements as per the Cell Captive Agreement. The Group shall be required to recapitalise its Cell Structure in the event of these above-mentioned requirements not being satisfied, maintained or met.

The insurance cell has been valued at its net asset value using Level 2 unobservable inputs, which includes insurance premiums paid to the cell, reinsurance premiums paid by the cell and claims for the year, in accordance with the agreement with Yard Insurance Ltd and approximates fair value.

The fair value of the investment is sensitive to any changes in the level 2 inputs described above, however there is no indication that the premiums paid to the cell or reinsurance premiums paid by the cell will fluctuate significantly as these premiums are based on the Cell Captive agreement between the Group and Yard Insurance Ltd and the reinsurance agreement of Yard Insurance Ltd, respectively. The only unobservable input that could cause significant fluctuations in the fair value of the investment, is the claims paid out to or submitted by the Group during the year. The limitation of these claims as per the Cell Captive agreement is up to a maximum of R70 000 000 for the various plantations, therefore the maximum amount by which the value of the investment can decrease is R70 000 000 should a claim of this value or greater be submitted during the year. The Group will then also be required to recapitalise its Cell Structure in order to remain insured by Yard Insurance Ltd.

RECONCILIATION OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

FIGURES IN RAND	2024	2023
OPENING BALANCE	**26 899 154**	20 000 000
Capital contributions	**17 000 000**	–
Movement in fair value through OCI	**(288 435)**	6 899 154
CLOSING BALANCE	**43 610 719**	26 899 154

21. DERIVATIVE FINANCIAL INSTRUMENTS

FIGURES IN RAND	2024	2023
HEDGING DERIVATIVES		
Commodity forward contract asset	**5 412 206**	560 676
Commodity forward contract liabilities	**(3 287 414)**	(4 143 977)
The forward purchase contracts represents contracts with producers for the procurement of physical commodities in the future. The forward sale contracts represents contracts with millers and other clients. It is against Group policy to have speculative positions.		
US Dollar forward contract asset	**2 283 270**	1 779 600
US Dollar forward contract liabilities	**(3 314 845)**	(1 456 700)
The Group's US Dollar forward contracts relates to cash flows that are expected to occur during the period September – December 2025.		
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS		
Current assets	**7 695 476**	2 340 276
Current liabilities	**(6 602 259)**	(5 600 677)
	1 093 217	(3 260 401)

The fair value measurement of forward contracts are determined by applying the market values of SAFEX and the foreign exchange markets, and therefore categorised as Level 1 in terms of the fair value measurement hierarchy.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

FIGURES IN RAND	2024	2023
Cash on hand	**450 762**	296 109
Bank balances	**92 308 549**	73 013 139
Short-term deposits	**45 899 309**	37 704 194
Deposit call account	**177 401**	353 702
Other cash and cash equivalents	**1 526 581**	775 213
Bank overdraft	**(164 906 095)**	(488 628)
Cash and cash equivalents from discontinued operations	**6 435 176**	4 115 985
	(18 108 317)	115 769 714
Current assets	**146 797 778**	116 258 342
Current liabilities	**(164 906 095)**	(488 628)
	(18 108 317)	115 769 714

CASH AND CASH EQUIVALENTS PLEDGED AS SECURITY

Safex initial margins consist of deposits made for hedging positions which are held for pre-season grain contracts and own grain inventory.

The overdraft facility of the Group at Standard Bank is R440 000 000 (2023: R440 000 000) and is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee company (Pty) Ltd (RF). TWK Agri (Pty) Ltd and Constantia (Pty) Ltd indemnify the security SPV against all claims in terms of the SPV Guarantee. As security for performing their indemnity obligation to the Security SPV, cessions over debtors month accounts is bonded in security to the Security SPV.

The Group has adequate financial resources available for future operating activities and commitments.

ABSA, Standard Bank and Rand Merchant Bank as key financiers are regarded as excellent counterparties and therefore fall within acceptable levels of counter party risk. According to S&P Ratings all of these banks have a long-term credit rating of BB-, with a stable outlook.

23. DISCONTINUED OPERATIONS OR DISPOSAL GROUPS OR NON-CURRENT ASSETS HELD FOR SALE

During the prior year, a share sale agreement was finalised for the sale of shares in Roofspace Rental Group (Pty) Ltd ("Roofspace"). However, as announced on 6 August 2024, the agreement was terminated, resulting in a restatement of the prior year's numbers by R93 638 037. The impact on the current year's results is a loss of R66 240 112 million after tax. The Company is currently evaluating options for the disposal of Roofspace's shares and/or assets, as this business is non-core to TWK's strategic focus. Management will continue to classify Roofspace as held for sale in the current year. Management is currently actively looking for potential buyers, and negotiations are currently underway. Roofspace formed part of the renewable energy segment.

Additionally, the Group has decided to close all operations at the Piet Retief Sawmill, which operates under TWK Agri (Pty) Ltd, within the current financial year. These operations were part of the Timber segment.

In the prior year, advanced negotiations were underway for the sale of shares in TWK Motors (Pty) Ltd. However, in the current year, only an asset sale transaction was concluded, leading to the disposal of assets and stock related to the Hino, Haval and Toyota dealerships in August 2024. The proceeds from this asset sale have been included in other non-operating gains and losses (refer to Note 41). The sale of assets related to the Isuzu dealership is expected to be finalised by mid-October and has been disclosed as part of discontinued operations. All associated assets and liabilities have been classified as held for sale for both the current and comparative periods. The Total filling station in Mkhondo will continue to operate under TWK Motors (Pty) Ltd, with TWK Agri (Pty) Ltd retaining 100% ownership.

Furthermore, the Group closed down the Transport business unit in the previous financial year, which was part of the Timber segment, along with the Perfect Water and Potgietersrus trade branches, which were part of the Trade and Mechanisation segment.

The financial performance of these discontinued operations is as follows:

ROOFSPACE RENTAL GROUP (PTY) LTD

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN RAND	2024	2023
Revenue	**102 527 995**	84 493 201
Cost of sales	**(70 009 487)**	(55 338 695)
GROSS PROFIT	**32 518 508**	29 154 506
Operating gains/(losses)	**16 313 771**	–
Investment income	**19 081 036**	172 804
Operating expenses*	**(106 753 006)**	(29 025 283)
Finance costs	**(22 467 655)**	(17 969 880)
LOSS BEFORE TAX	**(61 307 346)**	(17 667 853)
Taxation	**(4 932 766)**	4 742 809
LOSS AFTER TAX	**(66 240 112)**	(12 925 044)

* *Included in other operating expenses is an impairment loss of R59 358 473 recognised on solar equipment as well as an additional IFRS 9 impairment of R26 788 131 on trade and other receivables.*

23. DISCONTINUED OPERATIONS OR DISPOSAL GROUPS OR NON-CURRENT ASSETS HELD FOR SALE CONTINUED

SUMMARISED STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	2024	2023
Property, plant and equipment	34 841 217	97 511 426
Right of use assets	28 482 551	111 346 772
Deferred tax	–	4 798 188
Trade and other receivables	128 349 328	54 680 369
Other current assets	3 203	653 679
TOTAL ASSETS	191 676 299	268 990 434
Lease liabilities	33 680 073	124 618 002
Other non-current liabilities	–	109 378
Trade and other payables	92 735 713	32 961 461
Loans from group companies	55 387 318	24 137 836
Borrowings	66 702 522	73 316 037
Other current liabilities	84 747	85 132
Deferred tax liability	49 833	–
TOTAL LIABILITIES	248 640 206	255 227 846

SUMMARISED STATEMENT OF CASH FLOW

FIGURES IN RAND	2024	2023
Net cash from operating activities	(9 148 277)	(9 894 663)
Net cash from investing activities	(349 880)	(1 429 230)
Net cash from financing activities	9 586 492	9 415 433
TOTAL CASH MOVEMENT FOR THE YEAR	88 335	(1 908 460)

TWK AGRI (PTY) LTD – PIET RETIEF SAWMILL

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN RAND	2024	2023
Revenue	67 584 082	156 658 509
Cost of sales	(78 127 967)	(146 721 932)
GROSS (LOSS)/PROFIT	(10 543 885)	9 936 577
Other operating income	5 226 941	15 222 587
Operating expenses	(7 669 697)	(18 434 598)
Finance costs	(1 551 996)	(1 479 208)
(LOSS)/PROFIT BEFORE TAX	(14 538 637)	5 245 358
Taxation	–	–
(LOSS)/PROFIT AFTER TAX	(14 538 637)	5 245 358

SUMMARISED STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	2024	2023
Property, plant and equipment	3 744 479	3 672 914
Inventory	690 804	12 049 605
TOTAL ASSETS	4 435 283	15 722 519

23. DISCONTINUED OPERATIONS OR DISPOSAL GROUPS OR NON-CURRENT ASSETS HELD FOR SALE CONTINUED

SUMMARISED STATEMENT OF CASH FLOW

FIGURES IN RAND	2024	2023
Net cash from operating activities	**11 358 801**	(231 447)
Net cash from investing activities	**(71 565)**	(1 554 272)
TOTAL CASH MOVEMENT FOR THE YEAR	**11 287 236**	(1 785 719)

TWK MOTORS (PTY) LTD

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN RAND	2024	2023
Revenue	**878 822 880**	880 440 641
Cost of sales	**(796 022 468)**	(785 856 435)
GROSS PROFIT	**82 800 412**	94 584 206
Other operating income	**348 545**	43 366 068
Operating expenses	**(87 801 391)**	(96 230 327)
Finance costs	**(22 433)**	(7 089 411)
(LOSS)/PROFIT BEFORE TAX	**(4 674 867)**	34 630 536
Taxation	**(4 109 282)**	(15 411 092)
(LOSS)/PROFIT AFTER TAX	**(8 784 149)**	19 219 444

SUMMARISED STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	2024	2023
Property, plant and equipment	**4 029 494**	4 237 588
Right of use assets	**5 971 497**	28 395 562
Inventory	**23 890 890**	130 790 072
Trade and other receivables	**62 393 113**	28 654 709
Other current assets	**6 592 743**	4 882 168
TOTAL ASSETS	**102 877 737**	196 960 099
Lease liabilities	**6 768 970**	30 286 208
Deferred tax liability	**6 392 942**	4 435 859
Trade and other payables	**39 162 992**	99 764 156
Loans from group companies	**20 107 799**	38 685 376
Other current liabilities	**208 653**	6 497 326
TOTAL LIABILITIES	**72 641 356**	179 668 925

SUMMARISED STATEMENT OF CASH FLOW

FIGURES IN RAND	2024	2023
Net cash from operating activities	**8 995 169**	8 580 851
Net cash from investing activities	**(863 413)**	(1 232 579)
Net cash from financing activities	**(28 497 170)**	(47 362 355)
TOTAL CASH MOVEMENT FOR THE YEAR	**(20 365 414)**	(40 014 083)

23. DISCONTINUED OPERATIONS OR DISPOSAL GROUPS OR NON-CURRENT ASSETS HELD FOR SALE CONTINUED

TWK AGRI (PTY) LTD – TRANSPORT, PERFECT WATER AND POTGIETERSRUS TRADE BRANCH

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN RAND	2024	2023
Revenue	**2 216 831**	44 355 050
Cost of sales	**(2 150 324)**	(27 964 806)
GROSS PROFIT	**66 507**	16 390 244
Operating expenses	**(1 773 555)**	(22 753 832)
Finance costs	**(925 852)**	(1 217 700)
LOSS BEFORE TAX	**(2 632 900)**	(7 581 288)
Taxation	**–**	–
LOSS AFTER TAX	**(2 632 900)**	(7 581 288)

SUMMARISED STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	2024	2023
Property, plant and equipment	**–**	7 849 024
Inventory	**–**	57 167
TOTAL ASSETS	**–**	7 906 191

SUMMARISED STATEMENT OF CASH FLOW

FIGURES IN RAND	2024	2023
Net cash from operating activities	**–**	310 720
Net cash from investing activities	**8 488 400**	4 314 397
TOTAL CASH MOVEMENT FOR THE YEAR	**8 488 400**	4 625 117

23. DISCONTINUED OPERATIONS OR DISPOSAL GROUPS OR NON-CURRENT ASSETS HELD FOR SALE CONTINUED

CONSOLIDATED VIEW AND INTERGROUP TRANSACTIONS

The following tables illustrates the consolidated view of the disposal groups as well as the intergroup transactions. The intergroup transactions is not eliminated in the above results:

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN RAND	2024	2023
Revenue	**1 051 151 758**	1 165 947 401
Cost of sales	**(946 310 246)**	(1 015 881 868)
GROSS PROFIT	**104 841 512**	150 065 533
Other operating income	**5 635 934**	57 704 985
Investment income	**19 081 036**	1 056 474
Other operating gains/(losses)	**16 253 323**	–
Operating expenses	**(203 997 650)**	(166 444 041)
Finance costs	**(24 967 936)**	(27 756 199)
(LOSS)/PROFIT BEFORE TAX	**(83 153 781)**	14 626 752
Taxation	**(9 042 047)**	(10 668 283)
(LOSS)/PROFIT AFTER TAX	**(92 195 828)**	3 958 469
Less: Intergroup eliminations	**(13 016 912)**	(113 734 344)
LOSS AFTER TAX	**(105 212 740)**	(109 775 875)

SUMMARISED STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	2024	2023
Property, plant and equipment	**86 233 127**	149 921 430
Right of use assets	**34 454 048**	139 742 334
Inventory	**23 890 890**	130 790 072
Trade and other receivables	**190 742 441**	83 335 078
Deferred tax asset	**–**	4 798 188
Other current assets	**4 388 983**	3 020 397
TOTAL ASSETS	**339 709 489**	511 607 499
Less: Intergroup eliminations	**(12 907 905)**	(26 289 482)
TOTAL ASSETS	**326 801 584**	485 318 017
Lease liabilities	**40 449 043**	154 904 210
Deferred tax liability	**6 442 775**	4 435 859
Other non-current liabilities	**–**	109 378
Trade and other payables	**131 898 705**	132 725 617
Loans from group companies	**75 495 117**	129 525 734
Other current liabilities	**66 995 922**	13 195 973
TOTAL LIABILITIES	**321 281 562**	434 896 771
Less: Intergroup eliminations	**(83 527 774)**	(90 693 854)
TOTAL LIABILITIES	**237 753 788**	344 202 917

24. SHARE CAPITAL

FIGURES IN RAND	2024	2023
AUTHORISED		
100 000 000 (2023: 100 000 000) no par-value ordinary shares		
1 (2023: 1) "A" no par-value preference share		
50 000 000 (2023: 50 000 000) "B" no par-value preference shares		
ISSUED		
36 883 335 (2023: 36 741 317) no par-value ordinary shares	**834 801 875**	828 641 158
RECONCILIATION OF NUMBER OF SHARES ISSUED:		
Non par-value ordinary shares	**38 951 986**	38 951 986
Less: Treasury shares	**(2 068 651)**	(2 210 669)
	36 883 335	36 741 317
RECONCILIATION OF VALUE OF SHARES ISSUED:		
Non par-value ordinary shares	**884 202 338**	884 202 338
Less: Treasury shares at cost	**(49 400 463)**	(55 561 180)
	834 801 875	828 641 158
RECONCILIATION OF NUMBER OF SHARES ISSUED:		
Opening balance	**36 741 317**	36 550 405
Treasury share movement	**142 018**	190 912
	36 883 335	36 741 317
A NO PAR-VALUE PREFERENCE SHARE ISSUED		
1 (2023: 1) "A" no par-value preference share	**1**	1
RECONCILIATION OF CLASS A PREFERENCE SHARE (NUMBER OF SHARES)		
No par-value preference shares	**1**	1
Less: Treasury share	**(1)**	(1)
	–	–
RECONCILIATION OF CLASS A PREFERENCE SHARE (VALUE OF SHARE)		
No par-value preference shares	**1**	1
Less: Treasury share at cost	**(1)**	(1)
	–	–

The board is entitled from time to time and in the absolute discretion of the board, to declare and pay a dividend on the preference share from distributable profit and in priority to any dividends to be declared and paid to holders of ordinary shares. No single shareholder holds more than 5% of the ordinary shares issued.

25. SHARE-BASED PAYMENTS

Aligned with the Group's strategic objective to be an employer of choice, the Group offers its key employees an equity- settled share -based payment scheme.

The long-term incentive (LTI) affords certain employees the right to purchase awarded shares in TWK Investments at the exercise price. During the vesting period (the period between grant date and vesting date), the shares are acquired by the Group and held in a trust. During this period the option cannot be exercised and is forfeited should the employee leave the employment of the Group. After the grant date, employees have the option to exercise their rights in four yearly vesting tranches of 20%, 25%, 25% and 30% respectively. The grant date is the date on which the Group and the participant agree to a share-based payment arrangement. Participants are required to pay the exercise price on vesting date for shares awarded. The exercise price is determined by the lowest weighted average share price of any three successive months preceding the grant date.

The scheme is treated as an equity and cash settled scheme. The scheme is valued at the reporting date in terms of IFRS 2 by using the Black-Scholes model. The valuation was performed by an independent actuary, Mr. R. Immermann of Five 2 Two Actuaries.

The total expense recognised for the year amounts to R4 764 281 (2023: R12 569 775). The accumulated equity-settle reserve amounts to R4 505 878 (2023: R18 831 736).

	LTI6	LTI7	LTI8	LTI9	LTI10
KEY ASSUMPTIONS USED (%)					
Discount rate	7,21	7,93	8,28	8,63	9,05
Dividend yield	5,00	2,30	2,30	2,30	2,30
Share volatility	40,60	70,00	70,00	70,00	70,00

SHARE-BASED PAYMENTS

FIGURES IN RAND	Total	Cash provision	Share-based payment reserve
2024			
Opening balance	**18 831 736**	**9 913 017**	**8 918 719**
Expense recognised for the period	**(4 764 281)**	**13 069**	**(4 777 350)**
Rights vested during period	**(2 327 471)**	**–**	**(2 327 471)**
Cash payments	**(7 234 106)**	**(7 234 106)**	**–**
	4 505 878	**2 691 980**	**1 813 898**
2023			
Opening balance	12 551 887	6 995 983	5 555 904
Expense recognised for the period	12 569 775	6 647 626	5 922 149
Rights vested during period	(2 559 334)	–	(2 559 334)
Cash payments	(3 730 592)	(3 730 592)	–
	18 831 736	9 913 017	8 918 719

25. SHARE-BASED PAYMENTS CONTINUED

SHARES GRANTED

FIGURES IN RAND	LTI6	LTI7	LTI8	LTI9	LTI10	Total
Outstanding at the beginning of the year	230 520	403 150	703 600	991 500	–	2 328 770
Granted during the period	–	–	–	–	965 000	965 000
Vesting during the period	(230 520)	(268 150)	(391 200)	(393 500)	–	(1 283 370)
OUTSTANDING AT END OF YEAR	–	135 000	312 400	598 000	965 000	2 010 400
Grant date	17 Oct 2019	20 Oct 2020	6 Oct 2021	9 Nov 2022	8 Nov 2023	
Share price at grant date	R28,70	R30,50	R36,00	R51,00	R52,00	
Exercise price	R17,92	R26,17	R29,45	R37,79	R50,56	
End date of contractual life	2 Jan 2024	2 Jan 2025	2 Jan 2026	2 Jan 2027	2 Jan 2028	

Share-based payments awarded to executive directors:

FIGURES IN RAND	**Shares vested 2024**	Shares vested 2023	Options outstanding	Options forfeited	**Value of benefit at grant date 2024**	Value of benefit at grant date 2023
AS Myburgh	**104 000**	100 000	316 000	–	**1 484 060**	629 350
JEW Fivaz	**–**	60 000	–	174 000	**–**	377 610
	104 000	160 000	316 000	174 000	**1 484 060**	1 006 960

26. REVALUATION RESERVE

In terms of the Memorandum of Incorporation, the revaluation reserve is non-distributable and relates to the revaluation of land and buildings included in property, plant and equipment as indicated in note 5.

FIGURES IN RAND	**2024**	2023
Fair value balance at beginning of year	**82 952 087**	46 849 667
Fair value adjustment for the year	**61 719 264**	38 845 018
Deferred tax	**(1 807 596)**	(2 742 598)
	142 863 755	82 952 087

27. CHANGE OF OWNERSHIP RESERVE

The excess of the cost of the acquisition of the additional shareholding in subsidiaries to further expand certain business units, over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition and liabilities assumed is accounted for as a change in ownership interest directly in equity in accordance with IFRS 10 (Consolidated Financial Statements):

FIGURES IN RAND	**2024**	2023
Reserves relating to the timber business unit	**(23 899 262)**	(20 409 819)
Reserves relating to the fuel and oil business unit	**(720 718)**	(720 718)
	(24 619 980)	(21 130 537)

28. LOANS FROM GROUP COMPANIES

ASSOCIATES

FIGURES IN RAND	2024	2023
SILULU ROYAL FORESTRY COMPANY (PTY) LTD	**397 315**	–
The unsecured loan are used for day-to-day funding requirements, bears no interest and have no fixed terms of repayment.		

HOLDING COMPANY

FIGURES IN RAND	2024	2023
TWK AGRICULTURE HOLDINGS (PTY) LTD	**36 600 000**	61 000 000
The unsecured loan bears interest at prime + 1%, and is repayable in monthly capital repayments of R2 033 333 over a remaining period of 16 months.		
TWK AGRICULTURE HOLDINGS (PTY) LTD	**128 328 896**	97 547 979
The unsecured loan are used for day-to-day funding requirements, bears no interest and have no fixed terms of repayment.		
	164 928 896	158 547 979
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS		
Non-current liabilities	**12 200 000**	36 600 000
Current liabilities	**153 126 211**	121 947 982
	165 326 211	158 547 982

FAIR VALUE OF GROUP LOANS PAYABLE

The carrying amounts of group loans payable approximates their fair value.

29. OTHER LOANS PAYABLE

FIGURES IN RAND	2024	2023
OTHER LOANS		
The unsecured loans to previous members of Gromor (Pty) Ltd is interest free and have no fixed terms of repayment. The loans have been impaired in the current financial year.	**–**	700 696
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS		
Current liabilities	**–**	700 696

FAIR VALUE OF OTHER LOANS PAYABLE

The carrying amount of other loans payable approximates its fair value.

30. BORROWINGS

FIGURES IN RAND	2024	2023
HELD AT AMORTISED COST		
STANDARD BANK OF SOUTH AFRICA: TERM LOAN	**132 400 000**	149 200 000
The facility is secured by a first continuing covering mortgage bond over the immovable property and notarial general bond to the maximum of R25 000 000 over the movable assets (wood chips and wood logs) of Shiselweni Forestry Company Limited. The loan carries interest at a prime linked rate with monthly capital instalments of R1 400 000 plus interest with a residual amount of R76 400 000, payable on 31 December 2027.		
FIRST NATIONAL BANK: REVOLVING LOAN FACILITY	**114 740 908**	115 000 000
The facility is secured by a guarantee issued by the Security SPV Guarantor, TWK Guarantee Company (Pty) Ltd (RF). TWK indemnify the Security SPV against all claims in terms of the SPV guarantee. As security for TWK performing their indemnity obligation to the Security SPV, own plantations of TWK Agri (Pty) Ltd (refer to note 8) is bonded in security to the Security SPV. The loan bears interest at the prime linked rate. The loan is repayable on 31 May 2025 provided that the lender shall, following a written request by the borrower be entitled, in its sole discretion, to extend the final repayment date.		
STANDARD BANK OF SOUTH AFRICA: TERM LOAN	**297 500 024**	340 000 016
The loan bears interest at a prime linked rate and is repayable over a remaining period of 84 months. The facility is secured by a bond over certain fixed property (refer to note 5) and plantations of Shiselweni Forestry Company Limited (refer to note 8).		
FIRST NATIONAL BANK: TERM LOAN	**35 680 191**	38 921 972
The loan bears interest at a prime linked rate and is repayable over a remaining period of 95 months. The facility is secured by a bond over certain fixed property of Shiselweni Forestry Company Limited (refer to note 5). TWK Agriculture Holdings (Pty) Ltd provided a limited guarantee of R45 500 000 for the loan.		
LAND AND AGRICULTURAL BANK OF SOUTH AFRICA: TERM LOAN	**–**	18 750 000
The loan was granted to the company for the financing of loans to emerging farmers for production credit and establishment finance. The loan had a final repayment date of 5 years from the month following the month in which the first advance was made. No interest was payable on the loan and was repaid in the current financial year.		
RAND MERCHANT BANK: REVOLVING LOAN FACILITY	**256 544 904**	325 194 681
The loan is used to finance grain intakes during intake periods, is secured by inventory (refer to note 16), bears interest at a prime-linked rate and is repayable when the inventory is sold.		
FIRST NATIONAL BANK: REVOLVING LOAN FACILITY	**176 861 075**	193 691 146
The facility is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd RF). TWK indemnify the security SPV against all claims in terms of the SPV Guarantee. As security for TWK performing their indemnity obligations to the Security SPV, mortgage and notarial bonds over plant and equipment and computer software of TWK Agri (Pty) Ltd (refer to note 5 and 9), cessions over inventory of TWK Agri (Pty) Ltd and Constantia Kunsmis (Pty) Ltd (refer to note 16), standing timber (refer to note 8), certain debtors of TWK Agri (Pty) Ltd (refer to note 18) and finance lease receivables of TWK Agri (Pty) Ltd (refer to note 13), is bonded in security to the Security SPV. The loan bears interest at the prime linked rate. The loan is repayable on 31 May 2025 provided that the lender shall, following a written request by the borrower be entitled, in its sole discretion, to extend the final repayment date.		
FIRST NATIONAL BANK: TERM LOAN	**19 275 685**	20 949 940
The loan bears interest at a prime linked rate and is repayable over a remaining period of 82 months. The facility is secured by a guarantee issued by the Security SPV Guarantor TWK Guarantee Company (Pty) Ltd (RF). TWK indemnify the security SPV against all claims in terms of the SPV guarantee. As security for TWK performing their indemnity obligation to the security SPV, certain fixed property of TWK Investments Ltd (refer to note 5) is bonded in security to the security SPV.		
ABSA BANK LIMITED: TERM LOAN	**343 007 552**	371 836 025
The facility is secured by a guarantee issued by the Security SPV Guarantor, TWK Guarantee Company (Pty) Ltd (RF). TWK indemnify the Security SPV against all claims in terms of the SPV guarantee. As security for TWK performing their indemnity obligation to the Security SPV, term loans of TWK Agri (Pty) Ltd (refer to note 17) and fixed property of TWK Investments Ltd (refer to note 5) is bonded in security to the Security SPV. The loan bears interest at the prime linked rate. The loan is repayable in monthly payments of R2 403 571, with a bullet payment of R309 571 428 on 30 November 2025.		

30. BORROWINGS CONTINUED

FIGURES IN RAND	2024	2023
SPRINGBANK FARM CC: SUNSHINE SEEDLING SERVICES (PTY) LTD	–	2 225 196
The loan is unsecured and bears interest at a prime linked rate. Repayment will occur as agreed between the parties with a minimum of 30 days' notice. The loan was repaid in the current year.		
ABSA BANK LIMITED: REVOLVING LOAN FACILITY	176 233 651	193 848 629
The facility is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd RF). TWK indemnify the security SPV against all claims in terms of the SPV Guarantee. As security for TWK performing their indemnity obligations to the Security SPV, mortgage and notarial bonds over plant and equipment and computer software of TWK Agri (Pty) Ltd (refer to note 5 and 9), cessions over inventory of TWK Agri (Pty) Ltd and Constantia Kunsmis (Pty) Ltd (refer to note 16), standing timber (refer to note 8), certain debtors of TWK Agri (Pty) Ltd (refer to note 18) and finance lease receivables of TWK Agri (Pty) Ltd (refer to note 13), is bonded in security to the Security SPV. The loan bears interest at the prime link rate. The loan is repayable on 31 May 2025 provided that the lender shall, following a written request by the borrower be entitled, in its sole discretion, to extend the final repayment date.		
FIRST NATIONAL BANK: TERM LOAN	53 515 720	57 637 479
The facility is secured by property of TWK Investments Limited. The loan bears interest at a prime linked rate. The loan has a residual value of R48 000 000 and is repayable on 31 December 2025.		
HINO FINANCIAL SERVICES SOUTH AFRICA LTD: SUNSHINE SEEDLING SERVICES (PTY) LTD	1 060 556	1 428 105
The instalment sale agreement is unsecured, bears interest at a prime linked rate and is repayable over a remaining period of 70 months.		
STANDARD BANK OF SOUTH AFRICA	5 303 547	7 464 266
The facility bears interest at a prime linked rate and is repayable over a remaining period of 26 months. The facility is secured by certain fixed assets owned by the Group (refer to note 5). TWK Agri (Pty) Ltd signed a limited guarantee of R16 500 000 for the loan facility.		
ELLEPOT SOUTH AFRICA (PTY) LTD: SUNSHINE SEEDLING SERVICES (PTY) LTD	1 509 007	–
The unsecured loan bears interest at a prime linked rate, and is repayable over a remaining period of 26 months.		
STANDARD BANK OF SOUTH AFRICA: REVOLVING LOAN FACILITY	689 509 429	763 475 823
The facility is secured by a guarantee issued by the Security SPV Guarantor (TWK Guarantee Company (Pty) Ltd RF). TWK indemnify the security SPV against all claims in terms of the SPV Guarantee. As security for TWK performing their indemnity obligations to the Security SPV, mortgage and notarial bonds over plant and equipment and computer software of TWK Agri (Pty) Ltd (refer to note 5 and 9), cessions over inventory of TWK Agri (Pty) Ltd and Constantia Kunsmis (Pty) Ltd (refer to note 16), standing timber (refer to note 8), certain debtors of TWK Agri (Pty) Ltd (refer to note 18) and finance lease receivables of TWK Agri (Pty) Ltd (refer to note 13), is bonded in security to the Security SPV. The loan bears interest at the prime linked rate. The loan is repayable on 31 May 2025 provided that the lender shall, following a written request by the borrower be entitled, in its sole discretion, to extend the final repayment date.		
	2 303 142 249	2 599 623 278
SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS		
Non-current liabilities	786 603 086	876 668 467
Current liabilities	1 516 539 163	1 722 954 811
	2 303 142 249	2 599 623 278

TWK Investments Ltd and TWK Agriculture Holdings (Pty) Ltd signed unlimited surety as guarantee for the loan facilities granted by First National Bank, ABSA Bank Limited and Standard bank of South Africa to TWK Agri (Pty) Ltd.

TWK Agri (Pty) Ltd signed a guarantee in favour of Standard Bank of South Africa for the punctual and full payment of all the debts which Roofspace Rental Group (Pty) Ltd owes to the Bank in terms of agreements concluded between Roofspace Rental Group (Pty) Ltd and the Bank.

30. BORROWINGS CONTINUED

FNB, ABSA and Standard Bank facilities are further restricted to the following loan conditions (covenants) based on a TWK Agriculture Holdings (Pty) Ltd level:

- Interest cover ratio of greater than or equal to 2,3 to 1;
- Total debt to equity ratio of smaller than 250%;
- Long-term debt to equity smaller than 80%;
- Cumulative debt service cover ratio of equal or greater than 1,2;
- Security cover ratio of greater than 1 to 1.

The Group provides a compliance certificate to its lenders on an annual basis. Due to prior year restatements and challenging trading conditions in the current year, management informed all lenders that the interest cover ratio and cumulative debt service cover ratio for the period ending 31 August 2023 had been breached. Additionally, the Group anticipates breaching the interest cover ratio for the period ending 31 August 2024. The lenders have condoned these breaches, and approval was obtained before year-end. As a result, the lenders will not exercise any rights under the facility agreement that they may have had due to the occurrence of these covenant breaches.

FAIR VALUE OF BORROWINGS

The carrying amount of borrowings approximates the fair value.

31. PROVISIONS

RECONCILIATION OF PROVISIONS

FIGURES IN RAND	Opening balance	Additions	Utilised during the year	Total
2024				
Legal proceedings	**–**	**6 600 000**	**–**	**6 600 000**
Provisions	**1 198 549**	**1 089 943**	**(304 648)**	**1 983 844**
Share-based payments	**9 913 016**	**13 069**	**(7 234 106)**	**2 691 979**
	11 111 565	**7 703 012**	**(7 538 754)**	**11 275 823**

FIGURES IN RAND	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
2023					
Provisions	1 460 979	480 007	–	(742 437)	1 198 549
Share-based payments	6 995 982	6 647 626	(3 730 592)	–	9 913 016
	8 456 961	7 127 633	(3 730 592)	(742 437)	11 111 565

The provisions consist mainly of severance pay of one of the TWK Group's grain segment companies, Arrowfeeds (Pty) Ltd. The severance pay is payable to certain employees on retirement.

The provision for share based payments relates to the estimated value of the employees that selected cash payments instead of shares as part of the share-based payment scheme. (Refer to note 25).

The provision for share-based payments are expected to be utilised as follows:

2 January 2025	R662 082
2 January 2026	R929 544
2 January 2027	R742 763
2 January 2028	R357 590
	R2 691 979

32. TRADE AND OTHER PAYABLES

FIGURES IN RAND	2024	2023
FINANCIAL INSTRUMENTS:		
Trade payables	**792 708 068**	693 402 984
Deposits received	**2 428 091**	4 791 468
Other payables	**115 292 215**	247 668 658
	910 428 374	945 863 110
NON-FINANCIAL INSTRUMENTS:		
Accrued leave and bonus	**74 863 503**	88 871 234
VAT	**2 219 286**	5 614 419
	77 082 789	94 485 653
	987 511 163	1 040 348 763

FAIR VALUE OF TRADE AND OTHER PAYABLES

The carrying value of trade and other payables approximates its fair value.

33. CONTRACT LIABILITIES

SUMMARY OF CONTRACT LIABILITIES

FIGURES IN RAND	2024	2023
Supply of fertiliser products	**22 758 241**	–
Storage and handling of grain	**2 997 804**	2 196 920
	25 756 045	2 196 920

Contract liabilities include advances received for the storage and handling of grain, as well as for the future supply of fertiliser products. All contract liabilities are short-term in nature and will realise within the next 12 months. These liabilities will subsequently realise to Grain Storage and Handling income as well as Fertiliser sales.

34. REVENUE

FIGURES IN RAND	2024	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sale of goods	**8 202 488 484**	7 638 599 795
Rendering of services	**208 663 360**	205 037 490
	8 411 151 844	7 843 637 285
REVENUE OTHER THAN FROM CONTRACTS WITH CUSTOMERS		
Rental income	**2 204 710**	1 949 358
Interest received (trading)	**110 835 433**	114 947 360
	113 040 143	116 896 718
	8 524 191 987	7 960 534 003

34. REVENUE CONTINUED

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The company disaggregates revenue from customers as follows:

FIGURES IN RAND	2024	2023
SALE OF GOODS		
Sale of goods — Agricultural products and produce — Exports	**1 401 007 626**	1 382 367 682
Sale of goods — Agricultural products and produce — Local	**2 340 727 311**	2 070 353 704
Sale of goods — Sale and servicing of farming equipment	**247 969 975**	298 720 285
Sale of goods — Contract fertiliser sales	**1 832 732 881**	2 126 417 913
Sale of goods — Storage and handling of grain related products	**547 417 375**	547 613 313
Sale of goods — Commodity goods — Local	**1 827 555 528**	1 213 126 898
Sale of goods — Commodity goods — Exports	**5 077 788**	–
	8 202 488 484	7 638 599 795
RENDERING OF SERVICES		
Commissions received	**208 663 360**	205 037 490
	8 411 151 844	7 843 637 285
TIMING OF REVENUE RECOGNITION		
At a point in time		
Sale of goods	**8 202 488 484**	7 638 599 795
Rendering of services	**172 592 690**	165 208 469
	8 375 081 174	7 803 808 264
Over time		
Rendering of services	**36 070 670**	39 829 021
Total revenue from contracts with customers	**8 411 151 844**	7 843 637 285

35. COST OF SALES

FIGURES IN RAND	2024	2023
Sale of goods	**7 110 821 437**	6 338 381 438
Rendering of services	**18 405 496**	18 386 265
Discount received	**(388 011)**	(222 639)
Labour costs included in manufactured goods	**60 815 988**	56 169 913
	7 189 654 910	6 412 714 977

36. OTHER OPERATING INCOME

FIGURES IN RAND	2024	2023
Administration and management fees received	**2 172 170**	4 074 282
Commissions received	**2 746 116**	4 886 789
Rental income	**11 200 275**	10 548 397
Bad debts recovered	**1 122 694**	692 297
Recoveries	**11 547 150**	12 013 908
Gain on bargain purchase in a business combination	**–**	1 007 301
Interest received	**13 249 961**	7 208 939
Insurance claims	**163 865 103**	11 377 872
Other income	**33 489 513**	31 237 150
Rebates received	**17 703 249**	15 245 333
Government grants	**42 381**	38 298
	257 138 612	98 330 566

37. OTHER OPERATING GAINS/(LOSSES)

FIGURES IN RAND	Notes	2024	2023
GAINS/(LOSSES) ON DISPOSALS, SCRAPINGS AND SETTLEMENTS			
Biological assets	8	–	2 079 826
Investment property	6	(92 564)	–
Property, plant and equipment	5	2 962 437	711 094
Right-of-use assets	7	880 662	(394 100)
		3 750 535	2 396 820
FOREIGN EXCHANGE (LOSSES)			
Net foreign exchange loss		(6 556 342)	(14 539 815)
FAIR VALUE (LOSSES)/GAINS			
Biological assets	8	(14 455 747)	1 070 454
Agricultural produce		749 702	–
Investment property	6	(29)	–
		(13 706 074)	1 070 454
TOTAL OTHER OPERATING GAINS/(LOSSES)		(16 511 881)	(11 072 541)

38. OPERATING PROFIT/(LOSS)

Operating profit for the year is stated after charging/(crediting) the following, amongst others:

FIGURES IN RAND	2024	2023
AUDITOR'S REMUNERATION – EXTERNAL		
Audit fees	4 388 479	3 387 994
Expenses	94 426	227 596
	4 482 905	3 615 590
EMPLOYEE COSTS		
Salaries, wages, bonuses and other benefits	595 458 438	584 918 608
Share-based payments	4 764 281	12 569 775
TOTAL EMPLOYEE COSTS	600 222 719	597 488 383
Less: Employee costs included in cost of merchandise sold and inventories	(60 815 988)	(56 169 913)
TOTAL EMPLOYEE COSTS EXPENSED	539 406 731	541 318 470
LEASES		
Variable lease payments	7 202 574	17 270 444
Short-term leases	1 667 160	1 103 878
TOTAL LEASE EXPENSES	8 869 734	18 374 322
DEPRECIATION AND AMORTISATION		
Depreciation of property, plant and equipment	40 540 678	34 458 592
Depreciation of right-of-use assets	26 278 595	26 463 160
Amortisation of intangible assets	3 509 458	1 553 234
TOTAL DEPRECIATION AND AMORTISATION	70 328 731	62 474 986
IMPAIRMENT LOSSES		
Property, plant and equipment	1 739 974	913 435
Goodwill and intangible assets	5 884 774	73 311 729
	7 624 748	74 225 164

39. INVESTMENT INCOME

FIGURES IN RAND	2024	2023
DIVIDEND INCOME		
EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
Unlisted investments – Local	**1 709 460**	1 982 215
INTEREST INCOME		
FROM INVESTMENTS IN FINANCIAL ASSETS:		
Bank and other cash	**952 169**	1 161 231
Finance lease receivables	**16 740**	46 023
Other receivables	**793 911**	1 323 832
Other financial assets	**3 603 167**	3 583 194
LOANS TO GROUP COMPANIES:		
Associates	**165 920**	454 125
TOTAL INTEREST INCOME	**5 531 907**	6 568 405
TOTAL INVESTMENT INCOME	**7 241 367**	8 550 620

40. FINANCE COSTS

FIGURES IN RAND	2024	2023
Loan from holding company	**6 364 765**	8 522 664
Trade and other payables	**299 792**	161 382
Lease liabilities	**5 147 508**	5 158 363
Current borrowings	**299 096 186**	270 067 231
TOTAL FINANCE COSTS	**310 908 251**	283 909 640
Less: Capitalised to qualifying assets	**(108 371 120)**	(106 949 797)
TOTAL FINANCE COSTS EXPENSED	**202 537 131**	176 959 843

41. OTHER NON-OPERATING GAINS/(LOSSES)

FIGURES IN RAND	Notes	2024	2023
GAINS/(LOSSES) ON DISPOSALS, SCRAPINGS OR SETTLEMENTS			
Non-current assets held for sale and disposal groups – TWK Motors	23	**20 000 000**	–
Loss on shares issued to customers		**(1 860 465)**	–
Loans from group companies	28	**(3 004 245)**	–
Other loans receivable	29	**700 696**	–
		15 835 986	–
FAIR VALUE GAINS/(LOSSES)			
Investments in subsidiaries	10	**–**	(1 353 046)
TOTAL OTHER NON-OPERATING GAINS/(LOSSES)		**15 835 985**	(1 353 046)

42. TAXATION

MAJOR COMPONENTS OF THE TAX EXPENSE

FIGURES IN RAND	2024	2023
CURRENT		
Local income tax — current period	**52 779 542**	72 724 313
DEFERRED		
Originating and reversing temporary differences	**52 625 321**	28 245 954
Changes in tax rates	**(24 364 653)**	—
	28 260 668	28 245 954
	81 040 210	100 970 267

RECONCILIATION OF THE TAX EXPENSE

Reconciliation between applicable tax rate and average effective tax rate.

%	2024	2023
Applicable tax rate	**27,00**	27,00
Impairment of goodwill	**0,49**	8,16
Dividends received	**(0,14)**	(0,18)
Profit from equity accounted investments	**(0,59)**	(0,55)
Capital gains tax rate differences	**0,22**	—
Non-deductible expenses/Capital expenses	**3,92**	0,75
Exempt/Capital income	**(0,91)**	(0,21)
Derecognition of assessed loss	**2,82**	—
Effect of rate change for deferred tax movements	**(7,33)**	—
Other	**(0,64)**	(1,20)
	24,84	33,77

The Eswatini Revenue Services has changed the corporate income tax rate from 27,5% to 25% with effect from 1 July 2024, which will result in decrease of R24 364 653 in the deferred tax liability of the group for the current year.

43. OTHER COMPREHENSIVE INCOME

COMPONENTS OF OTHER COMPREHENSIVE INCOME

FIGURES IN RAND	Gross	Tax	Net before non-controlling interest	Non-controlling interest	Net
2024					
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT/(LOSS)					
REMEASUREMENTS ON NET DEFINED BENEFIT LIABILITY/ASSET					
Remeasurements on net defined benefit liability/asset	200 480	(54 130)	146 350	(36 588)	109 762
MOVEMENTS ON REVALUATION					
Gains on property revaluation	61 719 264	(1 807 596)	59 911 668	–	59 911 668
CHANGES IN FAIR VALUE OF EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Gains arising during the year on investments held at fair value	533 836	49 739	583 575	198 719	782 294
Losses arising during the year on financial assets held at fair value	(288 435)	62 302	(226 133)	56 533	(169 600)
	245 401	112 041	357 442	255 252	612 694
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT/(LOSS)	62 165 145	(1 749 685)	60 415 460	218 664	60 634 124

FIGURES IN RAND	Gross	Tax	Net before non-controlling interest	Non-controlling interest	Net
2023					
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT/(LOSS)					
REMEASUREMENTS ON NET DEFINED BENEFIT LIABILITY/ASSET					
Remeasurements on net defined benefit liability/asset	188 668	(50 940)	137 728	(34 432)	103 296
MOVEMENTS ON REVALUATION					
Gains on property revaluation	38 845 018	(2 742 598)	36 102 420	–	36 102 420
CHANGES IN FAIR VALUE OF EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Gains arising during the year on investments held at fair value	4 830 715	(1 043 181)	3 787 534	(831 993)	2 955 541
Gains arising during the year on financial assets held at fair value	6 899 154	(1 490 217)	5 408 937	(1 352 234)	4 056 703
	11 729 869	(2 533 398)	9 196 471	(2 184 227)	7 012 244
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT/(LOSS)	50 763 555	(5 326 936)	45 436 619	(2 218 659)	43 217 960

44. EARNINGS AND DIVIDENDS PER SHARE

BASIC EARNINGS PER SHARE

FIGURES IN RAND	2024	2023
BASIC EARNINGS PER SHARE (BASED ON WEIGHTED AVERAGE NUMBER OF SHARES)		
From continuing operations (c per share)	**719,28**	583,70
From discontinued operations (c per share)	**(285,47)**	(297,82)
	433,81	285,88
RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO BASIC EARNINGS		
Profit for the year	**140 016 192**	88 213 291
Adjusted for:		
Non-controlling interest	**19 870 583**	17 160 015
Profit attributable to the owners of the parent	**159 886 775**	105 373 306
Weighted average number of shares issued	**36 856 386**	36 859 388
Basic earnings per share (c) (based on weighted average number of shares)	**433,81**	285,88

DILUTED EARNINGS PER SHARE

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Where there is a discontinued operation, diluted earnings per share is determined for both continuing and discontinued operations.

FIGURES IN RAND	2024	2023
DILUTED EARNINGS PER SHARE		
From continuing operations (c per share)	**681,06**	550,67
From discontinued operations (c per share)	**(270,30)**	(280,97)
	410,76	269,70

The calculation of earnings per share is based on the consolidated profit attributable to the owners of the holding company divided by the total number of shares in issue at year-end.

FIGURES IN RAND	2024	2023
RECONCILIATION OF BASIC EARNINGS TO EARNINGS USED TO DETERMINE DILUTED EARNINGS PER SHARE		
Basic earnings	**433,81**	285,88
Adjusted for:		
Shares held by intergroup trust to be distributed to customers and personnel	**(23,05)**	(16,18)
	410,76	269,70
RECONCILIATION OF WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED FOR EARNINGS PER SHARE TO WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED FOR DILUTED EARNINGS PER SHARE		
Weighted average number of ordinary shares used for basic earnings per share	**36 856 386**	36 859 388
Adjusted for:		
Shares held by intergroup trust to be distributed to customers and personnel	**2 068 651**	2 210 669
	38 925 037	39 070 057

44. EARNINGS AND DIVIDENDS PER SHARE CONTINUED

HEADLINE EARNINGS PER SHARE

FIGURES IN RAND	2024	2023
Headline earnings per share (c)	**674,17**	701,43
RECONCILIATION BETWEEN EARNINGS/(LOSS) AND HEADLINE EARNINGS/(LOSS)		
Basic earnings	**159 886 775**	105 373 306
Adjusted for:		
Discontinued operations	**105 212 740**	109 775 875
Impairments	**7 724 745**	74 225 164
Gains on disposal of investment in subsidiaries	**(20 000 000)**	1 353 046
(Losses) on disposals, scrapings and settlements of property, plant and equipment and right-of-use assets	**(3 750 535)**	(2 396 820)
Insurance claim income	**(6 746 054)**	(11 377 872)
Gain on bargain purchase in a business combination	**–**	(1 007 301)
Tax effect thereon	**6 148 398**	(16 049 656)
	248 476 069	258 542 696

DIVIDENDS PER SHARE

FIGURES IN RAND	2024	2023
Total (c)	**75,00**	115,00

Dividends payable are not accounted for until they have been declared by the Board of directors.

45. CASH GENERATED FROM OPERATIONS

FIGURES IN RAND	2024	2023
Profit before taxation	**326 269 142**	298 959 434
ADJUSTMENTS FOR NON-CASH ITEMS:		
Investment income	**(5 531 901)**	(6 568 391)
Dividends received	**(1 709 460)**	(1 982 215)
Finance costs	**202 537 130**	176 959 842
Depreciation and amortisation	**70 328 731**	62 474 986
(Profit)/loss on sale of assets	**(2 962 437)**	(2 790 920)
(Profit) from sale of investment property	**92 564**	–
(Gains)/losses on right of use assets	**(880 662)**	394 100
Income from equity-accounted investments	**(7 166 773)**	(6 331 657)
Provision for inventory writedowns	**7 871 660**	12 112 208
Change in allowance for impairment of trade and other receivables and loans receivable	**(4 525 856)**	9 033 777
Remeasurement of leases	**1 731 933**	(1 996 273)
Foreign exchange loss	**6 556 342**	14 539 815
Fair value adjustment – Biological assets	**13 706 046**	(1 070 454)
Fair value adjustment – Investment property	**29**	–
Fair value adjustment – Investments	**–**	1 353 046
Impairment of loans	**(700 696)**	–
Impairment of property, plant and equipment	**1 330 700**	–
Impairment of goodwill	**5 884 771**	73 311 729
Impairment of investment property	**1 739 974**	913 435
Changes in investment property	**100 000**	–
Loss from discontinued operations	**(105 212 739)**	(109 775 875)
Movement in retirement benefits assets and liabilities	**(363 000)**	(509 000)
Movement in provisions	**164 258**	2 654 604
Gain on bargain purchase	**–**	(1 007 301)
Non-operational gain on disposal of TWK Motors	**(20 000 000)**	–
Losses on loan from Group companies	**3 004 245**	–
Losses on other financial assets	**1 860 465**	–
Other non-cash items	**(2 260 553)**	(2 661 389)
CHANGES IN WORKING CAPITAL:		
Inventories	**154 024 571**	(108 560 096)
Trade and other receivables	**22 271 287**	19 482 755
Trade and other payables	**(52 837 601)**	(1 763 937)
Contract liabilities	**23 559 125**	843 194
Movement in derivatives	**(4 353 618)**	(3 760 977)
	634 527 676	424 254 425

46. TAX PAID

FIGURES IN RAND	2024	2023
Balance at beginning of the year	**19 598 333**	30 737 413
Current tax recognised in profit or loss	**(52 779 542)**	(80 163 967)
Balance at end of the year	**(24 582 350)**	(19 598 333)
	(57 763 559)	(69 024 887)

47. DIVIDENDS PAID

FIGURES IN RAND	2024	2023
Balance at beginning of the year	**(1 055 876)**	(119 484)
Dividends	**(42 334 499)**	(56 319 767)
Balance at end of the year	**4 508 777**	1 055 876
	(38 881 598)	(55 383 375)

48. LOYALTY SCHEME PAYMENTS

The TWK Group Loyalty Scheme was implemented to incentivise clients in doing business with the Group by awarding shares to be taken up in the Group and/or cash payments on an annual basis. All bona fide farmers who do significant business with the Group by contributing to gross profit exceeding a set minimum amount may qualify to be awarded through the Loyalty Scheme.

49. COMMITMENTS

CAPITAL COMMITMENTS

Capital commitments include all projects for which specific board approval has been obtained. Projects still under investigation for which specific board approvals have not yet been obtained are excluded.

FIGURES IN RAND	2024	2023
ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR		
Property, plant and equipment	**15 422 760**	30 245 111

This committed expenditure relates to property, plant and equipment. Expenditure will be financed by available bank facilities, retained profits, mortgage facilities or existing cash resources.

FIGURES IN RAND	2024	2023
NOT YET CONTRACTED FOR AND AUTHORISED BY DIRECTORS		
Property, plant and equipment	**119 246 308**	120 974 244

Capital commitments are based on the budget approved by the Board. Major capital projects require further approval before they commence and will be financed by available bank facilities, retained profits, mortgage facilities or existing cash resources.

50. FAIR VALUE INFORMATION

FAIR VALUE HIERARCHY

LEVELS OF FAIR VALUE MEASUREMENT

FIGURES IN RAND	Carrying amount	Level 1	Level 2	Level 3
2024				
ASSETS				
Land and buildings	**1 026 358 391**	**–**	**–**	**1 026 358 391**
Investment property	**6 100 000**	**–**	**–**	**6 100 000**
Biological assets	**1 739 579 831**	**–**	**–**	**1 739 579 831**
Grain commodities	**329 588 140**	**–**	**–**	**329 588 140**
Investments at fair value	**59 735 052**	**46 739 532**	**–**	**12 995 520**
Financial assets at fair value through OCI	**43 610 719**	**–**	**43 610 719**	**–**
Derivatives	**7 695 476**	**7 695 476**	**–**	**–**
Livestock	**7 013 245**	**–**	**7 013 245**	**–**
TOTAL ASSETS	**3 219 680 854**	**54 435 008**	**50 623 964**	**3 114 621 882**
LIABILITIES				
Derivatives	**6 602 259**	**6 602 259**	**–**	**–**
Retirement benefit obligation	**3 713 000**	**–**	**–**	**3 713 000**
TOTAL LIABILITIES	**10 315 259**	**6 602 259**	**–**	**3 713 000**
2023				
Land and buildings	948 873 343	–	–	948 873 343
Investment property	6 200 000	–	–	6 200 000
Biological assets	1 597 757 201	–	–	1 597 757 201
Grain commodities	366 932 416	–	–	366 932 416
Investments at fair value	60 971 261	49 815 554	–	11 155 707
Financial assets at fair value through OCI	26 899 154	–	26 899 154	–
Derivatives	2 340 276	2 340 276	–	–
Livestock	6 877 378	–	6 877 378	–
TOTAL ASSETS	3 016 851 029	52 155 830	33 776 532	2 930 918 667
LIABILITIES				
Derivatives	5 600 677	5 600 677	–	–
Retirement benefit obligation	4 076 000	–	–	4 076 000
TOTAL LIABILITIES	9 676 677	5 600 677	–	4 076 000

51. RELATED PARTIES

RELATIONSHIPS

Members of key management	Directors and related businesses
Holding company	TWK Agriculture Holdings (Pty) Ltd
Subsidiaries	Refer to note 10
Associates	Refer to note 11

RELATED PARTY BALANCES

FIGURES IN RAND	2024	2023
LOAN ACCOUNTS – OWING (TO)/BY RELATED PARTIES		
TWK Agriculture Holdings (Pty) Ltd	**(164 928 896)**	(158 547 979)
Silulu Royal Forestry Company (Pty) Ltd	**(397 315)**	–
Silulu Royal Forestry Company (Pty) Ltd	**78 639**	5 029 025
African Collateral Management (Pty) Ltd	**5 016 677**	5 620 945
Henleo 1080 (Pty) Ltd	**–**	3 302 990
AMOUNTS INCLUDED IN TRADE RECEIVABLES REGARDING RELATED PARTIES		
Directors and related businesses	**42 176 586**	36 497 713
TWK Agriculture Holdings (Pty) Ltd	**116 788**	109 261
African Collateral Management (Pty) Ltd	**134 089**	669 750
Vumbuka Trust	**29 651**	80 801
Vumbuka Nolwazi (Pty) Ltd	**340 846**	320 134
Silulu Royal Forestry Company (Pty) Ltd	**48 926 094**	36 739 405
AMOUNTS INCLUDED IN TRADE PAYABLES REGARDING RELATED PARTIES		
Vumbuka Trust	**(8 920 958)**	(8 558 069)
Vumbuka Nolwazi (Pty) Ltd	**(1 016)**	(940)

RELATED PARTY TRANSACTIONS

FIGURES IN RAND	2024	2023
INTEREST PAID TO/(RECEIVED FROM) RELATED PARTIES		
Interest received from directors and related businesses	**(5 503 811)**	(5 480 064)
TWK Agriculture Holdings (Pty) Ltd	**6 364 765**	8 668 434
PURCHASES FROM/(SALES TO) RELATED PARTIES		
Purchases from directors and related businesses	**106 813 360**	113 210 281
Sales to directors and related businesses	**(104 541 946)**	(113 069 304)
RENT PAID TO/(RECEIVED FROM) RELATED PARTIES		
TWK Agriculture Holdings (Pty) Ltd	**42 742**	384 681
DIVIDENDS PAID TO/(RECEIVED FROM) RELATED PARTIES		
TWK Agriculture Holdings (Pty) Ltd	**29 748 637**	38 802 570

51. RELATED PARTIES CONTINUED

Total number of shares held by the directors and related shareholders in which they have declared a personal financial interest:

	Direct		Indirect		Related trusts*	
	Shares	%	Shares	%	Shares	%
NON-EXECUTIVE						
CA du Toit	286	-	5 128	0,01	4 666	0,01
HG Hiestermann	51 500	0,13	196 452	0,50	22 426	0,06
HW Küsel	33 847	0,09	55 356	0,14	–	–
JCN Wartington	500	–	664	–	57 612	0,15
JS Stapelberg	–	–	–	–	412 440	1,06
KP Paul	–	–	–	–	15 515	0,04
TI Ferreira	–	–	17 184	0,04	38 967	0,10
WJ Steenkamp	–	–	–	–	–	–
EXECUTIVE						
AS Myburgh	819 000	2,10	51 612	0,13	25 000	0,06
JEW Fivaz	–	–	–	–	–	–
SUBTOTAL FOR DIRECTORS	905 133	2,32	326 396	0,82	576 626	1,48
OTHER SHAREHOLDERS	38 046 853	97,68				
TOTAL	38 951 986	100,00				

* *Excluding trusteeship in TWK Agri Aandele Aansporings Trust and TWK Customer Loyalty Scheme Trust.*

52. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

This note presents information about the Group's financial risk management framework, objectives, policies and processes for measuring and managing risk and the Group's exposure to these financial risks.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management in close co-operation with the Group's operating units, through identifying, evaluating and hedging financial risk where needed.

In combination with the audit committee, the Board have conducted a robust assessment of the principal risks to which the Group is exposed, and they are satisfied that the Group has effective systems and controls in place to manage its principal risks.

The Board of Directors have overall responsibility for monitoring and maintaining the effectiveness of the Group's risk management activities and internal control processes. The Group's executives are responsible for developing and monitoring the Group's risk management policies. The Group's executives report regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group. Top risks are identified through an enterprise risk management process, whereby the top risks are identified, assessed, quantified and prioritised. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board has an Audit and Risk Committee, which oversees how management monitors compliance with the Group's risk management policies and procedures. The Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures.

52. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

The Group monitors its forecast financial position on a regular basis. The Group's executive members meet regularly and consider financial performance and cash flow projections, taking into consideration market conditions and new developments.

From time to time, the Group uses derivative financial instruments to hedge certain identified risk exposures, as deemed necessary. The Group's objectives, policies and processes for managing risks arising from financial instruments have not changed from the previous reporting period.

Financial risks are those risks that require specific and ongoing operational, governance and strategic management. They differ from top risks as financial risks are anticipated to be ongoing due to the strategy and business model of the Group. The top risks are identified through the enterprise risk management process.

The Group's financial risks are as follows:

a) Liquidity risk;
b) Market risk (including interest rate, price risk and currency risk); and
c) Credit risk.

A) LIQUIDITY RISK

Liquidity risk is the risk that the Group has insufficient financial resources to meet its obligations as and when they fall due or that such resources will only be available at excessive costs. The risk arises from mismatches in the timing of cash flows.

Funding risk arises when the necessary liquidity to fund liquid asset positions cannot be obtained for the expected terms when required.

Liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised and unutilised borrowing facilities are monitored. Consequently, the Group ensure that sufficient borrowing facilities are available to exceed projected peak borrowings.

The Group's management of liquidity and funding includes:

- monitoring forecast cash flows and establishing the level of liquid facilities necessary on a daily basis;
- ensuring that adequate unutilised borrowings facilities are maintained;
- development and maintenance of a syndicated funding structure;
- repayments of long-term borrowings are structured so as to match the expected cash flows from the operations to which they relate;
- monitoring statement of financial position liquidity ratios against internal requirements; and
- maintaining liquidity and funding contingency plans.

The Group utilises the credit facilities of various banking institutions and takes into account the maturity dates of its various assets and funds its activities by obtaining a balance between the optimal financing mechanism and the different financing products, which include bank overdrafts, short-term loans, long-term loans, commodity finance, finance lease and other creditors. The Group has been able to operate within these facilities and based on the growth forecast and committed credit facilities the trend is expected to continue.

Borrowings disclosed in note 30 as well as projected profitability levels will provide adequate liquidity levels to support operational cash flows within the foreseeable future. The table below analyses the Group's borrowing (excluding revolving loan facilities) into relevant maturity groupings based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

52. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

The Group tends to have significant fluctuations in short term borrowings due to the seasonal nature of the agricultural business. The Group have sufficient borrowings facilities to exceed projected peak borrowings. The Group's unutilised borrowing facilities are as follows:

FIGURES IN RAND	2024	2023
Total short-term facilities	2 340 000 000	2 265 000 000
Utilised at year-end	(1 413 889 967)	(1 591 210 279)
UNUTILISED AT YEAR-END	926 110 033	673 789 721

FIGURES IN RAND	Less than 1 year	More than 1 year	3 to 5 years	More than 5 years	Total
AT 31 AUGUST 2024					
Borrowings	1 715 135 331	576 202 771	224 150 990	119 044 090	2 634 533 182
Loan from group company	155 965 615	12 633 267	–	–	168 598 882
Trade and other payables	910 428 374	–	–	–	910 428 374
Lease liabilities	27 093 829	25 053 751	27 344 561	20 096 801	99 588 942
Derivative financial instruments	6 602 259	–	–	–	6 602 259
Bank overdraft	164 906 095	–	–	–	164 906 095
Dividends payable	4 508 777	–	–	–	4 508 777
AT 31 AUGUST 2023					
Borrowings	1 858 736 744	599 375 836	254 134 098	164 923 611	2 877 170 289
Loan from group company	128 312 744	27 636 719	12 633 267	–	168 582 730
Trade and other payables	945 863 111	–	–	–	945 863 111
Lease liabilities	29 211 389	38 237 324	38 630 454	22 721 164	128 800 331
Derivative financial instruments	5 600 677	–	–	–	5 600 677
Bank overdraft	488 628	–	–	–	488 628
Dividends payable	1 055 876	–	–	–	1 055 876

Any part of the revolving loan facilities disclosed in note 30 which is repaid, may be re-borrowed. The Group may in its sole discretion extend the final repayment date of 31 May 2025 by written request.

B) MARKET RISK

i) INTEREST RATE RISK

The Group finances its operations through a combination of shareholders' funds, loans and bank borrowings. The Group's interest rate risk arises from long- and short-term financial liabilities as well as long- and short-term financial assets. The Group is naturally hedged against fluctuating interest rates to a large extent since interest-bearing debt is mainly utilised for assets earning interest at fluctuating rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings are denominated in Rand.

To illustrate the Group's exposure to interest rate changes, the influence of interest rate changes on the carrying values of interest-bearing financial assets and financial liabilities and resulting profit after taxation, are illustrated below. The analysis is prepared assuming the amount of the liabilities and assets at the end of the reporting period was the balance for the whole year.

FIGURES IN RAND	2024	2023
Interest-bearing liabilities	2 582 007 214	2 744 251 804
Interest-bearing assets	615 465 602	848 950 800
Net interest-bearing liabilities	1 966 541 612	1 895 301 004
Half a percentage point increase in interest rates	(9 832 708)	(9 476 505)
Half a percentage point decrease in interest rates	9 832 708	9 476 505

52. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

ii) CURRENCY RISK

The Group imports and exports products and is exposed to currency risk arising from various currency exposures, mainly the US Dollar. The Group sells to foreign customers in USD and collects money in the USD denominated bank account. Future commitments as well as recognised assets and liabilities that are denominated in a currency that is not the functional currency, expose the Group to currency risk. Most of the Group's purchases are denominated in SA Rand. However certain fertiliser raw material denominated in USD was purchased during the year. This exposed the Group to changes in the foreign exchange rates. The functional currency is ZAR and management has prepared a policy stipulating how the foreign exchange risk be managed. To manage the foreign exchange rate risk the Group makes use of exchange rate hedging instruments which commence when predetermined exchange rate levels are reached. The exchange rate hedging instruments are concluded with a financial institution. The USD spot rate as at 31 August 2024 amounted to R17,74 (31 August 2023: R18,69). The Swaziland Emalangeni and South African Rand were at par.

The following information present the sensitivity to an increase or decrease in respective to the USD on the total revenue on exports.

FIGURES IN RAND	2024	2023
Total revenue on exports	1 406 085 414	1 382 286 493
50c increase in exchange rate	39 630 367	36 979 307
50c decrease in exchange rate	39 630 367	(36 979 307)

The total amounts converted into ZAR based on the year-end spot rate included in trade and other receivables and trade and other payables as at 31 August are as follows:

FIGURES IN RAND	2024	2023
Trade and other receivables	79 122 335	652 887
50c increase in exchange rate	2 230 054	17 469
50c decrease in exchange rate	(2 230 054)	(17 469)

FIGURES IN RAND	2024	2023
Trade and other payables	(5 284 446)	(18 214 219)
50c increase in exchange rate	(148 942)	(487 350)
50c decrease in exchange rate	148 942	487 350

FIGURES IN RAND	2024	2023
Cash and cash equivalents	72 260 060	–
50c increase in exchange rate	2 036 642	–
50c decrease in exchange rate	(2 036 642)	–

iii) PRICE RISK

The Group is exposed to equity price risk arising from equity investments and commodity price risk.

Equity investments held by the Group are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The Group's sensitivity to share prices has not changed significantly from the prior year. As changes to the share prices may impact the calculated fair value, the Group has calculated the sensitivity as tabled below:

	2024		2023	
FIGURES IN RAND	1%	-1%	1%	-1%
BKB Limited	115	(115)	127	(127)
York Timber Holdings Limited	–	–	10 477	(10 477)
TWK Agriculture Holdings (Pty) Ltd	372 242	(372 242)	486 452	(486 452)
	372 357	(372 357)	497 056	(497 056)

52. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

Commodity price risk arises from the Group's consumption of agricultural commodities and its trading in derivative financial instruments linked to underlying agricultural commodity prices.

The procurement of grain commodities for utilisation by the Group and the subsidiaries is subject to the hedging policy approved by the Board of Directors, and uses financial instruments such as commodity futures and option contracts, and other derivative instruments to reduce the volatility of input prices of these raw materials and therefore mitigate against market risk. The monitoring and management of the risk mitigation strategies is performed on a daily basis to ensure that all trades are within the approved exposure limits. The Group also offers broking services to producers and consumers of agricultural commodities such as maize and soybeans. This offering generates limited exposure to market risk due to the back-to-back nature of the transactions.

As changes to the Safex prices may impact the calculated fair value of grain commodities, the effect of an increase of R250 in the Safex price and the effect of a decrease of R250 in the Safex price on the calculated fair value is as follows:

	2024		2023	
FIGURES IN RAND	**250,00**	**(250,00)**	250,00	(250,00)
Grain commodities	**26 268 825**	**(26 268 825)**	18 892 305	(18 892 305)
	26 268 825	**(26 268 825)**	18 892 305	(18 892 305)

C) CREDIT RISK

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments, trade debtors and other loans and receivables.

The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In addition to the above, credit guarantee insurance cover is purchased on a portion of the debtors book to compensate the Group for possible non-payments.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas, mainly Mpumalanga and KwaZulu-Natal. As a result of a strict credit policy, which includes the ongoing revision of credit limits, securities and credit evaluations of financial positions of these clients, the Group is of the opinion that the credit risk associated with these financial assets are relatively small under normal circumstances.

The Group has policies and procedures in place to ensure that sales of products are made to customers with an acceptable credit history. These policies and procedures are approved by the Board of Directors. The Board delegates the responsibility for the management of credit risk within the parameters set by the Credit Policy. The Credit Committee meeting takes place on a daily basis if necessary. The Credit Committee approves applications for monthly accounts, crop loans, term loans and asset finance after evaluating the credit risk of the individual applicant.

It is policy to ensure that loans and receivables are within the customer's capacity to repay. Collateral is an important mitigate of credit risk. Seasonal loans are usually secured by a combination of mortgage bonds, notarial bonds over moveable assets and a cession of crops.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in the borrower's ability to meet its obligations
- significant changes in the value of the collateral supporting the obligation
- significant changes in the expected performance and behaviour of the borrower

52. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

Regardless of the analysis above, debtors are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company and handed over to the legal department. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The different internal risk rating in trade debtors is defined as follows:

- **Performing –** Clients with an excellent credit history, financial position, cash flow and repayment ability.
- **Increased risk –** Client with good repayment ability and security without any indicator of non-performance, but without a strong financial position and balance sheet. TWK don't have a long term relationship or credit history with the client.
- **Underperforming –** Clients with payments being overdue for a short period of time, but with stable financial position and good securities in place.
- **High risk –** Clients with payments being overdue for a longer period of time, but with stable financial position and good securities in place.
- **Non-performing –** Clients with history of non-performing and financial distress.
- **Default –** Mostly accounts that have been handed over to the attorneys for collections.

The concentration across the different internal risk rating for trade and other receivables is as follow:

CATEGORY (%)	Performing	Increased risk	Under-performing	High risk	Non-performing	Default
Risk	73,02	11,41	1,18	–	2,65	11,75

The table below illustrates the stratification of the clients base relative to credit extended:

	Exposure to the book (%) 2024	Exposure to the book (%) 2023
R1 – R500 000	**96,40**	92,43
R500 001 – R1 250 000	**1,64**	3,23
R1 250 001 – R5 000 000	**1,42**	2,80
R5 000 001 – R8 000 000	**0,24**	0,59
R8 000 001 – R12 000 000	**0,12**	0,35
Above R12 000 000	**0,18**	0,59

The concentration across the different internal risk rating for loans and finance lease receivables is as follows:

CATEGORY (%)	Performing	Increased risk	Under-performing	High risk	Non-performing	Default
Risk	97,10	0,50	–	–	–	2,40

The table below illustrates the stratification of the clients base relative to credit extended:

	Exposure (%) 2024	Exposure (%) 2023
R1 – R500 000	**62,75**	59,74
R500 001 – R1 250 000	**11,76**	18,83
R1 250 001 – R5 000 000	**22,55**	18,83
R5 000 001 – R8 000 000	**2,94**	0,65
R8 000 001 – R12 000 000	**–**	0,65
Above R12 000 000	**–**	1,30

52. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

The amount of the provision for portfolio impairment losses is determined by using the following formula:

Portfolio impairment = Total book x Probability of Default % x (PD%) x Loss Given Default % (LGD%).

The Group has identified a comprehensive Probability of Default rating of an external source with reference to similar portfolios as reference point for forward looking information. The following information is considered as part of the following forward-looking views: inflationary pressures on consumers, climate and general risks pertaining to the agricultural and mining industry. The Loss Given Default is calculated as the Gross exposure, by decreasing the total debtor balance by the security value held or ceded to the Group.

The Group uses three categories for loans which reflect their credit risk and how the loan loss provision is determined for each of those categories. The internal credit risk ratings are aligned to external credit rating companies, such as Standard and Poor. To measure the expected credit losses. trade receivables have been grouped in categories based on shared characteristics. Refer to note 18. Trade and other receivables for the details regarding categories.

The default rate of bad debt written off was 0,74% in 2024, 0,75% in 2023, 0,99% in 2022, 0,33% in 2021, 0,64% in 2020, 0,48% in 2019 and 0,20% in 2018. This also lowers the credit risk as the history shows that the provision raised would be sufficient based on the trend of bad debt written off over the past few years.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 28, cash and cash equivalents disclosed in note 22, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt to equity ratio:

FIGURES IN RAND	2024	2023
Total equity	**2 166 026 883**	2 022 056 595
Interest-bearing liabilities less cash	**2 435 209 436**	2 627 993 462
Subtotal	**4 601 236 319**	4 650 050 057
Calculated rate (times)	**1,12**	1,30
Calculated rate (%)	**112,43**	129,97
Target band (%)	**100 – 200**	100 – 200

53. DIRECTORS' EMOLUMENTS

FIGURES IN RAND	Travelling and accommodation expenses	Remuneration	Settlement amount	Short-term incentives	Long-term incentives
2024					
CA du Toit	**96 055**	**460 036**	**–**	**–**	**–**
TI Ferreira	**23 255**	**505 397**	**–**	**–**	**–**
HW Küsel	**26 628**	**443 279**	**–**	**–**	**–**
AS Myburgh	**85 241**	**5 738 000**	**–**	**3 000 000**	**1 484 060**
JS Stapelberg	**8 698**	**615 510**	**–**	**–**	**–**
JCN Wartington	**21 074**	**380 537**	**–**	**–**	**–**
HG Hiestermann	**21 645**	**389 642**	**–**	**–**	**–**
JEW Fivaz	**114 111**	**3 179 144**	**5 750 744**	**2 000 000**	**864 630**
KP Paul	**27 572**	**380 537**	**–**	**–**	**–**
WJ Steenkamp	**23 293**	**600 151**	**–**	**–**	**–**
A Geel	**17 780**	**566 211**	**–**	**–**	**–**
BN Moyo	**8 401**	**227 126**	**–**	**–**	**–**
J Mokorosi	**6 492**	**240 606**	**–**	**–**	**–**
PJ Lindeque	**8 813**	**240 606**	**–**	**–**	**–**
SUBTOTAL	**489 058**	**13 966 782**	**5 750 744**	**5 000 000**	**2 348 690**
2023					
CA du Toit	21 277	475 994	–	–	–
TI Ferreira	19 051	441 976	–	–	–
HW Küsel	22 288	387 653	–	–	–
AS Myburgh	52 282	5 372 177	–	3 755 000	3 178 350
JS Stapelberg	4 666	573 295	–	–	–
JCN Wartington	21 013	332 785	–	–	–
HJK Ferreira	–	162 099	–	–	–
HG Hiestermann	19 379	352 536	–	–	–
JEW Fivaz	143 245	3 554 141	–	2 485 000	1 907 010
KP Paul	10 562	230 764	–	–	–
WJ Steenkamp	12 984	475 960	–	–	–
SUBTOTAL	326 747	12 359 380	–	6 240 000	5 085 360

54. PRIOR PERIOD ERRORS

The following table summarises the material impacts resulting from the prior period errors Group's Consolidated Statement of Comprehensive income and Consolidated Statement of Financial position. The effect of the restatement is attributable to the following:

- During the prior year, a share sale agreement for Roofspace Rental Group (Pty) Ltd ("Roofspace") was finalised. However, as announced on 6 August 2024, the agreement was terminated, leading to an after-tax restatement of the prior year's figures by R84 379 893 in TWK Agri. Additionally, management made an extra provision for bad debts of R12 million related to Roofspace.
- Management also recognised an impairment loss of R67 811 730 on goodwill in the prior year. This impairment was mainly due to a decline in sales to the mining sector, as several of Bedrock's customers shut down some of their shafts. The assumptions used in the previous year's evaluation did not fully account for the worsening market conditions, resulting in the recognition of this additional impairment.
- In the current year, management reassessed the accounting treatment of certain revenue transactions where the Group arranges for goods and/or services to be provided by a supplier without taking control of those goods or services, thus acting as an agent. The Group had incorrectly accounted for these transactions as principal under IFRS 15 — Revenue from Contracts with Customers. Consequently, the prior year figures have been restated by R1 507 318 938, though this restatement has no impact on the Group's profit.
- The Group also identified an error in the accounting treatment of the TWK Cell structure under IFRS 9 — Financial Instruments. Previously, the Cell structure was incorrectly classified under Trade and Other Receivables, instead of as a financial asset measured at fair value through other comprehensive income. As a result, the prior year figures have been restated by R26 899 154 of which R6 899 154 have been accounted for through other comprehensive income. Refer to note 20 and 43.

The correction of the error(s) and reclassification(s) results in adjustments as follows:

STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	2023 reported	Adjustment	2023 restated
Property, plant and equipment	1 292 877 120	(47 242 417)	1 245 634 703
Goodwill and intangible assets	184 960 728	(67 811 730)	117 148 998
Current loans receivable	154 498 070	(119 202 003)	35 296 067
Trade and other receivables	1 282 140 587	(49 461 806)	1 232 678 781
Investments at fair value	60 861 261	1 085 000	61 946 261
Financial assets at fair value through other comprehensive income	–	26 899 154	26 899 154
Current tax receivable	18 872 023	7 439 655	26 311 678
Cash and cash equivalents	113 742 894	2 515 448	116 258 342
Non-current assets held for sale	171 036 839	314 281 178	485 318 017
Reserves	(29 768 506)	(3 224 710)	(32 993 216)
Retained income	(1 241 740 489)	117 328 139	(1 124 412 350)
Non-controlling interest	(73 461 342)	37 451 471	(36 009 871)
Lease liabilities	(59 877 830)	1 712 587	(58 165 243)
Deferred tax liability	(296 641 250)	(4 270 106)	(300 911 356)
Trade and other payables	(1 098 548 312)	7 242 703	(1 091 305 609)
Borrowings	(1 721 526 706)	(1 428 105)	(1 722 954 811)
Liabilities of disposal groups	(117 400 862)	(226 802 055)	(344 202 917)

54. PRIOR PERIOD ERRORS CONTINUED

STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN RAND	2023 reported	Adjustment	2023 restated
Revenue	9 652 116 774	(1 691 582 771)	7 960 534 003
Cost of sales	(8 131 405 748)	1 718 690 771	(6 412 714 977)
Other income	99 556 291	(1 225 725)	98 330 566
Other operating expenses	(1 094 940 809)	(51 346 197)	(1 146 287 006)
Investment revenue	13 752 610	(5 202 004)	8 550 606
Other non-operating gains/(losses)	79 094 182	(80 447 228)	(1 353 046)
Finance costs	(176 960 085)	238	(176 959 847)
Taxation	(109 117 624)	8 147 357	(100 970 267)
Discontinued operations	(51 291 650)	(58 484 225)	(109 775 875)

EARNINGS PER SHARE FROM CONTINUING OPERATIONS

FIGURES IN RAND	2023 reported	Adjustment	2023 restated
Basic earnings per share (c)	743,25	(159,55)	583,70
Diluted earnings per share (c)	701,20	(150,53)	550,67
Headline earnings per share (c)	549,54	154,57	704,11

EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS

FIGURES IN RAND	2023 reported	Adjustment	2023 restated
Basic loss per share (c)	(139,15)	(158,67)	(297,82)
Diluted loss per share (c)	(131,28)	(149,69)	(280,97)

55. COMPARATIVE FIGURES

The following table summarises the material impacts resulting from changes in classifications on the Group's consolidated statement of Comprehensive income and consolidated statement of Financial Position. The restatement is primarily due to the reclassification of certain intergroup payables and receivables as loans to/(from) group companies. These loans are utilised for day-to-day funding needs, bears no interest, and have no fixed repayment terms. Refer to notes 12 and 28.

STATEMENT OF FINANCIAL POSITION

FIGURES IN RAND	2023 reported	Adjustment	2023 restated
Loan to group companies	–	5 150 725	5 150 725
Trade and other receivables	1 232 678 781	41 440 414	1 274 119 195
Trade and other payables	(1 091 305 609)	50 956 845	(1 040 348 764)
Loan from group companies	(24 400 000)	(97 547 982)	(121 947 982)

56. EVENTS AFTER THE REPORTING PERIOD

Management received an offer after reporting period for the sale of assets of the Sawco Pine Mill operating under SAWCO Mining Timber (Pty) Ltd. The offer is currently being considered and will only be approved on the next board meeting that will be held in November 2024. A final dividend of 75 cents per share was declared after the reporting date and will be paid in December 2024. The directors are not aware of any other matters or circumstances that occurred between the end of the financial year and the date on which the financial statements were approved that have not been dealt with in the Group and Company financial statements and which may have a significant influence on the activities of the Group and Company or results of those activities.

SHAREHOLDERS' ANALYSIS
AS AT 31 AUGUST 2024

Through an analysis of the Combined Share Register, and pursuant to the provisions of section 56 of the Companies Act, prepared) the following shareholder statistics have been prepared as at 31 August 2024:

SHAREHOLDER SPREAD

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
1 – 1000 shares	1 217	66,47	408 779	1,05
1 001 – 10 000 shares	449	24,52	1 341 039	3,44
10 001 – 100 000 shares	140	7,65	4 128 957	10,60
100 001 – 1 000 000 shares	22	1,20	5 455 582	14,01
1 000 001 shares and more	3	0,16	27 617 629	70,90
TOTAL	1 831	100,00	38 951 986	100,00

DISTRIBUTION OF SHAREHOLDERS

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Holding company	2	0,11	25 868 380	66,41
Treasury shares	3	0,16	2 068 651	5,31
Non-executive Directors and related	9	0,49	709 184	1,82
Executive Directors and related	4	0,22	1 134 000	2,91
Executive Management and related	17	0,93	1 266 484	3,25
TWK Group Employees	76	4,15	770 466	1,98
Retail investors	1 720	93,94	7 134 821	18,32
TOTAL	1 831	100,00	38 951 986	100,00

BENEFICIAL SHAREHOLDERS

WITH A HOLDING, DIRECTLY AND INDIRECTLY, GREATER THAN 5% OF SHARES IN ISSUE

	Number of shares	% of issued capital
TWK Agri Aandele Aansporings Trust	1 749 249	4,49
TWK Agriculture Holdings (Pty) Ltd	25 868 380	66,41

TOTAL NUMBER OF SHAREHOLDERS	**1 831**
TOTAL NUMBER OF SHARES IN ISSUE	**38 951 986**

GENERAL INFORMATION

COMPANY

TWK Investments Ltd and its subsidiaries

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

TWK focuses on the supply of agricultural and related services, as well as input resources, and on providing market access for agricultural products.

DIRECTORS

JS Stapelberg (Chairman)
TI Ferreira (Vice-chairman)
AS Myburgh (Managing Director)
A Geel (Financial Director)
WJ Steenkamp
CA du Toit
PJ Lindeque
BN Moyo
J Mokorosi
KP Paul
HG Hiestermann
HW Küsel
JCN Wartington

REGISTERED OFFICE

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2380

BUSINESS ADDRESS

11 De Wet Street
Piet Retief
2380

POSTAL ADDRESS

PO Box 128
Piet Retief
2380

BANKERS

First National Bank of South Africa,
ABSA Group Limited,
Standard Bank Group Limited

AUDITORS

PKF Pretoria Incorporated

COMPANY SECRETARY

MJ Potgieter

COMPANY REGISTRATION NUMBER

1997/012251/06

INCOME TAX NUMBER

9142004671

LEVEL OF ASSURANCE

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

PUBLISHED

18 November 2024

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