ACORN

AGRI & FOOD

Annual Consolidated Financial Statements

General Information

Company registration number	1998/001018/06		
Country of incorporation and domicile	South Africa		
Directors	YJ Visser	^	Chairperson
	AJ Uys	¤	Chief executive officer
	LE Coetzer	¤	
	DG de Kock	° ^	
	CD Flemming	° ^	
	RE Goff	^	
	P Malan	¤	
	AC Neethling	¤	
	CA Smith	° ^	
	DCH Uys	^	
	MR van Breda	° ^	
	AJ van der Merwe	*^	
	JHP van der Merwe	^	

** = Appointed on 3 January 2022*
^ = Non-executive directors
¤ = Executive directors
° = Audit and risk committee

Company Secretary	A Steyn
Registered address	Unit C2, The Beachhead 10 Niblick Way Somerset West 7130
External Auditors	PricewaterhouseCoopers Inc.
Internal Auditors	Moore Risk Services (Pty) Ltd
Attorneys	Van der Spuy and Partners Werksmans Attorneys
Bankers and Financiers	Nedbank Ltd Standard Bank ABSA Bank Ltd First National Bank Rand Merchant Bank, a division of FirstRand Limited
Website	www.acornagri.com

These financial statements were prepared by L de Villiers and supervised by AL Geertsema CA (SA).

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Contents

Directors' responsibilities and approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements. A copy of the annual financial statements of the Group is available on the company's website. The directors are responsible for the maintenance and integrity of statutory and audited information on the company's website.

The annual 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.

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 above 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 Group Audit and risk committee plays an integral role in risk management as well as overseeing the Group's integrated reporting and internal audit function.

The Group's internal audit function, which operates unimpeded and independently from operational management, and has unrestricted access to the Group Audit and risk committee, assesses and, when necessary, recommends improvements in the system of internal controls and accounting practices, based on audit plans that take cognisance of the relative degree of risk of each function or aspect of the business.

The Code of Corporate Practices and Conduct has been integrated into Group strategies and operations.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. 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 and company's cash flow forecast for the year to 28 February 2023 and, in the light of this review and the current financial position, they are satisfied that the Group and company has or has access to adequate resources to continue in operational existence for the foreseeable future. Refer to note 19.

The external auditors are responsible for independently auditing and reporting on the Group's and company's annual financial statements. The annual financial statements have been examined by the Group's and company's external auditors and their report is presented on pages 4 and 5.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements set out on pages 3 to 87 which have been prepared on the going concern basis, were approved by the board of directors and signed on its behalf by:

YJ Visser
Chairperson

AJ Uys
Chief executive officer

25 May 2022

Certificate of the company secretary

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

A Steyn
Company secretary

25 May 2022

Audit and risk committee report

This committee is responsible to fulfil certain duties in terms of the Companies Act of South Africa and function in accordance with the terms of an audit and risk committee charter. These duties include the nomination of the external auditor for appointment, the approval of the fees and terms of appointment of the external auditor, ensuring the appointment of the external auditor complies with the Companies Act of South Africa and other legislation, the approval of non-audit services that may be provided by the external auditor, the preparation of a statement to be included in the annual financial statements and to deal with any complaints or concerns relating to, amongst others, the accounting practices, financial statements, internal or external audit, financial controls, etc.

The committee reviewed and confirmed the independence of the external auditor, PricewaterhouseCoopers Inc., and recommended its reappointment as external auditor to the shareholders. The committee is satisfied that PricewaterhouseCoopers Inc. complies with the provisions of the Companies Act of South Africa and the code of Professional Conduct for Registered Auditors. After due consideration, the committee approved the fees and terms of appointment of the external auditor. The committee annually reviews a policy in terms of which the external auditor may perform certain non-audit services. This policy has been compiled to ensure the independence of the external auditor. No complaints or concerns have been received by the committee during the year under review on any of the matters within its area of responsibility.

The committee has evaluated the consolidated and separate annual financial statements for the year ended 28 February 2022 to ensure it complies in all material aspects with the Companies Act of South Africa and International Financial Reporting Standards and has recommended the approval thereof to the board of directors. The board of directors has approved the financial statements which will be presented to the shareholders at the annual general meeting.

The committee is also responsible to assist the board with its risk management responsibility and is responsible to ensure the risk management policies, procedures and standards are applied.

MR van Breda
Chairperson of the audit and risk committee

25 May 2022

Independent auditor's report

to the shareholders of Acorn Agri and Food Limited

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Acorn Agri and Food Limited (the Company) and its subsidiaries (together the Group) as at 28 February 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Acorn Agri and Food Limited's consolidated and separate financial statements set out on pages 9 to 86 comprise:

- the consolidated and separate statements of financial position as at 28 February 2022;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the annual financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the document titled "Acorn Agri and Food Annual consolidated financial statements 2022", which includes the Directors' report, the Audit and risk committee report and the Certificate of the company secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: H Zeelie
Registered Auditor
Stellenbosch, South Africa
26 May 2022

Directors' report

for the year ended 28 February 2022

The directors' annual report, which forms part of the annual financial statements of the Group and the Company for the year ended 28 February 2022, is presented below.

1. Review of activities

Acorn Agri and Food Ltd is a leading South African vertically integrated agriculture and food group. Our divisions comprise of production activities, agricultural inputs and services, energy and logistics, agri production and food processing. We operate in South Africa, Namibia and Lesotho.

2. Going concern

The Group continues to expect a constrained retail environment and volatile primary agricultural market conditions going forward as a result of the longer term impact of COVID-19 on the South African economy. The Group's effectiveness and importance of its diversified business model has proven successful in navigating the economic climate over the last three years and our position in the agricultural sector continues to be increasingly relevant in addressing our customers' needs and supporting the industry as a whole.

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

3. Directors

Refer to General Information.

Directors' interests

At year-end, the executive directors of the Group and its subsidiaries own a shareholding of 3.3% (excluding shares held via Acorn Manco (Pty) Ltd and Acorn Manco 2 (Pty) Ltd). The non-executive directors of the Group and its subsidiaries own a shareholding of less than two percent.

Directors' employment contracts and trade limitations

At year-end, the executive directors of the Group and its subsidiaries were subject to either written employment agreements (regulating their duties, remuneration, allowances, limitations, leave and notice periods), or appointed through the Group's management agreement with Acorn Private Equity (Pty) Ltd.

Directors' remuneration

The directors' remuneration for the year under review has been set out in note 21.

4. Company Secretary

The Company secretary of the Company is A Steyn:

Business address:
11 Donkin Street
Caledon
7230

5. Share capital

No shares were issued for the period under review.

The authorised share capital remained unchanged during the year. The authorised share capital consists of 10 000 000 000 ordinary shares of no par value. On the reporting date 144 687 400 (2021: 144 687 400) were in issue.

6. *Financial results, dividends and other financial matters*

Dividend and capital distribution

The Group board resolved to declare an ordinary dividend of R0.50 per share based on the 28 February 2022 financial results to shareholders on register as at 17 June 2022, expected to be paid on or before 1 July 2022.

The Group board resolved to declare an ordinary dividend of R0.30 per share based on the 28 February 2021 financial results to shareholders on register as at 29 June 2021, paid on 31 July 2021.

Share trading

Acorn Agri and Food Ltd manages the over-the-counter trading internally. Trading is regularly reviewed by independent Internal Auditors for compliance with the Memorandum of Incorporation and internal policies. Further information with regard to the Company's shares can be obtained on Acorn Agri and Food Ltd's website.

The share trading procedures requires bilateral negotiation between buyers and sellers and places the trading outside the ambit of the Financial Markets Act, 19 of 2012. Unless the shares are ceded to Overberg Agri Bedrywe (Pty) Ltd, the buyer will pay the purchase price directly to the seller.

Financial results

The profit after tax Group for the year under review was R161 million (2021: R178 million). The Group's headline profit attributable to equity holders amounted to R126 million (2021: R135 million).

During the financial year the following extraordinary transactions took place:

Business acquisitions

- The Group acquired 100% interest in four target companies (Ascendis Animal Health (Pty) Ltd, Ascendis Vet (Pty) Ltd, Kyron Laboratories (Pty) Ltd and Kyron Prescriptions (Pty) Ltd) collectively referred to as the Animal Health businesses (renamed to the Kyron Group) effective 1 December 2021.
- The Group acquired a 51% interest, through its subsidiary Moov Fuel (Pty) Ltd, in Bachmus Oil and Fuel Supplies (Pty) Ltd (a company incorporated in the Republic of Namibia) effective 1 January 2022.
- The Group acquired assets and liabilities of Meat Matrix (Pty) Ltd, though an intermediary wholly owned subsidiary, Ambalagi Citrus (Pty) Ltd (renamed to Matrix Software (Pty) Ltd) effective 1 June 2021.

Restatement of prior year comparatives

- During the year the Group entered into a sale and purchase agreement with African Rainbow Capital for the purposes of the creation of a B-BBEE vehicle to capitalise on investments in the agricultural and food sectors ("the proposed transaction") communicated to shareholders by circular on or about 5 July 2021. This proposed transaction was subject to shareholder approval and would have seen ACG Fruit (Pty) Ltd being realised as an asset held for sale. The Company received notices in terms of section 164(3) of the Companies Act, 71 of 2008 from dissenting shareholders prior to the date specified in the circular. The number of section 164(3)-notices (2.69%) was above the threshold set by the board, resulting in the Company terminating the proposed transaction as communicated to shareholders on 25 August 2021. Prior year comparative figures were restated from a discontinued operation to a continued operation to account for ACG Fruit (Pty) Ltd.

- The Group further restated Boltfast (Pty) Ltd as a continued operation as the board does not believe the current market prospects support a highly probable sale of this company at a reasonable and acceptable price within the next twelve months as required by IFRS.

During the prior financial year the following extraordinary transactions took place:

- The Board approved a share repurchase of 1 936 322 Acorn Agri & Food shares. These shares are disclosed as treasury shares in the statement of financial position.

7. Mining licence

A converted mining right awarded to one of the subsidiaries in the Group in 2012 was valid until 21 July 2021. The Group has submitted their renewal application on 21 May 2021 indicating compliance with all relevant requirements for renewal. At 28 February 2022 the renewal process is still in progress. The previous licence remains valid while the Department of Minerals and Energy finalises their assessment.

8. Events after the reporting period

The board is not aware of any significant events after the reporting date that will have a material effect on the Group's results or financial position as presented in these financial statements.

9. Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90(6) of the Companies Act of South Africa.

10. Subsidiary companies

Information regarding the subsidiary companies and details of interest in subsidiaries are presented in Note 12 to the consolidated financial statements.

Statements of profit or loss

for the year ended 28 February 2022

		GROUP		COMPANY	
	Note	2022 R'000	2021 Restated* R'000	2022 R'000	2021 R'000
Revenue	3	**11 219 334**	8 030 319	**13 548**	13 548
Fair value adjustment – biological asset: consumable		**10 458**	(39 292)	**–**	–
Cost of Sales	4.4	**(10 071 747)**	(7 008 896)	**–**	–
Gross profit		**1 158 045**	982 131	**13 548**	13 548
Interest revenue	4.1	**102 989**	107 082	**–**	–
Other income	4.2	**67 833**	84 415	**–**	–
Sales and marketing costs	4.4	**(13 925)**	(20 834)	**–**	–
Administration costs	4.4	**(216 921)**	(182 180)	**–**	–
Operating expenses	4.4	**(772 258)**	(692 082)	**–**	–
Operating profit before capital items		**325 763**	278 532	**13 548**	13 548
Capital items	4.3	**(21 609)**	38 771	**–**	–
Operating profit		**304 154**	317 303	**13 548**	13 548
Finance income	4.5	**22 557**	22 989	**–**	–
Finance costs	4.6	**(129 561)**	(132 000)	**–**	–
Share of net profit from associate	13	**2 534**	7 879	**–**	–
Profit before taxation		**199 684**	216 171	**13 548**	13 548
Income tax expense	5	**(38 441)**	(37 853)	**–**	52
Profit for the year		**161 243**	178 318	**13 548**	13 600
Profit attributable to:					
Owners of the parent		**124 004**	155 297	**13 548**	13 600
Non-controlling interests	8.6	**37 239**	23 021	**–**	–
		161 243	178 318	**13 548**	13 600
Earnings per ordinary share (cents)	8.3	**95.0**	118.0		

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Statements of other comprehensive income

for the year ended 28 February 2022

	Note	GROUP 2022 R'000	GROUP 2021 Restated* R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Profit for the year		**161 243**	178 318	**13 548**	13 600
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations		**(214)**	190	–	–
Actuarial gains and losses on defined benefit plans		**(1 365)**	(93)	–	–
Income tax effect relating to these items		–	–	–	–
Items that will not be reclassified to profit or loss					
Net change in fair value of equity instruments at fair value through other comprehensive income		**(137)**	164	–	–
Income tax effect relating to these items		–	–	–	–
Other comprehensive income for the year, net of tax		**(1 716)**	261	–	–
Total comprehensive income for the year		**159 527**	178 579	**13 548**	13 600
Total comprehensive income attributable to:					
Owners of the parent		**122 485**	155 558	**13 548**	13 600
Non-controlling interests	8.6	**37 042**	23 021	–	–
		159 527	178 579	**13 548**	13 600

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Statements of Financial Position

at 28 February 2022

	Note	GROUP 28 February 2022 R'000	GROUP 28 February 2021 Restated* R'000	COMPANY 28 February 2022 R'000	COMPANY 28 February 2021 R'000
Assets					
Non-current assets					
Property, plant and equipment	6.1	**1 380 663**	1 273 524	–	–
Investment property	6.2	**281 171**	276 140	–	–
Intangible assets	6.3	**1 120 101**	306 216	–	–
Biological assets	6.4	**220 598**	227 432	–	–
Deferred tax asset	6.5	**177 000**	147 630	–	–
Trade and other receivables	7.3.1	**314 294**	193 045	–	–
Loans to related parties	7.3.4	**42 306**	68 989	–	–
Other financial assets	7.1 – 7.2	**68 432**	35 248	–	–
Investments in subsidiaries	12	–	–	**1 439 900**	1 439 900
Investment in associates and joint ventures	13	**70 645**	81 883	–	–
Total non-current assets		**3 675 209**	2 610 107	**1 439 900**	1 439 900
Current assets					
Inventories	6.6	**833 064**	526 377	–	–
Biological assets: consumables	6.7	**168 614**	156 480	–	–
Trade and other receivables	7.3.1	**1 622 200**	1 353 652	–	–
Loans to customers	7.3.2	**56 854**	76 553	–	–
Cash and cash equivalents	7.3.3	**390 099**	454 303	–	–
Loans to related parties	7.3.4	**63 925**	31 129	–	–
Loans to group companies	12	–	–	**882 824**	923 025
Current tax receivable		**19 247**	52 924	–	–
Total current assets		**3 154 003**	2 651 418	**882 824**	923 025
Assets classified as held for sale	15	–	113 952	–	–
Total assets		**6 829 212**	5 375 477	**2 322 724**	2 362 925
Equity and liabilities					
Equity					
Net issued stated capital	8.1 – 8.2	**1 428 478**	1 434 515	**1 486 514**	1 486 514
Other reserves		**(101 895)**	(101 740)	**(40 240)**	(29 898)
Retained earnings		**1 688 069**	1 600 484	**872 969**	902 827
Attributable to equity holders of the parent		**3 014 652**	2 933 259	**2 319 243**	2 359 443
Non-controlling interests	8.6	**346 066**	276 871	–	–
Total equity		**3 360 718**	3 210 130	**2 319 243**	2 359 444
Liabilities					
Non-current liabilities					
Borrowings	7.3.5	**264 560**	293 460	–	–
Lease liabilities	7.3.6	**156 736**	145 521	–	–
Post-retirement medical liability		**14 227**	13 987	–	–
Trade and other payables	7.3.7	**6 181**	5 798	–	–
Deferred tax	6.5	**279 937**	135 106	–	–
Provisions	6.8	**1 963**	1 857	–	–
Total non-current liabilities		**723 604**	595 729	–	–
Current liabilities					
Borrowings	7.3.5	**1 406 698**	938 538	–	–
Lease liabilities	7.3.6	**51 573**	48 088	–	–
Post-retirement medical liability		**1 723**	1 858	–	–
Current tax payable		**3 839**	–	–	–
Trade and other payables	7.3.7	**1 133 896**	560 572	**3 481**	3 481
Bank overdraft	7.3.3	**147 161**	20 562	–	–
Total current liabilities		**2 744 890**	1 569 618	**3 481**	3 481
Liabilities of disposal group	15	–	–	–	–
Total liabilities		**3 468 494**	2 165 347	**3 481**	3 481
Total equity and liabilities		**6 829 212**	5 375 477	**2 322 724**	2 362 925

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Statements of Changes in Equity

for the year ended 28 February 2022

	GROUP					
	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings Restated* R'000	Non-controlling interests R'000	Total equity Restated* R'000
Balance at 1 March 2020	**1 720 671**	**(256 155)**	**(99 136)**	**1 521 311**	**326 962**	**3 213 654**
Total comprehensive income						
Profit for the year	–	–	–	155 297	23 021	178 318
Other comprehensive income for the year	–	–	152	(93)	202	261
Total comprehensive income	–	–	152	155 204	23 223	178 579
Transactions with owners of the parent						
Contributions and distributions						
Share buy back	–	(30 000)	–	–	–	(30 000)
Transaction with non-controlling interest	–	–	(2 757)	3 620	(53 478)	(52 615)
Dividends paid (refer note 8.5)	–	–	–	(79 651)	(19 836)	(99 487)
Total contributions and distributions	–	(30 000)	(2 757)	(76 031)	(73 314)	(182 102)
Balance as at 28 February 2021*	**1 720 671**	**(286 155)**	**(101 740)**	**1 600 484**	**276 871**	**3 210 132**
Total comprehensive income						
Profit for the year	–	–	–	124 004	37 239	161 243
Other comprehensive income for the year	–	–	(154)	(1 365)	(197)	(1 716)
Total comprehensive income	–	–	(154)	122 639	37 042	159 527
Transactions with owners of the parent						
Contributions and distributions						
Share buy back	–	(6 037)	–	–	–	(6 037)
Transaction with non-controlling interest	–	–	–	4 449	(12 246)	(7 797)
Movement in retained earnings due to IFRS 16 adjustment for right-of-use assets	–	–	–	(258)	–	(258)
Non-controlling interest on acquisition of subsidiaries	–	–	–	–	53 877	53 877
Dividends paid (refer note 8.5)	–	–	–	(39 245)	(9 478)	(48 723)
Total contributions and distributions	–	(6 037)	–	(35 054)	32 153	(8 938)
Total transactions with owners of the parent	–	(6 037)	(154)	87 585	69 195	150 589
Balance as at 28 February 2022	1 720 671	(292 192)	(101 894)	1 688 069	346 066	3 360 721
Notes	8.1	8.2			8.6	

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

	COMPANY					
	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total equity R'000
Balance at 1 March 2020	1 720 670	(234 156)	(22 763)	976 039	–	2 439 790
Total comprehensive income						
Profit for the year	–	–	–	13 600	–	13 600
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	–	13 600	–	13 600
Transactions with Company						
Contributions and distributions						
Granting of share options	–	–	(7 135)	–	–	(7 135)
Dividends paid (refer note 8.5)	–	–	–	(86 812)	–	(86 812)
Total contributions and distributions	–	–	(7 135)	(86 812)	–	(93 947)
Total changes	–	–	(7 135)	(73 212)	–	(80 347)
Balance as at 28 February 2021	1 720 670	(234 156)	(29 898)	902 827	–	2 359 443
Total comprehensive income						
Profit for the year	–	–	–	13 548	–	13 548
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	–	13 548	–	13 548
Transactions with Company						–
Contributions and distributions						–
Granting of share options	–	–	(10 342)	–	–	(10 342)
Dividends paid (refer note 8.5)	–	–	–	(43 406)	–	(43 406)
Total contributions and distributions	–	–	(10 342)	(43 406)	–	(53 748)
Total changes	–	–	(10 342)	(29 858)	–	(40 200)
Balance as at 28 February 2022	1 720 670	(234 156)	(40 240)	872 969	–	2 319 243
Notes	8.1	8.2			8.6	

Statements of Cash Flows

for the year ended 28 February 2022

	Note	GROUP 2022 R'000	GROUP 2021 Restated* R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Cash flows from operating activities					
Cash generated from operations	9.1	**530 804**	484 482	**13 548**	27 048
Finance income received	4.5	**22 557**	22 564	**–**	–
Dividends received		**–**	–	**(10 342)**	(7 135)
Finance costs paid	4.6	**(129 561)**	(111 710)	**–**	–
Tax paid	9.2	**(31 365)**	56 550	**–**	52
Net cash inflow from operating activities		**392 435**	451 886	**3 206**	19 965
Cash flows from investing activities					
Acquisition of property, plant and equipment	6.1	**(161 101)**	(142 573)	**–**	–
Proceeds on disposal of property, plant and equipment		**59 248**	137 140	**–**	–
Acquisition of investment properties	6.2	**(911)**	(2 272)	**–**	–
Proceeds on disposal of investment properties		**1 038**	–	**–**	–
Acquisition of intangible assets	6.3	**(1 362)**	(2 859)	**–**	–
Payment of acquisition of subsidiary net of cash acquired		**(741 896)**	–	**–**	–
Loans to group companies repaid	12	**–**	–	**40 200**	66 847
Loans to related parties repaid		**729**	51 262	**–**	–
Loans advanced to related parties		**(30 607)**	–	**–**	–
Loans advanced to customers		**(7 099)**	–	**–**	–
Loans to customers repaid		**26 798**	–	**–**	–
Acquisition of financial assets		**(40 000)**	(8 381)	**–**	–
Acquisition of investment in associates		**(3 322)**	(5 261)	**–**	–
Proceeds from sale of investments	7.1	**3 842**	2 277	**–**	–
Purchase of biological assets		**(1 933)**	(5 245)	**–**	–
Sale of biological assets		**71 442**	16 520	**–**	–
Net cash (outflow)/inflow from investing activities		**(825 134)**	40 609	**40 200**	66 847
Cash flows from financing activities					
Repurchase of shares		**(6 037)**	(30 000)	**–**	–
Proceeds from borrowings	7.3.5.3	**3 028 207**	6 153 722	**–**	–
Repayment of borrowings	7.3.5.3	**(3 041 098)**	(6 517 729)	**–**	–
Proceeds from borrowings incurred in respect of business acquisitions		**350 000**	–	**–**	–
Principle elements of lease payments	7.3.6	**(40 452)**	(25 408)	**–**	–
Dividends paid	8.5	**(48 723)**	(99 487)	**(43 406)**	(86 812)
Net cash inflow/(outflow) from financing activities		**241 896**	(518 902)	**(43 406)**	(86 812)
Net decrease in cash, cash equivalents and bank overdrafts		**(190 803)**	(26 407)	**–**	–
Cash, cash equivalents and bank overdrafts at the beginning of the year	7.3.3	**433 741**	460 148	**–**	–
Cash, cash equivalents and bank overdrafts at the end of the year	7.3.3	**242 938**	433 741	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Contents of the notes to the annual financial statements

Notes to the Annual Financial Statements

for the year ended 28 February 2022

Accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are included in the specific notes to which they relate and are indicated with a grey background.

Significant accounting judgements and estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these annual financial statements, are included in the specific notes to which they relate and are indicated with a green border.

1. Significant accounting policies

1.1 Statement of compliance

The consolidated and separate annual financial statements are prepared on a going concern basis in compliance with the Companies Act of South Africa, the South African Institute of Chartered Accountants (SAICA) financial reporting guides as issued by the Accounting Practices Committee, International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain financial assets, biological assets and the application of the equity method of accounting for investments in associated companies and joint ventures.

Refer to note 24 for details of new and amended standards issued but not yet effective in the current year.

The annual financial statements are expressed in South African rand (ZAR or R), rounded to the nearest thousand, unless otherwise stated.

1.3 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African rand (ZAR or R), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions and balances are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured, respectively. Foreign exchange gains and losses are recognised in the statement of profit or loss within "other net gains and losses".

1.4 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of 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 cash-generating unit is the higher of its fair value less costs of disposal and its value-in-use.

1.5 Common control transactions

A business combination of entities or businesses under common control is a business combination where all the entities or businesses being combined, is ultimately controlled by the same party or parties before and after the business combination, and where the control is not of a temporary nature.

Business combinations under common control is accounted for using the "acquisition accounting" principle. Under this principle, all assets and liabilities acquired are initially recognised at its fair value. The difference between the fair value of the net assets and consideration will be recognised as goodwill or as a gain on bargain purchase.

1.6 Transactions with minority shareholders – "economic entity approach"

The Group applies a policy of treating transactions with minority shareholders as transactions with equity owners of the Group. For purchases from minorities, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to minority shareholders are also recorded in equity.

1.7 Financial Guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 *Financial Instruments* and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers.*

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

1.8 Non-current assets (or disposal groups) 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 balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

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.

If the above conditions are no longer met to classify non-current assets and disposal groups as held for sale, the Group ceases to classify and present the non-current assets and disposal groups as such. The Group shall measure the non-current assets and disposal group on the date it ceases to be held for sale at the lower of the carrying amount before the asset was classified as held for sale and its recoverable amount. The financial statements are amended accordingly from the period of initial classification as held for sale. The group elects to restate comparatives in this regard. Any adjustment arising from this change is also included in profit and loss from continuing operations.

1.9 Significant accounting judgements and estimates

The preparation of the Group's annual financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying value of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are highlighted below with more detail provided in the specific notes to which they relate:

(a) Estimates

- Life-span and residual value of fixed assets and intangible assets – note 6.1 and 6.3
- Decommissioning and restoration provision – note 6.1
- Deferred tax assets – note 6.5
- Provision for stock obsolescence – note 6.6
- Fair value of biological assets: consumables – note 6.7
- Trade and other receivables: Expected credit losses – note 7.3.1

(b) Judgements

- Impairment of goodwill – note 6.3
- Interests in consolidated controlled entities – note 12
- Classification of joint venture: Berekisanang Empowerment Farm (Pty) Ltd – note 13
- Accounting for different reporting periods within the Group – note 12

How numbers are calculated

2. Segment information

During the period, and mainly due to the business acquisitions, the Group revised its internal management reporting structure and consequently revised its segmental reporting to better reflect the Group's internal management review structure to the chief decision-maker (CODM).

The segments of the Group have been identified by business segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors, and for which discrete financial information is available to make strategic decisions. Operating segments which display similar economic characteristics are aggregated for reporting purposes.

The reportable segments are highlighted below on the basis of products and services offered, the dominant customer basis and the economic sector in which they operate. The geographical areas in which they operate are of secondary concern. The Group is not reliant on any one major customer due to the dispersion of a wide range of customers across the Group.

The chief operating decision-maker monitors the operating results of the business segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. They primarily assess the performance of the operating segments based upon a measure of revenue and net profit after tax.

Inter-segment pricing is determined on an arm's-length basis in a manner similar to transactions with third parties.

Production: Processing of raw-materials and supply of procured goods to agricultural producers, manufacturers and retail markets.

Agricultural Inputs and Services: Supply of goods and services agricultural wholesale and retail markets.

Energy and Logistics: Supply of petroleum and lubricant products to retail, commercial and agricultural clients.

Agri Production: Production, packaging and marketing of fresh fruit, mainly soft citrus and table grapes, for export markets.

Food Processing: Processing of various commodities into food products for wholesale and retail consumers.

Corporate: Corporate consists of a Group shared services function geared to support growth. Corporate includes income and expenses not necessarily associated with a segment.

2. *Segment information (continued)*

	Revenue		Operating profit before capital items		Net profit after tax	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 Restated* R'000	**2022 R'000**	2021 Restated* R'000
Production	**294 140**	265 372	**26 666**	19 097	**23 505**	13 402
Agricultural Inputs and Services	**4 443 220**	3 272 715	**228 194**	165 105	**108 005**	67 059
Energy and Logistics	**5 879 661**	3 651 302	**115 573**	93 779	**72 015**	53 136
Agri Production	**287 007**	467 276	**(7 298)**	16 961	**(37 126)**	59 880
Food Processing	**552 243**	520 208	**(13 797)**	(5 122)	**(2 325)**	4 493
Total for reportable segments	**11 456 271**	8 176 873	**349 343**	289 820	**164 074**	197 970
Inter-segment revenue	**(346 018)**	(241 148)				
Corporate	**109 081**	94 594	**(23 580)**	(11 288)	**(2 832)**	(19 653)
Total external revenue	**11 219 334**	8 030 319				
Operating profit before capital items			**325 763**	278 532		
Profit after tax					**161 242**	178 317

	Total assets		Total liabilities	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 Restated* R'000
Production	**390 599**	382 226	**224 083**	236 447
Agricultural Inputs and Services	**3 518 020**	2 068 111	**2 172 957**	1 292 340
Energy and Logistics	**1 333 517**	922 540	**871 785**	573 287
Agri Production	**944 926**	1 242 641	**468 259**	642 150
Food Processing	**411 168**	417 945	**87 795**	64 666
Total for reportable segments	**6 598 230**	5 033 463	**3 824 879**	2 808 890
Corporate	**230 982**	342 014	**(356 385)**	(643 543)
	6 829 212	5 375 477	**3 468 494**	2 165 347

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23. Prior year amounts have further been restated for the revised presentation of reportable segments.*

Segment assets and liabilities are only those items that can be specifically identified within a particular segment, and includes intercompany loans and trade balances as part of its reported assets and liabilities.

The Group views the entire Southern African region as a single geographical area.

3. *Revenue*

Revenue from contracts with customers

Revenue is recognised when the group satisfies performance obligations and transfers control of goods and services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation. Revenue is measured at the fair value of the consideration received or receivable.

The main categories of revenue and the basis of recognition are as follows:

Sale of Goods – wholesale

The Group manufactures and sells a range of products, including (i) lime products, (ii) petroleum and petroleum products, (iii) the buying and slaughtering of cattle and sheep; the selling of a range of meat, by-products and livestock, (iv) industrial fasteners, (v) fresh fruit and (vi) health and other snacks, dried fruit and nuts. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products.

Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from the sale of goods is recognised when the Group has supplied products to the customer, the customer has accepted the goods and recoverability of the debtor concerned is relatively certain.

Sale of Goods – retail

The Group operates a chain of retail stores selling agricultural supplies, dried fruit, nuts, industrial fasteners, grocery and convenience items. Revenue from the sale of goods is recognised when a group entity sells a product to the customer. Sales are recognised when control of the products has transferred, being when the products are collected by the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Payment of the transaction price is due immediately when the customer purchases the goods.

Services rendered

Timing of recognition: Revenue from services consist of various services for which a fee is charged. This includes transport, slaughtering fees, commission and administration fees. Revenue from services is recognised in the accounting period which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a portion of the services to be provided.

Sale of services include grain handling revenue which is revenue received for the storage and handling of clients' grains.

Measurement of revenue: Estimates of revenue, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Rental income

Income from leases in respect of property is recognised in profit or loss on a straight-line basis over the lease term.

Financing income

The Group does not expect to have any contracts where the period between the transfer of the service to the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Mineral Royalty tax

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) imposes a royalty tax on refined and unrefined minerals. The Mineral Royalty tax is deducted from revenue.

The Company

Finance income comprises dividend revenue. Dividend revenue is recognised when received or receivable.

3. Revenue (continued)

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	2022 R'000	2021 R'000
Revenue from contracts with customers:				
Gross revenue from contracts with customers	**11 808 800**	8 317 697	–	–
Net revenue from contracts with customers**:				
Sale of goods: Retail sales	**3 271 264**	2 407 340	–	–
Sale of goods: Wholesale sales	**6 562 384**	4 688 046	–	–
Rendering of services: Administration fees received	**13 015**	5 243	–	–
Rendering of services: Retail services	**263 279**	180 431	–	–
Rendering of services: Wholesale services	**43**	90		
Rendering of services: Commission	**42 973**	39 144	–	–
Rendering of services: Grain	**981 267**	651 986	–	–
Rendering of services: Transport	**41 196**	35 246	–	–
Rendering of services: Licence fees	**31 770**	–		
Revenue from contracts with customers	**11 207 191**	8 007 526	–	–
Timing of revenue recognition				
At a point of time	**9 833 648**	7 095 386	–	–
Over time	**1 373 543**	912 140	–	–
	11 207 191	8 007 526	–	–
Revenue other than from contracts with customers:				
Rental income	**12 143**	11 939	–	–
Dividends received	–	10 854	**13 548**	13 548
Revenue other than from contracts with customers	**12 143**	22 793	**13 548**	13 548
Total	**11 219 334**	8 030 319	**13 548**	13 548

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

** *Gross revenue of goods and services include 100% of the income received in respect of sales where the Group also acts as an agent. Net revenue only includes the commission earned on the transactions where the Group acts as an agent, representing the revenue attributable to the Group.*

4. *Other income and expense items*

4.1 Interest revenue

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Interest on trade and other receivables	**68 016**	79 737	**–**	–
Interest on instalment sale agreements	**27 024**	21 749	**–**	–
Other interest received	**7 949**	5 596	**–**	–
	102 989	107 082	**–**	–

4.2 Other income

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Administration fees received	**7 123**	6 393	**–**	–
Bad debts recovered	**5 420**	6	**–**	–
Commission received	**8 062**	13 069	**–**	–
Foreign exchange gains	**7 803**	1 158	**–**	–
Franchise fees	**1 637**	1 572	**–**	–
Insurance claims received	**4 209**	3 377	**–**	–
Packaging income	**5 628**	7 366	**–**	–
Rebates	**2 396**	3 614	**–**	–
Recoupment of utilities	**4 951**	21 989	**–**	–
Rental income				
– Investment properties	**4 600**	4 753	**–**	–
– Other properties	**3 354**	2 564	**–**	–
SARS Employee tax incentive	**5 087**	2 873	**–**	–
Transport expenses recovered	**5 330**	4 599	**–**	–
Other	**2 233**	11 082	**–**	–
	67 833	84 415	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Capital items

Capital items disclosed in the Statement of profit or loss are disclosed separately as they are not deemed to form part of the Group's trade operations. Included in capital items are profits and losses realised on non-current assets, and impairment losses and reversals on non-current assets.

4.3 Capital items

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Profit on disposal of property, plant and equipment	**2 040**	29 998	**–**	–
Impairment on other financial assets	**–**	(2 047)	**–**	–
Net loss on sale of investments	**(916)**	–	**–**	–
Net profit on sale of subsidiary	**825**	334	**–**	–
Fair value adjustments (note 7.2)	**(4 221)**	–		
Fair value adjustment on biological assets	**23**	148	**–**	–
Gain on lease modification	**1 408**	–	**–**	–
Impairment on loans and other receivables	**(23 765)**	(1 134)	**–**	–
(Impairment)/reversal of impairment on biological assets	**(3 212)**	11 472	**–**	–
Purchase price adjustment**	**13 500**	–	**–**	–
Professional fees	**(7 761)**	–		
Other	**470**	–	**–**	–
	(21 609)	38 771	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

** *This amount received relates to a claw back on the purchase price between Acorn Agri (Pty) Ltd and the sellers of Afrifresh (now known as ACG Fruit).*

4. Other income and expense items (continued)

4.4 Expenses by nature

Leases

Payments associated with short-term leases, low-value assets and variable payments are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Variable payments are determinable on revenue recognised in profit or loss.

Employee benefits

Retirement obligations

The Group participates in defined contribution retirement funds, in terms of which the Group pays contributions to the fund and related policies to a private and state-operated administrator on a contractual and compulsory basis. The Group has no legal or derivative obligation to pay any further contributions if the funds does not have sufficient assets to pay benefits to its members.

Post-employment medical obligations

The Group provides post-employment medical benefits in terms of a fixed contribution plan to a specific group of participating former employees by means of a contribution to their monthly costs. The post-employment medical benefit obligation and the cost of the benefit are determined annually by an independent actuary. Any surpluses or deficits between the actuarially determined obligation and the amounts provided during the year, are recognised in the liability and the Statement of profit or loss in the relevant year. The assumptions used include long-term estimates in the consumer price index and applicable discount rates. Actuaries use the projected credit unit method to determine the liability.

Performance incentive scheme

A performance incentive scheme was approved by the board of directors. The aim of the performance incentive scheme is to encourage employees to achieve specified agreed upon objectives and to acknowledge excellent performance. A liability for the performance incentive scheme is recognised under trade and other payables if an enforceable legal or contractual right exists to settle the liability. It is expected that the liability will be settled within twelve months. Financial goals must first be achieved before the liability is recognised.

Profit bonus

The board of directors of one of the subsidiaries in the Group may, if that board is of the opinion that there is sufficient headline earnings of a operating entity, approve a profit bonus for distribution to clients in some of the subsidiaries who, through their purchases, enabled the subsidiaries in the Group to achieve sufficient headline earnings. The profit bonus policy is determined and approved by the board of directors of one of the subsidiaries in the Group. The profit bonus is recognised as an expense in the Statement of profit or loss as operating expenses.

Quality upgrading

The board of directors of one of the subsidiaries in the Group may, if that board is of the opinion that there is sufficient headline earnings of a operating entity, approve a payment based on the actual additional income earned from outloading a better quality of grain than the actual quality at intake, which enabled the Group to achieve sufficient headline earnings. The quality upgrading policy is determined and approved by the board of directors of one of the subsidiaries in the Group. The quality upgrading is recognised as an expense in the Statement of profit or loss within operating expenses.

4. *Other income and expense items (continued)*

4.4 Expenses by nature (continued)

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Expenses by nature				
Changes in inventory of finished goods and work in progress	**168 025**	(108 330)	–	–
Purchase of goods	**9 409 015**	6 717 451	–	–
Employment remuneration and benefit expense				
Salaries and wages	**548 996**	480 617	–	–
Performance incentive scheme and share based payments	**37 931**	12 857	–	–
Retirement benefit cost	**32 057**	29 160	–	–
Other costs	**15 930**	11 175	–	–
Depreciation, amortisation and impairments				
Depreciation pertaining to property, plant and equipment	**115 180**	115 103	–	–
Depreciation on biological assets	**9 174**	9 498	–	–
Amortisation relating to intangible assets	**26 667**	16 887	–	–
Impairments relating to property, plant and equipment	**(732)**	732	–	–
External and internal auditors' remuneration				
Statutory external audit fee				
– Current year provision	**7 392**	6 657	–	–
– Prior year under-/(over-) provision	**218**	811	–	–
– Consulting, tax advisory and other fees paid	**1 908**	2 290	–	–
Internal audit fee	**1 186**	1 760	–	–
Advertising and marketing	**12 114**	5 389		
Bad debts written off	**60 470**	54 297		
Provision for impairment of trade receivables	**(44 599)**	(42 533)	–	–
Bank charges	**13 650**	9 645		
Commission paid	**16 644**	12 997		
Computer expenses	**14 419**	15 718		
Foreign exchange losses	**(662)**	1 062	–	–
Fuel expenses	**81 458**	65 054		
Guarantee premium	**5 034**	3 734		
Insurance	**21 287**	19 411	–	–
Licence fees	**11 258**	8 014		
Maintenance	**93 769**	65 938	–	–
Management fee paid to Acorn Private Equity (Pty) Ltd	**14 997**	13 333	–	–
Motor vehicle expenses	**8 653**	4 954	–	–
Packaging	**72 689**	63 051		
Printing and stationary	**3 473**	3 981	–	–
Professional, legal and consulting fees	**23 868**	27 343		
Protective clothing	**3 009**	2 641		
Rates and taxes	**6 480**	6 252		
Rental paid (short term and variable)	**29 119**	20 188	–	–
Royalties paid	**2 982**	2 028		
Safety expenses	**3 131**	2 250		
Security	**8 370**	6 781	–	–
Telephone expenses	**5 301**	5 221	–	–
Transportation expenses	**68 470**	61 898	–	–
Travel and accommodation	**3 460**	2 336	–	–
Water and electricity	**60 764**	54 153	–	–
Other costs	**102 296**	112 188	–	–
Total	**11 074 851**	7 903 992	–	–
Presented as:				
– Cost of Sales	**10 071 747**	7 008 896	–	–
– Sales and marketing costs	**13 925**	20 834	–	–
– Administration costs	**216 921**	182 180	–	–
– Operating expenses	**772 258**	692 082	–	–
Total	**11 074 851**	7 903 992	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

4. *Other income and expense items (continued)*

4.5 Finance income

Finance income is recognised in profit or loss using the effective interest method.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Bank	**22 557**	22 989	–	–
Total finance income	**22 557**	22 989	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

4.6 Finance costs

Finance costs are calculated using the effective interest rate method and included in profit or loss.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Bank	**91 041**	104 472	–	–
– Less interest capitalised on seed and property, plant and equipment	**(2 385)**	(1 989)	–	–
Shareholders loans	**17 344**	11 138	–	–
Lease liabilities	**13 521**	14 852	–	–
Instalment sale agreements	**3 418**	2 179	–	–
Other interest paid	**6 622**	1 348	–	–
	129 561	132 000	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

5. *Income tax expense*

The income tax expense for the period comprises current and deferred income tax. Income tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it will also be recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Major components of the tax expense				
Current				
Local income tax				
Current year	**39 065**	21 391	**–**	(52)
Prior year	**12 998**	–	**–**	–
Withholding tax	**–**	3	**–**	–
	52 063	21 394	**–**	(52)
Deferred				
Deferred income tax				
Current year	**(13 622)**	16 459	**–**	–
Prior year	**–**	–	**–**	–
	(13 622)	16 459	**–**	–
	38 441	37 853	**–**	(52)
Tax rate reconciliation				
Standard tax rate (%)	**28.0**	28.0	**28.0**	28.0
Permanent differences (%)	**–**	(10.1)	**(28.0)**	(28.0)
Non-deductible expenses (%)**	**5.2**	19.8	**–**	–
Exempt income (%)	**(7.5)**	(19.7)	**(28.0)**	(28.0)
Prior year adjustments for income tax (%)	**4.6**	(11.2)	**–**	–
Capital gains taxation (%)	**0.1**	(16.5)	**–**	–
Allowances claimed during the year (%)	**(4.3)**	–	**–**	–
Impairments (%)	**4.1**	–	**–**	–
Net deferred tax asset not previously recognised (%)	**(11.2)**	–	**–**	–
Other (%)	**0.25**	17.1	**–**	–
Effective rate (%)	**19.25**	17.5	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

** *Includes legal fees, fines and penalties which are not in the production of income and thus non-deductible.*

For details on deferred tax, refer to note 6.5.

6. *Non-financial assets and liabilities*

6.1 Property, plant and equipment

Land and buildings consist mainly of grain silos, retail outlets, warehouses, factories, an abattoir, an open cast mine and offices. All property, plant and equipment are shown at cost (including borrowing costs) less accumulated depreciation and impairment, except for land, which is shown at cost less impairment. The cost price includes costs directly attributable to the acquisition of the assets. Additional costs are either included in the carrying amount of the existing asset or recognised as an individual asset, as the case may be, only if it is probable that future economic benefits relating to the item will flow to the Group and the cost price of the item can be reliably measured. All repair and maintenance costs are recognised in the Statement of profit or loss in the financial period in which they were incurred.

The construction or commissioning of a mining asset results in an obligation for an entity to dismantle or remove the asset, restore the site on which the asset was constructed and restore the mining site mined. Property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item, restoring the site on which it is located and the mining site mined, the obligation for which the Group incurs when the item is acquired. Decommissioning and restoration cost are accounted as separate items under Property Plant and Equipment.

Changes in the decommissioning, restoration or similar liability, other than the unwinding of the discount, is to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. The result thereof is that all leases assets have been recognised on the balance sheet as Right of Use assets which had been previously been classified in profit or loss under the principles of IAS 17: *Leases*.

Depreciation is calculated according to the straight-line basis to decrease the cost price of each asset to the residual value of the asset over the expected useful life of the asset, as follows:

Land	Indefinite life
Buildings	20 to 50 years
Silos	50 years
Steel silos	25 years
Silo machinery and equipment	15 years
Machinery and equipment	4 to 30 years
Office furniture and equipment	1 to 15 years
Computers	3 to 5 years
Motor vehicles	3 to 15 years
Implements	15 years
Decommissioning assets – Land	288 years
Decommissioning assets – Buildings	30 years

The residual values and useful lives of assets are reviewed and adjusted, if necessary, on each reporting date. The carrying amount of an asset is immediately written down to the realisable amount thereof if the carrying amount of the asset exceeds it.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The useful life of the mining assets equals the estimated useful life of the mine. Depreciation of the capitalised costs of mining assets start at the time when the mining activities commence on the acquired mining assets.

6. *Non-financial assets and liabilities (continued)*

6.1 Property, plant and equipment (continued)

Right-of-use assets

Right-of-use assets are presented within property, plant and equipment on the Statement of Financial Position.

On initial recognition the right-of-use asset is measured equal to:

- 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.

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.

Life-span and residual value of fixed assets and intangible assets

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

Decommissioning and restoration provision

The construction or commissioning of an asset results in an obligation for the Group to dismantle or remove the asset and restore the site on which the asset was constructed.

The determination of long-term provisions, in particular environmental provisions, remains a key area where management's judgement is required. Estimating the future cost of these obligations is complex and requires management to make estimates and judgements because most of the obligations will only be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions could also be influenced by changing technologies and political, environmental, safety, business and statutory considerations.

It is envisaged that, based on the current information available, any additional liability in excess of the amounts provided will not have a material adverse effect on the Group's financial position, liquidity or cash flow.

6. *Non-financial assets and liabilities (continued)*

6.1 Property, plant and equipment (continued)

	GROUP					
	Cost 2022 R'000	Accumulated depreciation 2022 R'000	Carrying value 2022 R'000	Cost 2021 Restated* R'000	Accumulated depreciation 2021 Restated* R'000	Carrying value 2021 Restated* R'000
Land and buildings	**541 018**	**(66 977)**	**474 041**	489 412	(54 559)	434 853
Machinery, motor vehicles and equipment	**1 091 019**	**(334 070)**	**756 949**	959 767	(262 008)	697 759
Right-of-use assets	**226 510**	**(119 096)**	**107 414**	195 481	(79 371)	116 110
Capital work in progress	**41 215**	**–**	**41 215**	23 738	–	23 738
Decommissioning assets	**1 381**	**(337)**	**1 044**	1 381	(317)	1 064
Total	**1 901 143**	**(520 480)**	**1 380 663**	1 669 779	(396 255)	1 273 524

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Analysis of movements in carrying value:

	GROUP								
	Opening carrying value R'000	(Impairment loss)/ reversal of impairment loss R'000	Additions R'000	Additions through Business Combinations R'000	Transfers R'000	Disposals R'000	Depreciation R'000	Modification R'000	Closing carrying value R'000
2022									
Land and buildings	**434 853**	**–**	**37 485**	**3 867**	**9 850**	**(273)**	**(11 741)**	**–**	**474 041**
Machinery, motor vehicles and equipment	**697 759**	**732**	**100 196**	**10 913**	**25 605**	**(3 359)**	**(74 897)**	**–**	**756 949**
Right-of-use assets	**116 110**	**–**	**569**	**17 540**	**1 765**	**–**	**(28 522)**	**(48)**	**107 414**
Capital work in progress	**23 738**	**–**	**57 932**	**–**	**(36 854)**	**(3 601)**	**–**	**–**	**41 215**
Decommissioning assets	**1 064**	**–**	**–**	**–**	**–**	**–**	**(20)**	**–**	**1 044**
Total	**1 273 524**	**732**	**196 182**	**32 320**	**366**	**(7 233)**	**(115 180)**	**(48)**	**1 380 663**
2021									
Land and buildings	414 096	–	43 516	–	42 441	(55 448)	(9 752)	–	434 853
Machinery, motor vehicles and equipment	727 142	(732)	90 056	–	28 433	(69 044)	(78 096)	–	697 759
Right-of-use assets	139 615	–	2 134	–	4 888	(2 112)	(27 074)	(1 341)	116 110
Capital work in progress	27 240	–	6 134	–	(9 636)	–	–	–	23 738
Decommissioning assets	512	–	733	–	–	–	(181)	–	1 064
Total	1 308 605	(732)	142 573	–	66 126	(126 604)	(115 103)	(1 341)	1 273 524

Certain property, plant and equipment has been encumbered as security for interest-bearing borrowings (refer note 7.3.5).

6. *Non-financial assets and liabilities (continued)*

6.1 Property, plant and equipment (continued)

	GROUP	
	2022 R'000	2021 Restated* R'000
Carrying value of assets pledged as security:		
Machinery, motor vehicles and equipment: Borrowings and instalment sales	**193 484**	188 140
Land and buildings: FirstRand Bank Ltd	**346 443**	81 712
Land and buildings: Nedbank Ltd	**–**	77 762
Total	**539 927**	347 614
Depreciation expense:		
– Cost of Sales	**14 541**	34 015
– Administration costs	**1 178**	1 110
– Operating expenses	**99 461**	79 978
Total	**115 180**	115 103
Leases:		
Right-of-use assets (carrying amounts)		
Land and buildings	**106 428**	114 700
Machinery, motor vehicles and equipment	**986**	1 410
Total	**107 414**	116 110
Depreciation charge of Right-of-use assets		
Land and buildings	**28 098**	26 650
Machinery, motor vehicles and equipment	**424**	424
Total	**28 522**	27 074

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

For additional disclosures on the lease expense, interest expense and lease liability refer to notes 4.4, 4.6 and 7.3.6 respectively.

6. *Non-financial assets and liabilities (continued)*

6.2 Investment Properties

Investment property consists of land and buildings, owned by the Group, with the objective of collecting rentals or increasing capital value, rather than producing and supplying goods or for administrative purposes. Investment property is shown at cost less accumulated depreciation and impairment, except for land, which is shown at cost less impairment.

Depreciation is calculated according to the straight-line basis to reduce the cost price of each asset to the residual value of the asset over the expected useful life of the asset, as follows:

Land	Indefinite life
Buildings	50 years

The residual values and useful lives of assets are reviewed and adjusted, if necessary, on each reporting date. The carrying amount of an asset is immediately written down to the realisable amount thereof if the carrying amount of the asset exceeds it.

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

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

	GROUP					
	Cost 2022 R'000	Accumulated depreciation 2022 R'000	Carrying value 2022 R'000	Cost 2021 R'000	Accumulated depreciation 2021 R'000	Carrying value 2021 R'000
Investment property	**289 690**	**(8 519)**	**281 171**	288 111	(11 971)	276 140
Total	**289 690**	**(8 519)**	**281 171**	288 111	(11 971)	276 140

Analysis of movements in carrying value:

	GROUP					
	Opening carrying value R'000	Disposals R'000	Additions R'000	Transfers R'000	Depreciation R'000	Closing carrying value R'000
2022						
Investment property	**276 140**	**(1 038)**	**911**	**1 922**	**3 236**	**281 171**
Total	**276 140**	**(1 038)**	**911**	**1 922**	**3 236**	**281 171**
2021						
Investment property	272 704	–	2 272	2 288	(1 124)	276 140
Total	272 704	–	2 272	2 288	(1 124)	276 140

Management determined the fair value of investment property to be R330 million on 28 February 2022 (2021: R343 million). In determining the fair value of investment property, Management takes into account the latest selling values, municipal valuations, age of the property and general market conditions.

Investment property to a maximum value of R101.4 million (2021: R101.4 million) were encumbered to First National Bank as disclosed in note 7.3.5.

Depreciation expense has been charged in "operating expenses".

For additional disclosures relating to rental income earned refer to note 4.2.

6. *Non-financial assets and liabilities (continued)*

6.3 Intangible assets

Goodwill

Goodwill is carried at cost less any accumulated impairment.

At the acquisition dates, goodwill is allocated to each of the cash-generating units expected to benefit from a business combination. An impairment is determined by assessing the recoverable amount of the cash-generating unit to which goodwill relates. The recoverable amount is either determined as the value-in-use of each cash-generating unit or fair value less cost to sell. Value-in-use is calculated by estimating the expected future cash flows in each unit and choosing a suitable discount rate in order to calculate the present value of those cash flows.

Where the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, an impairment loss is recognised in profit or loss beginning with the write-off of the goodwill allocated to such cash-generating unit. Where the goodwill is insufficient to cover the amount of the impairment adjustment, the remaining assets in the cash-generating unit are impaired on a pro rata basis.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed annually at the end of the reporting period.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Computer software bought is capitalised as computer software if it does not form an integral part of the hardware. It is capitalised on the basis of the costs incurred to acquire and commission the specific software. These costs are amortised according to the straight-line basis over the expected useful life.

Costs associated with the development or maintenance of computer software programs are recognised as an expense as incurred. Costs directly attributable to the production of identifiable and unique software products under the control of the Group that are expected to generate economic benefits exceeding costs for a period of more than one year are recognised as an intangible asset. Direct costs include software development employee costs as well as an appropriate portion of relevant overhead costs.

Other intangible assets are recognised as an asset are amortised on a straight-line basis over the expected useful life thereof, as follows:

Software	5 to 15 years
Trademarks	5 – 20 years/Indefinite
Client relationships	5 to 20 years
Mineral reserves	300 years

The residual values and useful lives of assets are reviewed and adjusted, if necessary, on each reporting date. The carrying amount of an asset is immediately written down to the realisable amount thereof if the carrying amount of the asset exceeds it.

The amortisation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Impairment is written off to the Statement of profit or loss and included under capital items.

The gain or loss arising from the derecognition of an item of other intangible assets is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of computer software is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Impairment of goodwill

Goodwill was allocated to cash-generating units. The carrying value of goodwill is assessed for impairment using a discounted cash flow methodology based on forecasts including assumptions on operating profit, depreciation, working capital movements and capital expenditure.

6. *Non-financial assets and liabilities (continued)*

6.3 Intangible assets (continued)

	GROUP					
	Cost 2022 R'000	Accumulated amortisation/ impairment 2022 R'000	Carrying value 2022 R'000	Cost 2021 Restated* R'000	Accumulated amortisation/ impairment 2021 Restated* R'000	Carrying value 2021 Restated* R'000
Goodwill	474 221	–	474 221	120 376	–	120 376
Client relationships	286 371	(65 057)	221 314	158 636	(50 238)	108 398
Software	91 154	(18 566)	72 588	59 864	(11 912)	47 952
Mineral rights	24 945	(1 413)	23 532	24 945	(1 330)	23 615
Trademarks	25 849	(7 437)	18 412	12 204	(6 385)	5 819
Brand names	27 041	(352)	26 689	–	–	–
Supplier relationships	286 684	(3 707)	282 977	–	–	–
Product development	148	–	148	56	–	56
Registration and dossiers	220	–	220	–	–	–
Total	1 216 633	(96 532)	1 120 101	376 081	(69 865)	306 216

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Analysis of movements in carrying value:

	GROUP						
	Opening carrying value R'000	Additions R'000	Additions through business combinations R'000	Amortisation R'000	Exchange differences R'000	Other R'000	Closing carrying value R'000
2022							
Goodwill	120 376	–	351 015	–	–	2 830	474 221
Client relationships	108 398	–	127 735	(14 819)	–	–	221 314
Software	47 952	1 050	30 240	(6 654)	–	–	72 588
Mineral rights	23 615	–	–	(83)	–	–	23 532
Trademarks	5 819	–	13 855	(1 052)	(210)	–	18 412
Brand names	–		27 041	(352)			26 689
Supplier relationships	–		286 684	(3 707)			282 977
Product development	56	92	–	–	–	–	148
Registration and dossiers	–	220					220
Total	306 216	1 362	836 570	(26 667)	(210)	2 830	1 120 101
2021*							
Goodwill	118 378	1 998	–	–	–	–	120 376
Client relationships	119 614	–	–	(11 216)	–	–	108 398
Software	51 833	805	–	(4 686)	–	–	47 952
Mineral rights	23 781	–	–	(166)	–	–	23 615
Trademarks	6 459	–	–	(819)	179	–	5 819
Product development	–	56	–	–	–	–	56
Total	320 065	2 859	–	(16 887)	179	–	306 216

6. *Non-financial assets and liabilities (continued)*

6.3 Intangible assets (continued)

The carrying amount of goodwill, client relationships, trademarks, mineral reserves, trademarks, brand names and supplier relationships have been allocated as follows:

	GROUP					
	Goodwill R'000	Client relationships R'000	Mineral rights R'000	Trademarks R'000	Brand names R'000	Supplier relationships R'000
2022						
Overberg Agri Bedrywe (Pty) Ltd	**39 833**	**948**	–	–	–	–
Moov Fuel (Pty) Ltd	**79 846**	**8 617**	–	–	–	–
Bontebok Limeworks (Pty) Ltd	–	–	**23 532**	–	–	–
Boltfast (Pty) Ltd	–	**1 923**	–	**2 068**	–	–
Overberg Wealth and Risk Management (Pty) Ltd	**3 527**	**5 275**	–	–	–	–
Grassroots Group Holdings (Pty) Ltd	–	–	–	**3 090**	–	–
Kyron Group**	**311 965**	**85 189**	–	–	**26 689**	**282 977**
Bachmus Oil and Fuel Supplies (Pty) Ltd	**5 281**	**22 351**	–	**7 383**	–	–
Matrix Software (Pty) Ltd	**33 597**	**16 310**	–	**5 871**	–	–
ACG Fruit (Pty) Ltd	–	**80 701**	–	–	–	–
Other	**172**	–	–	–	–	–
	474 221	**221 314**	**23 532**	**18 412**	**26 689**	**282 977**
Classification of intangible assets: 2022	**Indefinite**	**Finite**	**Finite**	**Finite**	**Finite**	**Finite**
2021*						
Overberg Agri Bedrywe (Pty) Ltd	37 003	948	–	–	–	–
Moov Fuel (Pty) Ltd	79 846	10 322	–	–	–	–
Bontebok Limeworks (Pty) Ltd	–	–	23 615	–	–	–
Boltfast (Pty) Ltd	–	2 262	–	2 519	–	–
Overberg Agri Wealth and Risk Management (Pty) Ltd	3 527	6 938	–	–	–	–
Grassroots Group Holdings (Pty) Ltd	–	–	–	3 300	–	–
ACG Fruit (Pty) Ltd	–	87 928	–	–	–	–
	120 376	108 398	23 615	5 819	–	–
Classification of intangible assets: 2021	Indefinite	Finite	Finite	Finite	Finite	Finite

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

** *All patents, trademarks and other rights pertaining to Kyron Group have been ceded to Rand Merchant Bank, a division of FirstRand Bank Limited as security for the bridge finance (refer to note 7.3.5).*

6. Non-financial assets and liabilities (continued)

6.3 Intangible assets (continued)

Assumptions used in discounted cash flow methodology

Financial budgets approved by management are used to calculate the cash flow projections for a five-year period.

Assumption	**Approach used to determine values**
Revenue growth	An annual average growth rate extended over the five-year forecast period is used; this is based on past performance and management's expectations of market development.
Budgeted gross margin	Based on past performance and management's expectations for the future.
Other operating costs	These costs are forecasted by management adjusted for inflationary increases, non-cash flow items and once-off isolated expenses. These costs will generally reflect the fixed costs which are not expected to vary significantly with sales volumes or prices.
Annual capital expenditure	Expected capital expenditure approved by the board of directors for planned refurbishment. This is determined based on historical experience and expectations set by management.
Medium term growth	This is the weighted average growth rate used to extrapolate the cash flows over the budgeted period.
Long term growth rate	Long term South African inflationary outlook as published by the South African Reserve Bank.
Pre- or Post-tax discount rate	This is a discount rate determined by the Group that best reflects the specific risks relating to the cash-generating units against the target capital structure, derived by direct comparison to peers of the Company or division.

Key assumptions used for value-in-use calculations. All intangible assets are allocated to the cash-generating unit generating cashflows for impairment testing:

	2022	2021
Overberg Agri Bedrywe (Pty) Ltd		
– Discount rate (Post-tax)	**15.6%**	15.0%
– Long term growth rate	**4.7%**	4.7%
Moov Fuel (Pty) Ltd		
– Discount rate (Post-tax)	**15.6%**	14.5%
– Long term growth rate	**4.7%**	4.7%
Bontebok Limeworks (Pty) Ltd		
– Discount rate (Post-tax)	**19.3%**	20.0%
– Revenue growth rate	**11.2%**	17.0%
– Long term growth rate	**4.7%**	4.7%
Kyron Group		
– Discount rate (Post-tax)	**14.3%**	n/a
– Revenue growth rate	**5.7%**	n/a
– Long term growth rate	**4.7%**	n/a
Bachmus Oil and Fuel Supplies (Pty) Ltd		
– Discount rate (Post-tax)	**16.8%**	n/a
– Revenue growth rate	**2.0%**	n/a
– Long term growth rate	**4.7%**	n/a
Matrix Software (Pty) Ltd		
– Discount rate (Post-tax)	**19.8%**	n/a
– Revenue growth rate	**13.0%**	n/a
– Long term growth rate	**4.7%**	n/a
ACG Fruit (Pty) Ltd		
– Discount rate (Post-tax)	**14.5%**	n/a
– Revenue growth rate	**11.8%**	n/a
– EBITDA margin	**24.8%**	n/a
– Long term growth rate	**4.7%**	n/a

6. *Non-financial assets and liabilities (continued)*

6.3 Intangible assets (continued)

Sensitivity analysis: ACG Fruit (Pty) Ltd

Refer below the recoverable amount of CGUs sensitive to reasonable fluctuations in risk factors:

	From	To	Impairment loss (gross of tax)
Recoverable amount increase if the following key assumptions below were to change:			
– Discount rate	14.5%	13.5%	–
– Revenue growth rate	11.8%	13.8%	–
– EBITDA margin	24.8%	26.8%	–
– Long term growth rate	4.7%	5.7%	–
Recoverable amount decrease if the following key assumptions below were to change:			
– Discount rate	14.5%	15.5%	(46 751)
– Revenue growth rate	11.8%	9.8%	(80 701)
– EBITDA margin	24.8%	22.8%	(60 754)
– Long term growth rate	4.7%	3.7%	(27 764)

ACG Fruit (Pty) Ltd is most sensitive to revenue growth rates impacted by the exchange rate, market prices and primary agricultural risks impacting volume.

It is management's belief that any other reasonable possible change in the key assumptions on which the recoverable amount of the non-impaired cash-generating units is based, would not cause the carrying amount to exceed the recoverable amounts. No further impairments were identified.

6.4 Biological assets

An entity shall recognise 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.

The bearer plant is initially measured at cost and is subsequently stated at cost net of accumulated depreciation and any accumulated impairment losses.

Depreciation on orchards and vineyards are calculated on the straight-line method over the estimated useful life as follows:

- grape vineyards ranging between 25 and 40 years; and
- citrus orchards at 30 years.

Depreciation is calculated from the point that the orchards and vineyards are in uniform and started to produce fruit. The period orchards and vineyards start bearing fruit range between four and seven years, depending on the type of fruit. Production costs are capitalised until just before the orchards and vineyards are in uniform. Orchards consist of citrus trees and vineyards consist of table and raisin grape vines. The residual value, useful life and depreciation method of the assets 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. The depreciation charge for each year is recognised in profit or loss. The gain or loss arising from derecognition is included in profit or loss when the asset is derecognised. The gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset item.

6. *Non-financial assets and liabilities (continued)*

6.4 Biological assets (continued)

	GROUP					
	Cost 2022 R'000	Accumulated depreciation 2022 R'000	Carrying value 2022 R'000	Cost 2021 R'000	Accumulated depreciation 2021 R'000	Carrying value 2021 R'000
Citrus	**116 306**	**(17 637)**	**98 669**	117 203	(14 241)	102 962
Grapes	**143 207**	**(25 617)**	**117 590**	145 383	(25 130)	120 253
Livestock and other	**4 339**	**–**	**4 339**	4 217	–	4 217
Total	**263 852**	**(43 254)**	**220 598**	266 803	(39 371)	227 432

Analysis of movements in carrying value:

	GROUP						
	Opening carrying value R'000	Additions R'000	Disposals R'000	Classified from held for sale R'000	Reversal of impairments/ (impairments) R'000	Depreciation R'000	Closing carrying value R'000
2022							
Citrus	**102 962**	**264**	**(664)**	**–**	**–**	**(3 893)**	**98 669**
Grapes	**120 254**	**5 830**	**–**	**–**	**(3 212)**	**(5 282)**	**117 590**
Livestock and other	**4 217**	**4 339**	**(4 217)**	**–**	**–**	**–**	**4 339**
Total	**227 433**	**10 433**	**(4 881)**	**–**	**(3 212)**	**(9 175)**	**220 598**
2021							
Citrus	117 401	939	(32 377)	26 623	(5 450)	(4 174)	102 962
Grapes	114 190	4 306	(29 028)	23 656	12 453	(5 324)	120 253
Livestock and other	3 414	4 217	(3 414)	–	–	–	4 217
Total	235 005	9 462	(64 819)	50 279	7 003	(9 498)	227 432

Other information: Bearer plants: Citrus and Grapes

The group and company has bearer biological assets which consist of vineyards and citrus orchards.

The vineyards consist of 537.05 ha (2021: 546.57 ha) of which 71.01 ha (2021: 60.97 ha) are non-bearing, 466.04 ha (2021: 485.60 ha) are bearing and 454.24 ha (2021: 485.60 ha) are fully bearing. During the current year 32.44 ha (2021: 9 ha) new vineyards were established and 24.01 ha (2021: 35.10 ha) were removed.

The orchards consist of 240.39 ha (2021: 291.31 ha) of which 10 ha (2021: 10 ha) are non-bearing, 230.39 ha (2021: 281.31 ha) are bearing and 230.39 ha (2021: 281.31 ha) are fully bearing. During the current year 0 ha (2021: 0 ha) new orchards were established and 24.43 ha (2021: 0 ha) were removed and 0 ha (2021: 50.92) were sold.

6. *Non-financial assets and liabilities (continued)*

6.5 Deferred tax

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. Management applies judgement to determine whether sufficient future taxable profit will be available after considering, amongst others, factors such as profit histories, forecasted cash flows and budgets.

Deferred tax assets

Deferred tax assets are only recognised on tax losses which are expected to be offset against future taxable income in the foreseeable future.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Accelerated wear and tear allowances for tax purposes	**(162 549)**	(153 437)	–	–
Intangible assets	**(154 918)**	(26 015)	–	–
Biological assets	**(80 147)**	(79 234)	–	–
Tax losses available for set-off against future taxable income	**240 061**	233 517	–	–
Provisions	**59 224**	48 511	–	–
Deferred revenue	**1 349**	1 707	–	–
Other financial assets	**–**	(5 751)	–	–
Operating lease liabilities	**8**	15	–	–
Prepayments	**(385)**	–	–	–
Investment property – fair value adjustment	**(5 580)**	(6 789)	–	–
	(102 937)	12 524	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

6. *Non-financial assets and liabilities (continued)*

6.5 Deferred tax (continued)

Analysis of movement in deferred tax balance:

	GROUP							
	February 2021*			Business acquisitions (Note 16)	Recognised in profit or loss (Note 5)	February 2022		
	Assets	Liabilities	Total			Assets	Liabilities	Total
Accelerated wear and tear allowances for tax purposes	(14 686)	(138 751)	(153 437)	824	(9 936)	(14 854)	(147 695)	(162 549)
Intangible assets	886	(26 901)	(26 015)	(137 165)	8 262	(1 146)	(153 772)	(154 918)
Biological assets	(78 297)	(937)	(79 234)	–	(913)	(79 148)	(999)	(80 147)
Tax losses available for set-off against future taxable income	216 206	17 311	233 517	–	6 544	227 810	12 251	240 061
Provisions	31 340	17 171	48 511	7 258	3 455	41 713	17 511	59 224
Deferred revenue	498	1 209	1 707	–	(358)	1 073	276	1 349
Other financial assets	(8 775)	3 024	(5 751)	–	5 751	–	–	–
Operating lease liabilities	–	15	15	–	(7)	–	8	8
Prepayments	–	–	–	–	(385)	–	(385)	(385)
Investment property – fair value adjustment	458	(7 247)	(6 789)	–	1 209	1 552	(7 132)	(5 580)
Total	147 630	(135 106)	12 524	(129 083)	13 622	177 000	(279 937)	(102 937)

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Deferred taxation is calculated on all temporary differences according to the liability method and at a normal taxation rate of 28.00% (2021: 28.00%) for temporary differences expected to realise within 12 months from 28 February 2022 and 27.00% for temporary differences expected to realise after 28 February 2023, and capital gains tax rate of 22.40% (2021: 22.40%).

On 23 February 2022, the Finance Minister noted in the Budget Speech (as announced in the 2021 Budget Speech) that there will be a reduction in the corporate income tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023.

6. *Non-financial assets and liabilities (continued)*

6.6 Inventory

Inventories are measured at lower of cost and net realisable value.

The cost of the inventories is assigned using the average cost price method.

The cost price of finished products and work in process comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Borrowing costs are capitalised against inventory under the provisions of IAS 23. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling costs.

Provision for stock obsolescence

The provision for slow-moving and obsolete stock is continuously calculated by Management on the various segments of stock in the Group according to an ageing method, and adjusted accordingly. Implements are considered individually by Management for provision of obsolete stock.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
The amounts attributable to the different categories are as follows:				
Grain and other products	**83 552**	63 064	–	–
Work-in-progress	**17 943**	12 089	–	–
Raw materials, components	**53 908**	6 351	–	–
Finished goods	**665 205**	429 642	–	–
Consumable inventories	**33 188**	26 124	–	–
	853 796	537 270	–	–
Allowance for inventory obsolescence:			–	–
Finished goods	**(20 732)**	(10 893)	–	–
	833 064	526 377	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Inventory write-off to net realisable value amounted to R4.7 million (2021: R4.2 million) and was included in "cost of sales" in the statement of profit or loss.

Borrowing costs to the value of R1.2 million (2021: R1.2 million) have been capitalised and included in the seed value at an interest rate of prime less 1.80% (2021: prime less 1.80%). Refer to note 4.6.

Inventory amounting to R155.5 million has been ceded to Rand Merchant Bank, a division of FirstRand Bank Limited as security for the bridge finance with an outstanding amount of R355.7 million as at 28 February 2022. Refer to note 7.3.5.

6. *Non-financial assets and liabilities (continued)*

6.7 Biological assets: consumables

Agricultural produce is initially recognised at fair value less cost to sell at the point of harvest. Agricultural produce is subsequently measured at cost or net realisable value, whichever is the lowest.

Fair values are based on future estimations of income, expenses, and profit margins obtained in the ACG Fruit Group of companies. The actual results could differ from accounting estimates and management considers it has used its best estimates to arrive at the fair value. Where market determined prices or values for fruit on trees are not available and alternative estimates of fair value are determined to be clearly unreliable, the consumable biological assets are measured at cost. The cost of consumable biological assets is determined as the direct crop input costs incurred since the end of the previous year's harvest to date of the annual financial statements.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Citrus	**23 756**	26 671	**–**	–
Grape	**144 858**	129 809	**–**	–
	168 614	156 480	**–**	–

Consumable biological assets are classified as a level 3 fair value estimation.

The fair value of consumable biological assets is based on estimated future cash flows related to the produce growing on bearer assets at year-end. Estimated future cash flows include assumptions relating to expected yields, fruit prices and costs to be incurred in growing the fruit to maturity. The fair value estimates differentiate between citrus export, citrus local, citrus juice, grape export, grape local and raisins. The fair value estimates are sensitive to unobservable inputs. The fair value of the consumable biological assets will change based on changes to these unobservable inputs.

6. *Non-financial assets and liabilities (continued)*

6.8 Provisions

Provisions are recognised when:

(i) The Group has a current legal or constructive liability due to events in the past;

(ii) It is more probable than not that an outflow of economic benefits will be required to settle the liability; and

(iii) The amount has been reliably estimated.

Provisions are measured against the current value of the expenditure expected to be required to settle the liability, measured according to a pre-tax rate reflecting current market conditions of the time value of money and the specific risk of the liability. In the case of dates of maturity exceeding twelve months after the reporting date they are classified as non-current liabilities. The increase in the provision due to the lapse of time is recognised as an interest expense.

Rehabilitation costs

Provision has been made for rehabilitation costs and expected accrued liabilities, based on the Group's estimate of environmental and legal requirements, to show the net current value of the current expected cost of repairing the disturbance to the environment as at reporting date.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the construction of an asset, they are capitalised as part of the cost of those assets. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset.

Decommissioning costs of plant and equipment

The estimated present value of future decommissioning costs, taking into account current environmental and regulatory requirements, is capitalised as part of property, plant and equipment, to the extent that they relate to the construction of the asset, and the related provisions are raised. These estimates are reviewed at least annually. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to the Statement of profit or loss.

The unwinding of the discount

The unwinding of the discount is not a borrowing cost for the purposes of IAS 23 *Borrowing Costs*, and may thus not be capitalised under the allowed alternative treatment of capitalisation, as the decommissioning liability does not fall within this description since it does not reflect funds (i.e. cash) borrowed.

Hence, the unwinding of the discount is expenditure and is charged to the Statement of profit or loss.

Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Such changes could similarly impact the useful lives of assets depreciated on a straight-line-basis, where those lives are limited to the life of mine.

	GROUP	
	Environmental rehabilitation R'000	Total provisions R'000
Balance at 1 March 2020	1 094	1 094
Additions	763	763
Balance at 1 March 2021	**1 857**	**1 857**
Additions	**106**	**106**
Balance at 28 February 2022	**1 963**	**1 963**

Rehabilitation of mining land

Nedbank provided a guarantee on behalf of a subsidiary of the Group to the Department of Minerals and Energy for the estimated future rehabilitation cost. It is possible that the estimate of the rehabilitation liability could change as a result of changes in regulations or cost estimations. The carrying amount of the rehabilitation obligations for the Group at 28 February 2022 was R2 million (2021: R1.9 million).

7. *Financial assets and liabilities*

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Financial assets				
Financial assets at fair value through other comprehensive income (refer to note 7.1)	**–**	3 108	**–**	–
Financial assets at fair value through profit or loss (refer to note 7.2)	**68 432**	32 140	**–**	–
	68 432	35 248	**–**	–
Financial assets at amortised cost (refer to note 7.3)	**2 444 948**	2 128 219	**–**	–
	2 513 380	2 163 467	**–**	–
Reconciliation of financial assets through other comprehensive income and profit or loss				
Opening balance	**35 248**	30 377	**–**	–
Investments acquired	**40 000**	8 382	**–**	–
Investments derecognised/sold	**(3 108)**	(2 277)	**–**	–
Fair value adjustments	**(3 708)**	(1 234)	**–**	–
Transfer to non-current assets held for sale	**–**	–	**–**	–
	68 432	35 248	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

The Group classifies its financial assets in categories dependent on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

7.1 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise of equity securities not held for trading.

The Company may make an irrevocable election, on an instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are recognised when the Company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition at fair value. Transactions costs are added to the initial carrying amount for those investments. Investments in equity instruments are subsequently measured at fair value recognised in other comprehensive income.

The gains or losses which accumulated in equity in the "fair value reserve" for equity investments at fair value through comprehensive income are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

7. *Financial assets and liabilities (continued)*

7.1 Financial assets at fair value through other comprehensive income (continued)

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	2022 R'000	2021 R'000
Non-current assets				
Unit trust investments				
Momentum Consult (Pty) Ltd – ABSA Absolute Fund (B) (2021: 9 485.76 units at R327.68 per unit)	–	3 108	–	–
Total financial assets at fair value through other comprehensive income	–	3 108	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Refer to note 22 for details of fair value estimation.

7.2 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise of:

- Equity investments held for trading; and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Investments in equity instruments measured at fair value through profit or loss are recognised when the Company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition at fair value. Transactions costs are recognised through profit or loss. Investments in equity instruments are subsequently measured at fair value through profit or loss.

Changes in the fair value of financial assets at FVPL are recognised in profit or loss and presented net within capital items.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	2022 R'000	2021 R'000
Non-current assets				
Fruitspec Ltd (12.67% interest) (2021: 16.67%)			–	–
– Cost	**31 287**	31 287		
– Cumulative fair value adjustments	**(6 268)**	(2 047)		
ABAX Investments (Pty) Ltd	**40 585**	–	–	–
Investments in allied and secondary processing companies	**2 828**	2 900		
Total financial assets at fair value through profit or loss	**68 432**	32 140	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Refer to note 22 for details of fair value estimation.

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost

Financial assets at amortised cost comprise assets held for collection of contractual cash flow comprising solely payments of principal and interest.

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 direct transaction costs, if any.

Interest on these financial assets is calculated using the effective interest method and recognised in the statement of profit or loss as part of "finance income".

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(i) For trade receivables only, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
(ii) For instalment sale receivables, the Group applies the general model due to the significant finance component.
(iii) For loans to customers, as these are classified as loan receivables, the Group applies the general model for expected credit losses.

7.3.1 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. They are subsequently measured at amortised costs using the effective interest method, 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.

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.

The normal credit terms of trade receivables are as follows:

Production accounts:	< 365 days
Renegotiated production accounts:	> 365 days
Other receivables:	Between 30 and 60 days
Instalment sale agreements:	Between 3 and 6 years

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Trade and other receivables: Expected credit losses

Impairment of trade and other receivables requires the consideration of historical default rates and forward-looking information on macro-economic factors, including gross domestic product (GDP), interest rates and inflation. The Group applies the following models in relation to the impairment pertaining to trade and other receivables:

- For trade receivables only, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
- For instalment sale receivables, the Group applies the general model due to the significant finance component.
- For loans to customers, as these are classified as loan receivables, the Group applies the general model for expected credit losses.

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.1 Trade and other receivables (continued)

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Trade receivables at amortised cost (refer to 7.3.1.1 below)	**1 411 485**	1 151 480	–	–
Instalment sale agreements at amortised cost (refer to 7.3.1.2 below)	**447 731**	276 998	–	–
Less: Allowances for credit losses	**(20 789)**	(65 388)	–	–
Trade receivables – net	**1 838 427**	1 363 090	–	–
Loans to related parties	**3 009**	11 284	–	–
Other receivables	**50 328**	122 871	–	–
Trade and other receivables – financial assets (refer note 10)	**1 891 764**	1 497 245	–	–
Prepayments and value-added taxation	**44 730**	49 452	–	–
Total trade and other receivables	**1 936 494**	1 546 697	–	–
Classification of trade and other receivables				
Non-current portion of instalment sale agreements	**(292 556)**	(174 757)	–	–
Non-current portion of prepayments	**(13 655)**	(12 570)	–	–
Non-current portion of deposits	**(8 083)**	(5 718)	–	–
Current asset	**1 622 200**	1 353 652	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Classification of trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Classification of instalment sale agreements

Instalment sale agreements are classified as other receivables carried at amortised cost, with the objective of collecting contractual cash flows.

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.

In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, are continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.1 Trade and other receivables (continued)

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined taking into account the securities below:

	GROUP	
	2022 R'000	2021 R'000
Securities on trade and other receivables		
The Group holds the following types of securities, other than the underlying assets* that serve as security, that are taken into account in determining any provision for impairment of trade receivables:		
Mortgages over property	**733 541**	564 625
Notarial bonds	**15 168**	17 357
Cession of shares	**528 933**	480 900
	1 277 642	1 062 882

* *Underlying assets serve as security for instalment sale agreements.*

Only R402 million (2021: R432 million) of these securities are considered in determining the loss allowance.

Trade receivables amounting to R77.2 million has been ceded to Rand Merchant Bank, a division of FirstRand Bank Limited as security for the bridge finance with an outstanding amount of R355.7 million as at 28 February 2022. Refer to note 7.3.5.

7.3.1.1 Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The loss allowance provision as at 28 February 2022 is determined as follows; the expected credit losses below also incorporate forward looking information.

	28 February 2022		28 February 2021*	
	Estimated gross carrying amount at default	**Loss allowance (Lifetime expected credit loss)**	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0.62% (2021: 0.47%)	**857 825**	**(5 277)**	525 493	(2 468)
More than 30 days due: 0.53% (2021: 0.51%)	**270 977**	**(1 427)**	226 545	(1 160)
More than 60 days due: 1.42% (2021: 2.24%)	**95 472**	**(1 357)**	66 691	(1 492)
More than 120 days due: 6.80% (2021: 18.11%)	**187 211**	**(12 728)**	332 751	(60 268)
Total:	**1 411 485**	**(20 789)**	1 151 480	(65 388)

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.1 Trade and other receivables (continued)

7.3.1.1 Trade receivables (continued)

	GROUP 2022 R'000	GROUP 2021 Restated* R'000
The following table shows the movement in the loss allowance (lifetime ECL) for trade receivables:		
Opening balance	**65 388**	107 640
Amounts recovered	**–**	–
Amounts written off against provision	**(57 088)**	(54 478)
Business acquisition	**821**	–
Provision raised on new trade receivables	**11 987**	12 931
Provisions reversed on settled trade receivables	**(319)**	(705)
Closing balance	**20 789**	65 388

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

7.3.1.2 Instalment sale agreements

Over the term of the instalment sale agreement, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the company considers historical loss rates for each category of customers, and adjusts for forward looking macro-economic data.

The Group provides for credit losses against instalment sale agreement as follows:

Group internal rating	Criteria	Basis of recognition	Basis of calculation of interest revenue
Performing	Not past due	12 month	Gross carrying value
Underperforming	Default + 30 days	Lifetime expected	Gross carrying value
Non-performing	Default + 60 days	Lifetime expected	Net of credit allowance

The gross carrying value of the instalment sale receivables, and thus the maximum exposure to loss, is as follows:

	GROUP 2022 R'000	GROUP 2021 R'000
Group internal rating		
Performing	**447 731**	276 998
Underperforming	**–**	–
Non-performing	**–**	–
	447 731	276 998

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.1 Trade and other receivables (continued)

7.3.1.2 Instalment sale agreements (continued)

All instalment sale agreements are receivable within six years of the reporting date. The effective interest rate of the instalment sale agreements is linked to the prime interest rate, based on the debtors' risk profile. The dates of maturity of instalment sale agreements are as follows:

	GROUP		
	Capital R'000	Finance costs R'000	Instalments R'000
At 28 February 2022			
Within one year	**155 175**	**27 189**	**182 364**
Between 1 and 2 years	**128 377**	**23 010**	**151 387**
Between 2 and 3 years	**84 922**	**12 734**	**97 656**
Between 3 and 4 years	**54 008**	**6 093**	**60 101**
Between 4 and 5 years	**25 249**	**2 103**	**27 352**
	447 731	**71 129**	**518 860**
At 28 February 2021			
Within one year	97 888	15 345	113 233
Between 1 and 2 years	82 315	12 487	94 802
Between 2 and 3 years	57 687	6 666	64 353
Between 3 and 4 years	27 638	2 634	30 272
Between 4 and 5 years	11 470	833	12 303
	276 998	37 965	314 963

At floating interest rates averaging 9.01% (2021: 7.39%).

7.3.2 Loans to Customers

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Loans to customers	**56 854**	76 553	–	–
Less: Loss allowance	–	–	–	–
	56 854	76 553	–	–

These loans are secured, bear interest at Prime-linked interest rates and have fixed repayment terms.

Over the term of the loans to customers, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the company considers historical loss rates for each category of customers, and adjusts for forward looking macro-economic data.

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.2 Loans to Customers (continued)

The Group provides for credit losses against loans to customers as follows:

Group internal rating	Criteria	Basis of recognition	Basis of calculation of interest revenue
Performing	Not past due	12 month	Gross carrying value
Underperforming	Default + 30 days	Lifetime expected	Gross carrying value
Non-performing	Default + 60 days	Lifetime expected	Net of credit allowance

The gross carrying value of the loans to customers, and thus the maximum exposure to loss, is as follows:

	GROUP	
	2022 R'000	2021 R'000
Group internal rating		
Performing	**56 854**	76 553
Underperforming	**–**	–
Non-performing	**–**	–
	56 854	76 553

7.3.3 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value; these are classified as financial assets measured at amortised cost.

For purposes of the cash flow statements, cash and cash equivalents comprise cash and cash equivalents defined above, net of outstanding bank overdrafts.

Bank overdrafts are classified as financial liabilities at amortised cost.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Cash and cash equivalents consist of:				
Bank balances and cash on hand	**333 961**	410 521	**–**	–
Short-term bank deposits	**56 138**	43 782	**–**	–
Bank overdraft	**(147 161)**	(20 562)	**–**	–
	242 938	433 741	**–**	–
Current assets	**390 099**	454 303	**–**	–
Current liabilities	**(147 161)**	(20 562)	**–**	–
	242 938	433 741	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.3 Cash and cash equivalents (continued)

Restricted cash

Short-term bank deposits amounting to R17.2 million (2021: R8.5 million) are held in terms of SAFEX trade agreements and is not accessible other than for this purpose.

Cash and cash equivalents pledged as security

Bank balances amounting to R60 million pertaining to Kyron Group has been ceded to Rand Merchant Bank, a division of FirstRand Bank Limited as security for the bridge finance. Refer to note 7.3.5.

Bank balances amounting to R84 million pertaining to AAF Invest (Pty) Ltd has been ceded to Rand Merchant Bank, a division of FirstRand Bank Limited as security for the general banking facility. This facility has not been drawn upon as at 28 February 2022.

Bank overdrafts and facilities available

The Group has overdraft facilities with several financial institutions. The facilities bear interest as determined from time to time by these financial institutions (currently 7.25% – 7.75% [2021: 6.75% – 7.25%]).

Bank overdraft facility: ACG Fruit (Pty) Ltd: First National Bank – R165 million
The following repayment terms and securities are provided to the bank for the obligations of ACG Fruit (Pty) Ltd towards First National Bank Ltd:

- Interest is charged at prime minus 0.5%;
- Repayment on demand and subject to annual review;
- Suretyship provided by AAF Invest (Pty) Ltd limited to R49 million and limited cross suretyship limited to R225 million each entity plus any further amounts for interest, costs, fees, and/or such other monies or amounts as may be provided for in the suretyship given by the following parties: Copperzone Packers (Pty) Ltd; Rodash 114 (Pty) Ltd; Ouberg Boerdery (Pty) Ltd; Superlane 124 (Pty) Ltd; ACG Fruit (Pty) Ltd; Copperzone 108 (Pty) Ltd; Galactic deals 160 (Pty) Ltd and Riverfresh (Pty) Ltd;
- Cessions pertaining to Short-term insurance together with the mortgaged properties of Ouberg Boerdery (Pty) Ltd; Galactic Deals 160 (Pty) Ltd and Copperzone 108 (Pty) Ltd; Debtors provided in ACG Fruit (Pty) Ltd; lease agreement between Riverfresh (Pty) Ltd and Blue Tulip Farming (Pty) Ltd and credit balances held by ACG Fruit (Pty) Ltd for an unlimited amount; and
- A general bond covering R65 million over the land held by Galactic Deals 160 (Pty) Ltd.

Bank overdraft facility: Oberholzer en Seuns Boerdery (Pty) Ltd: First National Bank – R6 million facility
The following repayment terms and securities are provided to the bank for the obligations of Oberholzer en Seuns Boerdery (Pty) Ltd towards First National Bank Ltd:

- Interest is charged at prime;
- Repayment on demand and subject to annual review;
- Suretyship provided by Atalia Boerdery (Pty) Ltd and Andre Oberholzer limited to R15 900 000 (plus further costs, interest and fees) and R15 900 000 (plus further costs, interest and fees) respectively; and
- General covering bond over all immovable property.

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.3 Cash and cash equivalents (continued)

Bank overdrafts and facilities available (continued)

Bank overdraft facility: AAF Invest (Pty) Ltd: Rand Merchant Bank – R100 million facility

AAF Invest (Pty) Ltd has approved facilities available amounting to R100 million (of which R50 million is uncommitted and R50 million committed). This facility has not been drawn upon as at 28 February 2022.

The general banking facility has the following terms:

- Security provided in terms of a revisionary pledge of shares in Kyron Holdings (Pty) Ltd and its equity interests;
- Cession and pledge on cash or receivable balances of AAF Invest (Pty) Ltd; and
- Acorn Agri & Food Limited remains publicly traded and Acorn Agri & Food Limited remains the sole shareholder of AAF Invest (Pty) Ltd.

Bank overdraft facility: Montagu Dried Fruit & Nuts (Pty) Ltd: Nedbank Limited – R35 million facility

The general banking facility has the following terms:

- General cession of trade receivables pertaining to Montagu Dried Fruit & Nuts (Pty) Ltd
- First notarial bond over moveable assets worth R15 million; and
- A security cession of insurance policy.

Refer to note 10 for details on the credit quality of cash and cash equivalents.

7.3.4 Loans to related parties

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Berekisanang Empowerment Farm (Pty) Ltd	**141 216**	111 435	**–**	–
Green Living Ventures (Pty) Ltd	**3 472**	3 472	**–**	–
Overberg Dreams (Pty) Ltd	**–**	323	**–**	–
Overberg Speciality Foods (Pty) Ltd	**–**	469	**–**	–
Enterprise Development OA Energy Loan	**732**	732	**–**	–
Durbieland (Pty) Ltd	**825**	–	**–**	–
Oberholzer Family Enterprizes (Pty) Ltd	**5 130**	5 130	**–**	–
Other	**1 385**	1 322	**–**	–
	152 760	122 883	**–**	–
Less: Accumulated provision for impairment of loans to related parties	**(4 470)**	(4 470)	**–**	–
Less: Accumulated provision for Berekisanang Empowerment Farm (Pty) Ltd	**(42 059)**	(18 295)	**–**	–
	106 231	100 118	**–**	–
Classification of loans to related parties				
Non-current asset	**(42 306)**	(68 989)	**–**	–
Current asset	**63 925**	31 129	**–**	–
Reconciliation of related party loan receivables:				
Opening balance	**100 118**	129 320	**–**	–
Capital draw downs	**23 461**	–	**–**	–
Repayments	**(729)**	(40 277)	**–**	–
Interest charges	**7 145**	8 065	**–**	–
Impairment (note 4.3)	**(29 681)**	(18 294)	**–**	–
Impairment reversal (note 4.3)	**5 917**	21 304	**–**	–
	106 231	100 118	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.4 Loans to related parties (continued)

Berekisanang Empowerment Farm (Pty) Ltd

Loan 1: R70.7 million: The ACG Fruit Proprietary Limited loan to Berekisanang Empowerment Farm Proprietary Limited bears interest at the prime bank overdraft plus 3% (2021: prime bank overdraft plus 3%). The loan is repayable on demand.

Loan 2: R70.5 million: A portion of the Galactic Deals 160 Proprietary Limited loan to Berekisanang Empowerment Farm Proprietary Limited, amounting to R35.5 million (2021: R28 million) bears interest at the prime bank overdraft rate per annum. The Galactic Deals 160 Proprietary Limited loan to Berekisanang Empowerment Farm Proprietary Limited has been ceded in favour of the Industrial Development Corporation of South Africa Limited (IDC) for the loan advanced to Berekisanang Empowerment Farm Proprietary Limited. Joint 39.1% guarantee was provided with ACG Fruit Group for the IDC loan to Berekisanang Empowerment Farm Proprietary Limited.

Green Living Ventures (Pty) Ltd

The loan is unsecured, bears no interest and is repayable on demand. This loan was impaired in the previous financial year.

Overberg Dreams (Pty) Ltd)

The loan was unsecured, bears interest at a prime-linked interest rate and is repayable on demand.

Overberg Speciality Foods (Pty) Ltd

A short term interest free loan, was granted 14 December 2020 to Overberg Speciality Foods (Pty) Ltd, a company that is created for the planned joint venture from 1 March 2021 to finance the pre-operational expenses. The loan has been converted into a joint venture investment during the year.

Enterprise Development OA Energy Loan

The loan is unsecured, bears no interest and is repayable in monthly instalments.

Durbieland (Pty) Ltd

The loan is unsecured and interest free. The loan is repayable on 30 November 2024.

7.3.5 Borrowings

Borrowings are classified as financial liabilities subsequently measured at amortised cost. The liabilities are measured, at initial recognition, at fair value plus transaction costs, if any.

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

The effective interest rate 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.

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.5 Borrowings (continued)

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Non-current liabilities				
Medium-term loans (refer to 7.3.5.1 below)	**264 560**	293 460	–	–
Bank borrowings (refer to 7.3.5.2 below)	–	–	–	–
Other debt instruments (refer to 7.3.5.3 below)	–	–	–	–
	264 560	293 460	–	–
Current liabilities				
Medium-term loans (refer to 7.3.5.1 below)	**68 496**	51 732	–	–
Bank borrowings (refer to 7.3.5.2 below)	**949 962**	604 099	–	–
Other debt instruments (refer to 7.3.5.3 below)	**388 240**	282 707	–	–
	1 406 698	938 538	–	–
Total borrowings	**1 671 258**	1 231 998	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

7.3.5.1 Medium-term loans

	GROUP	
	2022 R'000	2021 Restated* R'000
First National Bank – term and mortgage bonds	**268 113**	247 654
Nedbank – term and mortgage bonds	**61 934**	97 538
Other	**3 009**	–
	333 056	345 192
Less: Current portion of medium term borrowings	**(68 496)**	(51 732)
	264 560	293 460

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

7. Financial assets and liabilities (continued)

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.5 Borrowings (continued)

7.3.5.1 Medium-term loans (continued)

Nedbank: Bontebok Limeworks (Pty) Ltd

The Nedbank term loan is repayable in monthly instalments over a period of five to 11 years. The term loan has been secured by plant and equipment with a book value of R139 million (2021: R147 million) (note 6.1). There is a first mortgage of R80 000 000 held over land with a book value of R16 million (2021: R7 million) and a first special notarial bond of R100 000 000 held over plant and equipment with a book value of R62 million (2021: R65 million) registered in favour of Nedbank Ltd. These serve as security for the facility.

"The securities in favour of Nedbank impose certain covenants on one of the subsidiaries in the Group, Bontebok Limeworks (Pty) Ltd, stating that the subsidiary will ensure that the following financial ratios are met:

- the all-in gearing on a company basis will not be more than 1.20:1, and
- the annual Cash to Debt Service cover will be a minimum of 1.3 or more.

During the year Bontebok Limeworks (Pty) Ltd was in compliance with all the financial covenants relating to its borrowings.

First National Bank: Moov Fuel (Pty) Ltd

The First National Bank term loans bear interest at prime-linked rates and is repayable in monthly instalments over a period of 10 years. The term loans are secured by general suretyship of R123 000 000 given by Acorn Agri and Food Ltd, general suretyship of R14 500 000 given by DJ Erasmus Vervoer (Pty) Ltd, an unlimited general cession over receivables of R386 million (2021: R225 million) (note 7.3.1), a cession of two Momentum life insurance policies of Rnil (2021: R20 million each), a cession over the loan accounts of Remus Trust, DJ Erasmus Trust and the Platinum Trust (note 7.3.4), a cession and pledge of credit balances by Moov Fuel (Pty) Ltd totalling R12.5 million (2021: R12.5 million), a deed of negative pledge in respect of Moov Fuel (Pty) Ltd and DJ Erasmus Vervoer (Pty) Ltd's fuel distribution licences, a general notarial bond over moveable assets of R52.5 million (2021: R52.5 million), covering bonds to the value of R101 million over selected land and buildings (2021: R101 million) (note 6.2), and a guarantee to the value of R10.5 million (2021: R10.5 million) provided in favour of Astron South Africa (Pty) Ltd with an expiry date of 31 December 2025.

7.3.5.2 Bank borrowings

	GROUP	
	2022 R'000	2021 Restated* R'000
Nedbank – Production borrowings	**594 251**	492 099
Nedbank – General facility	**–**	112 000
RMB – Bridge loan	**355 711**	–
	949 962	604 099
Less: Current portion of bank borrowings	**(949 962)**	(604 099)
Non-current portion of bank borrowings	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.5 Borrowings (continued)

7.3.5.2 Bank borrowings (continued)

Nedbank: Overberg Agri Bedrywe (Pty) Ltd

The Group has Nedbank borrowings with a revolving credit facility of R2.250 million (2021: R2.250 million) using a Special Purpose Vehicle through which debtors are securitised. The facility bears interest at a sub-prime-linked interest rate. The loan is secured in the prior year by a limited suretyship of R450 million and in the current and prior years by a negative pledge over unencumbered stock of R395 million (2021: R347 million) in conjunction with an undertaking from the borrower not to encumber unencumbered assets prior to written consent from Nedbank.

The facility is provided by Nedbank Ltd, Bank of China and ABSA. Any draw downs from the facility are repayable as and when the monies are received by Overberg Agri Finance (RF) Ltd in the normal course of business. The remaining balance (if any) will be repaid on or before 28 February 2023. The loan facility bears interest as determined from time to time at prime linked interest rates. The loan facility was effective on 1 March 2016.

Rand Merchant Bank: Kyron Holdings (Pty) Ltd

The terms of the bridge loan is as follows:

- The bridge loan is repayable by 30 April 2022.
- Kyron Holdings Proprietary Limited have implemented a debt restructure on 30 April 2022 by incurring term debt to the value of R320 million in Kyron Group Proprietary Limited, a wholly owned subsidiary of Kyron Holdings Proprietary Limited, and utilising the proceeds to partly settle the intercompany loan between Kyron Holdings Proprietary Limited and Kyron Group Proprietary Limited to facilitate settlement of the bridge loan.
- The remaining settlement has been funded from own cash resources.

The following have been pledged as security in respect of the bridge loan:

- All rights and claims to Kyron Holdings (Pty) Ltd and its subsidiaries bank accounts;
- All Kyron Holdings (Pty) Ltd shares, securities and other ownership interests it holds;
- All Kyron Holdings (Pty) Ltd and its subsidiaries present and future claims against any member of the Kyron Holdings (Pty) Ltd group;
- All Kyron Holdings (Pty) Ltd and its subsidiaries trade receivables; and
- All insurance claims taken out by or for the benefit of Kyron Holdings Proprietary Limited or a subsidiary.

7.3.5.3 Other debt instruments

	GROUP	
	2022 R'000	2021 Restated* R'000
Shareholder loans	**384 222**	282 557
Loan from Goede Hoop Sitrus (Pty) Ltd	**4 018**	150
	388 240	282 707

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

The shareholders loans represent deposits made by shareholders of Acorn Agri and Food Ltd and are unsecured. The number of shareholders with deposits amounted to 189 in 2022 (2021: 180). The loans bear interest as determined from time to time at prime-linked interest rates. The loans are payable on demand.

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.5 Borrowings (continued)

7.3.5.3 Other debt instruments (continued)

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Analysis as per statement of cash flows:				
Total opening balance – Borrowings	**1 231 998**	1 765 117	**–**	–
Borrowings raised	**3 480 358**	6 153 723	**–**	–
Repayments	**(3 041 098)**	(6 686 842)	**–**	–
Total closing balance – Borrowings	**1 671 258**	1 231 998	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Cash flow movement on the Nedbank production borrowings are shown as part of working capital movement (note 9.1).

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Within 1 year	**1 409 617**	938 388	**–**	–
Within 1 to 5 years	**244 799**	246 126	**–**	–
5 years and longer	**16 841**	47 483	**–**	–
At floating rates	**1 671 257**	1 231 997	**–**	–
The Group's total borrowing facilities available amount to:				
Floating rate:				
– Facility available	**3 135 297**	2 653 741	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

The fair value of borrowings equals their carrying amount. The carrying amounts of the Group's borrowings are all denominated in South African Rand.

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.6 Lease liabilities

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 determines 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 required a significant judgement, the relevant disclosures are provided in the critical accounting assumptions and judgements section of these accounting policies.

Group as the 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 4.4) 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.

Details of leasing arrangements where the Group is a lessee are presented in note 7.3.6 (Group as lessee).

Lease liabilities are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable;
- exclude variable lease payments;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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.

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 4.6).

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

The Group 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 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); and
- 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.

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.6 Lease liabilities (continued)

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Non-current liabilities				
Lease liabilities	**156 736**	145 521	–	–
Current liabilities				
Lease liabilities	**51 573**	48 088	–	–
Total lease liabilities	**208 309**	193 609	–	–
Minimum payments due on lease liabilities are as follows:				
Within one year	**64 904**	56 681	–	–
In second to fifth year inclusive	**166 455**	166 546	–	–
More than five years	**82 617**	100 292	–	–
	313 976	323 519	–	–
Future finance charges	**(105 667)**	(129 910)	–	–
Present value of minimum payments	**208 309**	193 609	–	–
Analysis of present value of minimum payments due:				
Non-current liability	**156 736**	145 521	–	–
Current liability	**51 573**	48 088	–	–
	208 309	193 609	–	–
Details pertaining to leasing arrangements, where the Group is lessee are presented below:				
Right of Use asset				
The carrying amounts of right-of-use assets are as follows:				
Plant and Machinery	**931**	1 332	–	–
Land and Buildings	**106 428**	114 700	–	–
Motor vehicles and Equipment	**54**	78	–	–
	107 413	116 110	–	–
Other disclosures				
Interest expense	**13 521**	14 852	–	–
Expenses on short term leases included in operating expenses	**629**	9 923	–	–
Leases of low value assets included in operating expenses	**89**	543	–	–
Total cash outflow from leases	**(53 973)**	(40 260)	–	–
Capital reconciliation of instalment purchase agreements was as follows:				
Opening balance	**193 609**	206 875	–	–
New lease liabilities raised	**35 081**	12 142	–	–
Additions through business combination	**20 071**	–	–	–
Finance cost	**13 521**	14 852	–	–
Lease payments	**(53 973)**	(40 260)	–	–
Closing balance	**208 309**	193 609	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

7. *Financial assets and liabilities (continued)*

7.3 Financial assets and liabilities at amortised cost (continued)

7.3.7 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Trade payables	**926 388**	425 638	–	–
Accrued expenses				
– audit fees	**7 228**	4 065	–	–
– leave	**20 798**	16 132	–	–
– performance incentive schemes	**26 969**	4 896	–	–
– other	**78 434**	26 777	**3 481**	3 481
Deferred revenue	**64 624**	79 494	–	–
Loans from related parties	**6 734**	6 759	–	–
Other payables	**2 557**	704	–	–
Trade and other payables – financial liabilities (refer note 10)	**1 133 732**	564 465	**3 481**	3 481
Taxes and other statutory liabilities	–	–	–	–
Employee related accruals	**6 345**	1 905	–	–
Total trade and other payables	**1 140 077**	566 370	**3 481**	3 481
Classification of trade and other payables				
Non-current portion of deferred revenue	**(5 245)**	(5 798)	–	–
Non-current portion of loans from related parties	**(936)**	–	–	–
Current liability	**1 133 896**	560 572	**3 481**	3 481

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Deferred revenue relates to storage levies raised in the current financial year which will only accrue in the next financial year as the grain costs are incurred.

8. *Equity – including earnings per share*

8.1 Stated capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown as a decrease, after the deduction of income tax, of the returns in equity. Incremental costs directly attributable to the issue of new shares, or for the acquisition of a business, are recognised as a decrease of equity.

Ordinary shares are classified as equity.

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Authorised				
10 000 000 000 (2021: 10 000 000 000) ordinary shares with no par value	**–**	–	**–**	–
Issued				
144 687 400 (2021: 144 687 400) ordinary shares with no par value	**1 720 671**	1 720 671	**1 720 671**	1 720 671

	GROUP		COMPANY	
	2022	2021	**2022**	2021
Analysis of movement in number of ordinary shares:				
Opening balance	**144 687 400**	144 687 400	**144 687 400**	144 687 400
Issued during the year	**–**	–	**–**	–
Purchased during the year	**–**	–	**–**	–
Closing balance	**144 687 400**	144 687 400	**144 687 400**	144 687 400

All shares issued by the Company were fully paid.

8.2 Treasury shares

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Value of treasury shares				
Shares held by AAF Invest (Pty) Ltd, subsidiary of the Group	**(52 000)**	(52 000)	**–**	–
Shares held by Acorn Manco 1 (Pty) Ltd and Acorn Manco 2 (Pty) Ltd	**(234 156)**	(234 156)	**(234 156)**	(234 156)
Shares held by Overberg Agri Bedrywe (Pty) Ltd, subsidiary of the Group	**(6 037)**	–	**–**	–
	(292 193)	(286 156)	**(234 156)**	(234 156)

8. *Equity – including earnings per share (continued)*

8.2 Treasury shares (continued)

	GROUP		COMPANY	
	2022	2021	**2022**	2021
Analysis of movement in number of treasury shares:				
Opening balance	**13 872 368**	11 936 046	**10 689 548**	10 689 548
Issued during the year	**–**	–	**–**	–
Purchased during the year	**409 177**	1 936 322	**–**	–
Closing number of treasury shares	**14 281 545**	13 872 368	**10 689 548**	10 689 548

As part of the amalgamation between Overberg Agri Ltd and Acorn Agri (Pty) Ltd on 2 May 2018 two structured entities ("Acorn Manco 1 & 2"), owned by the new executive management of Acorn Agri and Food Limited (AAF Group), purchased shares (approximating 7.5% of issued share capital at date of amalgamation). Acorn Manco 1 & 2 funded this purchase by issuing preference shares that were subscribed to by the AAF Group at the same price as the share issue of R25.60 per share. The funding, in the form of preference shares, provides for a cumulative preference share dividend at a coupon rate of 6% per annum and redeemed at the nominal value over a set period of 10 years.

For IFRS disclosure purposes, AAF Group has in substance given the shareholders of Acorn Manco 1 & 2 an option to acquire shares in the AAF Group as part of a long term incentive strategy. Due to the limitation of the recovery of the preference share funding provided by the AAF Group that the shareholders of Acorn Manco 1 & 2 are exposed to, the risks and rewards of the AAF shares do not, according to IFRS disclosure requirements, transfer to the shareholders of Acorn Manco 1 & 2. The AAF shares held by Manco 1&2 is therefore shown as treasury shares and the preference share funding are shown against the treasury shares in the AAF Group financial statements resulting in no financial implication for the AAF Group for disclosure purposes.

Additionally, AAF Invest (Pty) Ltd and Overberg Agri Bedrywe (Pty) Ltd, both 100% subsidiaries of the company holds shares in AAF Group that gives rise to additional treasury shares in the consolidated financial statements. During the current and previous year the board approved a share repurchase scheme whereby company shares to the value of R6 million (2021: R30 million) was repurchased from shareholders.

8.3 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the financial year.

b) Headline earnings per share

Headline earnings per share is calculated in terms of Circular 1/2021 issued by the South African Institute of Chartered Accountants (SAICA) and disclosed voluntarily by the Group as a more detailed reconciliation of basic earnings per share.

	GROUP	
	2022 000	2021 000
Number of weighted shares in issue		
Total shares in issue – weighted	**144 687**	144 687
Treasury shares – weighted	**(14 106)**	(13 075)
Net weighted shares in issue	**130 581**	131 612
Weighted average number of net shares in issue	**130 581**	131 612
Adjusted for effect of future share-based compensation payments*	**–**	–
Diluted weighted average number of shares	**130 581**	131 612

* *Acorn Manco (Pty) Ltd and Acorn Manco 2 (Pty) Ltd dilutive impact has not been disclosed due to the fact that these companies are currently in a net liability position and would thus not result in a dilutive event as at 28 February 2022.*

8. *Equity – including earnings per share (continued)*

8.3 Earnings per share (continued)

8.3.1 Earnings per share

	GROUP 2022 R'000	GROUP 2021 Restated* R'000
Profit attributable to ordinary shareholders (rand)	**124 004**	155 297
Earnings per ordinary share (cents)	**95.0**	118.0

8.3.2 Headline earnings per share

	GROUP 2022 R'000	GROUP 2021 Restated* R'000
Profit attributable to ordinary shareholders – continuing operations	**124 004**	155 297
Profit on disposal of property, plant and equipment	**(2 040)**	(28 224)
Profit on sale of investment in subsidiary	**(825)**	(334)
Loss on sale of investments	**986**	–
Impairment on investment in associate	**–**	10 094
Impairment on other financial assets	**–**	2 047
Impairment/(impairment reversal) on biological assets	**3 212**	(13 246)
Other	**301**	1 134
Tax effect on headline earnings adjustments	**(343)**	7 903
Non-controlling interest effects on adjustments	**496**	1
Headline earnings	**125 791**	134 672
Headline earnings per share (HEPS) (cents)	**96.3**	102.0

Adjusted headline earnings per share

	GROUP 2022 R'000	GROUP 2021 Restated* R'000
Impairment on loan to Berekisanang Empowerment Farm (Pty) Ltd	**23 765**	–
Adjusted Headline Earnings	**149 556**	134 672
Adjusted headline earnings per share (HEPS) (cents)	**114.5**	102.0

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

8.4 Net asset value (NAV) per share

	GROUP 2022 000	GROUP 2021 Restated* 000
Number of shares in issue		
Total shares in issue	**144 687**	144 687
Treasury shares	**(14 282)**	(13 872)
Net shares in issue – at year-end	**130 405**	130 815
Shareholders' funds attributable to owners of the parent (rand)	**3 014 652**	2 933 259
Total NAV per share (cents)	**2 312**	2 242
Tangible net asset value (TNAV) per share		
Shareholders' funds attributable to owners of the parent (rand)	**3 014 652**	2 933 259
Intangible assets and goodwill	**(1 120 101)**	(306 216)
	1 894 551	2 627 043
Total TNAV per share (cents)	**1 448**	2 008

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

8. *Equity – including earnings per share (continued)*

8.5 Dividends paid

Dividends declared to the Group's shareholders are recognised in the Group's financial statements in the period in which dividends are approved by the Group's directors.

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Balance at the beginning of the year	**–**	–	**–**	–
Distribution to shareholders	**(48 723)**	(99 487)	**(43 406)**	(86 812)
Balance at the end of the year	**–**	–	**–**	–
	(48 723)	(99 487)	**(43 406)**	(86 812)
The company has declared the following cash distributions to shareholders:				
Ordinary dividend (cents) (net of treasury shares)			**30.0**	60.0
Special dividend (cents)			**–**	–
Distributions paid (cents)			**30.0**	60.0

8.6 Non-controlling interests

	Moov Fuel (Pty) Ltd		Grassroots Group Holdings (Pty) Ltd		Bontebok Limeworks (Pty) Ltd		Matrix Software (Pty) Ltd		Other non-controlling interests		Total non-controlling interest	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000
Carrying amount of non-controlling interest	**141 595**	110 291	**80 710**	84 084	**44 588**	39 158	**33 937**	–	**45 236**	43 339	**346 066**	276 872
Total non-controlling interest	**141 595**	110 291	**80 710**	84 084	**44 588**	39 158	**33 937**	–	**45 236**	43 339	**346 066**	276 872
Effective non-controlling interest percentage	**30.88%**	27.46%	**34.98%**	34.98%	**26.00%**	26.00%	**40.00%**					
Summarised financial information:												
Non-current assets	**654 877**	572 669	**146 245**	78 866	**229 772**	223 700	**84 578**	–				
Current assets	**688 717**	349 871	**107 828**	171 323	**53 959**	54 297	**16 076**	–				
Non-current liabilities	**(335 712)**	(297 311)	**(5 406)**	–	**(90 686)**	(107 744)	**(10 283)**	–				
Current liabilities	**(530 415)**	(231 019)	**(17 920)**	(9 853)	**(40 729)**	(38 824)	**(5 529)**	–				
Net assets/ (liabilities)	**477 467**	394 210	**230 747**	240 336	**152 316**	131 429	**84 842**	–				
Revenue	**5 879 661**	3 651 302	**104 155**	86 402	**189 594**	156 994	**31 770**	–				
Profit/(loss) after taxation included in results	**67 123**	52 616	**(9 376)**	(681)	**23 655**	13 840	**6 741**	–				
Other comprehensive income	**(395)**	164	**(214)**	190	**–**	–	**–**	–				
Total comprehensive income/(loss)	**66 728**	52 780	**(9 590)**	(491)	**23 655**	13 840	**6 741**	–				
Profit/(loss) after taxation, allocated to non-controlling interest	**20 349**	14 111	**(3 299)**	(238)	**6 150**	3 598	**2 696**	–	**11 342**	5 549	**37 239**	23 021
Other comprehensive income, allocated to non-controlling interest	**(122)**	45	**(75)**	157	**–**	–	**–**	–	**–**	–	**(197)**	202
	20 227	14 156	**(3 374)**	(81)	**6 150**	3 598	**2 696**	–	**11 342**	5 549	**37 042**	23 223
Dividends paid to non-controlling interest	**(2 659)**	–	**–**	(17 541)	**(720)**	(90)	**(2 800)**	–	**(3 300)**	(2 205)	**(9 479)**	(19 836)

9. *Notes to the cash flow statements*

9.1 Cash generated from operations

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	2022 R'000	2021 R'000
Profit before tax	**199 684**	216 171	**13 548**	13 548
Adjustments for:				
Depreciation and amortisation	**147 785**	142 355	**–**	–
Loss (profit) on sale of assets	**(2 040)**	(28 224)	**–**	–
Fair value adjustments	**3 129**	–	**–**	–
Profit on sale of investment in subsidiary	**–**	(334)	**–**	–
Income from equity accounted investments	**(2 534)**	(7 879)	**–**	–
Finance income received	**(22 557)**	(22 564)	**–**	–
Finance costs	**129 561**	119 461	**–**	–
Impairment on other financial assets	**–**	2 047	**–**	–
Impairment/reversal of impairment on biological assets	**3 212**	(13 246)	**–**	–
Impairment/reversal of impairment on loans	**23 765**	(3 336)	**–**	–
Change in fair value of biological assets	**(12 134)**	39 440	**–**	–
Provision for post-employment medical benefits	**105**	(612)	**–**	–
Accrual for performance incentive	**22 083**	1 237	**–**	–
Accrual for profit bonus	**4 061**	235	**–**	–
Provision for impairment of receivables	**(44 599)**	(42 533)	**–**	–
Bad debts written off	**60 470**	54 297	**–**	–
Provision for rehabilitation of mining land	**106**	763	**–**	–
Foreign exchange gains	**(7 803)**	(953)	**–**	–
Provision for stock write-offs	**9 839**	(6 382)	**–**	–
Other non-cash flow items	**3 616**	(10 924)	**–**	–
Changes in working capital:				
(Increase)/decrease in inventories	**(179 146)**	117 345	**–**	–
(Increase)/decrease in trade and other receivables	**(214 974)**	66 194	**–**	13 500
Increase in trade and other payables	**307 023**	24 278	**–**	–
Production borrowings	**102 152**	(162 354)	**–**	–
	530 804	484 482	**13 548**	27 048

9.2 Tax paid

Opening balance as per statement of financial position	**52 924**	130 868	**–**	–
Current tax for the year recognised in statement of profit or loss (refer note 5)	**(52 063)**	(21 394)	**–**	52
Acquired through business combination	**(16 818)**	–	**–**	–
Closing balance in statement of financial position	**(15 408)**	(52 924)	**–**	–
	(31 365)	56 550	**–**	52

Risk

10. Financial Risk Management

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

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies and evaluates financial risks, when beneficial, with prior approval from the board. The board provides guidance on overall risk management, as well as on written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. The Audit and risk committee oversees how management monitors compliance with these risks and control policies.

There has been no change in the Group's objectives, policies and processes for managing its financial risks or the methods to measure them.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Financial instruments by category				
Assets as per statement of financial position				
Financial assets at fair value through other comprehensive income (FVOCI) (refer note 7.1)	–	3 108	–	–
Financial assets at fair value through profit or loss (FVPL) (refer note 7.2)	**68 432**	32 140	–	–
Financial assets at amortised cost				
Trade and other receivables (refer note 7.3.1)	**1 891 764**	1 497 245	–	–
Cash and cash equivalents (refer note 7.3.3)	**390 099**	454 303	–	–
Loans to related parties (refer note 7.3.4)	**106 231**	100 118	–	–
Loans to subsidiaries (refer note 12)	–	–	**882 824**	923 025
Loans to customers (refer to note 7.3.2)	**56 854**	76 553	–	–
Total financial assets	**2 513 380**	2 163 467	**882 824**	923 025
Liabilities as per statement of financial position				
Financial liabilities at amortised cost				
Medium-term loans (refer to note 7.3.5.1)	**333 056**	345 192	–	–
Bank borrowings (refer to note 7.3.5.2)	**949 962**	604 099	–	–
Other debt instruments (refer to note 7.3.5.3)	**388 240**	282 707	–	–
Lease liability (refer to note 7.3.6)	**208 309**	193 609	–	–
Loans from subsidiaries (refer note 12)	–	–	–	–
Trade and other payables (refer note 7.3.7)	**1 133 732**	564 465	**3 482**	3 481
Bank overdraft (refer note 7.3.3)	**147 161**	20 562	–	–
Total financial liabilities	**3 160 460**	2 010 634	**3 482**	3 481

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of market prices. Market risk comprises equity price risk, interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include other financial assets, trade and other receivables, cash and cash equivalents and borrowings.

Hedging is conducted in very limited circumstances.

(i) Equity price risk

The Group is exposed to equity price risk in respect of the investments held in shares. Refer to note 7.1 and 7.2.

10. *Financial Risk Management (continued)*

Sensitivity analysis

A variation of 20% change in the carrying amount of the following investments would result in the following effect on total comprehensive income:

	Statement of financial position	Statement of comprehensive income	
	R'000	Movement in basis points	Effect on total comprehensive income after tax R'000
2022			
Group			
Financial assets at fair value through other comprehensive income (FVOCI) (refer note 7.1)	**–**	**+20%**	**–**
		-20%	**–**
Financial assets at fair value through profit or loss (FVPL) (refer note 7.2)	**68 432**	**+20%**	**9 854**
		-20%	**(9 854)**
2021			
Group			
Financial assets at fair value through other comprehensive income (FVOCI) (refer note 7.1)	3 108	+20%	448
		-20%	(448)
Financial assets at fair value through profit or loss (FVPL) (refer note 7.2)	32 140	+20%	4 628
		-20%	(4 628)

(ii) Interest rate risk

The Group's interest rate risk arises from other loans receivable, cash and cash equivalents, borrowings and other financial liabilities as set out in notes 7.3.1, 7.3.3, 7.3.4 and 7.3.5. Cash and cash equivalents invested and borrowings obtained at variable interest rates expose the Group to cash flow interest rate risk.

The Group's policy is to invest cash and cash equivalents and to obtain borrowings at variable interest rates and not to make use of any interest rate derivatives, which expose the Group to cash flow interest rate risk in South Africa.

Sensitivity analysis

Interest rate risks are presented by way of sensitivity analysis in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense, other income components and, if appropriate, shareholders' equity.

The Group measures sensitivity to interest rates as the effect of a change in the Reserve Bank repo rate on the profit after tax based on the Group's exposure at reporting date. The Group regards a 100 basis points (2021: 100 basis points) change in the Reserve Bank repo rate as being reasonably possible at the end of the reporting periods.

10. *Financial Risk Management (continued)*

	Statement of financial position	Statement of comprehensive income	
	R'000	Movement in basis points	Effect on profit after tax R'000
2022			
Group			
Loans to related parties	**152 760**	**+100**	**1 100**
		-100	**(1 100)**
Cash and cash equivalents	**390 099**	**+100**	**2 809**
		-100	**(2 809)**
Borrowings	**(1 671 258)**	**+100**	**(12 033)**
		-100	**12 033**
Bank overdraft	**(147 161)**	**+100**	**(1 060)**
		-100	**1 060**
Total		**+100**	**(9 184)**
		-100	**9 184**
2021*			
Group			
Loans to related parties	122 883	+100	885
		-100	(885)
Cash and cash equivalents	454 303	+100	3 271
		-100	(3 271)
Borrowings	(1 231 998)	+100	(8 870)
		-100	8 870
Bank overdraft	(20 562)	+100	(148)
		-100	148
Total		+100	(4 863)
		-100	4 863

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

(iii) Foreign exchange risk

The Group imports products from abroad and is exposed to a foreign exchange rate risk arising from various currency exposures, mainly the US Dollar, British Pound and Euro. Foreign exchange rate risk arises when imports of products realise at another exchange rate as the one at which the order took place for products which have already been contracted at an agreed price.

The functional currency is ZAR and Management has prepared a policy stipulating how the foreign exchange risk will 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.

On 28 February 2022, if the exchange rate changed by R1, the effect on the profit after taxation would be R0.2 million (2021: R0.6 million). All exposure to foreign currency are hedged by forward exchange contracts (FEC's). Refer to note 4.2 and 4.4 for foreign exchange gains and losses.

10. *Financial Risk Management (continued)*

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risks from its operating activities. Credit risk arises principally from accounts receivable and, to a lesser extent, from other third-party contractual financial obligations such as other financial assets and short-term bank deposits in note 7.

The Group did not consider there to be any significant credit risk exposure which has not been adequately provided for.

The maximum exposure to credit risk is presented in the table below:

	2022			2021 Restated*		
	Gross Carrying amount	**Credit loss allowance**	**Amortised cost/ fair value**	Gross Carrying amount	Credit loss allowance	Amortised cost/ fair value
Total financial assets at amortised cost	**2 408 883**	**(20 789)**	**2 388 094**	2 117 054	(65 388)	2 051 666
Trade and other receivables	**1 912 553**	**(20 789)**	**1 891 764**	1 562 633	(65 388)	1 497 245
Cash and cash equivalents	**390 099**	**–**	**390 099**	454 303	–	454 303
Loans to related parties	**106 231**	**–**	**106 231**	100 118	–	100 118

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

The Group's concentration of credit risk is limited to South Africa.

(i) Trade receivables

For exposure to credit risk identified by the Company, refer to note 7.3.3 for further details disclosed.

(ii) Cash and cash equivalents

The Group limits its counterparty exposure arising from bank accounts/call deposits by only dealing with well-established financial institutions of high credit standing. Credit exposure is controlled by counterparty limits that are reviewed and approved by the board annually.

The Group invests surplus cash with approved Ba1 national short-term rated (according to Moody's short-term rating) financial institutions:

	Credit rating		Amount	
	2022	2021	**2022**	2021 Restated*
Financial Institution:				
ABSA Group Limited	**Ba1**	Ba1	**5 833**	6 859
Standard Bank	**Ba1**	Ba1	**45 616**	19 236
First National Bank	**Ba1**	Ba1	**(68 480)**	51 488
Nedbank	**Ba1**	Ba1	**214 736**	240 555
Foreign bank balances			**8 347**	4
Cash and other	**None**	None	**36 886**	115 598
			242 938	433 740

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

(iii) Financial guarantees

Credit risk arises in relation to financial guarantees given to certain parties.

Refer to note 18 for details of guarantees provided.

(iv) Other financial assets

Refer to note 7.3.1 for details

10. *Financial Risk Management (continued)*

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities, when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its cash flow requirements through monthly cash forecasts which includes the servicing of financial obligations, but excludes the potential impact of extreme circumstances that cannot reasonably be predicted. To assist, strict credit control and debt monitoring processes are applied.

Surplus cash over and above the balance required for working capital management, is transferred to the Group treasury. Group treasury invests surplus cash in interest-bearing current accounts and call deposits to provide sufficient headroom as determined by the abovementioned forecasts.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The following table details the Group's undiscounted contractual maturities for its financial liabilities:

	GROUP				
	Carrying values R'000	Total cash flows R'000	Less than 1 year R'000	Between 1 and 5 years R'000	More than 5 years R'000
At 28 February 2022					
Borrowings	**1 671 258**	**1 683 861**	**1 413 154**	**254 851**	**15 856**
Lease liabilities	**208 309**	**313 976**	**64 904**	**166 455**	**82 617**
Trade and other payables	**1 140 077**	**1 140 077**	**1 140 077**	**–**	**–**
Bank overdraft	**147 161**	**147 161**	**147 161**	**–**	**–**
	3 166 805	**3 282 075**	**2 765 296**	**421 306**	**98 473**
At 28 February 2021*					
Borrowings	1 231 998	1 266 061	953 581	263 027	49 453
Lease liabilities	193 609	323 519	56 681	166 546	100 292
Trade and other payables	566 370	566 370	566 370	–	–
Bank overdraft	20 562	20 562	20 562	–	–
	2 012 539	2 176 512	1 597 194	429 573	149 745

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

11. 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 directors meet regularly to review the capital structure. As part of this review the directors consider the availability of funding within the Group to fund the Group's capital requirements. The directors also consider the cost of capital and the risks associated with each class of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, buy back its own shares or reduce debt.

The Group is required, by means of covenants provided to financiers, to maintain certain solvency and profitability ratios which are monitored monthly via management accounts and cash flow forecasts. The Group monitors capital on the basis of the net debt:equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings and loans from Group companies less cash and cash equivalents as shown in the statement of financial position.

The Group's strategy is to maintain the net debt:equity ratio to below 25%. The net debt:equity ratios at reporting date were as follows:

	GROUP	
	2022 R'000	2021 Restated* R'000
Total borrowings and loans from subsidiaries	**1 671 258**	1 231 998
Less: production borrowings	**(594 251)**	(492 099)
Overdraft less cash and cash equivalents/(surplus cash)	**(242 938)**	(433 741)
Net debt	**834 069**	306 158
Total equity	**3 360 718**	3 210 130
Total capital	**4 194 787**	3 516 288
Net debt:equity ratio (%)	**24.8**	9.5

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

There were no changes in the Group's approach to capital maintenance during the year.

Group structure

12. Investment in subsidiaries

Basis of consolidation

(a) Basis of consolidation

Group financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Statement of profit or loss, and its share of post acquisition movements in other comprehensive income of the investee is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

In some cases, the group has a joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations with that type of joint arrangement. A joint arrangement is either a joint operation or a joint venture. A joint operation is an arrangement whereby the parties have joint control where decisions about the relevant activities requires unanimous consent of the parties sharing control and have rights to the assets, and obligations for the liabilities relating to the arrangement. A joint venture is whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Management applies significant judgement in determining this classification. A joint operation accounts for the assets, liabilities, revenues and expenses relating to its involvement in a joint operation. A joint venture recognises its interest in a joint venture as an investment and account for that investment using the equity method in accordance with IAS 28, *Investments in Associates and Joint Ventures.*

Intergroup transactions, balances and unrealised surpluses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are in line with the Company. Similar transactions within the Group are accounted for in the same manner.

The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements shall have the same reporting date. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so. If it is impracticable to do so, the parent shall consolidate the financial information of the subsidiary using the most recent financial statements of the subsidiary adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements. In any case, the difference between the date of the subsidiary's financial statements and that of the consolidated financial statements shall be no more than three months, and the length of the reporting periods and any difference between the dates of the financial statements shall be the same from period to period.

Company financial statements

Investments in subsidiaries are initially recognised at cost.

Investments in subsidiaries are subsequently measured at cost less any accumulated impairment.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between the share acquired of the carrying value of net assets of the subsidiary and the purchase consideration is recorded in retained earnings within equity.

Gains or losses on disposals of ownership interests to non-controlling interests are also recorded in retained earnings within equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

12. *Investment in subsidiaries (continued)*

Interests in consolidated controlled entities

The Group has effective control of the Overberg Agri Development Trust, Woza Phambili Enterprises (Pty) Ltd, W Create (Pty) Ltd, Acorn Manco (Pty) Ltd, Acorn Manco 2 (Pty) Ltd, Umti Umkhulu Industrial Fund, AEE Fund and Overberg Agri Finance (RF) (Pty) Ltd. The assets, liabilities and results of these entities are consolidated with those of the Group.

Accounting for different reporting periods within the Group

The financial year-end date of ACG Fruit (Pty) Ltd is 30 November. The reason for the year-end date being different to the rest of the Group, is that ACG Fruit's harvest season is in February/March and it is therefore not practical to move their year-end to February. The financial statements of ACG Fruit (Pty) Ltd for the year ended 30 November is used for consolidation purposes, and appropriate adjustments are made for the effects of significant transactions between that date and 28 February.

Significant transactions include all related party balances and transactions, as well as material movements in the Statement of Financial Position and Statement of profit or loss of ACG Fruit (Pty) Ltd.

	% holding 2022	% holding 2021	**Carrying amount shares 2022 R'000**	Carrying amount shares 2021 R'000
Name of entity				
Investments held directly by the company				
AAF Invest (Pty) Ltd	**100%**	100%	**1 439 900**	1 439 900
Investments held indirectly by the company				
AAF Services (Pty) Ltd	**100%**	100%	–	–
ACG Fruit (Pty) Ltd	**100%**	100%	–	–
Boltfast (Pty) Ltd	**74%**	74%	–	–
Bontebok Limeworks (Pty) Ltd	**74%**	74%	–	–
Grassroots Group Holdings (Pty) Ltd	**65%**	65%	–	–
Montagu Dried Fruit and Nuts (Pty) Ltd	**100%**	100%	–	–
Moov Fuel (Pty) Ltd	**69%**	73%	–	–
Moov Holdings (Pty) Ltd	**82%**	82%	–	–
Overberg Agri Bedrywe (Pty) Ltd	**100%**	100%	–	–
Overberg Agri Management Services (Pty) Ltd	**100%**	100%	–	–
Overberg Dreams (Pty) Ltd	**50%**	50%	–	–
Overberg Meat (Pty) Ltd	**100%**	100%	–	–
Overberg Wealth and Risk Management (Pty) Ltd	**70%**	70%	–	–
The Health Food Group (Pty) Ltd	**100%**	100%	–	–
Kyron Holdings (Pty) Ltd*	**100%**	0%	–	–
Analysis of non-current assets and current assets:				
Non-current assets				
Investments in subsidiaries			**1 439 900**	1 439 900
Current assets				
Loans to subsidiaries			**882 824**	923 025
– AAF Invest (Pty) Ltd			**851 210**	891 411
– AAF Services (Pty) Ltd			**31 614**	31 614
			2 322 724	2 362 925

* *The shares in Kyron Holdings Proprietary Limited has been ceded to Rand Merchant Bank, a division of FirstRand Bank Limited. Refer to note 7.3.3 and note 7.3.5.*

These loans are unsecured, interest-free and have no terms of repayment. The carrying value represents the fair value of the loans.

13. *Investment in associates and joint ventures*

Group financial statements

The Group's associate and joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss.

When the Group's share of losses in the joint venture equals or exceeds its interests in joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Company financial statements

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

Investments in associates and joint ventures are subsequently measured at cost less any accumulated impairment.

Classification of joint venture: Berekisanang Empowerment Farm (Pty) Ltd

Management applied significant judgement in classifying Berekisanang Empowerment Farm (Pty) Ltd as a joint venture in accordance with IFRS 11. ACG Fruit (Pty) Ltd has a 86% (2021: 39.1%) interest in the entity, but the shareholding is not indicative of the voting rights within the entity. The minority shareholder, and also the financier to a large extent, has certain critical rights per shareholder agreement that indicates this entity to be accounted for as a joint venture.

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	**2022 R'000**	2021 R'000
Lesotho Milling Company (Pty) Ltd (33.99%)	**62 772**	76 642	**–**	–
Overberg Dreams (Pty) Ltd (50%)**	**204**	62	**–**	–
Skudu (Pty) Ltd (30%)***	**4 776**	5 179	**–**	–
Overberg Speciality Foods (Pty) Ltd (50%)****	**2 893**	–	**–**	–
Berekisanang Empowerment Farm (Pty) Ltd (86%)	**–**	–	**–**	–
Total	**70 645**	81 883	**–**	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

** *Acquired during the prior year through the Group's intermediary holding company, Overberg Wealth and Risk Management (Pty) Ltd.*

*** *Acquired during the prior year through the Group's intermediary holding company, AgVentures (Pty) Ltd.*

**** *Acquired during the current year through the Group's subsidiary company, Overberg Meat (Pty) Ltd.*

13. *Investment in associates and joint ventures (continued)*

	GROUP	
	2022 R'000	2021 Restated* R'000
Reconciliation of investments in associates and joint ventures:		
Opening balance	**81 883**	68 744
Acquisition of investment in associate – Skudu (Pty) Ltd	**–**	5 260
Acquisition of investment in associate – Overberg Speciality Foods (Pty) Ltd	**3 322**	–
Dividends received from associates	**(17 094)**	–
Share of losses in associate – Skudu (Pty) Ltd	**(984)**	(81)
Share of profit in associate – Overberg Dreams (Pty) Ltd	**141**	62
Share of profit in associate – Lesotho Milling Company (Pty) Ltd	**3 806**	7 898
Share of losses in associate – Overberg Speciality Foods (Pty) Ltd	**(429)**	–
Share of profit in joint venture – Berekisanang Empowerment Farm (Pty) Ltd	**–**	10 094
Impairment of investment in associate – Berekisanang Empowerment Farm (Pty) Ltd	**–**	(10 094)
Closing balance	**70 645**	81 883

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

The Group's share of the results of its associates and joint ventures, which are unlisted, and the Group's share of their aggregated assets and liabilities, are as follows:

	Berekisanang Empowerment Farm (Pty) Ltd (86%)	**Lesotho Milling Company (Pty) Ltd (33.99%)**	**Overberg Dreams (Pty) Ltd (50%)**	**Skudu (Pty) Ltd (30%)**	**Overberg Speciality Foods (Pty) Ltd (50%)**
28 February 2022					
Financial year-end	**31 November**	**30 September**	**28 February**	**28 February**	**28 February**
Assets	**468 300**	**160 496**	**1 034**	**10 477**	**7 220**
Liabilities	**(507 726)**	**(32 653)**	**(920)**	**(1 103)**	**(1 065)**
Revenues	**118 836**	**251 117**	**3 447**	**364**	**9 468**
Profit/(Loss)	**(29 796)**	**19 878**	**283**	**(3 279)**	**(838)**
28 February 2021					
Assets	460 886	149 142	521	11 931	
Liabilities	(470 516)	(7 321)	(691)	(94)	
Revenues	209 113	112 876	774	787	
Profit	43 015	24 132	123	(737)	

Guarantees

The Group guarantees some of the external borrowings relating to Berekisanang Empowerment Farm Proprietary Limited. Refer to note 18.

Unrecognised share of losses of associate

The Group has recognised its share of the profits and losses of Berekisanang Empowerment Farm Proprietary Limited. The investment was impaired in the previous financial period as the joint venture is in a net liability financial position. The total unrecognised losses for the current period amount to R26 million (2021: R Nil). The accumulated unrecognised losses to date amount to R26 million (2021: R Nil).

14. *Related parties*

Subsidiaries, associates and related trusts

During the year under review, the Company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with related parties. For a list of the Group's subsidiaries, associates, joint ventures and related trusts, refer to notes 12 and 13, respectively.

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Related party balances				
Loans (from)/to related parties				
AAF Invest (Pty) Ltd	–	–	**851 210**	891 411
AAF Services (Pty) Ltd	–	–	**31 614**	31 614
Berekisanang Empowerment Farm (Pty) Ltd (note 7.3.4)	**99 157**	93 140	–	–
Minority shareholders of the subsidiary companies	**7 074**	6 978	–	–
Shareholders	**(373 919)**	(276 059)	–	–
Shareholders (also directors of the company)	**(10 303)**	(6 498)	–	–
	(277 991)	(182 439)	**882 824**	923 025
Investment in subsidiaries				
AAF Invest (Pty) Ltd	–	–	**1 439 900**	1 439 900
	–	–	**1 439 900**	1 439 900
Balances due from sales/purchases of goods and/or services				
Berekisanang Empowerment Farm (Pty) Ltd – payable	**(2 345)**	(1 583)	–	–
Berekisanang Empowerment Farm (Pty) Ltd – receivable	**1 454**	434	–	–
Directors – receivable	**3 611**	4 129	–	–
Related party transactions				
Sale of goods and services				
Directors	**12 772**	10 619	–	–
Commission received				
Berekisanang Empowerment Farm (Pty) Ltd – payable	**10 973**	11 829	–	–
Key personnel remuneration				
Short term employee benefits	**3 827**	3 799	–	–
Dividends received from subsidiaries				
Intergroup dividends received on shareholding	–	–	**13 548**	13 548
Interest paid				
Shareholders	**17 344**	11 138	–	–
Interest received				
Berekisanang Empowerment Farm (Pty) Ltd	**7 145**	7 084	–	–
Administration fees received				
Berekisanang Empowerment Farm (Pty) Ltd	**1 497**	1 432	–	–

Directors

Remuneration

Details relating to executive and non-executive directors' remuneration are disclosed in note 21.

Associates and joint ventures

Details regarding the Group's associates and joint ventures are set out in note 13. Transactions with the associate is entered into at the prevailing market rates.

Treasury shares

Refer to Note 8.2.

15. Discontinued operations

The Group has classified the following as discontinued operations for the period:

- Rodash 114 (Pty) Ltd, a subsidiary of ACG Fruit (Pty) Ltd, has been sold during the period under review. The assets has been presented as non-current assets held for sale for the prior period.

Financial information relating to the asset held for sale for the period to the date of disposal is set out below:

	GROUP	
	2022 R'000	2021 R'000
Assets and liabilities		
Assets		
Property, plant and equipment	–	51 025
Biological assets	–	62 927
Assets of disposal group	–	113 952

16. Business Combinations

The cost of acquisition is measured at the fair value of the acquired assets, equity instruments that are issued or liabilities which are acquired at the date of acquisition, plus cost that can be directly attributed to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities acquired in the business combination is initially valued at fair value on acquisition date, irrespective of the extent of minority interests.

The surplus that can result, if the cost of acquisition is more than the fair value of the net assets of the business acquired, is accounted for as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the acquired business, the difference is accounted for in the income statement.

Non-controlling interest is measured at the non-controlling interests proportionate share of the acquiree's identifiable net assets.

The Group acquired the following businesses during the year:

- The Group acquired assets and liabilities of Meat Matrix (Pty) Ltd, though an intermediary wholly owned subsidiary, Ambalagi Citrus (Pty) Ltd (renamed to Matrix Software (Pty) Ltd) effective 1 June 2021. The consideration was settled in cash and 40% share issue to non-controlling shareholders in Matrix Software (Pty) Ltd. Matrix Software (Pty) Ltd offers a complete software solution for the Meat, Food and Beverage Industry.
- The Group acquired 100% interest in four target companies (Ascendis Animal Health (Pty) Ltd, Ascendis Vet (Pty) Ltd, Kyron Laboratories (Pty) Ltd and Kyron Prescriptions (Pty) Ltd) collectively referred to as the Animal Health businesses (renamed to the Kyron Group) effective 1 December 2021. The consideration was settled in cash, financed partly from own reserves and external borrowings. The Group manufactures and markets a wide range of products in the animal health field.
- The Group acquired a 51% interest, through its subsidiaries Moov Fuel (Pty) Ltd, in Bachmus Oil and Fuel Supplies (Pty) Ltd (a company incorporated in the Republic of Namibia) effective 1 January 2022. The consideration was settled with own cash. The company sells bunker fuel, automotive diesel, marine oil and automotive lubricants.
- The net assets of Eden FreshStop was acquired by the company effectively on 1 March 2021. The company purchased the operations and all the assets and liabilities and thereby obtained control over Eden FreshStop.

16. *Business Combinations (continued)*

Goodwill arose on these business acquisition in respect of, inter alia, the high profitability of the acquired businesses and synergies expected to arise after the Group's acquisition.

Goodwill is not deductible for tax purposes.

Aggregate business combination:

	Matrix Software (Pty) Ltd 2022 R'000	Kyron Group 2022 R'000	Bachmus Oil and Fuel Supplies (Pty) Ltd 2022 R'000	Eden Freshstop 2022 R'000	Group 2022 R'000
Assets and Liabilities acquired					
Property, plant and equipment	865	4 910	7 877	1 128	14 780
Right of use assets	–	17 540	–	–	17 540
Intangible assets	54 219	401 097	30 238	–	485 554
Derivative financial assets	–	733	–	–	733
Inventory	1 729	130 858	16 927	–	149 514
Trade and other receivables	–	76 210	103 334	–	179 544
Cash and cash equivalents	4 771	19 261	49 893	–	73 925
Other assets	–	35	–	–	35
Current income tax receivable	–	–	9 174	–	9 174
Deferred tax	(15 181)	(103 783)	(10 119)	–	(129 083)
Lease liabilities	–	(19 813)	–	–	(19 813)
Current tax payable	–	(25 992)	–	–	(25 992)
Trade and other payables	–	(74 550)	(162 679)	–	(237 229)
Sub-Total	46 403	426 506	44 646	1 128	518 683
Non-controlling interest	–	–	(21 877)	–	(21 877)
Goodwill	33 597	311 965	5 281	172	351 015
	80 000	738 471	28 050	1 300	847 821
Consideration paid					
Cash	(48 000)	(388 471)	(28 050)	(1 300)	(465 821)
Borrowings obtained to fund purchase	–	(350 000)	–	–	(350 000)
Share issue to non-controlling shareholders	(32 000)	–	–	–	(32 000)
	(80 000)	(738 471)	(28 050)	(1 300)	(847 821)
Net cash outflow on acquisition					
Cash consideration paid	(48 000)	(738 471)	(28 050)	(1 300)	(815 821)
Cash acquired	4 771	19 261	49 893	–	73 925
	(43 229)	(719 210)	21 843	(1 300)	(741 896)

Unrecognised items

17. Commitments

	GROUP		COMPANY	
	2022 R'000	2021 Restated* R'000	2022 R'000	2021 R'000
Authorised capital expenditure				
Contracted at year-end, but not provided for				
Property, plant and equipment	7 565	1 145	–	–
Not yet contracted for				
Property, plant and equipment	150 670	132 568	–	–
Total authorised capital expenditure	158 235	133 713	–	–

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

Authorised capital expenditure is to be funded from surplus cash and bank financing.

18. Contingencies

Guarantees

The Group's associate, Berekisanang Empowerment Farm (Pty) Ltd, entered into financing agreements with the IDC. As part of the security provided in relation to the financing agreements, ACG Fruit (Pty) Ltd and its subsidiary Galactic Deals 160 (Pty) Ltd, guaranteed 39.1% of the majority debt owed by Berekisanang Empowerment Farm (Pty) Ltd. The group has considered the loss given default and probability of default, in conjunction with the current provision against the loan receivable, and considered the fair value of the guarantee to be zero.

19. Going concern

The Group continues to expect a constrained retail environment and volatile primary agricultural market conditions going forward as a result of the longer term impact of COVID-19 on the South African economy. The Group's effectiveness and importance of its diversified business model has proven successful in navigating the economic climate over the last three years and our position in the agricultural sector continues to be increasingly relevant in addressing our customers' needs and supporting the industry as a whole.

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

20. Events after the reporting period

The board is not aware of any significant events after the reporting date that will have a material effect on the Group's results or financial position as presented in these financial statements.

21. *Directors' and prescribed officers' emoluments*

Directors' and prescribed officers' basic salary and allowances

	Guaranteed package R'000	Performance incentive* R'000	Other allowances R'000	Total R'000
Executive directors				
2022				
LE Coetzer	2 595	577	112	3 284
AL Geertsema	1 800	–	169	1 969
P Malan	1 764	147	–	1 911
AC Neethling	2 016	246	–	2 262
AJ Uys	3 526	1 019	126	4 671
	11 701	1 989	407	14 097
2021				
LE Coetzer	2 543	–	134	2 677
AL Geertsema (appointed 01/01/2021)	300	–	–	300
P Malan	1 359	–	–	1 359
AC Neethling	1 830	220	–	2 050
AJ Uys	3 462	–	119	3 581
	9 494	220	253	9 967

	Fees for services R'000	Total R'000
Non-executive directors		
2022		
DG de Kock	496	496
CD Flemming	266	266
RE Goff	236	236
CA Smith	271	271
DCH Uys	272	272
MR van Breda	353	353
AJ van der Merwe (appointed 03/01/2022)	36	36
JHP van der Merwe	215	215
YJ Visser	491	491
	2 636	2 636
2021		
DG de Kock	415	415
CD Flemming	210	210
RE Goff	202	202
JB McGrath (stepped down 17/07/2020)	24	24
CA Smith	263	263
DCH Uys	258	258
MR van Breda	328	328
JHP van der Merwe	154	154
YJ Visser	451	451
	2 305	2 305

As communicated during the prior financial year, all directors (non-executive and executive) as well as Acorn Private Equity (Pty) Ltd forgave 25% of their cash remuneration from August 2020 for a period of 12 months.

* *Performance incentive is based on the financial results of the previous financial year*

Directors' shareholding

Please refer to the directors' report for further disclosure regarding the directors respective shareholding in the Company.

Other

22. Fair value estimation

Items measured at fair value on the statement of financial position are classified according to a fair value hierarchy. The fair value hierarchy is identified in levels as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value:

	GROUP			
	Level 1	**Level 2**	**Level 3**	**Total balance**
At 28 February 2022				
Assets				
At fair value through other comprehensive income				
Equity securities	–	–	–	–
At fair value through profit or loss				
Fruitspec	–	–	**25 019**	**25 019**
ABAX Investments	**40 585**	–	–	**40 585**
Investments in allied and secondary processing companies	–	–	**2 828**	**2 828**
Biological assets	–	**4 339**	–	**4 339**
Biological consumables	–	–	**168 614**	**168 614**
Total assets	**40 585**	**4 339**	**196 461**	**241 385**
At 28 February 2021*				
Assets				
At fair value through other comprehensive income				
Equity securities	3 108	–	–	3 108
At fair value through profit or loss				
Fruitspec	–	–	29 240	29 240
Investments in allied and secondary processing companies	–	–	2 900	2 900
Biological assets	–	4 217	–	4 217
Biological consumables	–	–	156 480	156 480
Total assets	3 108	4 217	188 620	195 945

* *Prior year comparatives have been restated for the effect of the reclassification of ACG Fruit and Boltfast from discontinuing operations to continuing operations. Refer to Note 23.*

23. Restatement of prior year comparatives

23.1 ACG Fruit and Boltfast restated as continuing operations

During the year the Group entered into a sale and purchase agreement with African Rainbow Capital for the purposes of the creation of a B-BBEE vehicle to capitalise on investments in the agricultural and food sectors ("the proposed transaction") communicated to shareholders by circular on or about 5 July 2021. This proposed transaction would have seen ACG Fruit (Pty) Ltd being realised as an asset held for sale. The Company received notices in terms of section 164(3) of the Companies Act, 71 of 2008 from dissenting shareholders prior to the date specified in the circular. The number of section 164(3)-notices (2.69%) was above the threshold set by the board, resulting in the Company terminating the proposed transaction as communicated to shareholders on 25 August 2021. Prior year comparative figures were restated from a discontinued operation to a continued operation to account for ACG Fruit (Pty) Ltd.

ACG Fruit (Pty) Ltd has reported a loss of R37 million for the period under review (prior year: profit of R59 million) in very challenging market conditions with a strong rand, significant rainfall experienced during our harvest in the Northern Cape and significant decreases in prices being obtained in the citrus market. The Group has made substantial progress to restructure (including restructuring of the head office) and consolidate the business while improving its strategic alignment, performance and profitability. During the year ACG Fruit (Pty) Ltd sold underperforming farms and the Group utilised the cash proceeds for investment activity such as the acquisition of Kyron.

The Group further reclassified Boltfast (Pty) Ltd as a continued operation as the board does not believe the current market prospects support a highly probable sale of this company at a reasonable and acceptable price within the next twelve months as required by IFRS.

While the disposal of ACG Fruit (Pty) Ltd and Boltfast (Pty) Ltd would have enabled the Group to streamline its portfolio of businesses, the Group is still committed to value creation for the Group shareholders.

23. Restatement of prior year comparatives (continued)

23.1 ACG Fruit and Boltfast restated as continuing operations (continued)

Consolidated income statement

	Previously reported Year ended 28 February 2021 R'000	Reclassification of discontinued to continuing 28 February 2021 R'000	Amortisation on intangible assets 28 February 2021 R'000	**Restated Year ended 28 February 2021 R'000**
Revenue	7 454 663	575 656	–	**8 030 319**
Fair value adjustment – biological asset: consumable	–	(39 292)		**(39 292)**
Cost of Sales	(6 634 440)	(374 456)	–	**(7 008 896)**
Gross profit	820 223	161 908	–	**982 131**
Interest revenue	104 830	2 252	–	**107 082**
Other income	25 455	58 960	–	**84 415**
Sales and marketing costs	(20 710)	(124)	–	**(20 834)**
Administration costs	(165 769)	(16 411)	–	**(182 180)**
Operating expenses	(536 054)	(148 801)	(7 227)	**(692 082)**
Operating profit before capital items	227 975	57 784	(7 227)	**278 532**
Capital items	(7 296)	46 067	–	**38 771**
Operating profit	220 679	103 851	(7 227)	**317 303**
Finance income	22 564	425	–	**22 989**
Finance costs	(119 461)	(12 539)	–	**(132 000)**
Share of net profit from associate	7 879	–	–	**7 879**
Profit before taxation	131 661	91 737	(7 227)	**216 171**
Income tax expense	(12 786)	(27 091)	2 024	**(37 853)**
Profit from continuing operations	118 875	64 646	(5 203)	**178 318**
Profit/(Loss) from discontinued operations	64 645	(64 646)	–	**–**
Profit/(loss) for the year	183 520	–	(5 203)	**178 318**
Profit attributable to:				
Owners of the parent	160 499	–	(5 203)	**155 297**
Non-controlling interests	23 021	–	–	**23 021**
	183 520	–	(5 203)	**178 318**
Profit attributable to owners of the parent:				
Continuing operations	99 446	61 053	(5 203)	**155 297**
Discontinuing operations	61 053	(61 053)	–	**–**
	160 499	–	(5 203)	**155 297**
Profit attributable to non-controlling interests:				
Continuing operations	19 429	3 592	–	**23 021**
Discontinuing operations	3 592	(3 592)	–	**–**
	23 021	–	–	**23 021**

23. *Restatement of prior year comparatives (continued)*

23.1 ACG Fruit and Boltfast restated as continuing operations (continued)

Earnings per share

	Previously reported Year ended 28 February 2021	Reclassification of discontinued to continuing 28 February 2021	Amortisation on intangible assets 28 February 2021	**Restated Year ended 28 February 2021**
Continuing operations:				
Profit attributable to ordinary shareholders (rand) (R'000)	99 446	61 053	(5 203)	**155 297**
Earnings per ordinary share (cents)	75.6	46.4	(4.0)	**118.0**
Discontinuing operations:				
Profit attributable to ordinary shareholders (rand) (R'000)	61 053	(61 053)	–	–
Earnings per ordinary share (cents)	46.4	(46.4)	–	–
Total continuing and discontinuing operations:				
Profit attributable to ordinary shareholders (rand) (R'000)	160 499	–	(5 203)	**155 297**
Earnings per ordinary share (cents)	121.9	–	(4.0)	**118.0**

Consolidated statement of financial position

	Previously reported Year ended 28 February 2021 R'000	Reclassification of discontinued to continuing 28 February 2021 R'000	Amortisation on intangible assets 28 February 2021 R'000	**Restated Year ended 28 February 2021 R'000**
Assets				
Non-current assets				
Property, plant and equipment	981 443	292 081	–	**1 273 524**
Investment property	276 140	–	–	**276 140**
Intangible assets	211 720	101 723	(7 227)	**306 216**
Biological assets	4 217	223 215	–	**227 432**
Deferred tax asset	30 708	116 922	–	**147 630**
Trade and other receivables	187 327	5 718	–	**193 045**
Loans to related parties	732	68 257	–	**68 989**
Other financial assets	32 349	2 899	–	**35 248**
Investments in subsidiaries	–	–	–	**–**
Investment in associates and joint ventures	81 883	–	–	**81 883**
Total non-current assets	1 806 519	810 815	(7 227)	**2 610 107**
Current assets				
Inventories	462 009	64 368	–	**526 377**
Biological assets	–	156 480	–	**156 480**
Trade and other receivables	1 184 181	169 471	–	**1 353 652**
Loans to customers	76 553	–	–	**76 553**
Cash and cash equivalents	450 910	3 393	–	**454 303**
Loans to related parties	792	30 337	–	**31 129**
Loans to group companies	–	–	–	**–**
Current tax receivable	52 924	–	–	**52 924**
Total current assets	2 227 369	424 049	–	**2 651 418**
Assets classified as held for sale	1 364 049	(1 250 097)	–	**113 952**
Total assets	5 397 937	(15 233)	(7 227)	**5 375 477**

23. Restatement of prior year comparatives (continued)

23.1 ACG Fruit and Boltfast restated as continuing operations (continued)

Consolidated statement of financial position (continued)

	Previously reported Year ended 28 February 2021 R'000	Reclassification of discontinued to continuing 28 February 2021 R'000	Amortisation on intangible assets 28 February 2021 R'000	**Restated Year ended 28 February 2021 R'000**
Equity and liabilities				
Equity				
Stated capital	1 720 671	–	–	**1 720 671**
Treasury shares	(286 156)	–	–	**(286 156)**
Net issued stated capital	1 434 515	–	–	**1 434 515**
Other reserves	(101 740)	–	–	**(101 740)**
Retained earnings	1 605 686	–	(5 202)	**1 600 484**
Attributable to equity holders of the parent	2 938 461	–	(5 202)	**2 933 259**
Non-controlling interests	276 871	–	–	**276 871**
Total equity	3 215 332	–	(5 202)	**3 210 130**
Liabilities				
Non-current liabilities				
Borrowings	249 719	43 741	–	**293 460**
Lease liabilities	81 634	63 887	–	**145 521**
Post-retirement medical liability	13 987	–	–	**13 987**
Trade and other payables	5 798	–	–	**5 798**
Deferred tax	105 400	31 730	(2 024)	**135 106**
Provisions	1 857	–	–	**1 857**
Total non-current liabilities	458 395	139 358	(2 024)	**595 729**
Current liabilities				
Borrowings	931 933	6 605	–	**938 538**
Lease liabilities	20 456	27 632	–	**48 088**
Post-retirement medical liability	1 858	–	–	**1 858**
Current tax payable	–	–	–	**–**
Trade and other payables	504 205	56 367	–	**560 572**
Bank overdraft	17 557	3 005	–	**20 562**
Total current liabilities	1 476 009	93 609	–	**1 569 618**
Liabilities of disposal group	248 201	(248 201)	–	**–**
Total liabilities	2 182 605	(15 234)	(2 024)	**2 165 347**
Total equity and liabilities	5 397 937	(15 234)	(7 226)	**5 375 477**

24. New and amended standards

New standards and interpretations

Standards, interpretations and amendments to published standards effective in 2022

- IFRS 16, *Leases* COVID-19-Related Rent Concessions Amendment (effective from 1 June 2020). The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.
- Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases* – interest rate benchmark (IBOR) reform (Phase 2) (effective for annual periods beginning on or after 1 June 2020). The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.

The aggregate impact of the initial application of the new effective standards and interpretations on the Group's annual financial statements is immaterial.

Standards, interpretations and amendments to published standards not yet effective

The following standards, interpretations and amendments to published standards are compulsory for and applicable to the Group's future accounting periods beginning on or after 1 March 2022:

- Amendment to IAS 1, *Presentation of Financial Statements on Classification of Liabilities as Current or Non-current* (effective from 1 January 2022). The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).
- Amendments to IFRS 3, *Business combinations* (effective from 1 January 2022). The board has updated IFRS 3, *Business combinations*, to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, *Provisions, Contingent Liabilities and Contingent Asset*s, or IFRIC 21, *Levies*, rather that the 2018 Conceptual Framework. The board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.
- Amendments to IAS 16, *Property, Plant and Equipment*, on Proceeds before Intended Use (effective from 1 January 2022). The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
- Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets on Onerous Contracts – Cost of Fulfilling a Contract* (effective from 1 January 2022). The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of "costs to fulfil a contract". Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
- Annual improvements to IFRS's – 2018-20 cycle (effective on or after 1 January 2022). These amendments include minor changes to: 1) IFRS 1, *First Time Adoption of IFRS*, has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. 2) IFRS 9, *Financial Instruments*, has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. 3) IFRS 16, *Leases*, amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. 4) IAS 41, *Agriculture*, has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.
- Amendments to IAS 12, *Income Taxes* (effective on or after 1 January 2023). The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- Narrow scope amendments to IAS 1 *Presentation of Financial Statements*, Practice statement 2 and IAS 8, Accounting Policies, *Changes in Accounting Estimates and errors* (effective 1 January 2023). Earlier application is permitted. (Published February 2021.) The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting, policies from changes in accounting estimates.

Management do not anticipate that any of these changes would have a material impact on the financial statements of the Group, however management will consider the full impact of these standards published but not yet effective up until the date of adoption.

Shareholders Information

Shareholder distribution

Public shareholders	85.13%
Non-public shareholders	14.87%
Non-executive directors	1.66%
Executive directors and employees*	10.73%
Shares held by subsidiaries**	2.48%

**   Including shares held via Acorn Manco (Pty) Ltd and Acorn Manco 2 (Pty) Ltd.*
*** AAF Invest (Pty) Ltd and Overberg Agri Bedrywe (Pty) Ltd*

Major beneficial shareholders

The following beneficial shareholders and fund managers owned 5% or more of the issued ordinary shares of 28 February 2022:

Agulhas Nominees (Pty) Ltd	15.91%
UBI General Partner (in its capacity as the General Partner of the ARC Fund)	10.24%
Emfam Beleggings (Pty) Ltd	6.91%

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