Barloworld

Annual financial statements

For the 12 months ended
30 September 2023

Well-positioned to deliver stakeholder value by consistently executing on our strategy

About Barloworld

Barloworld is positioned as an industrial processing, distribution and services company with two primary areas of focus: Industrial Equipment and Services and Consumer Industries (food and ingredient solutions). Our provision of Industrial Equipment and related services, offers earthmoving equipment, industrial services and power systems, which enable the operation and maintenance of a large array of mining, construction and power solutions for our customers, with whom we have built enduring relationships based on mutual trust. Through our Consumer Industries business, Ingrain, we provide large enterprises with the ingredients essential to the manufacturing of a range of products including food and beverages, paper, pharmaceuticals, building materials and adhesives, among others.

Contents

Directors' responsibility and approval

The directors of Barloworld Limited (the company) have the pleasure of presenting the consolidated (Barloworld Limited and its subsidiaries are also referred to as the group) and company annual financial statements for the year ended 30 September 2023.

In terms of the South African Companies Act, 71 of 2008 (as amended), the directors are required to prepare the consolidated and company financial statements that fairly present the state of affairs and business of the group and company at the end of the financial year, and of the profit or loss for that year. To achieve the highest standards of financial reporting, these financial statements have been prepared to comply with International Financial Reporting Standards (IFRS) and interpretations of IFRS standards, as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listing Requirements.

The reports by the chairman, the Group Chief Executive Officer, the Finance Director and the detailed operational reports discuss the results of operations for the year and those matters, which are material for an appreciation of the state of affairs and business of the company and of the Barloworld Group. These are contained in the integrated report.

On the recommendation by the audit committee, the directors considered and are satisfied that the internal controls, systems and procedures in operation provide reasonable assurance that all assets of the group and company are safeguarded, that transactions are properly executed and recorded, and that the possibility of material loss or misstatement is minimised. The directors have reviewed the appropriateness of the accounting policies and concluded that estimates and judgements are prudent. They are of the opinion that the financial statements fairly present in all material respects the state of affairs and business of the group and company at 30 September 2023 and of the profit for the year to that date. The external auditors, who have unrestricted access to all records and information, as well as to the audit committee, expressed an unqualified audit opinion on the group and company and the report appears on page 5.

In addition, the directors have also reviewed the cash flow forecast for the year to 30 September 2024 and believe that the Barloworld Group entities and the company have adequate resources to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The financial statements were approved by the board of directors and were signed on its behalf by:

Dr NN Gwagwa

DM Sewela

NV Lila

Sandton
20 November 2023

Preparer of financial statements

for the year ended 30 September 2023

These financial statements have been prepared by GE Hanekom Group Financial Manager, CA(SA) under the supervision of P Ndlovu, Executive Group Finance, CA(SA).

NV Lila
Group Finance Director
20 November 2023

Certificate by secretary

To the shareholders of Barloworld Limited

In my capacity as the Company Secretary, I certify that to the best of my knowledge and belief, Barloworld Limited has lodged with the Companies and Intellectual Property Commission all the returns and notices required of a public company in terms of the Companies Act, 71 of 2008 (as amended).

Further, I certify that such returns and notices are accurate, correct and up to date.

NE Rapoo
Group Company Secretary
20 November 2023

Group Chief Executive Officer and Group Finance Director's responsibility statement

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

(a) the annual financial statements set out on pages 15 to 137, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
(f) We are not aware of any fraud involving directors.

DM Sewela
Group Chief Executive Officer

20 November 2023

NV Lila
Group Finance Director

20 November 2023

Independent auditor's report

To the shareholders of Barloworld Limited

Report on the Audit of the Consolidated and Separate Annual Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Barloworld Limited and its subsidiaries ('the group') and company set out on pages 15 to 137 which comprise of the consolidated and separate statements of financial position as at 30 September 2023, and the consolidated and separate income statements, the consolidated statements of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 September 2023, and its consolidated and separate financial performance and 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the group and company 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 of the group and company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Independent auditor's report continued

To the shareholders of Barloworld Limited

The Key audit matter which applied to the audit of the consolidated financial statements is:

Key audit matter	How this matter was addressed in our audit
Impairment assessment of Goodwill in the Salvage Management and Disposal ("SMD") component	

As at 30 September 2023, the group has R2,1 billion worth of goodwill of which R93 million relates to SMD. This Goodwill arose on the acquisition of the SMD group through acquiring a majority share (51,88%) in 2016 and the remaining share in 2018. As part of these acquisition transactions, the group recognised a Goodwill balance of R146 million.
 	
As required by IAS 36 Impairment of Assets, the Group tests goodwill for impairment on an annual basis. This includes testing the impairment of SMD's goodwill. An impairment loss of R53 million has been recognised in the current year.
 	
To determine the impairment loss for the year, management calculates the recoverable amount of each cash-generating unit (CGU) using a discounted cash flow (DCF) model.
	Our procedures included, amongst others, the following:
	• We performed a walkthrough to understand the Group's impairment analysis and calculation process (e.g., controls over the data and assumptions used), level of review on the outlook data in future years and how key inputs were derived.
	• We obtained management's impairment assessment of the SMD business at year end.
	• We assessed management's forecasted cash flows used in the model by:
	  ◦ Performing an assessment of the reasonability of management's historical forecasts when compared against historic actual performance.
	  ◦ Comparing actual results achieved after year end to the forecasted performance for the same period.
	  ◦ Assessing the reasonability of external inputs used by management to determine the revenue growth rates and forecasted costs against available market data and our specialists' assessments over comparable data.
	  ◦ Critically evaluating assumptions used to forecast revenue growth and assessing the appropriateness of these assumptions.

Key audit matter	How this matter was addressed in our audit
Impairment assessment of Goodwill in the Salvage Management and Disposal ("SMD") component	
In the current period, due to the change in macro-economic conditions in the industry that SMD operates in (primarily the entrance of new competitors), SMD noted a decline in market share, which in turn resulted in a decrease in the forecasted future cash flows of the business. The following were some of the key changes noted in the forecasted future cash flows of the business: • The component is expected to generate lower than previously forecasted revenues due to a decline in market share, increased competitor activity resulting in an overall decline in expected future cash flows in the coming periods. • This change in environment also resulted in lower margins being realised in the current year which further contributes to declining forecasted cash flows. • Whilst management looks to implement cost cutting measures, this may not fully offset the loss in cash flows from the decline in market share. The fair value of the Goodwill will be dependent on the outlook of how the business is likely to perform. Due to the changing market conditions, the risk of intangible asset impairment is heightened in periods when profitability of the business is under pressure.	◦ Assessing forecast working capital movements against historic performance. We further assessed the impact of potential changes to contractual payment terms that may occur. ◦ We performed scenario analyses by considering the impact on the recoverable amount for changes in the inputs in the models to determine our own estimation of the recoverable amount which we evaluated against managements calculation of the recoverable amount. ◦ With the assistance of our corporate finance specialists, we critically evaluated the appropriateness of the model used by management to calculate the value in use. This included a review of the methodology used by management in the model and the appropriateness of this methodology in terms of recognised valuation techniques. ◦ We Performed sensitivity analyses by testing key assumptions in the model to recalculate a range of potential outcomes in relation to the size of the headroom between carrying value and recoverable amount.

Independent auditor's report continued

To the shareholders of Barloworld Limited

Key audit matter	How this matter was addressed in our audit
Impairment assessment of Goodwill in the Salvage Management and Disposal ("SMD") component	

Given the above, there is potentially significant uncertainty around the cash flows input into the discounted cash flow model by management as these are subject to a high degree of subjectivity based on a macroeconomic outlook.
 	
Management performed an impairment assessment for the year end and concluded that there was an impairment of R53 million of SMD Goodwill.
 	
We have assessed the work over the recoverable amount of SMD as a Key audit matter due to:
• Significant auditor and auditor's specialist effort was required in assessing the appropriateness of managements' impairment assessment of the SMD business and the carrying values of its Goodwill based on its financial position and outlook.
• Significant judgements and estimates over management's computations and modelling of the operational and cash-flow profile of the business.
• Complexity and uncertainty over the near/medium -term outlook of how the business will perform.
	• With the assistance of our corporate finance specialists, we assessed the WACC rate through:
	  ◦ Assessing the methodology used to compute the WACC.
	  ◦ Assessing the appropriateness of the risk-free rate used in the computation of WACC, including an assessment of the liquidity of the bonds used by management to determine the risk-free rate used in the computation of the WACC.
	  ◦ Assessing Beta, market risk premium, cost of debt, capital structure and tax rate used in the computation of the WACC.
	• We inspected and vouched the disclosures in the consolidated financial statements to the results of our assessments and audit procedures over the Group's recoverable amount calculations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Barloworld Limited consolidated and company annual financial statements for the year ended 30 September 2023", which includes the Directors report, the Audit Committee's Report and the Certificate by Secretary as required by the Companies Act of South Africa, the Directors' responsibility and approval, the Group Chief Executive Officer and Group Finance Director's responsibility statement, the Audit Committee's Report, Public and non-public shareholding of ordinary shares and the "Barloworld Limited Integrated Report", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements.

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

Independent auditor's report continued

To the shareholders of Barloworld Limited

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 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 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 and 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 and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report continued

To the shareholders of Barloworld Limited

- 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 and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
- From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that Ernst & Young Inc. and SizweNtsalubaGobodo Grant Thornton Inc. have been the auditors of Barloworld Limited for 4 years and 3 years respectively.

Ernst & Young Inc.

Ernst & Young Inc.
Director: **Sifiso Sithebe**
Registered Auditor
Chartered Accountant (SA)

20 November 2023

SizweNtsalubaGobodo Grant Thornton Inc

SizweNtsalubaGobodo Grant Thornton Inc.
Director: **Jacobeth Ramapela**
Registered Auditor
Chartered Accountant (SA)

20 November 2023

Audit committee report

for the year ended 30 September 2023

The audit committee carried out its statutory responsibilities in terms of section 94(7) of the Companies Act, with specific reference to audit quality, auditor independence, financial policies and reporting concerns, oversaw the effectiveness of the group's external and internal assurance functions and ensured the integrity of the group's financial and integrated reporting.

The audit committee conducted its work in accordance with its board-approved terms of reference (information on this is recorded in the Approach to Corporate Governance Report in our 2023 integrated report), which is reviewed and updated annually. Terms of reference are set up to ensure that the committee performs its duties in line with the provisions of King IV, the Companies Act, and the JSE Listings Requirements (the Listings Requirements) for the financial year ending 30 September 2023.

Membership

During the year under review, the audit committee consisted of:

- Hester Hickey (chairman)
- Nicola Chiaranda
- Nomavuso Mnxasana
- Vuyisa Nkonyeni
- Bashirat Odunewu
- Michael Lynch-Bell (resigned)

Six meetings were held in the financial year. Details of attendance are included in the integrated report available at www.barloworld.com.

Michael Lynch-Bell, a board member since April 2017, retired from the Barloworld board and audit committee at the company's annual general meeting in February 2023. Mr Vuyisa Nkonyeni and Ms Bashirat Odunewu joined the board and became audit committee members on 12 April 2023.

The audit committee members' appointment is subject to shareholders' approval at the company's annual general meeting on Friday, 16 February 2024. The profiles of the members, including their qualifications, can be viewed on the group website, www.barloworld.com.

The group's internal and external auditors have unrestricted access to the audit committee and regularly have confidential meetings with the committee without members of executive management being present. The board has satisfied itself that the internal audit function is appropriately independent. The committee has reviewed the performance, qualifications and expertise of the Chief Audit Executive (CAE), Mr Paresh Lalla, and is satisfied with the appropriateness of his expertise as defined by King IV. The committee has satisfied itself that the CAE reports functionally to the audit committee.

External audit

The audit committee

- Nominated and recommended to shareholders that Ernst & Young (EY) and SNG-Grant Thornton (SNG-GT) be appointed as joint independent external auditors for the company and its subsidiaries and the appointment of S Sithebe and C Mashishi as the designated audit partners for EY and SNG-GT, respectively, for the financial year ended 30 September 2023, in compliance with the Companies Act and the Listings Requirements of the JSE Limited.

  Mr C Mashishi resigned as audit partner of SNG-GT in July 2023, and Ms J Ramapela was appointed SNG-GT's designated audit partner in his place. Following the 2023 audit, EY and SNG-GT have been the external auditors of Barloworld in a shared arrangement for three years, with S Sithebe as the designated audit partner for four years and J Ramapela as the designated audit partner for one year.

Audit committee report continued

for the year ended 30 September 2023

- The audit committee has satisfied itself that S Sithebe and J Ramapela, as the designated individual auditors, are appropriate and that EY and SNG-GT are accredited to appear on the JSE list of accredited auditors, in compliance with section 22 of the JSE Listings Requirements.
- Received confirmation from the external auditors that EY and SNG-GT are independent of the group and company.
- Considered and confirmed the proposed external audit fees and approved the external audit engagement letter.
- Considered to its satisfaction the independence, objectivity and effectiveness of the external auditors and ensured that the scope of their additional (non-audit) services provided were, individually and in aggregate, in compliance with the group's policies in this regard. Refer to note 3 of the financial statements where fees paid to EY and SNG-GT are disclosed.

Accounting practices and key audit matters

The audit committee reviewed the group's accounting policies and annual financial statements for the year ended 30 September 2023 for compliance with the provisions of the Companies Act, IFRS and the JSE Listings Requirements.

The Audit Committee has considered the key audit matter being the impairment of the goodwill in SMD during the financial year ended 30 September 2023:

- The reasonableness of management's assumptions used in determining future cash flows;
- The terminal value and discount rates applied in management's value in use calculations and the sensitivity of these assumptions to reasonably possible changes;
- The adequacy of the disclosures made in note 11; and
- Considered the work and assurance of the external auditors.

The committee was satisfied that at 30 September 2023 the impairment was appropriate.

Internal audit

The committee has received and reviewed reports prepared by the internal audit team. Overall, for the current financial year, the committee:

- approved the Internal Audit Charter and the annual internal audit plan for the financial year 30 September 2023
- is satisfied that the Internal audit plan is risk-based and there is adequate coverage of all the divisions within the group
- approved all changes to the internal audit plan during the year and received comfort from internal audit that these changes do not impact the overall coverage and internal audit's ability to express a conclusion on the control environment
- reviewed the significant findings and report results presented by internal audit in all the committee meetings and the actions that management is taking to address these findings
- has satisfied itself that the internal audit team is independent and objective in its service delivery to the group
- has noted that the internal audit team has the appropriate skills and experience to perform the function for the group.

Internal control

The internal audit team reviewed the control environment in all divisions in the group, focusing on high-risk areas and management concerns. The overall control environment was found to be sound, and all areas requiring improvement have been reported to management. The internal audit team is satisfied that management has committed appropriate action plans to remediate these findings.

Based on the results of the formal documented review of the group's system of internal controls and risk management conducted by the internal audit function during the 2023 financial year, and having given due consideration to the results of the assurance activities of various assurance providers, including considering information and explanations provided by management and discussions with the external auditor on the results of the audit, nothing has come to the attention of the audit committee that caused it to believe that the group's system of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

The committee reviewed the process implemented concerning the annual responsibility statement by the Group Chief Executive Officer and Group Finance Director on internal financial controls, per the JSE Listings Requirement in section 3.84(k). It was satisfied with the effectiveness of this process.

Combined assurance

As previously approved, the group has implemented a combined assurance framework to ensure optimal coverage from various assurance providers from the three lines of assurance. The committee notes the ongoing coordination required from various assurance providers through the risk management processes.

Audit committee report continued

for the year ended 30 September 2023

Expertise and experience of the group finance director and the finance function

The audit committee:

- reviewed the performance and confirmed the suitability and expertise of the Group Finance Director, N Lila
- considered the appropriateness of the expertise, diversity and adequacy of the resources of the group's financial function and the effectiveness of the senior members of management responsible for the financial function.

Financial statements

The audit committee:

- considered accounting treatments, significant or unusual transactions and accounting judgements
- considered the appropriateness of accounting policies and any changes made to these policies
- met separately with management and external audit and internal audit
- made appropriate recommendations to the board of directors regarding the corrective actions to be taken because of the audit findings
- reviewed the process for reporting concerns and complaints relating to accounting practices, internal audit, the content of auditing the group's financial statements, internal controls, and related matters. The audit committee can confirm that there were no such concerns or complaints during the year under review
    - reviewed and recommended for adoption by the board such financial information that is publicly disclosed, which for the year included:
    - the interim results for the six months ended 31 March 2023
    - the audited annual results for the year ended 30 September 2023
- reviewed the going concern analysis prepared by management to support the board's going concern statement at reporting dates and the solvency and liquidity tests required by the Companies Act.

New accounting standards

The committee is satisfied that there were no changes in accounting standards that impacted the year under review and considered all new standards interpretations and amendments to standards in issue that still need to be adopted but are likely to affect the financial reporting in future years. The audit committee is satisfied that these are not expected to have a material impact on the financial statements of the group and company.

Financial statements and integrated reporting

The committee considered the Barloworld Limited consolidated and company financial statements for the year ended 30 September 2023. In conjunction with other board subcommittees, the audit committee also considered the non-financial information disclosed in the integrated report. It assessed its consistency with operational and other information known to committee members. The committee has also considered the external assurance provider's report and is satisfied that the information is reliable and consistent with the financial results. The financial statements have been prepared using appropriate accounting policies that conform to International Financial Reporting Standards (IFRS).

At the meeting on 14 November 2023, the audit committee recommended the financial statements for the year ended 30 September 2023 for approval to the board.

HH Hickey
Audit committee chairman
For and on behalf of the
Barloworld Limited audit committee

20 November 2023

Directors' report

for the year ended 30 September 2023

Nature of business

Barloworld Limited (Barloworld or the company) is positioned as an industrial processing, distribution and services company with two primary areas of focus: Industrial Equipment and Services and Consumer Industries (food and ingredient solutions). Barloworld has a primary listing on the main board of the JSE Limited. The group's corporate offices are in Johannesburg (with headquarters and treasury in Johannesburg, a treasury in Maidenhead (United Kingdom), a corporate office in Dubai and a captive insurance company in the Isle of Man).

Financial results

The following commentary reflects the results of continuing operations. Revenue of R45.0 billion (2022: R39.4 billion) was up 14.3% from the prior year. The group's operating profit from core trading activities was up 18.6% to R4.3 billion (2022: R3.7 billion). Headline earnings per share of 1 156 cents was 60 cents above the headline earnings per share of 1 096 cents in the prior year. Group's net cash outflow before financing activities was R0.4 billion compared to the outflow of R1.4 billion for the previous year.

Share capital

The authorised share capital as at 30 September 2023 is 400 000 000 ordinary par value shares of R0.05 each and 500 000 6% cumulative preference shares of R2 each. The issued share capital as at 30 September 2023 consists of 189 641 787 ordinary par value shares of R0.05 each and 375 000 6% cumulative preference shares of R2 each.

Major shareholders

Shareholders holding beneficially, directly or indirectly, more than 3% of the issued share capital of the company on 30 September 2023 are detailed below:

R billion	Total shareholding	% of issued share capital
Zahid Tractor & Heavy Machinery	35 834 624	18.9
Silchester International Investors, L.L.P.	33 506 537	17.7
Public Investment Corporation (SOC) Limited	26 672 199	14.1
Coronation Fund Managers Limited	9 226 587	4.9
The Vanguard Group, Inc.	7 140 857	3.8

Dividends

Barloworld has met its solvency and liquidity obligations. Given the sustained performance, a strong balance sheet and cash generation, and the board has approved an ordinary dividend payment for the year ended 30 September 2023.

Details of dividends and distributions declared and paid are shown below:

Final dividend number 188 of 300 cents (gross) per ordinary share.

Dividends declared	Monday, 20 November 2023
Last day to trade cum dividends	Tuesday, 2 January 2024
Ordinary shares trade ex-dividends	Wednesday, 3 January 2024
Record date	Friday, 5 January 2024
Payment date	Monday, 8 January 2024

The directors concluded that the company would be solvent and liquid after these dividend declarations.

Directors' report continued

for the year ended 30 September 2023

Changes in directorate

Two new directors were appointed to the board during the financial year: Mr Vuyisa Nkonyeni was appointed as an independent non-executive director and as a member of the audit, risk and strategy and investments committees, and Ms Bashirat Odunewu as an independent non-executive director and as a member of the audit, remuneration, and social, ethics and transformation committees. Both appointments were effective on 12 April 2023.

Mr Michael Lynch-Bell and Ms Ngozi Edozien retired from the Barloworld board effective 17 February 2023.

Director's disclosure of interest in contracts

During the financial year, no contracts were entered into in which directors and officers of the company had an interest and which significantly affected the business of the group. The directors had no interest in any third party or company responsible for managing any of the group's business activities.

Company secretary and registered office

Ms Nomini Rapoo joined the group as Company Secretary on 1 October 2022.

Ms Rapoo's business address and that of the registered office appear on the inside of the back cover.

Auditors

Ernst & Young (EY), in a shared arrangement with SizweNtsalubaGobodo-Grant Thornton (SNG-GT), continued in office as auditors for the company and its significant subsidiaries for the financial year 2023.

At the forthcoming AGM, shareholders will be requested to reappoint EY and SNG-GT as joint registered independent external auditors of Barloworld Limited for the 2024 financial year and to confirm Mr S Sithebe and Ms J Ramapela as the designated individual audit partners for EY and SNG-GT, respectively.

Acquisitions and disposals

The group successfully concluded its unbundling and separate listing of the Avis car rental and leasing businesses and concluded its exit from all the businesses related to Transport within the Logistics division, with the sale of the Warehousing and Distribution business within Supply Chain Solutions finalised in March 2023.

Going concern

The environment in Russia remains fluid, and the activity and profitability of Equipment Eurasia are expected to continue to significantly reduce from the sanctions imposed due to the ongoing Russia/Ukraine war. There is ongoing uncertainty as to the extent to which our Russian operations will be impacted. However, this is not expected to affect the going concern of the group. The directors consider that the group entities and company have adequate resources to continue operating for the foreseeable future. Therefore, adopting the going concern basis in preparing the consolidated and company financial statements is appropriate. The directors are satisfied that the group entities and company are in a sound financial position and have access to sufficient borrowing facilities to meet foreseeable cash requirements.

Events after the reporting period

Refer to the dividends section above and note 30 of the annual financial statements wherein the board declared a final ordinary dividend of 300 cents and R22 500 preference share dividends in respect of the current years' earnings.

On 17 October 2023 Barloworld Limited issued a 3 year BAW41 and 5 year BAW42 debt instrument of R1 billion as part of the refinancing of the instruments maturing during October 2023.

To the knowledge of the directors, no further material events have occurred between the reporting date and the date of approval of these financial statements that would affect the ability of the users of the financial statements to make proper evaluations and decisions.

Accounting policies

for the year ended 30 September 2023

Definitions

Refer to www.barloworld.com for a list of financial terms used in the annual financial statements of Barloworld Limited (the company) and consolidated financial statements (the Group).

Basis of preparation

1. Accounting framework

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa. The historical cost convention is used, except for where stated at fair value.

The basis of preparation is consistent with the prior year. Accounting policies, which are useful to users, especially where particular accounting policies are based on judgement regarding choices within International Financial Reporting Standards, have been disclosed.

Accounting policies prepared in terms of International Financial Reporting Standards have been included only if management concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item being discussed. Accounting policies which are not applicable from time to time, have been removed, but will be included if the type of transaction occurs in future.

The Group has made the following accounting policy choices in terms of IFRS:

- Interest in associates and joint ventures are accounted for using the equity method (policy note 18) for Barloworld Limited's separate financial statements.
- The cost model is applied in accounting for property, plant and equipment and leased assets (policy note 15).
- To continue applying the hedge accounting principles in IAS 39 Financial Instruments.
- To apply the simplified approach for measuring the expected credit loss (ECL) on trade and finance lease receivables.

2. Underlying concepts

The financial statements are prepared on the going concern basis. Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

Financial assets and financial liabilities are offset, and the net amount reported only when a legally enforceable right to set off the amounts exists, and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

EBITDA refers to earnings before interest, taxes, depreciation and amortisation.

Non-operating and capital items refer to expenses/income that are unrelated to Barloworld's core operations and fall outside the normal course of business. Items of income/expense included in non-operating and capital items are consistent with items that are 'out of' (excluded from) headline earnings per share (HEPS) in accordance with the JSE Listings Requirements and guidance published by the South African Institute of Chartered Accountants relating to HEPS.

All financial information has been rounded to the nearest million unless stated otherwise.

Current vs non-current

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Accounting policies continued

for the year ended 30 September 2023W

2. Underlying concepts continued

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. Significant judgements and estimates made by management

Preparing financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates. Accounting policies which have been identified as involving particularly complex or subjective judgements or assessments are as follows:

Revenue recognition

The percentage of completion method is applied to recognise revenue on long-term maintenance and repair contracts (MARC) in the Equipment and Automotive businesses as performance obligations are satisfied over time. Management exercises judgement in calculating the contract liabilities and contract assets which are based on the anticipated cost of repairs over the life cycle of the equipment, or motor vehicles, applied to the total contracted future revenue arising from maintenance and repair contracts. For further detail, refer to notes 2 for revenue, 19 for contract assets and 28 for contract liabilities of the annual financial statements. Detailed accounting policies have been disclosed in accounting policy note 9.

The significant assumption made to determine the stage of completion of contracts include:

- costs incurred to date to fulfil the performance obligations for MARC contracts;
- estimated costs to be incurred in fulfilling the performance obligations for MARC contracts;
- contract duration and mileage;
- contract expiry date;
- foreign currency movements;
- parts price and labour inflation; and
- projected income stream, specifically for Automotive business.

Non-current assets held for sale/distribution and discontinued operations

Assets classified as held for sale/distribution and liabilities associated with assets held for sale are presented separately in the statement of financial position.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Impairment of assets

Goodwill and intangible assets

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

Cash flows which are utilised in these assessments are extracted from formal five-year business plans which are updated annually. The company utilises a discounted cash flow valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by other valuation techniques. For further details of management's impairment assessments over goodwill and intangible assets, refer to notes 11 and 12 included in the annual financial statements.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost, as well as on the financial liability recognised for financial guarantee contracts. The recoverability of a financial asset is determined from the date it is recognised with a loss allowance recognised for expected losses determined at initial recognition. The Group measures the loss allowance at an amount equal to the lifetime expected losses if credit risk on the financial asset has increased significantly since initial recognition.

Accounting policies continued

for the year ended 30 September 2023

3. Significant judgements and estimates made by management continued

The Group calculates the allowance for credit losses based on the ECL model to assess whether financial assets measured at amortised cost, finance lease receivables and contract assets collectively referred to as receivables (for impairment purposes only) are impaired.

Barloworld's financial asset portfolio is very diverse as a result of the Group's numerous and distinct operating segments which service a broad customer base (both industry wise and geographically) and hold a variety of financial assets. As such, the Group has rebutted the presumption that credit risk has significantly increased when financial assets are more than 30 days past due. Credit risk is considered to have significantly increased when supportable forward-looking information such as inflation and gross domestic product forecasts, the counterparties' reputation and estimated financial position, the market conditions the counterparty operates in, the impact of technology and, particularly in relation to the Group's Equipment debtors, local economic and geopolitical indicators including commodity prices, supply/demand forecasts including mining production outputs, construction industry forecasts, and currency liquidity indicate that the financial asset would not be recoverable as contracted.

In determining the ECL, receivables are grouped based on similar risks, the industry in which the customer operates, the regulatory environment, the size of the receivable and the payment history of the customer. ECLs are calculated using the historical loss ratio adjusted for forward-looking information. In instances where there was no evidence of historical write-offs, management judgement is applied to assess for potential credit losses. For financial assets where the Group determines that recoverability is unlikely, such that the credit quality has significantly deteriorated and the assets are credit impaired, a lifetime ECL is recognised, and interest income only accrues on the net amount (gross carrying amount less credit impairment). Default is considered to have occurred when a customer does not meet their contractual payment obligations. The Group considered this a sound basis as, in management's view, financial assets are credit impaired when the Group has not received contractual cash flows as contracted, efforts to recover the asset have not been successful and the customer's ability to pay is questionable. Where the Group determines there are no prospects of a customer meeting its contractual repayments, the related receivable is written off, and this occurs when the customer is handed over to legal for collection.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group recognises a loss allowance using a simplified approach as a lifetime ECL on:

- trade receivables and contract assets; and
- finance lease receivables as an accounting policy choice.

The Group reassesses the lifetime ECLs at each reporting period and recognises any changes as an impairment gain or loss.

Business combinations and associated financial liabilities
A deferred earn-out is payable to the seller of the Mongolian Caterpillar dealership. These payments are contingent on this business achieving certain distinct annual revenue targets from 1 September 2020 to 31 August 2024. The financial liability for the earn-out payment was initially measured at a fair value based on management's forecasts for the Mongolian business as approved by the board. These forecasts involve the use of judgements and estimates including country growth prospects. This position is re-evaluated at each reporting date, with any changes in this estimate subsequently recognised in profit or loss and included in headline earnings.

Non-contractual customer relationships
As part of the purchase price allocation process for the Ingrain business undertaken in terms of IFRS 3: Business Combinations, an intangible asset arising from non-contractual customer relationships was identified and valued at R1 billion, refer to note 12.

Customer relationships may arise from contracts (such as supplier contracts and service contracts) or may be non-contractual customer relationships which represent loyal customers that will continue their relationship after the acquisition by any market participant. Ingrain has contracts with the majority of its customers, which are short-term in nature (12 months or less), which contracts include pricing but not volumes. Due to the short-term nature of these contracts, which do not specify volumes, these customer relationships have been identified and valued as non-contractual customer relationships.

Ingrain's established non-contractual long-term relationships have been identified as an intangible asset and valued using the multi-period excess earnings methodology ("MEEM"). Using the MEEM method, the present value of the cash flows generated by, and only by, the specific asset being valued is determined.

Accounting policies continued

for the year ended 30 September 2023

3. Significant judgements and estimates made by management continued

In determining the appropriate attrition rate in valuing the customer relationships, historical revenue contributions per customer for the 10 years prior to the valuation date were evaluated. A further analysis was done on the 10-year category of customers to determine when these became customers of Ingrain given that more than 80% of the customers have been with Ingrain for over 10 years. Taking into account the 10-year historical information and the commencement dates of the customers, an attrition rate based on the weighted average contribution per customer was determined and applied to the forecast revenues of the customers. Despite the fact that many of the customers have been purchasing from Ingrain for approximately 20 years, a more prudent approach has been adopted and a useful life of 15 years has been calculated for the customers, based on the attrition rates calculated from the historical analysis. The useful life was extrapolated by implementing the straight line methodology. Customer relationships were accordingly valued over 15 years.

Post-employment benefit obligations
Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare inflation cost and rates of increase in compensation costs.

Judgement is exercised by management, assisted by advisors, in adjusting mortality rates to take account of actual mortality rates within the schemes.

Deferred tax assets
Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Five-year business plans are prepared annually and approved by the boards of the company and its major operating subsidiaries. These plans include estimates and assumptions regarding economic growth, interest rates, inflation, and competitive forces. The plans contain profit forecasts and cash flows, and these are utilised in the assessment of the recoverability of deferred tax assets. Management also exercises judgement in assessing the likelihood that business plans will be achieved and that the deferred tax assets are recoverable. In certain circumstances further corroborative evidence is used, such as tax planning opportunities within the control of management, to support the recovery of the tax asset.

Lease term
The following factors were considered in determining whether it is reasonably certain the options will be exercised, thus whether there is an economic incentive to exercise:

- The strategic objectives of the business and annual business plans that observe a 5-year cycle
- Whether the terms and conditions of the current lease are more favourable than the current market conditions
- The proximity of the leased premises to core customers and other business hubs
- Specifics for the premises/assets leased and any leasehold improvements, such as workshops or office building, undertaken by the Group which are optimised to business needs
- Costs relating to the termination of the lease
- The availability of similar/alternative assets in the market suitable to the business needs
- All relevant facts and circumstances that create an economic incentive for the lessee to exercise or not to exercise the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

Lessees incremental borrowing rate (IBR)
The Group engaged an external service provider to determine the IBRs which were distributed to and used by all divisions.

Supplier finance arrangements
Judgement is exercised regarding whether these arrangements constitute trade payables or debt. Factors considered include the currency in which the financing arrangements are settled, the repayment terms of the facilities relative to standard supplier payment terms and the existence of breakage costs on these facilities. To ensure comparability and consistency, current industry practices are also considered as part of this determination.

Uncertain tax positions
The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

Accounting policies continued

for the year ended 30 September 2023

3. Significant judgements and estimates made by management continued

These tax liabilities are recognised when, despite the company's belief that its tax return positions are supportable, the company believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value in accordance with the Group Tax Risk policy, which weights multiple potential scenarios. The company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors, including past experience and interpretations of tax law.

Management exercises judgement regarding the timing of realisation of provisions.

Derecognition of transferred assets

The group enters into arrangements with certain financial institutions where certain portfolios of trade receivables are sold to those financial institutions at discounted prices. In return, the group receives cash from the financial institutions in exchange for the rights to receive cash for these receivables. As part of these transactions, the group is appointed as a collection agent by the financial institutions thereby retaining the collection rights of the underlying portfolio and consequently assumed a corresponding obligation to pass through those collected cashflows to the financial institutions once these settles into the bank accounts linked to the underlying receivables. On the date of the sale the group has assessed that it has no further participation rights in the underlying rights to cash other than to collect or enforce its rights to collect the cashflows. Additionally, the group did not retain reinvestment rights on the cash received from the underlying portfolio and thus concluded that the transfer qualified for derecognition.

Further, as part of the transaction the group agreed to be appointed as a second loss provider in terms of which it agreed to settle a percentage of the value of the defaulted book above the first modelled loss level in return for a premium. Accordingly, the group guarantees a portion of the transferred asset and recognises a financial guarantee contract in terms of IFRS 9.

The group considers the impact of guaranteeing a portion of the sale when determining whether the transfer qualified for derecognition and conduced a quantitative and qualitative assessment to assess the variability in cashflows before and after the transfer. The group through this assessment concluded that is has transferred substantially all the risks and rewards of the transferred asset.

Significant judgement is applied by management when assessing the derecognition criteria set out in IFRS 9:

- Assessment of the sale of the trade receivables portfolio as an unconditional transfer of rights and associated risks to the transferee;
- Assessment of continuing involvement in the transferred asset

4. Employee benefit costs

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees.

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted.

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

5. Deferred taxation assets and liabilities

Deferred taxation is recognised using the financial position liability method for all temporary differences, unless specifically exempt.

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

A deferred taxation asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

A deferred taxation liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Accounting policies continued

for the year ended 30 September 2023

5. Deferred taxation assets and liabilities continued

Deferred taxation arising on investments in subsidiaries, associates and joint ventures is recognised except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

The Group has companies where deferred taxes are recognised for temporary differences that arise when an entity's taxable profit or loss (and thus the tax bases of its non-monetary assets and liabilities) are measured in a currency different to its functional currency. Changes in the exchange rate result in a deferred tax asset or liability which is charged to profit and loss.

6. Foreign currencies

The Group's presentation currency is South African Rand (R).

The US dollar has been selected as the functional currency for the Group's operations across the majority of the African territories, Russia, and Mongolia. A combination of factors is considered in coming to this conclusion. These included the assessment of the economic environment where the operations are located and the currency that most influences the cost of goods and the pricing decisions. The functional currency for South Africa is Rand.

The financial statements of entities within the Group whose functional currencies are different to the Group's presentation currency include the following significant currencies:

- US Dollar
- British Pound

Refer to the consolidated summary in other currencies which follows these consolidated financial statements for the exchange rates applied in the consolidation (spot and average rates).

7. Basis of consolidation

The consolidated financial statements include the results and financial position of Barloworld Limited, its subsidiaries, joint ventures, associates, and other entities where there is no shareholding, but over which the Group exercises control. Subsidiaries are entities which the Group has power over and in respect of which it is exposed, or has rights to variable returns from its involvement with these entities and has the ability to affect those returns through its power over those entities.

The results of any subsidiaries acquired or disposed of during the year are included from the date control was obtained and up to the date control ceased to exist. Total comprehensive income of the subsidiary is attributed to owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a negative balance.

All intra-group transactions and balances are eliminated on consolidation. Unrealised profits that arise between group entities are also eliminated.

All changes in the parent's ownership interests that do not result in the loss of control are accounted for within equity. The carrying amount of the Group's interest and the interest of the non-controlling shareholders is adjusted to reflect the changes in their relative interests in the subsidiary. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid/received are recognised directly in equity.

When an entity loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost and also derecognises the carrying amount of any non-controlling interests in the former subsidiary at that date. It recognises the fair value of any consideration received on the loss of control and recognises any of the investment retained in the former subsidiary at its fair value at the date when control is lost. Any resulting differences are reflected as a gain or loss in profit or loss attributable to the Group.

Accounting policies continued

for the year ended 30 September 2023

8. Operating segments

The executive committee, as chief operating decision maker, has determined the operating segments based on the information it uses to allocate resources and assess segmental performance. Segments are analysed by operating activities. No operating segments have been aggregated in arriving at the reportable segments of the Group as presented in Note 1.

Management evaluates the segment performance based on the operating results plus any other items that are directly attributable to segments, including fair value adjustments on financial instruments. Interest costs are excluded due to the centralised nature of the Group's treasury operations.

As a result, the activities of the Group's operating segments are updated and described below:

- **Equipment southern Africa (BWE snA)**
  This segment delivers construction and mining equipment to the earthmoving industry in 11 African countries.
- **Automotive**
  The Automotive division of this segment comprises of the following world-class business units: Avis and Budget Rent a Car, and Avis Fleet which were unbundled on 13 December 2022.
- **Ingrain**
  This is involved in the sale of starch, glucose, and other related products (co-products) in southern Africa and Australia.
- **Equipment Mongolia**
  This Eurasia segment delivers construction and mining equipment to the earthmoving industries across Mongolia.
- **Equipment Russia**
  This Eurasia segment delivers construction and mining equipment to the earthmoving industries across Russia.
- **Other segments**
  Corporate office (South Africa and United Kingdom), Salvage Management and Disposal (SMD), Crownmill and Khula Sizwe.

Note that the Russia, Mongolia, and United Kingdom operations are collectively referred to as Barloworld's Eurasia operations.

For information purposes only certain segmental disclosure is also provided along the geographical lines of southern Africa (SnA), Russia and Mongolia.

Income statement

9. Revenue

The Group recognises revenue from the following major sources:

- Sale of goods and parts (new and used)
- Sales of service and maintenance
- Rendering of services
- Commission income

Revenue from contracts with customers is recognised when the performance obligations for the transfer of goods and services are satisfied; this maybe over time or at a point in time, in the above major revenue sources. Revenue is recognised at the amount of the transaction price that is allocated to the specific performance obligations. The revenue is disaggregated based on the type of revenue. See note 2.

Revenue represents the invoiced amounts excluding those earned on behalf of others, value-added tax or the amount measured using the percentage of completion, except for rental income which is recognised on a straight-line basis.

As a practical expedient, Barloworld does not adjust the amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between then the Group transfers a good or service to a customer and when the customer pays for that good or service to be within one year.

In accordance with IFRS 15: Revenue from Contracts with Customers, Barloworld has elected to apply the practical expedient by considering a portfolio of contracts with customers and performance obligations with similar characteristics as specified above.

Sale of goods and parts
The sale of goods and parts includes:

- new and used Caterpillar earthmoving equipment, engines, and other complementary products, lift trucks (BWE snA and Eurasia)
- sale of sugar, animal feeds, starch, glucose, and other related products (Ingrain)
- used motor retailing (SMD).

Accounting policies continued

for the year ended 30 September 2023

9. Revenue continued

Performance obligations from the sale of goods and parts are satisfied at a point in time. The point of delivery is where control over the goods is transferred to the customer and therefore the performance obligation is satisfied. Payment is then due as follows:

Sales of used vehicles – ranges from cash on delivery to 30 days of invoice date

Sales of new and used equipment – ranges from cash on delivery to 90 days of invoice date unless financed under instalment sale agreement

Sales of new and used parts – ranges from cash on delivery to 90 days of invoice date

Sale of starch, glucose, and other related products referred to as co-products (Ingrain) – ranges from 30 days to 90 days of invoice date

Sales of new equipment – cash on delivery for construction machines and 7 days from commissioning for mining machines.

Rendering of services

Revenue from providing services includes:

- rental income earned on contracts shorter than 12 months outside of IFRS 16 (Automotive – Avis)
- rental income earned on contracts longer than 12 months (Equipment)
- workshop, in-field support services and aftersales services including equipment services, fitment, and repairs (Equipment)
- maintenance services, fitment, and repairs (Equipment and Automotive – Avis)
- vehicle fleet management services (Automotive – Avis)
- logistics services and supply chain management solutions (Logistics).

Where revenue from rendering services is long-term in nature, it is recognised over the life of the plan in the accounting period in which the services are rendered (over time).

The percentage of completion (input) method, based on the costs incurred to date as a percentage of total estimated costs to be incurred to fulfil the performance obligations, is applied to recognise revenue on long-term maintenance and repair contracts (MARC) in the Equipment and Automotive – Avis businesses as a result of the performance obligations being satisfied over time. This method best depicts the transfer of services to customers as the costs incurred to date is indicative of the Group's satisfaction of the performance obligations under revenue contracts with its customers.

As part of the MARC contracts, the Group receives monthly instalments from customers for the duration of the contract towards the maintenance and repair services to be performed in future.

For transport services in Logistics – for shorter trips locally, revenue is recognised at a point in time (same-day delivery) but for longer trips (cross-border), it is recognised over time based on the kilometres travelled to date over the total kilometres expected to be travelled to satisfy the promised transportation service (percentage of completion for input method).

The amount to be recognised as revenue over time, typically long-haul transport services, is determined by taking the total expected revenue from the fulfilment of the obligations multiplied by the percentage of completion.

For supply chain management solutions in Logistics – revenue is over time using the input method where costs incurred are compared to the total expected costs to be incurred on the contract.

Commission income

The Group is an agent, and earns commission income, in the sale and auctioning of goods through Automotive. In these arrangements, the Group does not recognise the gross amount as revenue but only the fee consideration it expects to be entitled to. Commission income is recognised at the point when the performance obligation, which gives rise to the commission income, is satisfied.

Warranty claims

Service and assurance type warranties are provided on certain equipment, spare parts and services supplied to customers. Management exercises judgement in establishing provisions required on the basis of claims notified and past experience.

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the estimated expenditure required to settle the Group's obligation. Warranties have not been identified as distinct performance obligations from the sale of the goods it relates to.

Accounting policies continued

for the year ended 30 September 2023

9. Revenue continued

Within the Equipment and Automotive – Avis warranties are provided on certain equipment and vehicles based on warranties supplied by the original equipment manufacturers (OEMs) for spare parts and service supplied to customers. Management exercises judgement in establishing provisions required based on claims notified and past experience. For further detail, refer to note 24 included in the annual financial statements.

Within the Equipment business, certain sales are executed through sale and lease arrangements with financial institutions, whereby Barloworld sells the equipment to the financial institution and leases the equipment back to Barloworld. The initial sale to the financial institution meets the requirements of IFRS 15 for revenue recognition and is treated as an outright sale. In such transactions, the performance obligation is satisfied when Barloworld and the financial institution sign the certificate of delivery and payment is due on delivery. These leaseback agreements are generally for periods of less than 12 months, however, the leaseback results in an on balance sheet lease liability and right of use asset for Barloworld and these are treated as finance leases because the short-term lease exception does not apply to sale and lease back in terms of IFRS 16, with the resultant on-leasing of this right of use asset to an end-customer being accounted for as finance leases from Barloworld's perspective as lessor to the end-customer. Further, the Group does not bear credit risk or any residual risk on these leases and no bargain purchases exist for the benefit of the Group.

For further detail, refer to note 2 included in the annual financial statements.

Contract liability
A contract liability is recognised within the Equipment and Automotive – Avis on receipt of the instalment or upfront payments, before performance obligations are satisfied, which is released to the income statement as revenue as the related performance obligations are satisfied and is non-refundable.

Contract asset
A contract asset is recognised within Equipment, Automotive-Avis, and Logistics when performance obligations (contractual maintenance and repair services/transport and logistics services) are gradually satisfied over time, for which revenue is recognised, and the customer has not been billed. The contract asset is derecognised when the customer is invoiced, and a trade receivable is recognised with the difference between the contract asset derecognised and trade receivable recognised as revenue or an impairment loss.

10. Finance costs

Interest on financial liabilities measured at amortised cost is calculated using the effective interest rate method.

For interest on lease liabilities, refer to note 26.

For further detail, refer to note 5 included in the annual financial statements.

11. Income from investments

Interest income is accrued on a time basis on financial assets measured at amortised costs using the effective interest method.

12. Taxation

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to the taxable income.

Deferred taxation is recognised in profit or loss, except when it relates to items credited or charged to other comprehensive income, in which case it is also recognised in other comprehensive income.

Accounting policies continued

for the year ended 30 September 2023

Statement of financial position

13. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19, respectively,
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below)
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Acquisition-related costs are accounted for as an expense when incurred and included in the operating profit line of the consolidated income statement.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration (financial liability representing an obligation to settle the contingent consideration) is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

14. Goodwill

Goodwill is initially recognised and measured as set out in accounting policy 13 above.

Goodwill is not amortised but is reviewed for impairment at least annually, and when there are indicators of impairment. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill is stated at cost less impairment losses and is not amortised.

Accounting policies continued
for the year ended 30 September 2023

15. Property, plant and equipment (PPE)

Items of PPE are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses, except for land and capital work-in-progress which is shown at cost less accumulated impairment.

Property, plant and equipment, with the exception of rental/fleet assets (see below), are depreciated over their useful lives, taking into account residual values, where appropriate.

The actual lives and usage of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives and usage, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The following methods and rates were used during the year to depreciate property, plant and equipment to estimated residual values:

Buildings	Straight line	20 to 50 years
Plant	Straight line	5 to 35 years
Vehicles	Straight line	5 to 10 years
Equipment	Straight line	5 to 10 years
Furniture	Straight line	3 to 15 years
Equipment rental assets	Usage	2 to 5 years

Vehicle rental/fleet assets

Vehicle rental fleets are accounted for as part of property, plant and equipment as they are held for rental to others. Once a vehicle is no longer utilised as part of the rental fleet, it is transferred to inventory. This accounting treatment is applied where it is in the ordinary course of the Group's activities to routinely sell PPE that it has held for rental to others. The transfer of such assets to inventories is done at the assets' carrying amount. The proceeds from the sale of such assets are recognised as revenue.

Rental/fleet assets are vehicles held for rental purposes for a period of up to 12 months, which are generally sold at their calculated residual values. Short-term car rental fleets are depreciated to guaranteed residual value or by 20% per annum where no residual values have been guaranteed.

The Group classifies rental/fleet assets as current assets when they are held for rental for a period less than 12 months and then subsequently held for sale. These assets are primarily realised through sale after being rented to customers for less than a period of 12 months.

Investment property

Investment property, which is property held to earn rentals, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is carried at its cost less any accumulated depreciation and any impairment losses.

Investment properties are depreciated on a straight-line basis over their useful lives, that range between 20 (twenty) and 50 (fifty) years, to their residual values.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

16. Intangible assets

Intangible assets are initially recognised at cost if acquired separately or at fair value if acquired as part of a business combination.

Capitalised software	Straight line	2 to 7 years
Patents	Straight line	10 years
Trademarks	Straight line	10 to 20 years
Customer relationships	Straight line	5 to 6 years
Supplier relationships	Indefinite life	N/A

Accounting policies continued

for the year ended 30 September 2023

16. Intangible assets continued

Supplier relationships are measured initially at fair value as part of a business combination. Supplier relationships are separately identifiable intangible assets from distribution agreements with suppliers specifying sales objectives, territory presence and service levels to be provided. Supplier relationships arise from the Group's long-standing relationships with its principals, namely Caterpillar. Contractually, these relationships do not have a finite term, thus qualifying as indefinite intangible assets. Supplier relationships are tested for impairment annually. Refer to note 12 for further details.

Customer relationships are measured initially at fair value as part of a business combination.

Development costs are capitalised only when and if it results in an asset that can be identified, it is probable that the asset will generate future economic benefits and the development cost can be reliably measured. Otherwise, development costs are recognised in profit or loss.

17. Interest in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

18. Interest in associates and joint ventures

The Group has investments in associates and joint ventures in which it holds 50% equity interests. These investments are not controlled because the Group does not have the power to direct the relevant activities, and there are no other arrangements granting the Group this power, which are decided through majority vote of the board.

Associates and joint ventures are measured using the equity method of accounting, applying the Group's accounting policies, from the acquisition date to the disposal date. The most recent audited annual financial statements of associates and joint ventures are used, which are all within three months of the year end of the Group. Adjustments are made to the associate's or joint venture's financial results for material transactions and events in the intervening period.

Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. When the Group's share of losses or reversal of unrealised gains equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

19. Inventories

Inventories are diverse and materially consist of the following:

- Starch raw materials
- Finished goods which include vehicles, machines/equipment, glucose, and starch
- Work in progress relating to above mentioned finished goods
- Merchandise such as parts, etc.

Specific identification basis is used to arrive at the cost of items that are not interchangeable. Otherwise the first-in-first-out method or weighted average method for certain classes of inventory is used to arrive at the cost of items that are interchangeable.

Allowance for net realisable value of inventory

Equipment inventory consists of machines, parts, and work-in-progress.

Machine inventory is reviewed by country and by machine model taking into account the ageing, market demand and condition of the machine to determine the net realisable value.

Parts inventory is categorised as follows:

- Strategic parts with longer lead times or parts required to support new machine models
- Non-strategic parts that are generally faster moving parts
- Perishable parts with a limited shelf life
- Remanufactured components
- Returnable and non-returnable
- Rebuilt components

Obsolete, slow-moving, and damaged inventories are identified for each parts category. Returnable slow-moving parts are reduced to the net realisable value based on inventory returns and by applying a sliding provisioning scale.

Automotive inventory consists of used and demo vehicles as well as parts stock. The net realisable value of all used, demo and parts stock is assessed at every reporting date, taking into account the ageing, condition, and the current market demand for such items.

Rental assets that become available for sale after being removed from rental fleets are transferred to inventories (policy note 15) at their carrying amount. Sale proceeds from such rental assets are recognised as revenue in accordance with policy note 9.

Accounting policies continued

for the year ended 30 September 2023

20. Financial assets and financial liabilities (Financial instruments)

The Group's financial instruments comprise:

- investments in equity securities
- loans receivable
- trade and other receivables (excluding prepayments)
- cash and cash equivalents
- borrowings
- bank overdrafts
- derivatives
- trade and other payables
- other non-current liabilities.

Classification of financial assets

The Group classifies financial assets into the following categories:

- Fair value through profit or loss (FVTPL)
- Amortised cost (AC)
- Fair value through other comprehensive income (FVTOCI).

Financial assets are classified in their entirety based on how their performance is managed and evaluated (business model), and the characteristics of their contractual cash flows.

Financial assets are classified and subsequently measured as follows:

Financial asset	Measurement category
Derivatives	FVTPL
Trade and other receivables (excl. prepayments)	AC
Derivatives (cash flow hedge)	FVTOCI
Debt instruments	AC
Cash and cash equivalents	AC
Investment in equity securities	FVTOCI

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial liabilities

The Automotive and Equipment businesses utilise floor plan and trade financing facilities to efficiently manage working capital flows. Judgement is exercised regarding whether these arrangements constitute trade payables or debt (see policy note 3 above). These floor plans are classified as payables (interest-bearing) as presented in note 27.

Subsequent measurement of financial liabilities

All financial liabilities, excluding derivative liabilities and those part of a hedging relationship (refer to accounting policy note 22), are subsequently measured at amortised cost using the effective interest method. Derivative liabilities are subsequently measured at fair value through profit or loss.

21. Post-employment benefit obligations

It is the policy of the Group to encourage, facilitate and contribute to the provision of retirement benefits for all permanent employees. To this end the Group's permanent employees are usually required to be members of either a pension or provident fund, depending on their preference and local legal requirements. The Group also guarantees a funded defined benefit scheme for qualifying employees in the United Kingdom. Refer to note 25.

Payments to defined contribution plans are recognised as an expense as they fall due. Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

The cost of providing defined benefits is determined using the projected unit credit method. Valuations are conducted every three years and interim adjustments to those valuations are made annually.

Actuarial gains and losses are recognised immediately in the statement of other comprehensive income. Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the Group is demonstrably committed to the curtailment or settlement.

Accounting policies continued

for the year ended 30 September 2023

21. Post-employment benefit obligations

Past service costs are recognised in profit and loss immediately to the extent that the benefits are already vested. Otherwise, they are amortised on a straight-line basis over the average period until the amended benefits become vested. Finance costs are also recognised in profit and loss.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for the unrecognised past service costs and reduced by the fair value of plan assets. Any asset is limited to the unrecognised actuarial losses, plus the present value of available refunds and reductions in future contributions to the plan.

22. Hedge accounting

Foreign currency hedging instruments are used to manage the Group's currency and interest rate exposures. Details of the Groups risk management policies and practices are outlined in note 33. The Group still applies IAS 39 for hedge accounting.

Hedging relationships are designated as cash flow and fair value hedges.

Cash flow hedge

When these cash flow hedges meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge. When the transaction that gave rise to a firm commitment is recognised, the reserve is derecognised and capitalised to the item as a basis adjustment.

In terms of IAS 39.97, the following accounting is used

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income in accordance with paragraph 95 shall be reclassified from equity to profit or loss as a reclassification adjustment (see IAS 1 (as revised in 2007)) in the same period or periods during which the hedged forecast cash flows affect profit or loss (such as in the periods that interest income or interest expense is recognised). However, if an entity expects that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, it shall reclassify into profit or loss, as a reclassification adjustment, the amount that is not expected to be recovered.

In terms of IAS 39.98, If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the entity shall adopt (1) or (2) below. Barloworld as noted above has chosen option (2) and thus recognises a basis adjustment.

1) It reclassifies the associated gains and losses that were recognised in other comprehensive income in accordance with paragraph 95 to profit or loss as a reclassification adjustment (see IAS 1 (revised 2007)) in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as in the periods that depreciation expense or cost of sales is recognised). However, if an entity expects that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, it shall reclassify from equity to profit or loss as a reclassification adjustment the amount that is not expected to be recovered.

2) It removes the associated gains and losses that were recognised in other comprehensive income in accordance with paragraph 95 and includes them in the initial cost or other carrying amount of the asset or liability

Fair value hedge

The Group applies fair value hedge accounting to its priced maize procurement contracts and the commodity futures designated to hedge these exposures. At inception of the hedge relationship, the Group documents its risk management objective and strategy for undertaking its hedge transactions, the economic relationship between hedging instruments and hedged items, as well as whether changes in the fair values of the hedging instruments are expected to offset changes in the fair values of hedged items. The Group's risk management strategy is to align the pricing of the procurement and sales contracts as much as possible to mitigate its exposure to maize price volatility. The execution of this strategy is achieved by selling the requisite number of SAFEX maize futures once procurement contracts with farmers/traders have been priced. The SAFEX futures are closed out once the underlying sales contracts with customers are priced, effectively matching the SAFEX-linked purchase and sales price elements.

The hedging instruments (SAFEX futures contracts) are recognised and subsequently measured at fair value, with gains or losses recorded in profit or loss. Fair values are determined using quoted SAFEX prices.

Accounting policies continued

for the year ended 30 September 2023

22. Hedge accounting continued

Provided that the hedging relationship meets the qualifying hedge effectiveness criteria, any changes in the fair value of the firm commitment being hedged (purchase of maize from the farmer) are recognised in the statement of financial position as a firm commitment asset/liability, with a corresponding entry recorded in profit or loss.

23. Leasing

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

In the capacity of a lessor

Long-term vehicle fleet is leased to customers for periods ranging from 24 to 60 months as finance leases. For further detail, refer to policy note 3 for impairment of lease receivables and notes 15 and 18 included in the annual financial statements.

Rental income consists of rental of Caterpillar earthmoving equipment, engines and other complementary products (Equipment and Handling); properties (Khula Sizwe); fleet management solutions and short-term vehicle rentals (Automotive – Avis).

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

In the statement of cash flows, the cash payments to acquire assets held for rental and subsequently held for sale, and receipts from rentals and sales of such assets, are presented as part of operating activities.

In the capacity of a lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (R85 000). For these leases, the Group recognises the lease payments as an operating expense 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 assets are consumed.

Right-of-use assets are carried at their cost less any accumulated depreciation and any impairment losses.

Lease term

The lease term is the non-cancellable period of the lease plus any optional renewal period less any optional early terminations where it is reasonably certain that the options will be exercised. The lease term was determined considering these options, where applicable, and involves judgement to determine whether the options will be exercised on a lease-by-lease basis.

Lease payments are allocated to reduce the lease liability, between finance costs and the capital repayments, using the effective interest method.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Right of use assets are depreciated over the shorter of the lease term or their useful lives using the following methods and rates:

Land and buildings	Straight line	1 to 29 years
Equipment, IT and plant	Straight line	1 to 6 years
Vehicles	Straight line	1 to 8 years

For further detail, refer to notes 10 for right-of-use asset and 26 for lease liabilities included in the annual financial statements.

24. Share-based payments

Equity-settled share options

Executive directors and senior executives have been granted equity-settled share options in terms of the Barloworld Share Option Scheme. After the date on which the options are exercisable and before the expiry date, the options can be exercised to purchase shares for cash in which event the shares issued are accounted for in share capital and share premium at the amount based on the exercise price.

Accounting policies continued

for the year ended 30 September 2023

24. Share-based payments continued

Forfeitable Share Plan and Conditional Share Plans

Executive directors and senior executives have been granted equity settled shares in terms of the Barloworld Forfeitable Share Plan (FSP) and Conditional Share Plan (CSP). Equity settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant and recognised in profit or loss on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value is measured using a binomial pricing model.

Equity-settled share appreciation rights

Equity-settled share appreciation rights have been granted to employees in terms of the Barloworld share appreciation rights scheme (SAR). Equity settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant and recognised in profit or loss on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value is measured using a binomial pricing model.

Cash settled SARs and FSPs

Cash settled share appreciation rights and FSPs granted to employees for services rendered or to be rendered are raised as a liability and recognised in profit or loss immediately or, if vesting requirements are applicable, over the vesting period. The liability is measured annually until settled and any changes in value are recognised in profit or loss. Fair value is measured using a binomial pricing model.

Khula Sizwe shares

The Khula Sizwe share scheme is for employee, (through the employee and management trusts) of a certain grade and are accounted for as equity settled share-based payments. Equity settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant and recognised in profit or loss on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value is measured using a binomial pricing model.

For the purpose of the Trusts formed for the benefit of Barloworld Group employees (including managers) and as structures established for the purpose of executing share-based payment transactions, Barloworld Limited assumes the Trust's rights and obligations. The trusts' activities are determined by the trust deed therefore the trusts are consolidated into the Group.

25. Financial guarantee contracts and contract liabilities

Commitments and contingencies on risk share agreements – Equipment southern Africa and Equipment Russia

Our equipment businesses, as part of the ordinary course of business, have entered into a risk-sharing arrangements with certain Caterpillar subsidiaries (financing arms of Caterpillar), in terms of which Barloworld will fund a certain percentage of losses suffered by Caterpillar in the event that certain higher risk customers default on their commitments.

These guarantees will result in the recognition of a financial liability (financial guarantee) in the statement of financial position, recognised as an ECL balance to the extent that the underlying customer defaults, or is expected to default, on their obligations to Caterpillar.

These are financial instruments as there is a contractual obligation to pay cash should a default occur. A customer is considered to have defaulted when they have not met their contractual obligations for payment due to Caterpillar. In determining expected default, the forward-looking factors under the expected credit loss model for receivables are applied.

Financial guarantees are initially recognised in the financial statements (within trade and other receivables) at fair value, based either on the premium received or the expected fulfilment amount. Subsequent to initial recognition, Barloworld's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and an ECL allowance as set out in note 18.

The premium received is recognised in the income statement in Net fees and commission income on a straight-line basis over the life of the guarantee. Financial guarantee contracts are in the scope of the ECL requirements.

Accounting policies continued

for the year ended 30 September 2023

25. Financial guarantee contracts and contract liabilities continued

When Barloworld Limited issues a financial guarantee free of charge for the obligations of its subsidiaries, joint ventures, and associates, this is a capital contribution and therefore, the cost of the investment in the subsidiary or joint venture or associate is increased with the initial value of the financial guarantee and applies the accounting policy for investment in subsidiary, joint ventures or associates per above.

The nominal contractual value of financial guarantees is not recorded on in the statement of financial position. The nominal values of these instruments together are disclosed in note 33 credit risk. The ECL recognised is disclosed in note 18 trade and other receivables.

Contract liabilities
A contract liability for Automotive and Equipment to incur contractual costs of service, maintenance, and warranty work to be carried out in the future and the unearned margin to be recognised over the life of the plans is recognised. Actuarial experts are used to determine the inputs required to establish the adequacy of the liability and the resulting revenue to be recognised and the final liability. This valuation takes into account the future usage; maintenance, tyres and service costs of each vehicle projected based on the estimated future usage and the experience adjusted maintenance tables. Funds for which there are insufficient claims history are recognised in profit and loss to the extent of the claims cost incurred without any profits being attributed. At the end of the plan, any remaining profits are recognised in profit and loss. When these contracts contain a significant financing component, the transaction price is adjusted for the financing component and the financing component is recognised separately as a financing expense over the life of the plan.

26. Classification of Cash flow Activities

For the purposes of the cash flow statement, the following are classified as operating activities due to the nature of the operations they relate to:

- Investment in car rental vehicles
- Investment in fleet and rental assets

Consolidated income statement

for the year ended 30 September 2023

R million	Notes	2023	2022
CONTINUING OPERATIONS			
Revenue	2	**45 028**	39 383
Operating profit before items listed below		**5 697**	5 120
(Impairments)/reversal of impairments on financial assets and contract assets	3	**(62)**	35
Fair value adjustments on financial instruments	4	**(138)**	(284)
B-BBEE transaction charge	3		(82)
Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation		**5 496**	4 789
Depreciation		**(989)**	(963)
Amortisation of intangible assets		**(175)**	(172)
Operating profit from core trading activities	3	**4 332**	3 654
Impairments and capital items comprising of:			
Reversal of impairment of property, plant and equipment	9		33
Impairment of property, plant and equipment, intangibles and other assets	10,12	**(31)**	(628)
Impairment of goodwill	11	**(53)**	(217)
Impairment of indefinite life intangible assets	12		(194)
Gains on the disposal of property, plant and equipment and other assets	9	**29**	47
Other capital items		**2**	(59)
Profit before finance costs and income		**4 278**	2 636
Finance costs	5	**(1 601)**	(1 007)
Finance income	6	**264**	129
Profit before taxation		**2 942**	1 758
Taxation	7	**(1 235)**	(866)
Profit after taxation		**1 707**	892
Profit from associates and joint ventures	13	**325**	309
Profit for the year from continuing operations		**2 032**	1 201

R million	Notes	2023	2022
DISCONTINUED OPERATIONS			
Profit from discontinued operations	21	**243**	851
Profit for the year		**2 275**	2 052
Attributable to:			
Owners of Barloworld Limited		**2 222**	2 043
Non-controlling interests in subsidiaries		**53**	9
		2 275	2 052
Earnings per share group (cents)			
– basic	8	**1 197.0**	1 051.9
– diluted	8	**1 183.1**	1 040.7
Earnings per share from continuing operations (cents)			
– basic	8	**1 067.2**	617.2
– diluted	8	**1054.8**	610.6
Earnings per share from discontinued operation (cents)			
– basic	8	**129.8**	434.7
– diluted	8	**128.3**	430.1

Consolidated statement of financial position

at 30 September 2023

R million	Notes	2023	2022
ASSETS			
Non-current assets		**17 633**	16 840
Property plant and equipment	9	**8 017**	7 555
Investment property	9	**1 187**	932
Right of use assets	10	**515**	359
Goodwill	11	**2 094**	2 138
Intangible assets	12	**2 049**	2 080
Investment in associates and joint ventures	13	**2 835**	2 424
Long-term trade and other receivables	14	**52**	16
Long-term financial assets	15	**391**	178
Deferred tax asset	16	**493**	1 158
Current assets		**30 432**	25 849
Inventories	17	**13 130**	8 595
Trade and other receivables	18	**5 877**	7 027
Contract assets	19	**814**	786
Taxation		**200**	242
Cash and cash equivalents	20	**10 411**	9 199
Assets classified as held for sale	21	**57**	11 717
Total assets		**48 122**	54 406

R million	Notes	2023	2022
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	22	**(2 212)**	(2 212)
Other reserves		**6 965**	6 517
Retained income		**11 804**	14 614
Interest of shareholders of Barloworld Limited		**16 557**	18 919
Non-controlling interest		**262**	262
Interest of all shareholders		**16 819**	19 181
Non-current liabilities		**8 922**	10 776
Interest-bearing liabilities	23	**7 184**	8 641
Deferred taxation liabilities	16	**1 049**	1 042
Lease liabilities	26	**521**	416
Provisions and other accruals	24	**154**	177
Other non-current liabilities	25	**14**	500
Current liabilities		**22 381**	16 475
Trade and other payables	27	**15 535**	10 949
Contract liabilities	28	**1 339**	1 574
Lease liabilities	26	**247**	111
Provisions and other accruals	24	**1 205**	719
Taxation		**160**	15
Amounts due to bankers and short-term loans	29	**3 895**	3 107
Liabilities directly associated with assets classified as held for sale	21		7 974
Total equity and liabilities		**48 122**	54 406

Consolidated statement of other comprehensive income

at 30 September 2023

R million	Notes	2023	2022
Profit for the year		**2 275**	2 052
Items that may be reclassified subsequently to profit or loss:		**492**	1 544
Exchange gain on translation of foreign operations		**512**	1 465
Translation reserves realised on liquidation/disposal of subsidiaries		**23**	(1)
(Loss)/gain on cash flow hedges		**(64)**	97
Deferred taxation on cash flow hedges		**21**	(17)
Items that will not be reclassified to profit or loss:		**(89)**	(2 044)
Actuarial gain/(loss) on post-retirement benefit obligations	25	**66**	(2 244)
Taxation effect of actuarial (loss)/gain		**(155)**	200
Other comprehensive income/(loss) for the year, net of taxation		**403**	(500)
Total other comprehensive income for the year		**2 678**	1 552
Total other comprehensive income attributable to:			
Barloworld Limited shareholders		**2 625**	1 543
Non-controlling interest in subsidiaries		**53**	9
		2 678	1 552

Consolidated statement of changes in equity

for the year ended 30 September 2023

	Notes	Share capital and premium Rm	Foreign currency translation reserves* Rm	Cash flow hedging reserves Rm	Revaluation and legal reserves Rm	Equity compensation reserves Rm	Total reserves Rm	Retained income Rm	Net actuarial losses on post-retirement benefits Rm	Total retained income Rm	Attributable to Barloworld Limited shareholders Rm	Non-controlling interest Rm	Interest of all shareholders Rm
Balance at 1 October 2021		**(1 200)**	**4 600**	**27**	**149**	**136**	**4 911**	**20 012**	**(2 301)**	**17 711**	**21 422**	**283**	**21 705**
Other comprehensive income			**1 464**	**80**			**1 544**		**(2 044)**	**(2 044)**	**(500)**		**(500)**
Profit for the year								**2 043**		**2 043**	**2 043**	**9**	**2 052**
Total comprehensive income for the year			**1 464**	**80**			**1 544**	**2 043**	**(2 044)**	**(1)**	**1 543**	**9**	**1 552**
Share buy back		**(1 012)**									**(1 012)**		**(1 012)**
Khula Sizwe B-BBEE charges						**93**	**93**				**93**		**93**
Equity settled IFRS 2 charges						**108**	**108**				**108**		**108**
Share scheme payments						**(80)**	**(80)**				**(80)**		**(80)**
Disposal of subsidiaries					**47**	**2**	**49**	**(57)**		**(57)**	**(8)**	**(28)**	**(36)**
Transfer of reserves					**(90)**		**(90)**	**90**		**90**			
Other reserve movements				**(11)**	**(6)**	**(2)**	**(19)**	**3**		**3**	**(16)**	**2**	**(14)**
Other changes in non-controlling interest												**(3)**	**(3)**
Dividends	30							**(3 131)**		**(3 131)**	**(3 131)**	**(2)**	**(3 133)**
Balance at 30 September 2022		**(2 212)**	**6 064**	**96**	**100**	**257**	**6 517**	**18 960**	**(4 345)**	**14 614**	**18 919**	**262**	**19 181**

Consolidated statement of changes in equity continued

for the year ended 30 September 2023

	Notes	Share capital and premium Rm	Foreign currency translation reserves* Rm	Cash flow hedging reserves Rm	Revaluation and legal reserves Rm	Equity compensation reserves Rm	Total reserves Rm	Retained income Rm	Net actuarial losses on post-retirement benefits Rm	Total retained income Rm	Attributable to Barloworld Limited shareholders Rm	Non-controlling interest Rm	Interest of all shareholders Rm
Other comprehensive income			**535**	**(43)**			**492**		**(89)**	**(89)**	**403**		**403**
Profit for the year								**2 222**		**2 222**	**2 222**	**53**	**2 275**
Total comprehensive income for the year			**535**	**(43)**			**492**	**2 222**	**(89)**	**2 133**	**2 625**	**53**	**2 678**
Share buy back													
Equity settled IFRS 2 charges						**183**	**183**				**183**		**183**
Share scheme payments						**(113)**	**(113)**				**(113)**		**(113)**
Disposal of subsidiaries					**(67)**		**(67)**	**55**		**55**	**(12)**	**(52)**	**(64)**
Transfer of reserves			**11**			**(11)**							
Other reserve movements				**(32)**		**(15)**	**(47)**	**(14)**		**(14)**	**(61)**	**1**	**(60)**
Dividends	30							**(4 984)**		**(4 984)**	**(4 984)**	**(2)**	**(4 986)**
Balance at 30 September 2023		**(2 212)**	**6 610**	**21**	**33**	**301**	**6 965**	**16 239**	**(4 434)**	**11 804**	**16 557**	**262**	**16 819**

* Foreign Currency Translation Reserve: This reserve accounts for the difference between the translation of assets, liabilities of the group's non-ZAR functional currency entities into ZAR at the period-end rate versus the historical rate applied to the income statement/equity of these entities. Movements in the year represent the current year currency differences between period-end spot and the historical average.

	2023 Cents	**2022** Cents
Dividend per share*	**500**	460

* Refer to the detailed dividends per share on note 30

Consolidated statement of cash flows

for the year ended 30 September 2023

R million	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**49 498**	48 286
Cash paid to employees and suppliers		**(41 001)**	(40 737)
Cash generated from operations before investment in rental fleets and leasing receivables excluding settlement of financial instruments (derivatives)	A	**8 497**	7 549
Inflow of investment in leasing receivables		**20**	26
Fleet leasing and equipment rental fleet		**(1 127)**	(1 288)
Additions		**(2 002)**	(2 842)
Proceeds on disposal		**875**	1 554
Vehicles rental fleet		**(1 472)**	(1 739)
Additions		**(1 709)**	(3 774)
Proceeds on disposal		**237**	2 035
Cash generated from operations		**5 918**	4 548
Finance costs		**(1 658)**	(1 153)
Settlement of financial instruments (derivatives)		**(479)**	(177)
Dividends received from investments, associates and joint		**3**	5
Finance income		**273**	157
Taxation paid	B	**(741)**	(1 487)
Cash inflow from operations		**3 316**	1 893
Dividends paid (including non-controlling interest)		**(1 897)**	(3 120)
Cash retained/(used) from operating activities		**1 419**	(1 227)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of subsidiaries	C	**(322)**	109
Investments realised			96
Advances to joint ventures		**(39)**	(25)
Acquisition of intangible assets		**(115)**	(47)
Goodwill paid for licencee		**(2)**	
Proceeds on realisation of right of use assets			62
Acquisition of property, plant and equipment		**(651)**	(557)
Replacement capital expenditure		**(419)**	(270)
Expansion capital expenditure		**(232)**	(287)
Proceeds on disposal of property, plant and equipment		**99**	208
Net cash used in investing activities		**(1 028)**	(154)
Net cash inflow/(outflow) before financing activities		**389**	(1 381)

R million	Notes	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares repurchased for equity-settled share-based payments		**(113)**	(80)
Share buy back			(1 012)
Proceeds from long-term borrowings		**1 219**	5 337
Repayment of long-term borrowings		**(2 361)**	(3 573)
Movement in short-term interest-bearing liabilities		**1 795**	(823)
Repayments of lease liabilities		**(262)**	(354)
Net cash received/(used in) from financing activities	D	**278**	(505)
Net increase/(decrease) in cash and cash equivalents		**667**	(1 886)
Cash and cash equivalents at the beginning of the year		**9 200**	10 721
Cash and cash equivalents held for sale at the beginning of year		**310**	118
Effect of foreign exchange rate movement on cash balance		**234**	557
Effect of cash balances classified as held for sale			(310)
Cash and cash equivalents at the end of the year		**10 411**	9 200
Cash balances not available for use due to reserving restrictions (note 20)		**138**	145

Notes to the consolidated cash flow statement

for the year ended 30 September 2023

R million	2023	2022
A. Cash generated from operations is calculated as follows:		
Profit before taxation – continuing operations	**2 942**	1 758
Profit before taxation – discontinued operations	**369**	1 655
Adjustments for:		
Depreciation	**1 173**	1 944
Amortisation of intangible assets	**175**	173
Loss on disposal of rental plant and equipment	**(1)**	97
Profit on disposal of plant, property, equipment and intangible	**(28)**	(18)
Profit on disposal of right of use assets		(14)
Profit on disposal of investments		(2)
Dividends received	**(1)**	(1)
Finance income	**(273)**	(147)
Finance costs	**1 689**	1 138
Fair value adjustments on financial instruments	**157**	323
Impairment of non-financial assets	**84**	1 213
Capital items		(57)
IFRS 2 charge (B-BBEE, forfeitable share plan and share appreciation rights)	**195**	215
Non-cash movement in provisions and inventory valuation allowances	**406**	(126)
Other non-cash flow items	**(27)**	16
Operating cash flows before movements in working capital	**6 860**	8 167
Movement in working capital	**1 637**	(618)
Movement in inventories	**(4 332)**	(273)
Movement in receivables and contract assets	**2 382**	(900)
Movement in payables and contract liabilities	**3 587**	555
Cash generated from operations before investment in rental fleets and leasing receivables	**8 497**	7 549

R million	2023	2022
B. Taxation paid is reconciled to the amounts disclosed in the income statement as follows:		
Amounts overpaid at the beginning of the year	**211**	41
Per the income statement (excluding deferred taxation) – group (note 7)	**(1 005)**	(1 346)
Adjustments in respect of subsidiaries acquired and sold including translation adjustments	**93**	28
Net amounts overpaid at the end of the year	**(40)**	(211)
Cash amounts paid	**(741)**	(1 487)
C. Proceeds on disposal of subsidiaries:		
Inventories disposed	**442**	21
Receivables disposed	**2 211**	253
Payables, taxation and deferred taxation balances disposed and settled	**(4 496)**	(201)
Borrowings net of cash	**(5 311)**	(362)
Property, plant and equipment, non-current assets, goodwill and intangibles	**10 242**	828
Deferred tax	**(186)**	(88)
Net assets disposed	**2 902**	451
Non-controlling interest	**(51)**	(28)
Profit/(loss) on disposal	**199**	(299)
Less internal lease reversals included above	**131**	
Net proceeds on disposal of subsidiaries	**3 181**	124
Bank balances and cash in subsidiaries disposed	**(336)**	(15)
Dividend in specie on unbundling of Zeda Limited	**(3 167)**	
Cash proceeds on disposal of subsidiaries	**(322)**	109

During the prior year, the group disposed of two disposal groups out of the Logistics business, effective 1 December 2021 and 1 March 2022. During the current year, the group unbundled the car rental and leasing business Zeda Limited, and also disposed of the remaining portion of Logistics.

On 6 April 2023 the group disposed of its 51% investment in Crownmill Trading Proprietary Limited for R15 million. Refer to note 21.

Notes to the consolidated cash flow statement continued

for the year ended 30 September 2023

D. **Changes in liabilities arising from financing activities**	1 October	Cash flows	New leases	IFRS 2 charges	Reclassification from held for sale	Minority share of profits	Other	Transfers to or from short-term loans	Acquisition/ (disposal) of subsidiaries	Translation differences	30 September
2023											
Net cash (used in)/generated from financing activities is reconciled as follows:											
Share capital	**(2 212)**										**(2 212)**
Non-current interest bearing loans	**8 642**	**(1 142)**					**(17)**	**(282)**		**(17)**	**7 184**
Current interest bearing loans	**3 108**	**1 795**			**294**		**(78)**	**282**	**(1 598)**	**92**	**3 895**
Current and non-current lease liabilities	**527**	**(262)**	**306**		**396**		**155**		**(336)**	**(18)**	**768**
Equity compensation reserve movements	**257**	**(113)**		**183**			**(26)**				**301**
Non-controlling interest movements	**262**					**53**	**(2)**		**(51)**		**262**
	10 584	**278**	**306**	**183**	**690**	**53**	**32**		**(1 985)**	**57**	**10 198**
2022											
Net cash (used in)/generated from financing activities is reconciled as follows:											
Share capital	(1 200)	(1 012)									(2 212)
Non-current interest bearing loans	7 401	1 764			(1 962)		2	1 611	(268)	93	8 641
Current interest bearing loans	5 495	(823)			(200)		72	(1 611)	31	143	3 107
Current and non-current lease liabilities	903	(354)	189		27		(128)		(140)	30	527
Equity compensation reserve movements	136	(80)		215			(16)		2		257
Non-controlling interest movements	283					9	(2)		(28)		262
	13 018	**(505)**	**189**	**215**	**(2 135)**	**9**	**(72)**		**(403)**	**266**	**10 582**

Notes to the consolidated financial statements

for the year ended 30 September 2023

1. Business and geographical segments

	Continuing operations										Discontinued operations					
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Automotive				Logistics	
											Car Rental		Leasing			
R million	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
Operating and geographical segments**																
Revenue																
Southern Africa	36 600	28 476			29 471	21 851	6 331	5 677	798	949	1 199	5 978	463	2 100	426	1 722
Australia	220	226					220	226								
Russia****	5 341	8 880			5 341	8 880										
Mongolia****	2 867	1 801			2 867	1 801										
	45 028	39 383			37 679	32 532	6 551	5 903	798	949	1 199	5 978	463	2 100	426	1 722
Inter-segment revenue***			(3 332)	(2 703)	2 921	2 389			411	314		4	23	99	249	423
	45 028	39 383	(3 332)	(2 703)	40 600	34 921	6 551	5 903	1 209	1 263	1 199	5 982	486	2 199	675	2 145
Operating profit before items listed below	5 697	5 120			5 040	4 428	860	968	(203)	(276)	382	1 636	255	1 264	11	113
(Impairments)/reversal of impairments on financial assets and contract assets	(62)	35			(61)	34	(1)	1			(10)	(43)	(5)	10	20	(16)
Fair value adjustments on financial instruments	(138)	(284)			(154)	(254)		6	16	(36)		(1)	(19)	(38)		
B-BBEE transaction charge		(82)				(17)				(65)		(5)		(2)		(5)
EBITDA	5 496	4 789			4 825	4 191	859	975	(187)	(377)	372	1 587	231	1 234	31	92
Depreciation	(989)	(963)			(819)	(846)	(194)	(193)	24	76	(184)	(666)		(272)		(42)
Amortisation of intangibles	(175)	(172)			(87)	(80)	(72)	(73)	(16)	(19)		(1)				(1)
Operating profit from core trading activities	4 332	3 654			3 919	3 265	593	709	(180)	(320)	188	920	231	962	31	49

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

1. Business and geographical segments continued

	Continuing operations										Discontinued operations					
											Automotive					
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Car Rental		Leasing		Logistics	
R million	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**
By geographical region																
Southern Africa	**2 936**	2 585			**2 501**	2 096	**589**	681	**(154)**	(192)	**188**	920	**231**	962	**31**	49
United Kingdom	**(26)**	(129)							**(26)**	(129)						
Australia	**4**	28					**4**	28								
Russia****	**815**	955			**815**	955										
Mongolia****	**603**	215			**603**	215										
Total segment results	**4 332**	3 654			**3 919**	3 266	**593**	709	**(180)**	(321)	**188**	920	**231**	962	**31**	49
Income from associates and joint ventures	**325**	309			**229**	151			**96**	158			**2**	2		
Finance costs	**(1 601)**	(1 007)			**(990)**	(480)	**(175)**	(151)	**(436)**	(376)	**(37)**	(37)	**(40)**	(28)	**(11)**	(66)
Finance income	**264**	129			**287**	155	**3**	2	**(26)**	(28)			**5**		**4**	18
Impairments and capital items	**(53)**	(1 018)			**44**	(987)	**(1)**	(4)	**(96)**	(27)	**(1)**	(3)		(54)	**(1)**	(109)
Taxation	**(1 235)**	(866)			**(1 118)**	(609)	**(112)**	(138)	**(5)**	(119)	**(37)**	(230)	**(57)**	(225)	**(28)**	(51)
Profit/(loss) on disposal of businesses											**6**		**84**		**(96)**	(299)
Profit from discontinued operations	**243**	851														
Net profit	**2 275**	2 052			**2 371**	1 496	**308**	418	**(647)**	(713)	**119**	650	**225**	657	**(101)**	(458)

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

1. Business and geographical segments continued

	Continuing operations										Discontinued operations					
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Automotive				Logistics	
											Car Rental		Leasing			
R million	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**
Assets																
Property, plant and equipment	**8 017**	7 555			**4 374**	3 711	**2 502**	2 462	**1 141**	1 382						
Investment property	**1 187**	932							**1 187**	932						
Right of use assets	**515**	359			**924**	1 035	**49**	11	**(458)**	(687)						
Intangible assets	**2 049**	2 080			**1 169**	1 117	**850**	921	**30**	41						
Investment in associates and joint ventures	**2 835**	2 424			**1 703**	1 414			**1 132**	1 010						
Long-term finance lease receivables	**52**	16							**52**	16						
Long-term financial assets	**391**	178			**11**	11			**380**	167						
Inventories	**13 130**	8 595			**12 080**	7 454	**1 018**	1 118	**32**	23						
Trade and other receivables	**5 877**	7 027			**5 110**	6 170	**880**	758	**(113)**	99						
Contract assets	**814**	786			**814**	786										
Assets classified as held for sale	**57**	11 717							**57**	(181)		6 275		5 284		339
Segment assets	**34 924**	41 669			**26 185**	21 699	**5 299**	5 271	**3 440**	2 802		6 275		5 284		339
By geographical region																
Southern Africa	**28 875**	35 323			**20 405**	15 512	**5 179**	5 159	**3 291**	2 754		6 275		5 284		339
United Kingdom	**149**	48							**149**	48						
Australia	**120**	112					**120**	112								
Russia****	**3 089**	3 470			**3 089**	3 470										
Mongolia****	**2 691**	2 716			**2 691**	2 716										
Total segment assets	**34 924**	41 669			**26 185**	21 699	**5 299**	5 271	**3 440**	2 802		6 275		5 284		339

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

1. Business and geographical segments continued

	Continuing operations										Discontinued operations					
											Automotive					
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Car Rental		Leasing		Logistics	
R million	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**
Goodwill	**2 094**	2 138			**362**	345	**1 640**	1 640	**92**	153						
Taxation	**200**	242														
Deferred taxation assets	**493**	1 158														
Cash and cash equivalents	**10 411**	9 199														
Consolidated total assets	**48 122**	54 406														
Liabilities																
Long-term non-interest bearing liabilities including provisions	**168**	677			**62**	100			**106**	577						
Trade and other payables including provisions	**16 740**	11 668			**14 568**	9 742	**1 614**	1 613	**558**	313						
Lease liabilities	**768**	528			**1 167**	1 252	**50**	13	**(449)**	(738)						
Contract liabilities	**1 339**	1 574			**1 339**	1 574										
Liabilities directly associated with assets classified as held for sale		7 974								(1 400)		5 140		3 895		339
Segment liabilities	**19 015**	22 420			**17 136**	12 668	**1 664**	1 626	**215**	(1 248)		5 140		3 895		339
By geographical region																
Southern Africa	**14 364**	18 332			**13 346**	9 306	**1 600**	1 563	**(582)**	(1 911)		5 140		3 895		339
United Kingdom	**797**	662							**797**	662						
Australia	**64**	63					**64**	63								
Russia****	**1 589**	2 498			**1 589**	2 498										
Mongolia****	**2 201**	865			**2 201**	864										
Segment liabilities	**19 015**	22 420			**17 136**	12 668	**1 664**	1 626	**215**	(1 249)		5 140		3 895		339

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

1. Business and geographical segments continued

	Continuing operations										Discontinued operations					
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Automotive				Logistics	
											Car Rental		Leasing			
R million	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**	30 Sep **2023**	30 Sep **2022**
Interest-bearing liabilities (excluding held for sale amounts)	**11 079**	11 748														
Deferred taxation liabilities	**1 049**	1 042														
Taxation	**160**	15														
Consolidated total liabilities	**31 303**	35 225														
Invested capital																
Southern Africa	**16 612**	21 649			**8 373**	7 748	**4 646**	4 629	**3 593**	2 656		3 259		3 067		290
United Kingdom	**(529)**	(251)							**(529)**	(251)						
Australia	**56**	42					**56**	42								
Russia****	**1 480**	1 383			**1 480**	1 383										
Mongolia****	**636**	1 931			**636**	1 931										
	18 255	24 754			**10 489**	11 062	**4 702**	4 671	**3 064**	2 405		3 259		3 067		290

Revenue from other segments relates to rental income in Khula Sizwe and the sale of used vehicles by SMD.

* The consolidated total excludes discontinued operations for income statement items but includes it for the statement of financial position.

** The geographical segments are determined by the location of assets.

*** Inter-segment revenue is priced on an arm's-length basis.

**** In the prior year, Russia and Mongolia were reported as one segment named Eurasia. Eurasia has been disaggregated between Russia and Mongolia and the prior periods updated accordingly.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

2. Revenue

R million	2023	2022
REVENUE		
The Group revenue disaggregation has been determined as follows:		
Revenue recognised in terms of IFRS 15: Revenue from contracts with customers		
Sale of goods (earned at a point in time)	**36 441**	**32 184**
Equipment (new and used)	**17 498**	14 721
Vehicles (new and used)	**7**	66
Parts (new and used)	**12 420**	11 495
Starch and glucose – local markets	**4 708**	3 889
Starch and glucose – export markets	**627**	778
Starch and glucose – co-products	**1 181**	1 235
Rendering of services (earned over time)	**8 587**	**7 199**
Parts revenue earned over time as services	**2 410**	1 246
Service	**4 643**	4 399
– Workshop and in-field service	**3 659**	3 424
– Fitment and repairs	**984**	975
Commissions	**190**	260
Rental (outside the scope of IFRS 16)	**1 344**	1 286
Freight forwarding		**8**
Total continuing operations	**45 028**	**39 383**

R million	2023	2022
Discontinued operations (note 21)		
Sale of goods	**28**	**3 586**
Vehicles (new and used)	**28**	3 586
Rendering of services	**1 677**	**4 460**
Service	**11**	78
– Workshop and in-field service	**11**	78
Rental (outside the scope of IFRS 16)	**1 240**	2 638
Commissions		39
Freight forwarding		43
Supply chain support solutions	**426**	960
Transportation		702
	1 705	**8 046**
Revenue recognised in terms of IFRS 16: Leases		
Fixed leasing income	**368**	1 631
Variable leasing income^	**15**	124
Total leasing income	**383**	**1 755**
Total discontinued operations	**2 088**	**9 801**
Total group	**47 116**	**49 184**

^ Variable leasing income earned mainly relates to excess kilometres and additional maintenance costs invoiced.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

2. Revenue continued

The transaction price allocated to partially unsatisfied performance obligations at 30 September are as set out below:

		Expected to be recognised as follows	
	Total	Within 1 year	2-5 years
R million	2023		
Equipment			
Workshop and in-field support services	**3 904**	**852**	**3 052**
Aftersales equipment and vehicle services	**1 433**	**852**	**581**
Fitment and repairs	**40**	**40**	
Total group	**5 377**	**1 743**	**3 634**

		Expected to be recognised as follows	
	Total	Within 1 year	2-5 years
R million	2022		
Equipment			
Workshop and in-field support services	3 556	615	2 941
Aftersales equipment services	829	288	542
Fitment and repairs	101	101	
Total continuing operations	**4 486**	**1 004**	**3 483**
Avis Fleet			
Aftersales vehicle services	848	348	500
Logistics			
Supply chain management services	685	654	31
Total discontinued operations	**1 533**	**1 001**	**531**
Total group	**6 019**	**2 005**	**4 014**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

3. Operating profit from core trading activities

Operating profit is arrived at as follows:

R million	2023	2022
Revenue	**45 028**	39 383
Less: Net expenses	**40 696**	35 729
Cost of goods sold	**33 293**	28 803
Other operating costs	**7 402**	6 926
Continuing operations – operating profit from core trading activities	**4 332**	3 654
Discontinued operations – operating profit from core trading activities	**450**	1 933
Total group – operating profit from core trading activities	**4 782**	5 587
Expenses include the following:		
Amortisation of intangible assets	**175**	173
Amortisation of intangible assets arising from acquisitions	**115**	115
Continuing operations	**115**	115
Discontinued operations		1
Amortisation of other intangible assets	**60**	58
Continuing operations	**60**	57
Discontinued operations		1
Depreciation of property, plant and equipment and right of use assets	**1 173**	1 943
Depreciation of property, plant and equipment	**974**	1 771
Continuing operations	**791**	839
Discontinued operations	**183**	932
Depreciation of right of use assets	**199**	172
Continuing operations	**198**	124
Discontinued operations	**1**	48
Operating leases – low value assets – equipment, IT, plant and vehicles	**6**	61
Continuing operations	**6**	1
Discontinued operations		60
Operating leases – low value assets – property	**19**	46
Continuing operations	**18**	
Discontinued operations	**1**	46

R million	2023	2022
Expense relating to short-term leases	**28**	35
Continuing operations	**28**	29
Discontinued operations		6
Expenses relating to variable lease payments not included in measure of lease liability		77
Discontinued operations		77
Income from subleasing right-of-use assets		(9)
Continuing operations		(1)
Discontinued operations		(8)
Auditors' remuneration:	**75**	86
Audit fees	**68**	83
Continuing operations	**65**	62
Discontinued operations	**3**	21
Fees for other services	**7**	3
Continuing operations	**7**	2
Discontinued operations		1
Staff costs (excluding directors' emoluments)	**6 152**	6 164
Continuing operations	**5 960**	4 974
Discontinued operation	**192**	1 190
Restructuring costs (excluding staff costs)		8
Continuing operations		7
Discontinued operations		1
Amounts recognised in respect of retirement benefit plans (note 25):		
Defined contribution funds	**485**	459
Continuing operations	**469**	333
Discontinued operation	**17**	126
Defined benefit funds	**14**	10
Continuing operations	**14**	10

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

3. Operating profit from core trading activities continued

R million	2023	2022
Inventory movements	**210**	72
Amount of write-down of inventory to net realisable value and losses of inventory	**270**	155
Amount of reversals of inventory previously written down	**(60)**	(83)
Impairment/reversal on financial assets and contract assets	**57**	14
Continuing operations	**62**	(35)
Discontinued operations	**(5)**	49
Total IFRS 2 B-BBEE charges (note 3.1)		94
Continuing operations#		82
Discontinued operation		12

Includes other B-BBEE charges related to the Khula Sizwe transaction of R2 million for the prior year.

3.1 T he Group's B-BBEE deal Khula Sizwe was implemented on 1 October 2019. At 30 September 2023, 64 (2022: 63) of the 64 properties had transferred to Khula Sizwe. The IFRS 2 Share Based Payment charges for the employee trust has been fully accounted for in the 2020 and 2021 financial years. During the prior year, the management grant was amended to change the forfeiture period from 5 years to 3 years. No other rights or rules were amended, therefore the vesting period remains 5 years. The amendment was approved by the board and the JSE provided a no objection letter in this regard. As a result of this amendment, a full cumulative charge of R91 million for the remaining 3 years was accounted for in the prior financial year.

The IFRS 2 charges in Barloworld arose from the benefits received by staff members, which were facilitated by the group providing funding/donations to the trusts so that employees could acquire their shares at less than market value. The employee trust was allocated 17 430 080 shares and the management trust was allocated 20 698 220 shares; this was then allocated as units to employees of 18 059 822 and 18 460 296, respectively. The employees will have an exercise price of nil, and management has contributed R7.1 million for their shares.

The IFRS 2 charges in Khula Sizwe arose from the per share discount given to Khula Sizwe shareholders in the initial share offering. The Khula Sizwe shares were valued using a Monte Carlo approach, with share prices following a geometric Brownian model. The following were the primary model inputs, estimates and judgements:

- The net asset value of Khula Sizwe, assuming all properties had transferred on 1 October 2020
- Share volatility determined with reference to the SA REIT index
- Adjustments for the lock-in periods applicable to the shares
- Expected dividend yield
- The valuation outcome was compared to the R10 per share offer price and the estimated discount of R2.77 will be accounted for as an IFRS 2 charge in Khula Sizwe

* Refer note 35.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

3. Operating profit from core trading activities continued

The IFRS 2 charges incurred by Barloworld segments in the period were as follows:

R million	2023	2022
Management Trust		46
Current year		46
Total IFRS 2 charges incurred by Barloworld segments		46
IFRS 2 charges incurred by the Khula Sizwe segment were as follows:		
Management Trust		45
Total IFRS 2 charges incurred by the Khula Sizwe segment		45
Total IFRS 2 charge incurred by the Barloworld Group		91

Note that the Employee Trust charge was recognised over 2 years and the Management Trust charge over 3 years in line with the service conditions attached to these shares.

4. Fair value adjustments on financial instruments

R million	2023	2022
Income included in operating profit as valuation of insurance companies^	**1**	
Disclosed as fair value loss on financial instruments	**(139)**	(284)
Total continuing operations	**(138)**	(284)
Discontinued operations (note 21)	**(19)**	(39)
Total group	**(157)**	(323)
Per IFRS 9 category		
Net foreign exchange profit on loans, cash, receivables and payables	**169**	428
Financial assets/liabilities at fair value loss through profit or loss	**(30)**	(144)
Total continuing operations	**139**	284
Discontinued operations (note 21)	**19**	39
Total group	**158**	323

^ This relates to the fair value movement of investment in insurance cell captives within other segments in note 1.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

5. Finance costs

R million	2023	2022
Corporate bonds and other long-term borrowings	**(774)**	(471)
Bank and other short-term borrowings	**(482)**	(468)
Floor plan	**(243)**	(17)
Defined benefit plan	**(31)**	
Lease liability interest (note 26)	**(71)**	(51)
Total continuing operations	**(1 601)**	(1 007)
Discontinued operations (note 21)	**(88)**	(131)
Total group	**(1 689)**	(1 138)

6. Finance income

R million	2023	2022
Dividends – received from insurance companies	**1**	
Interest on financial assets at amortised cost (income from investments)	**264**	114
Defined benefit plan		15
Total continuing operations	**265**	129
Discontinued operations (note 21)	**9**	18
Total group	**274**	147
Included in operating profit as dividends received from insurance companies	**1**	
Disclosed in income statement as income from investments	**264**	129
Total continuing operations	**265**	129
Discontinued operations (note 21)	**9**	18
Total group	**274**	147

7. Taxation

R million	2023	2022
Normal taxation		
South African normal taxation		
Current year	**(766)**	(824)
Prior year	**38**	(44)
	(728)	(868)
Foreign and withholding taxation		
Current year	**(17)**	(125)
	(17)	(125)
Deferred taxation		
Current year	**(325)**	143
Prior year	**(198)**	(47)
Attributable to a change in the rate of income tax	**2**	22
	(521)	**118**
Foreign and withholding taxation		
Current year	**31**	**9**
Total continuing operations	**(1 235)**	**(866)**
Discontinued operations (note 21)		
Normal taxation	**(51)**	(352)
Deferred taxation	**(71)**	(153)
Normal taxation on disposal of business	**(205)**	
Total discontinued operations	**(327)**	**(505)**
Total group	**(1 562)**	**(1 371)**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

7. Taxation continued

%	2023	2022
South Africa normal taxation rate	**27.0**	28.0
Foreign rate differential	**(2.1)**	(10.6)
Reduction in rate of taxation	**(10.3)**	(15.3)
Exempt income and special allowances^	**(1.2)**	(1.7)
Taxation losses of prior periods	**(9.0)**	(5.9)
IAS 12.41 adjustment^^		(6.5)
Rate change adjustment**	**(0.1)**	(1.2)
Increase in rate of taxation	**26.8**	47.2
Disallowable charges^^^^	**0.5**	11.5
Impairments and capital items taxation^^^	**3.9**	16.4
IAS 12.41 adjustment^^	**10.0**	
Prior year taxation		5.8
Impact of elimination of intergroup interest netting to discontinued operations	**0.2**	5.7
Withholding tax	**0.6**	6.7
Current year losses not utilised	**6.5**	1.1
Under provision of tax in respect of the prior year	**5.2**	
Taxation as a percentage of profit before taxation^^^^^	**41.5**	49.3
Taxation (excluding elimination of intergroup interest netting to discontinued operations and impairments and capital items taxation) as a percentage of profit before taxation (excluding impairments and capital items)	**25.8**	25.5

^ Exempt income and special allowances largely comprise reversal of provisions, fair value adjustments, learnerships allowances, dividends, investment income taxed at lower rates and other capital income/gains.

** The rate change impact is mainly attributable to the impact on deferred tax balances of the change in the corporate tax rate from 19% to 25% in the UK. The rate change on 30 September 2022 impact is mainly attributable to the impact on deferred tax balances of the change in the South Africa corporate tax rate from 28% to 27%.

^^ IAS 12.41 adjustment – this amount represents a recognition in deferred tax of the effect of the movement of the exchange rate on the USD equivalent of the local currency tax base of non-monetary assets (i.e. inventories and fixed assets) and the reversals of deferred tax previously raised when the related items of inventory or fixed assets are sold. It applies to the Group's companies in Zambia, Angola, Mozambique, Malawi, Mongolia and Russia where the functional currency and tax reporting currency is not the same.

^^^ Impairments and capital items taxation refer to expenses/income that are unrelated to Barloworld's core operations and fall outside the normal course of business. This would include items excluded from the headline earnings of the group, refer to note 8.

^^^^ Disallowable charges relate largely to disallowable provisions. Other disallowable expenses consist of professional fees of a capital nature, expenses not incurred in the production of income, provisions and other IFRS adjustments not allowed for tax purposes. Imputation in terms of section 9D is also included in this line item.

^^^^^ The overall effective tax rate is significantly impacted by the non-monetary items IAS 12.41 as well as the impairment of Russian assets in the previous year, which is accounted for as non-operating and capital items.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

7. Taxation continued

R million	2023	2022
Group tax losses at the end of the year:		
South African – taxation losses	**(411)**	(903)
Foreign – taxation losses	**(1 590)**	(1 752)
	(2 001)	**(2 655)**
Utilised to reduce deferred taxation liabilities or create deferred taxation assets	**57**	1 193
Losses on which no deferred taxation assets raised due to uncertainty regarding utilisation	**(1 944)**	(1 462)
The losses for which no deferred taxation asset has been raised are as follows:		
South African tax losses		
Barloworld Siyakhula		(9)
Barloworld Transport	**(360)**	
Foreign tax losses		
Equipment Russia	**(66)**	(176)
UK Group	**(1 518)**	**(521)**
Total continuing operations	**(1 944)**	(706)
Discontinued operations		
Avis Fleet		(58)
Barloworld Logistics Africa		(272)
Barloworld Transport Solutions		(426)
Total discontinued operations		**(756)**
Total group	**(1 944)**	**(1 462)**

There is no expiry date or limit of carry forward for the losses listed above, provided that the businesses continue trading.

Barloworld operates in numerous countries around the world and accordingly is subject to, and pays annual income taxes, under the various income tax regimes in the countries in which it operates. The group has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. In some countries, tax authorities are yet to complete their assessments for previous years. The tax rules and regulations in many countries are highly complex and subject to interpretation. From time to time, the group is subject to a review of its historical income tax filings and in connection with such reviews, disputes can arise with the tax authorities over the interpretation or application of certain rules in respect of the group's business conducted within the country involved. Significant judgement is required in determining the worldwide provisions for income taxes due to the complexity of legislation. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.income taxes due to the complexity of legislation.

The United Kingdom ("UK") government announced that it intends to require large businesses to notify HMRC where they have adopted an uncertain tax treatment applicable to returns filed after April 2021. Barloworld companies in the UK Group have nothing to report in this regard.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

8. Earnings and headline earnings per share

8.1 Diluted weighted average number of shares

	2023	2022
Weighted average number of ordinary shares (net of share buy-back)	**185 626 965**	194 223 441
Increase in number of shares as a result of unexercised share options and unvested forfeitable shares	**2 185 980**	2 087 102
Fully converted weighted average number of shares	**187 812 945**	196 310 543

An account is taken of the number of ordinary shares in issue for the period in which they are entitled to participate in the net profit of the group.

R million	2023	2022
Net profit for the year attributable to shareholders of Barloworld Limited	**2 222**	2 043
Net profit for the year from continuing operations attributable to shareholders of Barloworld Limited	**1 981**	1 199
Net profit for the year from discontinued operations attributable to shareholders of Barloworld Limited	**241**	844

8.2 Earnings per share

	2023	2022	2023 Cents	2022 Cents
Earnings per share				
BASIC				
The weighted average number of ordinary shares	**185 626 965**	194 223 441		
Earnings per share (basic)			**1 197.0**	1 051.9
Earnings per share from continuing operations (basic)			**1 067.2**	617.2
Earnings per share from discontinued operations (basic)			**129.8**	434.7
DILUTED				
Fully converted weighted average number of shares (note 8.1)	**187 812 945**	196 310 543		
Earnings per share (diluted)			**1 183.1**	1 040.7
Earnings per share from continuing operations (diluted)			**1 054.8**	610.6
Earnings per share from discontinued operations (diluted)			**128.3**	430.1
Percentage dilution	**1.2**	1.1		

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

8. Earnings and headline earnings per share continued

8.3 Headline earnings per share

R million	2023	2022
BASIC		
Profit for the year attributable to Barloworld Limited shareholders	**2 222**	2 043
Adjusted for the following:		
Remeasurements excluded from headline earnings	**175**	1 397
(Profit)/loss on disposal of subsidiaries and investments	**(199)**	299
Tax impact of profit on disposal of subsidiaries and investments	**205**	
Profit on disposal of plant, property, equipment and other assets excluding rental assets	**(37)**	(3)
Tax on profit on disposal of property	**5**	8
Impairment of goodwill	**53**	217
Tax impact on impairment of goodwill*	**107**	(22)
Impairment of plant and equipment and intangibles and other assets	**31**	804
Other capital items	**4**	
Tax impact on impairment on plant and equipment, right of use assets, intangibles and other assets	**(15)**	
Impairment/(reversal of impairment) of property and right of use asset	**8**	(85)
Impairment of indefinite life intangible assets		193
Tax impact of loss on capital items		(1)
Tax impact of reversal on impairment of investment		6
Impairment of property, plant and equipment – associate and joint venture share	**11**	4
Tax benefit of impairment on property, plant and equipment – associate and joint venture share		(1)
Loss/(profit) on sale of property – associate and joint venture share		(3)
Change in estimate related to associate and joint venture	**2**	
Bargain purchase on acquisition of business – associate and joint venture share		(19)
Headline earnings	**2 397**	3 440

* The tax impact on impairment of goodwill relates to the release of goodwill impairments in the UK from prior years.

R million	2023	2022
Profit from continuing operations	**2 032**	1 201
Non-controlling shareholder's interest in net profit from continuing operations	**(51)**	(2)
Profit from continuing operations attributable to Barloworld Limited shareholders	**1 981**	1 199
Adjusted for the following items in continued operations:		
Gross remeasurements excluded from headline earnings from continuing operations	**166**	932
Profit on disposal of plant, property, equipment and other assets excluding rental assets	**(29)**	(45)
Tax on profit on disposal of property	**4**	8
Impairment of goodwill	**53**	217
Tax impact of impairment of goodwill*	**107**	(22)
Impairment of indefinite life intangible assets		193
Tax impact on impairment on plant and equipment, right of use assets, intangibles and other assets	**(15)**	
Impairment of plant and equipment and intangibles and other assets	**31**	628
Tax impact of loss on capital items		(1)
Reversal of impairment of property and right of use asset		(33)
Tax impact of reversal on impairment of investment		6
Impairment of property, plant and equipment – associate and joint venture share	**11**	4
Tax benefit of impairment on property, plant and equipment – associate and joint venture share		(1)
Bargain purchase on acquisition of business – associate and joint venture share		(19)
Profit on sale of property – associate and joint venture share		(3)
Change in estimate related to associate and joint venture	**2**	
Other capital items	**2**	
Headline earnings from continuing operations	**2 147**	2 131

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

8. Earnings and headline earnings per share continued

8.3 Headline earnings per share continued

R million	2023	2022
Profit from discontinued operations attributable to Barloworld Limited shareholders	**243**	851
Non-controlling shareholders interest in net profit from discontinued operations	**(2)**	(7)
Profit from discontinued operations attributable to Barloworld Limited shareholders	**241**	844
Adjusted for the following:		
Gross remeasurements excluded from headline earnings from discontinuing operations	**9**	465
(Profit)/loss on disposal of subsidiaries and investments	**(199)**	299
Tax impact of profit on disposal of subsidiaries and investments	**205**	
(Profit)/loss on disposal of plant, property, equipment and other assets excluding rental assets	**(8)**	42
Tax impact on disposal of business	**1**	
Impairment of plant and equipment and intangibles and other assets		176
Other capital items	**2**	
Impairment/(reversal of impairment) of property and right of use asset	**8**	(52)
Headline earnings from discontinued operations	**250**	**1 309**

	2023	2022	2023 Cents	2022 Cents
Headline earnings per share				
BASIC				
The weighted average number of ordinary shares	**185 626 965**	194 223 441		
Headline earnings per share (basic)			**1 291.4**	1 770.8
Headline earnings per share from continuing operations (basic)			**1 156.3**	1 096.3
Headline earnings per share from discontinued operations (basic)			**135.1**	674.1
DILUTED				
Fully converted weighted average number of shares (note 8.1)	**187 123 745**	196 310 543		
Headline earnings per share (diluted)			**1 276.3**	1 752.0
Headline earnings per share from continuing operations (diluted)			**1 142.8**	1 084.7
Headline earnings per share from discontinued operations (diluted)			**133.5**	667.0
Percentage dilution	**1.2**	**1.1**		

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

9. Property, plant and equipment and investment properties

R million	2023							2022						
	Freehold and leasehold land and buildings	Investment property	Plant, equipment and furniture	Vehicles	Rental assets equipment	Rental assets vehicles	**Total**	Freehold and leasehold land and buildings	Investment property	Plant, equipment and furniture	Vehicles	Rental assets equipment	Rental assets vehicles	**Total**
COST														
At 1 October	**5 625**	**1 218**	**4 416**	**628**	**3 239**	**9 130**	**24 256**	5 295	1 198	4 182	1 488	3 066	8 185	23 414
Other additions	**82**	**52**	**383**	**72**	**1 654**	**2 056**	**4 299**	20		336	202	1 280	5 336	7 174
Business/subsidiary disposed	**(355)**		**(165)**	**(10)**		**(10 404)**	**(10 934)**	(38)		(61)	(908)			(1 007)
Other disposals	**(72)**		**(49)**	**(63)**	**(1 207)**	**(738)**	**(2 129)**	(85)		(234)	(234)	(1 228)	(4 445)	(6 225)
Reclassifications^	**(261)**	**268**	**(7)**	**1**			**1**		20					20
Translation differences	**127**		**59**	**26**	**31**	**(44)**	**199**	434		193	79	121	55	882
At 30 September	**5 146**	**1 538**	**4 637**	**654**	**3 717**		**15 692**	**5 625**	**1 218**	**4 416**	**628**	**3 239**	**9 130**	**24 256**
ACCUMULATED AMORTISATION AND IMPAIRMENT														
At 1 October	**2 466**	**229**	**2 169**	**476**	**1 082**	**1 316**	**7 738**	1 596	198	1 853	845	1 028	1 907	7 427
Depreciation	**84**	**13**	**280**	**46**	**368**	**183**	**974**	110	11	273	36	419	922	1 771
Business/subsidiary disposed	**(226)**		**(136)**	**(4)**		**(1 073)**	**(1 439)**	(17)		(46)	(312)			(375)
Other disposals	**(56)**		**(71)**	**(52)**	**(437)**	**(411)**	**(1 027)**	(3)		(158)	(148)	(448)	(1 531)	(2 288)
Reclassifications^	**(53)**	**52**	**1**						20					20
Reversal of impairment								(40)			(6)			(46)
Impairment*					**32**		**32**	548		83				631
Translation differences	**80**		**48**	**21**	**19**	**(15)**	**153**	271		163	61	83	18	596
At 30 September	**2 295**	**294**	**2 291**	**487**	**1 064**		**6 431**	**2 466**	**229**	**2 169**	**476**	**1 082**	**1 316**	**7 738**

^ After divesting the Motor Retail and Car rental businesses, the Khula Sizwe properties are leased to external parties to the group, and are therefore reclassified as investment properties for the group. The fair value of investment properties at 30 September 2023 is R2 006 million (2022: R1 442 million). The fair value measurement of the properties is considered a level 3 measurement in accordance with IFRS 13. The calculation of the fair values of the properties was based on the income approach method in which the estimated net annual rent for the forward period of 120 months is capitalised at an appropriate rate of interest to reflect the perceived risk in the investment. A period of 120 months was considered appropriate because this was the determined expected future net income. There are no unobservable inputs for which a reasonable change in an input would result in a significantly higher or lower fair value measurement. There are also no significant unobservable inputs for which there are interrelationships which significantly influence the valuation.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

9. Property, plant and equipment and investment properties continued

R million	2023 Freehold and leasehold land and buildings	2023 Investment property	2023 Plant, equipment and furniture	2023 Vehicles	2023 Rental assets equipment	2023 Rental assets vehicles	2023 **Total**	2022 Freehold and leasehold land and buildings	2022 Investment property	2022 Plant, equipment and furniture	2022 Vehicles	2022 Rental assets equipment	2022 Rental assets vehicles	2022 **Total**
CARRYING AMOUNT														
At 30 September	**2 851**	**1 244**	**2 346**	**167**	**2 653**		**9 261**	3 158	989	2 247	152	2 157	7 813	16 516
Less: Vehicle rental fleet assets reflected under current assets														
Classified as held for sale (note 21)		**(57)**					**(57)**	(141)	**(56)**	(26)			**(7 806)**	(8 030)
Classified as investment property on statement of financial position		**1 187**					**1 187**		**(932)**					(932)
Balance reflected as property, plant and equipment	**2 851**		**2 346**	**167**	**2 653**		**8 017**	**3 017**		**2 221**	**152**	**2 157**	**7**	**7 554**
Net book value of capitalised leases included in above balance			**207**				**207**			140				140

^ After divesting the Motor Retail and Car rental businesses, the Khula Sizwe properties are leased to external parties to the group, and are therefore reclassified as investment properties for the group. The fair value of investment properties at 30 September 2023 is R2 006 million (2022: R1 442 million). The fair value measurement of the properties is considered a level 3 measurement in accordance with IFRS 13. The calculation of the fair values of the properties was based on the income approach method in which the estimated net annual rent for the forward period of 120 months is capitalised at an appropriate rate of interest to reflect the perceived risk in the investment. A period of 120 months was considered appropriate because this was the determined expected future net income. There are no unobservable inputs for which a reasonable change in an input would result in a significantly higher or lower fair value measurement. There are also no significant unobservable inputs for which there are interrelationships which significantly influence the valuation.

* Current year impairment relates to rental assets and is included in operating expenses.

Investment properties are pledged as security for long term debt. Refer note 23.

	2023 Rm	**2022** Rm
Rental income derived from investment properties	**241**	**173**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

9. Property, plant and equipment and investment properties continued

Future minimum lease receivables under non-cancellable operating leases for Avis Fleet:

R million	2023	2022
Within one year		838
Two to five years		1 026
More than five years		2
		1 866

The carrying amounts of assets encumbered for which title is restricted was R3 315 million (2022: R 3 198 million) for properties (mortgage bond).

Refer to note 23 where mortgage bonds are disclosed and note 27 for payables secured by vehicles.

Vehicle rental assets for prior year included long-term fleet in southern Africa leased to customers for periods in excess of 12 months with an average lease term of 45 months in 2022 and an average residual value of 43%.

Refer to note 31 for contractual commitments for the acquisition of property, plant and equipment and vehicle rental fleet.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

10. Right of use assets

	2023				2022			
R million	Land and buildings	Equipment, IT and plant	Vehicles	**Total**	Land and buildings	Equipment, IT and plant	Vehicles	**Total**
COST								
At 1 October	**937**	**18**	**3**	**958**	1 025	18	369	1 412
Business/subsidiary disposed	**(285)**		**(2)**	**(287)**	(19)		(215)	(234)
Additions	**236**	**1**	**43**	**280**	67		3	70
Other additions transfers from group					17			17
Lease modifications	**(40)**		**42**	**2**	3	1	45	49
Lease retirements	**(114)**	**(1)**	**(51)**	**(166)**	(198)	(1)	(199)	(398)
Reclassification of leases to external leases post Zeda unbundling			**340**	**340**				
Translation differences	**11**	**1**	**3**	**15**	42			42
At 30 September	**745**	**19**	**378**	**1 142**	**937**	**18**	**3**	**958**
ACCUMULATED AMORTISATION AND IMPAIRMENT								
At 1 October	**410**	**10**		**420**	350	6	105	461
Depreciation	**118**	**4**	**77**	**199**	143	5	24	172
Business/subsidiary disposed	**(155)**			**(155)**			(35)	(35)
Reclassification of leases to external leases post Zeda unbundling			**165**	**165**				
Lease modifications	**33**		**5**	**38**	(2)			(2)
Lease retirements	**(83)**	**(1)**	**(50)**	**(134)**	(86)	(1)	(122)	(209)
Reversal of impairments					(39)			(39)
Impairments*	**77**			**77**	25		27	52
Translation differences	**14**		**3**	**17**	19			19
At 30 September	**414**	**13**	**200**	**627**	**410**	**10**		**420**
Net balance reflected as right of use assets	**331**	**6**	**178**	**515**	**527**	**8**	**3**	**539**
Classified as held for sale (note 21)					**(179)**			**(179)**
Total Group	**331**	**6**	**178**	**515**	**348**	**8**	**3**	**359**

* Impairments resulted from the underlying cash generating units indicating an impairment. There were several properties which became vacant or were exited due to locations being consolidated in the financial period. . R28 million of the impairment is included in the R31 million on the income statement whilst the remainder is included in discontinued operations.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

10. Right of use assets continued

	2023					
Right of use assets	No of right of use assets leases	Range of remaining lease term	Average remaining lease term	No of leases with extension options	No of leases with variable payments linked	No of leases with termination options
Land and buildings	134	1 to 27 years	9	108		58
Equipment, IT and plant	29	1 to 5 years	2	29		29
Vehicles	641	1 to 6 years	6	637		605
	804			**774**		**692**

	2022					
Right of use assets	No of right of use assets leases	Range of remaining lease term	Average remaining lease term	No of leases with extension options	No of leases with variable payments linked	No of leases with termination options
Land and buildings	188	1 to 28 years	13	120		41
Equipment, IT and plant	56	1 to 4 years	2	28	28	28
Vehicles	4	1 to 5 years	5			
	248			**148**	**28**	**69**

11. Goodwill

R million	2023	2022
COST		
At 1 October	**3 651**	3 723
Additions	**2**	
Disposal		(170)
Business/subsidiary disposed#	**(1 083)**	(9)
Translation differences	**31**	107
At 30 September	**2 601**	**3 651**
ACCUMULATED IMPAIRMENT LOSSES		
At 1 October	**1 057**	967
Business/subsidiary disposed#	**(618)**	(9)
Disposal		(169)
Impairment@	**53**	217
Translation differences	**15**	51
At 30 September	**507**	**1 057**
CARRYING AMOUNT	**2 094**	**2 594**
Classified as held for sale (note 21)		(456)
Total per statement of financial position	**2 094**	2 138

This relates to the disposal of the Car Rental and Leasing business (Zeda Limited). Prior period disposal relates to the disposal of the Logistics business.

@ Current year impairment relates to SMD and prior year impairment relates to Equipment Russia. Refer to detail below.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

11. Goodwill continued

Goodwill is allocated to the following cash generating units for impairment testing purposes:

Significant cash-generating units (CGUs)	Geographical location	Reportable segment to which the CGU belong	Carrying amount of goodwill 2023 R million	Carrying amount of goodwill 2022 R million	Accumulated impairments 2023 R million	Accumulated impairments 2022 R million
Avis Rent a Car southern Africa	South Africa	Car Rental southern Africa		176		(619)
Avis Fleet southern Africa	South Africa	Leasing		282		(11)
Equipment Russia	Russia	Equipment Eurasia			**(217)**	(217)
Equipment Botswana Zambia Angola Mozambique Malawi (BZAMM)	Rest of Africa	Equipment southern Africa			**(57)**	(57)
Equipment Mongolia	Mongolia	Equipment Eurasia	**362**	344		
Ingrain	South Africa	Ingrain	**1 640**	1 640		
Other^	Various	Various	**92**	152	**(183)**	(130)
CARRYING AMOUNT			**2 094**	**2 594**	**(457)**	**(1 034)**
Classified as held for sale (note 21)				(456)		
TOTAL			**2 094**	2 138		

^ The aggregate of the remaining immaterial goodwill balances consists of Salvage Management and Disposals. The prior year also included goodwill related to Crownmill Trading which was disposed on 6 April 2023. The goodwill related to Salvage Management and Disposals was partially impaired by R53 million in the current year.

Goodwill is allocated to the appropriate CGUs based on which the CGU is expected to benefit from the synergies arising in a business combination. External and internal factors surrounding the business operations play a role in determining an indication of impairment. In addition, the carrying amount of goodwill is subject to an annual impairment test.

Impairment of goodwill arises when the recoverable amount of the CGU, including goodwill, is less than the carrying value. The recoverable amount is determined as the greater of the fair value less costs to sell or the value in use.

The key assumptions used in the value in use calculation for the CGUs are shown below:
The discount rate applied to the five year forecast period has been outlined for each cash generating unit in the table below. Discount rates applied to cash flow projections are based on a country or region-specific discount rate, dependent upon the location of cash generating operations.

At each impairment testing interval, a discounted cash flow valuation model is applied using a five-year strategic plan as approved by the board. The financial plans are the quantification of strategies derived from the use of a common strategic planning process followed across the group. The process ensures that significant risks and sensitivities are appropriately considered and factored into strategic plans.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

11. Goodwill continued

The pre-tax nominal discount rates applied are as follows:

Significant CGUs	Geographical location	Currency	2023 %	2022 %
Avis Rent a Car southern Africa	Southern Africa	ZAR		19.7%
Avis Fleet southern Africa	Southern Africa	ZAR		19.7%
Equipment Southern Africa	Southern Africa	ZAR	**12.6%**	15.3%
Equipment Mongolia	Mongolia	USD	**17.7%**	17.7%
Ingrain	South Africa	ZAR	**18.9%**	15.9%
Other	Various	Various	**16.4%-18.8%**	15%-20%

Long-term growth rates applied to extrapolate cash flows are as follows:

Significant CGUs	Geographical location	Currency	2023 %	2022 %
Avis Rent a Car southern Africa	South Africa	ZAR		4.6%
Avis Fleet southern Africa	South Africa	ZAR		4.6%
Equipment Southern Africa	Southern Africa	ZAR	**4.2%**	4.6%
Equipment Mongolia	Mongolia	USD	**2.0%**	2.1%
Ingrain	South Africa	ZAR	**4.6%**	4.6%
Other	Various	Various	**2.0%**	4.6%

Key operating assumptions:

Sales growth rates: Sales growth rates have been derived by analysing historical data, considering growth rates projected by the senior management teams, which includes price and volumes, and considering the economic and trading conditions of each area within South Africa and the rest of the world.

Gross margins: Gross margins have been derived by analysing historical data, approved forecast gross margins for the forecast period, and considering the impact of currency fluctuations.

Operating costs: Operating costs have been derived by analysing historical data, considering economic and trading conditions, committed and uncommitted capital expenditure, and operating requirements coupled by various operational improvement initiatives.

Working capital: Working capital requirements are driven by required stock turn ratios, credit terms and capital expenditure requirements.

Long-term growth rates: Long-term growth rates are based on the longer term inflation and currency expectations for the various industries in South Africa and the rest of the world.

As at 30 September 2023, management has performed sufficient sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual cash-generating units to exceed their value in use.

Other key assumptions:

Salvage Management and Disposal

In the current year, management performed an impairment assessment for the SMD business unit because of a reduction in the sales forecast and performance of the business. At the appropriate WACC rate of 15% and a terminal growth rate of 1.45% the value-in-use model was used to determine the low impairment of R53 million. The recoverable value of the business was calculated as R 220 million.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

12. Intangible assets

R million	2023 Capitalised software	2023 Patents, trademarks, development costs	2023 Supplier relationships	2023 Customer relationships, order backlog	2023 Total intangible assets	2022 Capitalised software	2022 Patents, trademarks, development costs	2022 Supplier relationships	2022 Customer relationships, order backlog	2022 Total intangible assets
COST										
At 1 October	**1 030**	**127**	**2 283**	**1 119**	**4 559**	1 093	126	1 987	1 174	4 380
Additions	**115**				**115**	46	1			47
Business/Subsidiary disposed	**(273)**	**(30)**		**(6)**	**(309)**	(2)			(14)	(16)
Disposals	**(16)**				**(16)**	(119)			(41)	(160)
Translation differences	**3**		**88**		**91**	12		296		308
At 30 September	**859**	**97**	**2 371**	**1 113**	**4 440**	**1 030**	**127**	**2 283**	**1 119**	**4 559**
ACCUMULATED AMORTISATION AND IMPAIRMENT										
At 1 October	**862**	**111**	**1 265**	**232**	**2 470**	799	107	862	211	1 979
Charge for the year	**59**	**2**	**42**	**72**	**175**	58	4	37	75	174
Business/Subsidiary disposed	**(272)**	**(18)**		**(6)**	**(296)**	(1)			(13)	(14)
Disposals	**(15)**				**(15)**	(99)			(41)	(140)
Impairment*	**3**				**3**	96		193		289
Translation differences	**2**		**52**		**54**	9		173		182
At 30 September	**639**	**95**	**1 359**	**298**	**2 391**	**862**	**111**	**1 265**	**232**	**2 470**
CARRYING AMOUNT										
At 30 September	**220**	**2**	**1 012**	**815**	**2 049**	168	16	1 018	887	2 089
Classified as held for sale (note 21)						(2)	(7)			(9)
Total Group	**220**	**2**	**1 012**	**815**	**2 049**	**166**	**9**	**1 018**	**887**	**2 080**

* Impairments in the prior year relate to licences in Mongolia and software. Current year impairment is included in the impairment of R31 million disclosed on the face of the income statement.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

12. Intangible assets continued

Significant cash-generating units (CGUs)	Useful life	Geographical location	Reportable segment to which the CGUs belong	Carrying value 2023 R million	Carrying value 2022 R million	Accumulated impairments 2023 R million	Accumulated impairments 2022 R million
Equipment Russia	Indefinite	Russia	Equipment Eurasia			**193**	193
Equipment South Africa	Indefinite	South Africa	Equipment southern Africa	**277**	277		
Equipment Mongolia	Finite	Mongolia	Equipment Eurasia	**735**	741		
Equipment BZAMM	Indefinite	Rest of Africa	Equipment southern Africa			**708**	708
Supplier relationship intangible assets				**1 012**	**1 018**	**901**	**901**
Ingrain	Finite	South Africa	Ingrain	**815**	882		
Other	Finite	Various	Various		5		
Customer relationships and order backlog intangible assets				**815**	**887**		

Customer relationships arose in Ingrain from non-contractual customer relationships, which represent loyal customers that will continue their relationship after the acquisition. The write off period is 15 years.

The key assumptions used in the recoverable amount calculation for the CGUs shown above (indefinite life) are contained in note 11. The value in use valuation method is used for intangible assets.

As at 30 September 2023, management has performed the appropriate sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual cash-generating units to exceed their recoverable amount.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

13. Investment in associates and joint ventures

	Income/(loss) from associates and joint ventures		Carrying value of the investment	
R million	**2023**	2022	**2023**	2022
Associates	**88**	166	**1 084**	946
Joint ventures	**236**	142	**1 751**	1 478
Total continuing operations	**325**	309	**2 835**	2 424
Discontinued operations (note 21)	**2**	2		8
Total group	**327**	**311**	**2 835**	**2 432**

Impairment of investments arises when the recoverable amount of the investment is less than the carrying value. The recoverable amount is determined as the greater of the fair value less costs to sell or the value in use. For the purposes of assessing the above Investments for impairment, the recoverable amount was based on the fair value less costs to sell method.

The following key assumptions have been used in determining the fair value less costs to sell of each investment at 30 September 2023:

	Bartrac Equipment Limited*	BHBW South Africa (Pty) Limited	NMI Durban South Motors (Pty) Ltd
Pre-tax nominal discount rate	**21.1%**	**13.7%**	**17.1%**
Terminal growth rate	**2.1%**	**4.6%**	**4.6%**

The following key assumptions have been used in determining the fair value less costs to sell of each investment at 30 September 2022:

	Bartrac Equipment Limited*	BHBW South Africa (Pty) Limited	NMI Durban South Motors (Pty) Ltd
Pre-tax nominal discount rate	22.0%	23.6%	17.2%
Terminal growth rate	2.1%	4.6%	4.6%

* US Dollar based

As at 30 September 2023, management has performed sufficient sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual cash-generating units to exceed their recoverable amount (fair value less costs to sell).

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

13. Investment in associates and joint ventures continued

DETAILS OF MATERIAL JOINT VENTURES

Details of material joint ventures at the end of the reporting period are as follows:

Name of joint venture	Principal activity	Place of incorporation	Proportion of ownership interest and voting rights held by the Group 2023	2022
Bartrac Equipment Limited	Caterpillar dealer	Mauritius	**50%**	50%

The joint venture operates in Mauritius and the Democratic Republic of Congo.

Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS.

R million	2023	2022
Bartrac Equipment Limited		
Statement of financial position		
Cash and cash equivalents	**40**	59
Total current assets (excluding cash and cash equivalents)	**5 008**	3 450
Non-current assets	**931**	976
Total current liabilities	**2 058**	1 553
Total non-current liabilities	**581**	181
Net asset value	**3 340**	2 751
Barloworld share of net asset value	**1 670**	1 376
Income statement		
Revenue	**6 092**	4 859
Depreciation and amortisation	**(77)**	(65)
Interest expense	**(80)**	(28)
Income tax expense	**(75)**	(22)
Net profit/(loss) after tax	**447**	286

R million	2023	2022
Reconciliation of the carrying amount of the interest in Bartrac recognised in the consolidated financial statements		
Original cost	**38**	38
Equity-accounted earnings to date	**1 804**	1 581
Dividends	**(809)**	(809)
Foreign currency translation	**636**	566
Carrying amount of the group's interest in Bartrac Equipment Limited	**1 670**	**1 376**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

13. Investment in associates and joint ventures continued

Name of joint venture	Principal activity	Place of incorporation	Proportion of ownership interest and voting rights held by the Group 2023	2022
BHBW South Africa (Pty) Ltd	Supply of Agricultural and Materials Handling goods and services	South Africa	**50%**	50%

Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS.

R million	2023	2022
BHBW South Africa (Pty) Ltd		
Statement of financial position		
Cash and cash equivalents	**75**	6
Total current assets (excluding cash and cash equivalents)	**522**	466
Non-current assets	**396**	289
Current liabilities (excluding trade and other payables and provisions)	**47**	108
Total current liabilities	**298**	328
Total non-current liabilities	**241**	4
Net asset value	**455**	429
Barloworld share of net asset value	**228**	214
Income statement		
Revenue	**1 198**	1 015
Depreciation and amortisation	**(21)**	(52)
Interest expense	**(22)**	(12)
Net profit after tax	**25**	(2)

R million	2023	2022
Reconciliation of the carrying amount of the interest in BHBW South Africa (Pty) Ltd recognised in the consolidated financial statements		
Original cost	**301**	301
Equity-accounted loss to date	**(73)**	(85)
Impairment recognised	**(147)**	(147)
Carrying amount of the group's interest in BHBW South Africa (Pty) Ltd	**81**	**69**

R million	(Loss)/income from joint venture 2023	2022	Carrying value of the investment 2023	2022
Reconciliation of income statement/ statement of financial position				
Bartrac Equipment Limited and BHBW South Africa (Pty) Ltd	**236**	142	**1 751**	1 446
Aggregate profit/carrying value of non-material joint ventures				33
Total continuing operations	**236**	**142**	**1 751**	**1 479**
Discontinued operations (note 21)	**2**	**3**		**8**
Total group	**238**	**146**	**1 751**	**1 487**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

13. Investment in associates and joint ventures continued

DETAILS OF MATERIAL ASSOCIATES

Name of associates	Principal activity	Place of incorporation	Proportion of ownership interest and voting rights held by the Group 2023	2022
NMI Durban South Motors (Pty) Ltd	Sale and servicing of motor vehicles and sale of parts	South Africa	**50%**	50%

Summarised financial information in respect of the group's material associates is set out below. The summarised financial information represents amounts shown in the associate's financial statements prepared in accordance with IFRS.

The group accounts for NMI Durban South Motors (Pty) Ltd using the equity accounting method as Barloworld has the power to participate in the financial and operating policy decision of the investee.

Although Barloworld has 50% interest, joint control does not exist because the remaining 50% investment in NMI Durban South Motors (Pty) Ltd is held 25% each by two parties. Voting at board and shareholder meetings is proportional to the number of shares held by the shareholders and there are no other arrangements that affect decision-making.

R million	2023	2022
NMI Durban South Motors (Pty) Ltd		
Statement of financial position		
Cash and cash equivalents	**294**	146
Total current assets (excluding cash and cash equivalents)	**4 702**	3 792
Non-current assets	**3 860**	4 084
Current liabilities (excluding trade and other payables and provisions)	**3 670**	212
	4 892	3 821
Total current liabilities	**2 042**	2 423
Non-current financial liabilities (excluding trade and other payables and provisions)	**2 042**	2 423
	1 921	1 778
Total non-current liabilities	**960**	889
Net asset value	**10**	10
Barloworld share of net asset value excluding goodwill	**970**	899
Income statement		
Revenue	**21 250**	18 869
Depreciation and amortisation	**(375)**	(235)
Interest income	**7**	4
Income tax expense	**(54)**	(84)
Net profit after tax and share of associate profit	**141**	263

R million	2023	2022
Reconciliation of the carrying amount of the interest in NMI Durban South Motors (Pty) Ltd recognised in the consolidated financial statements		
Original cost	**663**	663
Equity accounted earnings to date	**382**	310
Adoption on 1 October 2019 upon transition to IFRS 16 standard	**(3)**	(3)
Dividends	**(71)**	(71)
Carrying amount of the group's interest in NMI Durban South Motors (Pty) Ltd	**970**	**899**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

13. Investment in associates and joint ventures continued

Aggregate information of other associates that are not individually material:

R million	2023	2022
Group's share of income	7	9

Reconciliation of income statement/statement of financial position

	Income/(loss) from associate		Carrying value of the investment	
R million	2023	2022	2023	2022
NMI Durban South Motors (Pty) Ltd	81	159	970	899
Aggregate profit/carrying value of other non-material associates#	7	9	114	47
Total continuing operations	88	167	1 084	946
Discontinued operations (note 21)				
Total group	88	167	1 084	946

Included in the carrying value of associates, that are not individually material, Irene Khaya Property Investment (Pty) Ltd and Barlow Park Residential Property Ltd, in which Barloworld also has a 50% shareholding and Optron (Pty) Ltd in which Barloworld has a 20% shareholding. These entities are not jointly controlled and as such are classified as associates.

All of the associates and joint ventures are incorporated and operational in South Africa, except:

Name of the associate/joint ventures	Principal activity	Place of incorporation	Year end
Bartrac Equipment Limited	Caterpillar dealer	Mauritius	31 December*

* The different year ends of the associates and joint ventures listed above have been agreed to based on the tax year ends of the jurisdictions in which these businesses operate and/or to coincide with our partners' financial year ends and do not have a material impact on the results.

Barzem Enterprises (Pty) Ltd was disposed on 29 September 2023.

There are no restrictions on the ability of the group's joint ventures and associates to transfer funds to the group in the form of cash dividends or to repay loans or advances owing to the group.

The group has no commitments arising from its involvement with joint ventures and associates. Refer to note 33 for guarantees given on behalf of joint ventures and associates.

Financial liabilities arising from the issuance of guarantees over obligations of the joint ventures and associates are disclosed in credit risk note 33.2.d. The group considers the probability of loss arising from these guarantees as remote as the financial position of these investments is considered sufficient to repay debts as and when they are due and payable.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

14. Long-term trade and other receivables

R million	2023	2022
Amounts receivable under finance leases:		
Net investment	**91**	333
Less: Unearned finance income	**(10)**	(58)
Less: Expected credit losses (ECL)		(21)
Total group	**81**	**254**
Classified as held for sale (note 21)		(235)
Total long-term finance lease receivables	**81**	**18**
Long-term finance lease receivables	**52**	148
Total group	**52**	**148**
Classified as held for sale (note 21)		(132)
Total long-term finance lease receivables	**52**	**16**
Receivable as follows:		
Present value		
Within one year – included in trade and other receivables (note 18)	**29**	105
Year 2	**37**	67
Year 3	**15**	44
Year 4		28
Year 5		8
	81	**254**
Minimum lease payments		
Within one year	**35**	119
Year 2	**40**	95
Year 3	**16**	57
Year 4		38
Year 5		13
Year 6 and onwards		11
	91	333
Less: Unearned finance income	**(10)**	(58)
Less: Expected credit losses (ECL)		(21)
	81	**254**
Unguaranteed residual values of assets leased under finance leases		45

* Long-term trade receivables are reflected net of expected credit losses of nil (2022: R21 million).

The profit related to finance leases amounts to R17 million (2022: R3 million) within the Equipment operating segment.

Investment income earned on the net investment in the leases amounts to R5 million (2022: R38 million).

No variable income portion has been excluded in the measurement of the net investment in the leases.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

15. Long-term financial assets

R million	2023	2022
Listed investments at fair value (level 1 fair value hierarchy)*	101	3
Unlisted investments at fair value (level 3 fair value hierarchy)*	16	20
Unlisted debt instruments – Derivative (level 3 fair value hierarchy)*	22	5
Other receivables^	252	150
Total long-term financial assets	**391**	**178**

* Refer note 33 fair value hierarchy.

^ Other receivables includes lease smoothing of R158 million (2022: R90 million).

16. Deferred taxation

R million	2023	2022
Movement of deferred taxation		
Balance at the beginning of the year		
– deferred taxation assets	1 158	848
– deferred taxation liabilities	(1 042)	(1 186)
Net asset at the beginning of the year	116	(338)
Recognised in income statement this year	(489)	127
– Current movements	(491)	105
– Rate change adjustment	2	22
Recognised in income statement this year – discontinued operations	(71)	(153)
Business/Subsidiary disposed	185	88
Translation differences	54	2
Accounted for directly in other comprehensive income	(223)	220
Net deferred taxation classified as held for sale (note 21)	(198)	210
Other movements	70	(40)

R million	2023	2022
Net (liability)/asset at the end of the year	(556)	116
– deferred taxation assets	493	1 158
– deferred taxation liabilities	(1 049)	(1 042)
Analysis of deferred taxation by type of temporary difference		
Deferred taxation assets		
Capital allowances	(296)	(252)
Right of use assets	(241)	(496)
Provisions, long-term loans and payables	524	510
Prepayments and other receivables	33	303
Effect of tax losses	15	246
Retirement benefit obligations	134	120
Lease liabilities	391	641
Other temporary differences	(67)	86
	493	**1 158**
Deferred taxation liabilities		
Capital allowances	(910)	(938)
Right of use assets	193	435
Provisions, long-term loans and payables	31	88
Prepayments and other receivables	(74)	(65)
Effect of tax losses	1	
Lease liabilities	(267)	(523)
Other temporary differences	(22)	(39)
	(1 049)	**(1 042)**

Refer to note 7 for information on unutilised tax losses.

Provision has been made for South African income tax or foreign taxes that may result from future remittances of undistributed earnings of foreign subsidiaries or foreign corporate joint ventures, where the group is able to assert that the undistributed earnings are not permanently reinvested.

In all other cases, the foreign subsidiaries reinvest the undistributed earnings into future capital expansion projects, maintenance capital and ongoing working capital funding requirements. Unrecognised taxable temporary differences pertaining to undistributed earnings totalled R85 million (2022: R57 million).

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

17. Inventories

R million	2023	2022
Work in progress	**1 308**	848
Equipment	**11 991**	7 727
Vehicles		474
Starch raw materials	**544**	721
Starch finished goods	**278**	231
Other inventories	**503**	425
Inventory provision^	**(1 494)**	(1 360)
Total group	**13 130**	**9 065**
Classified as held for sale (note 21)		(471)
Total per statement of financial position	**13 130**	**8 595**

The value of inventories has been determined on the following bases:

R million	2023	2022
First-in first-out	**3 075**	3 010
Specific identification	**6 898**	2 474
Weighted average	**3 157**	3 112
	13 130	**8 596**
Inventory recognised as an expense	**30 359**	**25 134**
^ Included within inventory provision are the following:		
Amount of write-down of inventory to net realisable value and losses of inventory	**270**	155
Amount of reversals of inventory previously written down*	**60**	83

* The reversal of inventory previously written off mainly relates to an increase in the inventory turn resulting in a reversal of aged inventory provisions in the Equipment business.

18. Trade and other receivables

R million	2023	2022
Trade receivables	**4 374**	6 429
Less: Expected credit losses (ECL)	**(440)**	(875)
Net trade receivables	**3 934**	5 554
Other financial assets		
Finance lease receivables (note 14)	**29**	105
Fair value of derivatives^^	**14**	199
Other receivables***		72
Non-financial assets classified as other receivables		
VAT receivables	**561**	791
Prepayments	**275**	974
Other receivables^	**1 064**	1 138
Total group	**5 877**	**8 833**
Classified as held for sale (note 21)		(1 805)
Total per statement of financial position	**5 877**	**7 027**

Trade receivables to the value of R325 million (2022: R337 million) has been pledged as security against maize financing. This is in terms of security cession and not an outright cession and the cedent retains bare ownership of the secured property.

^ Other receivables mainly relates to refunds from OEMs regarding discount claims or shipment returns within the Equipment operating segment of R569 million (2022: R294 million) as well as warranty claims, insurance claims, rebates and licence fee receivables. The increase is as a result of increased trading activity.

^^ The foreign currency contracts have been acquired to hedge the underlying currency risk arising from a firm commitment to acquire equipment machines as well as the forecast purchases of spare parts. All cash flows are expected to occur and affect profit or loss within the next 12 months.

*** The 2022 number included R72 million relating to the short-term portion of the tranche payable by NMI on the second anniversary of the closing date of the disposal on 1 June. The final payment was received on 1 June 2023.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

18. Trade and other receivables continued

R million	2023	2022
Expected credit losses (ECL)#		
At 1 October	**875**	943
Current year expected credit losses	**15**	64
Write off	**(3)**	(171)
Business/Subsidiary disposed	**(478)**	(12)
Translation differences	**31**	51
At 30 September	**440**	**875**
Classified as held for sale (note 21)		(446)
Total	**440**	**428**

The Group measures the loss allowance for trade receivables at an amount equal to the lifetime ECL. Refer to note 33 for further analysis of credit risk related to ECL.

19. Contract assets

R million	2023	2022
Balance at 1 October	**786**	452
Disposal of business		(11)
Recognition of revenue (using percentage of completion)	**2 021**	3 710
Transfer to receivables (on invoicing)	**(1 968)**	(3 362)
Impairment loss upon reclassification to trade receivables		(1)
Expected credit losses movement (refer to reconciliation below)	**(42)**	(22)
Translation differences	**17**	20
Total per statement of financial position	**814**	**786**
Current portion	**814**	786

Amounts relating to contract assets are balances due from customers in the Equipment (2022: Equipment and Logistics) segments that represent the group's right to consideration, when the group performs the contracted performance obligations overtime. Payment is conditional on completion of the performance obligations. The contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

R million	2023	2022
Expected credit losses (ECL)		
At 1 October	**32**	10
Current year expected credit losses	**42**	21
Translation differences		1
	74	**32**

The increase in ECL mostly relates to Russia.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

20. Cash and cash equivalents

R million	2023	2022
Cash on deposit	**9 297**	8 674
Other cash and cash equivalent balances	**1 114**	835
Total group	**10 411**	9 509
Classified as held for sale (note 21)		(310)
Total per statement of financial position	**10 411**	**9 199**
Per currency:		
South African Rand	**5 215**	5 780
United States Dollar	**3 627**	2 579
British Sterling	**1 391**	514
Other foreign currencies	**178**	326
	10 411	**9 199**
Cash balances not available for use due to other contractual and foreign exchange restrictions*	**138**	145

* The restricted cash relates mainly to cash held in Malawi of R46 million (USD2 million) (2022: R56 million (USD3 million)) which was not easily accessible, as well as R92 million (GBP4 million) (2022: R81 million (GBP4 million)) held in Barloworld Insurance.

At 30 September 2023, cash held in Russia was R1 241 million (USD66 million (2022: R419 million (USD23 million)). This cash will be utilised for operational purposes to settle liabilities, therefore not included in restricted cash above.

Cash on deposit mostly represents positive current bank accounts while other cash and cash equivalents represent petty cash and short-term cash deposits.

21. Discontinued operations and assets held for sale

21.1 Discontinued operations

In the 2022 reporting period, the group disposed of its 51% share in the Refrigerated transport business (Aspen), effective 1 December 2021; as well as the Manline and Timber transport business (Transport), effective 1 March 2022, which ran the hazardous fuel, chemicals and forestry industry out of the Logistics division. The Refrigerated transport disposal was approved by the competition commission in Botswana. The sale of the remaining Warehousing and Distribution business within the Supply Chain Solutions business was finalised, on 31 March 2023, therefore the trading results for the six months are included in discontinued operations.

On 9 February 2022, the board took a firm decision to sell or unbundle our interest in Leasing and Car Rental. As a result, the trading results were presented as part of discontinued operations from that date. The unbundling of Leasing and Car Rental (Zeda Limited) in the form of an in specie dividend was effective 13 December 2022, therefore the trading results for the two months and 13 days are included in discontinued operations.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

21. Discontinued operations and assets held for sale continued

21.1 Discontinued operations continued

Results from discontinued operations as reported are as follows:

R million	2023	2022
Revenue	**2 088**	9 801
Profit before items listed below	**648**	3 014
Impairment on financial assets and contract assets	**5**	(49)
Fair value adjustments on financial instruments	**(19)**	(39)
B-BBEE transaction charge		(12)
Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation	**634**	2 914
Depreciation	**(184)**	(980)
Amortisation of intangible assets		(1)
Operating profit from trading activities	**450**	1 933
Impairments and capital items:		
Loss on disposal of property, plant and equipment and right of use assets	**8**	(42)
Reversal of impairment of property and right of use assets		52
Impairment of property, plant and equipment, intangibles and other assets (note10,13,11)		(176)
Capital items	**(10)**	
Profit before finance costs and income	**448**	1 767
Finance costs	**(88)**	(131)
Income from investments	**9**	18
Profit before taxation	**369**	1 654
Taxation	**(122)**	(506)
Net profit of after taxation	**247**	1 148
Profit from associates	**2**	2
Profit from discontinued operations	**249**	1 150
Profit on disposal of businesses*	**199**	(299)
Taxation on unbundling of Avis businesses	**(205)**	
Profit from discontinued operations per income statement	**243**	851
Profit on discontinued operations to the owners of Barloworld Limited after non-controlling interest	**241**	844
Taxation on trading loss	**(122)**	(506)
Tax on disposal of businesses	**(205)**	
Total discontinued taxation (note 5)	**(327)**	(506)

The cash flows from the discontinued operation are as follows:

R million	2023	2022
Cash flows from operating activities	**(1 682)**	(1 099)
Cash flows from investing activities	**(280)**	117
Cash flows from financing activities	**1 621**	1 091

^ Finance costs are reflected after the elimination of intergroup interest.
* Includes the realisation of foreign currency translation reserve of R23 million.

21.2 Assets classified as held for sale

The major classes of assets and liabilities classified as held for sale are as follows:

R million	Total held for sale	Other segments
Property, plant and equipment	**57**	57

The property classified as held for sale is the Barlow park property that is in the process of development. Refer note 13.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

21. Discontinued operations and assets held for sale continued

21.2 Assets classified as held for sale continued

The major classes of assets and liabilities classified as held for sale are as follows:

	2022				
R million	Total Held for Sale	Logistics[1]	Other Segments[2]	Car rental[3]	Leasing[3]
Property, plant and equipment	4 218		98	121	3 999
Right of use assets	179	1		166	12
Goodwill	456			174	282
Intangible assets	9			9	
Long-term finance lease receivables	132	7			126
Long-term financial assets	8				8
Deferred tax asset	118			102	16
Vehicle rental fleet	3 812			3 812	
Inventories	471			448	23
Trade and other receivables	1 805	230		1 024	551
Taxation	199			153	46
Cash and cash equivalents	310	3		101	206
Total assets classified as held for sale*	**11 717**	**241**	**98**	**6 110**	**5 269**
Deferred tax liability	(316)				(316)
Interest-bearing liabilities	(2 116)	(6)			(2 110)
Short and long-term lease liabilities	(396)	(111)		(259)	(26)
Bank overdraft and short-term loans	(294)	(54)			(240)
Total current payables	(3 560)	(186)		(2 555)	(819)
Contract liabilities	(847)				(847)
Provisions and other accruals	(231)	(66)			(165)
Tax provision	(214)			(207)	(7)
Total liabilities associated with assets classified as held for sale**	(7 974)	(423)		(3 021)	(4 530)
Net assets classified as held for sale	**3 743**	**(182)**	**98**	**3 089**	**739**

* Includes financial assets of R 2 248 million for 2022.

** Includes financial liabilities measured at amortised cost of nil (2022: R 7 451 million).

The valuation techniques used to determine the fair value less costs to sell is a combination of the discounted cashflows, market multiple technique and offer prices received. In terms of the valuation techniques, the fair value of assets held for sale will be classified as level 3 as the valuation techniques are based on unobservable market data and adjusted for based on management's experience and knowledge of the business. Management has considered and concluded that no reasonable change in the significant unobservable inputs would result in a material change in the fair value.

Note 1. The assets and liabilities of the Logistics business classified as held for sale and a discontinued operation. The effective date of disposal of last portion was 31 March 2023.

Note 2. The assets held for sale within the other segments related to various properties that are in the process of being sold.

Note 3. The assets and liabilities of the Car Rental and Leasing business (Zeda Limited) classified as held for sale and a discontinued operation. This was distributed as a dividend in specie on 13 December 2022.

When entering into the sale of Logistics, management believed they could sell the businesses as a whole as a going concern. The disposal process commenced with a broad set of interested parties. Management identified three separate transactions to different buyers. Strong buyer interest emerged through the process for the underlying discrete businesses. Each of the disposal group's had a single coordinated plan to dispose of the businesses in Logistics. The table below depicts the disposal groups reported at 30 September.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

21. Discontinued operations and assets held for sale continued

21.2 Assets classified as held for sale continued

R million	2023 Total	2023 Logistics disposal group	2023 Car Rental	2023 Leasing
Revenue	**2 088**	**426**	**1 199**	**463**
Operating profit from trading activities	**450**	**31**	**188**	**231**
Profit before taxation	**369**	**23**	**150**	**196**
Taxation	**(122)**	**(28)**	**(37)**	**(57)**
Profit/(loss) after taxation	**247**	**(5)**	**113**	**139**

R million	2022 Total	2022 Logistics disposal group 1	2022 Logistics disposal group 2	2022 Logistics disposal group 3	2022 Car Rental	2022 Leasing
Revenue	9 798	63	656	1 001	5 978	2 100
Operating profit from trading activities	1 933	(3)	67	(15)	923	961
Profit/(loss) before taxation	1 654	16	448	(571)	883	878
Taxation	(506)	(1)	(46)	(4)	(230)	(225)
Profit/(loss) after taxation	1 148	15	401	(574)	653	653
The impairments related to the fair value less costs to sell the business are listed below:						
Goodwill	21			21		
Property, plant and equipment	52			52		
Right of use assets	79			25		54
Intangibles	25			22		3
Total impairments	177			120		57

The valuation techniques used to determine the fair value less costs to sell was a combination of the discounted cashflows, market multiple technique and offer prices received.

Logistics disposal group 1: Refrigerated transport business sold, effective 1 December 2021.
Logistics disposal group 2: Manline and Timber transport business that runs the hazardous fuel, chemicals and forestry industry sold, effective 1 March 2022.

Logistics disposal group 3: Conglomerate of the warehouse and distribution, managed solutions, industrial projects businesses sold, effective 31 March 2023.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

22. Share capital and premium

R million	2023	2022
Authorised share capital		
500 000 (2022: 500 000) 6% non-redeemable cumulative preference shares of R2 each	**1**	1
400 000 000 (2022: 400 000 000) Ordinary shares of 5 cents each (note 3. below)	**20**	20
	21	**21**
Issued share capital		
375 000 (2022: 375 000) 6% Non-redeemable cumulative preference shares of R2 each	**1**	1
189 641 787 (2022: 189 641 787) Ordinary shares of 5 cents each (note 3. below)	**10**	10
	11	11
Share premium	**(2 223)**	(2 223)
Balance at the beginning of the year	**(2 223)**	(1 211)
Share buy-back and cancel (note 3 below)		(1 012)
Total issued share capital and premium	**(2 212)**	**(2 212)**
Issued shares:		
Number of shares in issue at the beginning of the year	**183 063 666**	193 671 785
Share buy-back (note 3 below)		(10 608 119)
Total number of ordinary shares in issue at the end of the year, excluding B-BBEE shares	**183 063 666**	183 063 666
Other shares issued in respect of B-BBEE transaction (note 4 below)	**6 578 121**	6 578 121
Total number of ordinary shares in issue at the end of the year, including B-BBEE shares	**189 641 787**	189 641 787
Less treasury shares (note 5 below)	**(3 350 113)**	(3 440 127)
Less shares held by group companies	**(501 220)**	(501 220)
Net number of ordinary shares in issue at the end of the year	**185 790 454**	**185 700 440**
Unissued shares (note 1 below):		
Ordinary shares reserved to meet the requirements of the Barloworld Share Option Scheme (note 2 below)	**23 129 182**	23 129 182
Ordinary shares	**187 229 031**	187 229 031
	210 358 213	**210 358 213**
6% non-redeemable cumulative preference shares	**125 000**	125 000

Notes:

1. The directors have no general authority to issue shares.
2. The shareholders at the general meeting on 20 January 2005 reserved shares for the purpose of the Barloworld Share Option Scheme.
3. In the prior year, 10 608 119 shares were repurchased as part of the group's formal buy-back programme, 10 046 363 were cancelled during the prior year and 561 756 cancelled on 5 October 2022. The average price per share for the buy back was R95.38 per share.
4. At the general meeting of the company held on 14 February 2019, the groups' B-BBEE transaction Khula Sizwe was approved. During 2020, 6 578 121 shares were issued to the Barloworld Empowerment Foundation. There were no costs incurred in issuing these shares. Refer to note 3.1 for further information.

R million	2023	2022
5. Reconciliation of Treasury shares:		
Balance on 1 October	**3 440 127**	2 760 687
Acquisition of shares for employee share-based scheme	**527 886**	1 131 832
Shares vested and exercised	**(462 050)**	(426 452)
Shares lapsed in term of the employee share scheme	**(155 850)**	(25 940)
Balance on 30 September	**3 350 113**	**3 440 127**

The directors have a general authority to buy back up to 10% of the ordinary shares issued by the company.

There are no rights preferences or restrictions on the ordinary shares in issue with the exception of those shares issued to the Barloworld Empowerment Foundation (note 4 above) where any sale of these shares must first be approved by Barloworld management. Preference shares have rights to fixed dividend payments at each interim and year end.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

23. Interest-bearing liabilities

R million	2023	2022
Total long-term borrowings (note 33.3)	**8 919**	12 211
Less: Current portion redeemable and repayable within one year (note 29)	**(1 735)**	(1 454)
Total group	**7 184**	**10 757**
Classified as held for sale (note 21)		(2 116)
Total per statement of financial position*	**7 184**	**8 641**

The current portion of long-term borrowings will be paid from available cash whilst the rest will be refinanced at maturity.

		Repayable during the year ending 30 September 2023					
R million	**Total owing 2023**	**2024**	**2025**	**2026**	**2027**	**2028 and onwards**	**Total owing 2022**
Summary of group borrowings by currency and by year of redemption or repayment							
Total South African Rand	**8 709**	1 623	2 975	1 629	976	1 506	10 091
Total foreign currencies	**210**	112	55	43			2 120
Total South African Rand and foreign currency liabilities	**8 919**	**1 735**	**3 030**	**1 672**	**976**	**1 506**	**12 211**
Amount classified as held for sale							**(2 116)**
Total	**8 919**	**1 735**	**3 030**	**1 672**	**976**	**244**	**10 095**

* The net book value of assets encumbered and liabilities secured is R3 301 million (2022: R3 198 million) and R2 244 million (2022: R4 260 million), respectively.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

23. Interest-bearing liabilities continued

Included in interest-bearing liabilities

Certificate	Issued	Maturity	Comparable treasury stock	Spread bps	Yield%	Type	**2023** R million	2022 R million
BAW22	07-Dec-15	07-Dec-22	3-month Jibar	200	5.67	Floating rate		252
BAW29	22-Feb-18	22-Feb-23	3-month Jibar	180	5.48	Floating rate		400
BAW32U	14-May-20	15-May-23	Fixed	Fixed	6.73	Fixed rate (NACS)		700
BAW33	13-Oct-20	13-Oct-23	Fixed	Fixed	6.15	Fixed rate (NACS)	**330**	330
BAW34	09-Oct-20	09-Oct-23	3-month Jibar	200	5.68	Floating rate	**500**	500
BAW36	18-Feb-21	18-Feb-24	3-month Jibar	169	5.37	Floating rate	**714**	714
BAW37*	12-Jul-22	12-Jan-25	3-month Jibar	145.00	6.45	Floating interest	**315**	315
BAW38	12-Jul-22	12-Jan-27	3-month Jibar	165	6.45	Floating interest	**785**	785
BAW39*	26-May-23	30-Jun-25	3-month Jibar	140	1.40	Floating interest	**430**	
BAW40	30-Jun-23	30-Jun-25	Fixed	Fixed	9.92	Fixed rate (NACS)	**400**	
BAWGL1*	22-Aug-22	22-Aug-25	3-month Jibar	142	5.740	Floating interest	**415**	415
BAWGL2*	22-Aug-22	22-Aug-25	3-month Jibar	160	5.740	Floating interest	**728**	728
Fees capitalised							**(2)**	(3)
							4 615	**5 136**

On maturity BAW33 and BAW34 was refinanced. Refer note 40.

* Interest rate swap agreements have been entered into for these bonds to limit the interest rate exposure.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

24. Provisions and other accruals

R million	2023	2022
Non-current	**154**	177
Current	**1 205**	950
Total group	**1 359**	1 127
Classified as held for sale (note 21)		(231)
Total per statement of financial position	**1 359**	**896**

R million	Total 2023	Warranty claims	Maintenance contracts	Other Provisions and accruals
Movement of provisions				
Balance at the beginning of the year per statement of financial position	**1 127**	538	35	554
Amounts reversed unused	**(86)**	(44)		(42)
Amounts added	**1 115**	368		747
Amounts used	**(639)**	(233)	(21)	(385)
Business/Subsidiary disposed	**(195)**		(14)	(181)
Translation adjustments	**37**	19		18
Total per statement of financial position	**1 359**	**648**		**710**
2023				
Within one year	**1 205**	607		598
Within two years	**52**	39		13
Within three years	**1**	1		
Within four years	**1**	1		
Within five years	**99**			99
	1 359	**648**		**710**
2022				
Within one year	**719**	493		226
Between two to five years	**177**	45		132
	896	**538**		**358**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

24. Provisions and other accruals continued

Warranty claims
The provisions relate principally to warranty claims on capital equipment, spare parts and services. The estimate is based on claims notified and past experience.

Maintenance contracts
This relates to deferred revenue on maintenance and repair contracts on motor vehicles. Assumptions include the estimation of maintenance and repair costs over the life cycle of the assets concerned. The timing of these cash flows is an area of judgement. All maintenance contracts were disposed as part of the listing of Zeda Limited.

Other provision and accruals
Other provisions include various small amounts making up a large total including, insurance claim provisions R132 million (2022: R24 million) legal, delivery and freight provision of R41 million and onerous contract provisions R249 million (2022: R25 million).

Other accruals include various smaller employee related amounts for FSP cash settled provisions R39 million (2022: R33 million) and salary and performance related accruals of R129 million (2022: R112 million).

25. Other non-current liabilities

R million	2023	2022
Retirement benefit obligation		500
Other payables	14	
Total per statement of financial position	**14**	**500**

RETIREMENT BENEFIT INFORMATION

It is a term and condition of employment that each permanent employee of Barloworld participate and contribute to the Retirement Fund. The employer, through the provision of the employer contribution, further provides for benefits that are facilitated through the Retirement Fund. To this end, the group's permanent employees are required to be members in line with the local regulatory requirements. The Retirement Funds currently in place are all defined contribution funds except for one. There is one defined benefit fund in our UK office and as it is outside South Africa, it is not subject to the provisions of the Pension funds Act of 1956.

Defined contribution plans
The total cost charged to profit or loss of R468 million (2022: R542 million) represents contributions payable to these schemes by the group at rates specified in the rules of the schemes.

Defined benefit plans
The Group sponsors a funded defined benefit scheme for qualifying employees and ex-employees in the UK.

The UK defined benefit scheme is administered by a board of trustees which manages the assets held in trust for the benefit of the scheme members. The trustee board of the pension scheme is composed of one employer representative, one member nominated representative and one independent professional trustee. The trustee board is required by the trust deed and rules, pension law and by its articles of association to act in the interests of all relevant stakeholders in the scheme, i.e. current employees, former employees, retirees, and dependants. The scheme closed to future accrual on 31 December 2016.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

25. Other non-current liabilities continued

The value placed on the scheme's liabilities can be volatile as it depends on corporate bond yields, inflation expectations, and expected life expectancies at any given accounting date. However, as a result of the scheme entering into new insurance policy investments over 2021/22, the benefits payable to scheme members are now nearly all covered by insurance which provides the scheme with the funds needed to cover its benefit payments to members. Consistent with the accounting approach adopted when the scheme purchased its existing insurance policy investments, the impact of entering into the new insurance policies has been recognised as an assessed loss within other comprehensive income in the prior year. The main historical balance sheet risks, e.g. changes in bond yields, asset volatility, inflation and life expectancies are therefore now predominantly mitigated as the value placed on the scheme's insurance policy assets is expected to move in line with the value placed on the scheme's liabilities for a given set of actuarial assumptions about the future.

As the scheme is closed to future accrual, future contributions into the Scheme comprise solely recovery plan and expense contributions if considered necessary. Following the latest triennial valuation at 1 April 2020, it was agreed that annual recovery plan contributions of £13.6 million (R273 million) would be paid up to 1 April 2026. The company pre-paid these contributions in full with a payment of £68.0 million (R1 411 million) into the scheme during January 2022. The company also made an additional contribution of £27.2 million (R576 million) into the scheme in July 2022 to help fund an insurance transaction with an insurance company to cover the pensions and benefits for scheme members who were not already covered by insurance policies. The total insurance premium paid up to July 2022 transaction was £483.9 million (R9 708 million), of which £24.2 million has been deferred and is expected to be paid to the insurance company following a data cleanse phase which is currently ongoing. It is expected that final payment will be made within the next 12 months therefore the liability is reflected as part of trade and other payables. Refer note 27.

Amounts recognised in the income statement in respect of defined benefit scheme are as follows:

R million	**2023**	2022
Past service cost		
Plan administration expenses	**14**	10
Net loss recognised in profit or loss (note 3)	**14**	10
Net interest (income)/expenses	**32**	(15)
Components of defined benefit (income)/costs recognised in profit or loss	**46**	**(5)**
Actual return on plan assets	**(130)**	(6 063)

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

25. Other non-current liabilities continued

The scheme is valued by independent actuaries on a triennial basis with the valuation as at 1 April 2020 being the most recent funding valuation.

The scheme's IAS 19 accounting valuation at 30 September 2023 reflected a deficit of R538 million which represents an increase compared to the deficit in 2022 of R500 million. As the scheme's benefits are now nearly all covered by insurance policies, the balance sheet deficit as at 30 September 2023 now reflects the amount (net of cash held in the Trustee bank account), which is expected to be required to be paid into the scheme in due course to pay for the deferred insurance premium agreed as part of the July 2022 insurance transaction, and the costs of equalising Guaranteed Minimum Pensions (GMP) in the scheme (for which an allowance has been reserved for within the funded obligation as at 30 September 2023). Other than the insurance policy investments and cash held in the bank account, the scheme Trustee no longer holds any further invested assets.

The amount included in the balance sheet arising from the group's obligations in respect of the defined benefit scheme is set out below:

R million	2023	2022
Present value of funded obligation	**8 919**	8 041
Fair value of plan assets	**(8 381)**	(7 541)
Net liability per statement of financial position	**538**	**500**
Movement in present value of funded obligation:		
At the beginning of the year	**8 041**	12 277
Interest cost	**501**	237
Actuarial gains arising from changes in demographic assumptions	**(172)**	(23)
Actuarial (gains)/losses arising from changes in financial assumptions	**(223)**	(4 038)
Actuarial losses arising from experience	**199**	241
Benefits paid	**(609)**	(494)
Exchange differences	**1 182**	(159)
At the end of the year	**8 919**	**8 041**
Movement in fair value of plan assets:		
At the beginning of the year	**7 541**	12 104
Interest income	**470**	252
Actuarial losses recognised in the statement of comprehensive income	**(130)**	(6 063)
Plan administration expenses	**(14)**	(10)
Contributions	**20**	1 899
Benefits paid	**(609)**	(494)
Exchange differences	**1 105**	(147)
At the end of the year	**8 381**	**7 541**
Current actuarial (gains)/losses	**(66)**	2 244

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

25. Other non-current liabilities continued

The defined benefit funds was valued by an independent actuary as follows:

	Valuation interval	Latest statutory valuation
Barloworld UK Pension Scheme	Triennial	1 April 2020

Key assumptions used:

	2023	2022
Discount rate (%)	**5.5**	5.5
Retail price inflation (%)	**3.3**	3.7
Future pension increases (%)	**3.2**	3.5
Mortality (table using year of birth)	**S3PA**	S3PA

Sensitivity to key assumptions	Operating expenses **£000's**	Net interest **£000's**	Total income statement expense **£000's**	Scheme assets **£000's**	Defined benefit obligation **£000's**	Deficit **£000's**
2023						
Current values	**611**	**1 349**	**1 960**	**364 496**	**(387 862)**	**(23 366)**
Following a 0.2% p.a. decrease in the discount rate	**611**	**1 349**	**1 960**	**372 751**	**(396 117)**	**(23 366)**
Following a 0.2% p.a. increase in the inflation assumption	**611**	**1 349**	**1 960**	**370 140**	**(393 506)**	**(23 366)**
Following a one-year increase in life expectancy	**611**	**1 349**	**1 960**	**379 522**	**(402 888)**	**(23 366)**

In assessing the group's post-retirement liabilities, the group, following actuarial advice, has used standard mortality tables adjusted to reflect the mortality experience of the Defined Benefit Scheme. The mortality assumptions were updated in the current year.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

26. Lease liabilities

R million	2023	2022
At 1 October	**924**	1 326
Liability arising on new leases entered into during the year	**306**	189
Business/Subsidiary disposed	**(336)**	(140)
Repayments of lease obligation (cash flow excluding interest component)	**(258)**	(372)
Liability adjustments upon entering into modifications of lease terms during the year	**(30)**	(110)
Reclassification of leases to external leases post Zeda unbundling	**180**	
Translation differences	**(18)**	30
Gross lease liabilities	**768**	**924**
Less: Payable within one year included in current liabilities	**(247)**	(111)
Total group long-term portion of lease liabilities	**521**	**813**
Classified as held for sale (note 21)		(396)
Total per statement of financial position	**521**	**416**

R million	2023	2022
Lease liabilities are made of the following classes:		
Land and buildings	**586**	913
Equipment, IT and plant	**7**	10
Vehicles	**175**	1
Total	**768**	**924**

The undiscounted maturity analysis of lease liabilities at 30 September 2023 is as follows:

R million	2023	2022
Within one year	**287**	286
Between two to five years	**547**	720
More than five years	**55**	229
	889	**1 235**

Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The group has varying IBR rates within its Group entities which are calculated based on the specific funding structure per entity.

For more information on the Group's liquidity risk and interest rate risk management, refer to note 33.3d.

R million	2023	2022
Lease payments in terms of IFRS 16	**336**	512
Short-term and low value asset lease payments	**79**	142
Variable lease payments		77
Total lease payment for the year including short-term leases	**415**	**731**

27. Trade and other payables

R million	2023	2022
Trade and other payables*	**9 206**	12 296
Retirement obligation – short-term**	**538**	
Interest-bearing floor plans***	**5 784**	2 212
Fair value of derivatives	**7**	1
Total group	**15 535**	**14 509**
Classified as held for sale (note 21)		(3 560)
Total per statement of financial position	**15 535**	**10 949**

* Included in trade payables is R641 million (2022: R729 million) interest-bearing bank maize financing at an interest rate of 9.55% (2022: 7.55%). This will be settled within the operating cycle and forms part of the business working capital to finance maize purchases. This also includes a R2 360 million reverse factoring arrangement with financial institutions.

** Refer to note 25.

*** In the Equipment division trade payables of R5 784 million (2022: R2 212 million) are due to CAT as part of the CAT 180 programme. In terms of the agreement the amounts relate to machines, engines and parts ordered for inventory and payment is due six months from statement date.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

28. Contract liabilities

R million	2023	2022
Current portion	**1 339**	1 922
Non-current portion		500
Total group	**1 339**	2 422
Classified as held for sale – Current (note 21)		(347)
Classified as held for sale – Non-current (note 21)		(500)
Total per statement of financial position	**1 339**	**1 574**
Balance at 1 October	**2 422**	2 576
Disposal of business	**(874)**	
New contracts (amounts)	**4 726**	6 227
Amounts recognised in revenue	**(4 771)**	(5 639)
Amounts used	**(99)**	(396)
Amounts reversed, unused, expired	**(89)**	(529)
Translation adjustments	**24**	183
Total per statement of financial position	**1 339**	**2 422**

Refer to note 2 for the transaction price allocated for partially satisfied/unsatisfied performance obligations.

29. Amounts due to bankers and short-term loans

R million	2023	2022
Bank overdrafts and acceptances	**464**	1 418
Short-term loans	**1 696**	529
Current portion of long-term borrowings (note 23)	**1 735**	1 454
Total group	**3 895**	**3 401**
Classified as held for sale (note 21)		(294)
Total per statement of financial position	**3 895**	**3 107**
Per currency:		
South African Rand	**2 799**	2 336
Foreign currencies	**1 096**	771
	3 895	**3 107**

Refer to note 33 for salient loan terms and interest rate sensitivity analysis.

30. Dividends

R million	2023	2022
Ordinary shares		
Normal dividend No 186 paid on 9 January 2023: 295 cents per share (2022: No 184 300 cents)	**523**	582
Special dividend No 186 paid on 9 January 2023: 550 cents per share (2022: No 184: 1150 cents per share)	**1 023**	2 233
Interim dividend No 187 Paid 26 June 2023: 200 cents per share (2022: No 185: 165 cents per share)	**383**	316
Dividend in specie – Shares in Zeda Limited^	**3 055**	
Paid to Barloworld Limited shareholders	**4 984**	**3 131**
Paid to non-controlling shareholders	**2**	2
	4 986	**3 133**

^ On 13 December 2022 the group declared a dividend in specie in the form of shares in Zeda Limited. The value of the dividend in specie declared is based on the closing share price on 13 December 2022. The net asset value of the division on date of distribution was R2.7billon. The dividend in specie of R3 167 million is partially offset by the internal Zeda shares remaining in the group after unbundling.

Cents	2023	2022
Analysis of dividends declared in respect of current year's earnings:		
Ordinary dividends per share		
Interim dividend	**200**	165
Final dividend	**300**	295
	500	460
Special dividends per share		
Final dividend		550
		550

6% cumulative non redeemable preference shares

Preference dividends declared on each of the following dates:

17 October 2022 (paid on 7 November 2022) R45 000

6 April 2023 (paid 2 May 2023) R22 500

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

31. Commitments

R million	2023	2022
Capital expenditure commitments to be incurred:		
Contracted – Property, plant and equipment	304	271
Contracted – Intangible assets		13
Contracted – Vehicle rental fleet		955
Approved but not yet contracted*	145	247
Total group	449	1 486
Classified as held for sale		(972)
Total continuing operations	449	514
Share of joint ventures capital expenditure to be incurred:		
Contracted	31	139
Total	480	653

Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.

* The group has approved R31 million (2022: R46 million) for the revised Barlow Park development plan which will be carried out in different phases over an estimated five-year period.

32. Contingent liabilities

R million	2023	2022
Performance guarantees given to customers and other guarantees and claims	282	178

Contingent liabilities relates to risk share agreements and would materialise should the counterparty be unable to meet their obligations.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank borrowings, money and capital market borrowings, leases, hire-purchase agreements discounted with recourse and derivatives. Derivative instruments are used by the group for hedging purposes. Such instruments include forward exchange, currency option contracts and interest rate swap agreements. The group does not speculate in the trading of derivative instruments.

33.1 Categories of financial instruments

		2023							
R million	Notes	Fair value through profit and loss	Fair value through other comprehensive income (OCI)*	Amortised cost	Finance lease receivables	**Total financial assets**	Non-financial assets	Assets held for sale	**Total amount**
ASSETS									
Non-Current									
Finance lease receivables	14				**52**	**52**			**52**
Long-term financial assets	15	**140**		**43**		**183**	**208**		**391**
Current									
Trade and other receivables	18	**4**	**10**	**5 229**	**29**	**5 272**	**605**		**5 877**
Cash and cash equivalents	20			**10 411**		**10 411**			**10 411**
Total assets		**144**	**10**	**15 683**	**81**	**15 918**	**813**		**16 731**

		2023				
R million	Notes	Fair value through other comprehensive income (OCI)*	Amortised cost	**Total financial liabilities**	Non-financial liabilities	**Total amount**
LIABILITIES						
Non-current						
Interest-bearing non-current liabilities	23		**7 184**	**7 184**		**7 184**
Lease liabilities non-current	26		**521**	**521**		**521**
Other non-current liabilities	25				**14**	**14**
Current						
Lease liabilities current	26		**247**	**247**		**247**
Trade and other payables	27	**7**	**13 578**	**13 585**	**1 950**	**15 535**
Amounts due to bankers and short-term loans	29		**3 895**	**3 895**		**3 895**
Total liabilities		**7**	**25 425**	**25 432**	**1 964**	**27 396**

* This relates to forward exchange contracts that are part of a cash flow hedging relationship (of which the effective portion has been recognised through OCI and the ineffective portion has been recognised through profit and loss).

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.1 Categories of financial instruments continued

R million	Notes	2022 Fair value through profit and loss	Fair value through other comprehen-sive income (OCI)	Amortised cost	Finance lease receivables	**Total financial assets**	Non-financial assets	Assets held for sale	**Total amount**
ASSETS									
Non-Current									
Long-term trade and other receivables	14				148	148		(132)	16
Long-term financial assets	15	28		41		69	109		178
Current									
Trade and other receivables	18	23	175	6 936	105	7 239	1 593	(1 805)	7 027
Cash and cash equivalents	20			9 509		9 509		(310)	9 199
Total assets		**51**	175	**16 486**	**253**	**16 965**	**1 702**	(2 247)	**16 420**

R million	Notes	2022 Fair value through profit and loss	Amortised cost	**Total financial liabilities**	Non-financial liabilities	Liabilities held for sale	**Total amount**
LIABILITIES							
Non-current							
Interest-bearing non-current liabilities	23		10 757	10 757		(2 116)	8 641
Lease liabilities non-current	26		813	813		(396)	416
Other non-current liabilities	25				500		500
Current							
Lease liabilities current	26		111	111			111
Trade and other payables	27	1	12 077	12 078	2 431	(3 560)	10 949
Amounts due to bankers and short term loans	29		3 401	3 401		(294)	3 107
Total liabilities		**1**	**27 159**	**27 160**	**2 931**	(6 366)	**23 724**

All financial instruments are carried at fair value or amounts that approximate fair value, except for the following:

- The non-current portion of fixed rate receivables, payables and interest-bearing borrowings, which are carried at amortised cost.
- For all of the above mentioned financial liability categories, the carrying value approximates the fair value with the exception of non-current interest-bearing liabilities where the fair value as at 30 September 2023 is higher than the carrying value by R19 million (30 September 2022: R73 million lower than the carrying value).

The carrying amounts for investments, cash and cash equivalents as well as the current portion of receivables, payables and interest-bearing borrowings approximate fair value due to the short-term nature of these instruments. The fair values have been determined using available market information and discounted cash flows.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.2 Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets. The markets from which these quoted prices are obtained are the bonds market, the stock exchange as well other similar markets.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The valuation techniques used in deriving level 2 fair values are consistent with valuing comparable hedging instruments (foreign exchange contracts and interest rate swaps). The primary input into these valuations are foreign exchange rates and prevailing interest rates which are derived from external sources of information.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The valuation techniques used in deriving level 3 fair values are discounted cash flows as well as the net asset value approach of the investment that is being valued. This information is based on unobservable market data, and adjusted for based on management's experience and knowledge of the investment.

	2023			
R million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Long-term financial assets	**101**		**38**	**139**
Trade and other receivables		**4**		**4**
Financial assets irrevocably designated at FVOCI*				
Trade and other receivables		**10**		**10**
Total	**101**	**14**	**38**	**153**
Financial liabilities at fair value through profit or loss				
Trade and other payables		**7**		**7**
Total		**7**		**7**

	2022			
R million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Long-term financial assets	3		25	28
Trade and other receivables		16		16
Financial assets irrevocably designated at FVOCI*				
Trade and other receivables		175		175
Total	3	191	25	219
Financial liabilities at fair value through profit or loss				
Trade and other payables		1		1
Total		**1**		**1**

* This relates to forward exchange contracts that are part of a cash flow hedging relationship (of which the effective portion had been recognised through OCI and the ineffective portion had been recognised through profit or loss).

Refer to note 21 regarding assets and liabilities held for sale as level 3 fair value measurements at 30 September 2023.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.2. Fair value measurements recognised in the statement of financial position continued

Reconciliation of level 3 fair value measurements

	Fair value through profit and loss			
R million	Unlisted shares Note 1	Investment in cell captives Note 2	Earn out liability Note 3	Total
Balance as at 1 October 2021	16	3	(41)	(22)
Total gains recognised in profit or loss		6	41	47
Balance 30 September 2022	**16**	**9**		**25**
Balance as at 1 October 2022	**16**	**9**		**25**
Total gains recognised in profit or loss		**13**		**13**
Balance 30 September 2023	**16**	**22**		**38**

Note 1

Unlisted shares are measured at fair value considering the latest arm's length share trade information available for this investment. Sensitivity to inputs is considered immaterial for further disclosure.

Note 2

The valuation techniques used in deriving fair value of investments in cell captives are based on net asset value approach of the underlying cell captives. Sensitivity to inputs is considered immaterial for further disclosure. Refer to note 15 for more information on the derivative (unlisted debt instruments).

Note 3

This relates to the earn-out liability as a result of the Mongolia acquisition. This is a liability for an amount to potentially be paid to the sellers in the future (4 years from acquisition) should revenues and profits of Mongolia exceed certain thresholds as per the sales agreement. The unobservable inputs in this valuation thus relates to estimation of future profits to measure against thresholds as per the sales agreement. Sensitivity to these inputs are considered immaterial for further disclosure.

33.3 Financial risk management

a. Capital risk management

The group manages its capital to ensure that all entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity. The overall strategy remains unchanged from the previous year.

The capital structure of the group consists of debt (notes 23 and 29), cash and cash equivalents (note 20) and equity attributable to equity holders of Barloworld Limited, comprising issued capital (note 22), reserves and retained earnings (statement of changes in equity).

The target gearing for the group is 40% to 60%. At 30 September 2023, the gearing was 4% (30 September 2022: 24%).

A finance committee consisting of senior executives of the group meets on a regular basis to review the capital structure based on the cost of capital and the risks associated with each class of capital, to analyse currency and interest rate exposure and to re-evaluate treasury management strategies in the context of most recent economic conditions and forecasts. The group has targeted gearing ratios for each major business segment. The group's various treasury operations provide the group with access to local money markets and provide group subsidiaries with the benefit of bulk financing and depositing.

b. Market risk

i) Currency risk

Trade commitments

Currency risk arises because the group enters into financial transactions denominated in the functional currency of the transacting entities. The group's currency exposure management policy for the southern African operations is to hedge substantially all material foreign currency trade commitments in which customers have or will not be accepting the currency risk. In respect of offshore operations, where there is a traditionally stable relationship between the functional and transacting currencies, the need to take foreign exchange cover is at the discretion of the divisional board. Each division manages its own trade exposure within the overall framework of the group policy. In this regard, the group has entered into certain forward exchange contracts which do not relate to specific items appearing in the statement of financial position, but were entered into to cover foreign commitments not yet due or proceeds not yet received. The risk of having to close out these contracts is considered to be low.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.3 Financial risk management continued

Net currency exposure and sensitivity analysis

The following table represents the extent to which the group has monetary assets and liabilities in currencies other than the group companies' functional currency. The information is shown inclusive of the impact of forward contracts and options in place to hedge the foreign currency exposures. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured. Based on the net exposure below, it is estimated that a simultaneous 10% change in all foreign currency exchange rates against divisional functional currency will impact the fair value of the net monetary assets/liabilities of the group to the extent of R437 million (2022: R67 million), of which R47 million (2022: R17 million) will impact other comprehensive income and R484 million (2022: R50 million) will impact profit or loss.

Net foreign currency monetary assets/(liabilities)

	Currency of assets/(liabilities)				
R million	SA Rand Millions	Euro Millions	British Sterling Millions	US Dollar Millions	**Total Millions**
Functional currency of group operation:					
SA Rand		**(1)**	**(166)**	**(3 696)**	**(3 864)**
British Sterling	**10**	**81**		**100**	**191**
US Dollar	**(189)**	**1**	**(53)**		**(240)**
Other currencies	**(166)**			**(289)**	**(455)**
As at 30 September 2023	**(345)**	**80**	**(219)**	**(3 885)**	**(4 368)**
SA Rand		7	43	(531)	(481)
British Sterling	1	71		1	73
US Dollar	(21)	34	(28)		(15)
Other currencies	(18)			(226)	(244)
As at 30 September 2022	**(39)**	**112**	**15**	**(756)**	**(668)**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.3 Financial risk management continued

R million	Fair value 2023	Fair value 2022
Hedge accounting applied in respect of foreign currency risk		
Cash flow hedges		
– fair value of asset – foreign currency forward exchange contracts	**10**	175

The foreign currency contracts have been acquired to hedge the underlying currency risk arising from a firm commitment to acquire equipment machines as well as the forecast purchases of spare parts. All cash flows are expected to occur and affect profit or loss within the next twelve months. The foreign currency contracts are included in Trade and other receivables.

ii) Interest rate risk

Interest rate risk arises when the absolute level of interest rates on the Group's interest-bearing borrowings are subject to fluctuations. The group manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach.

The interest rate profile of total borrowings is as follows:

	Currency	Year of redemption/ repayment	Interest rate (%)	2023 Rm	2022 Rm
Liabilities in foreign currencies					
Bank overdrafts and short term loans	AOA		1 months BNA rate (LIBOR) + 1.5% - 2.5%	**183**	93
	ZMK		Aggregate of Margin rate 5.75% and BPR 8%pa. Margin (7%) + Bank of Zambia policy rate (8.5%)	**227**	129
	USD		USD:SOFR + 2.65%	**377**	
	MZM		Prime (MT) - 13.5% p.a	**259**	320
	BWP		1 months BNA rate (LIBOR) + 2.5%	**8**	
Total short-term foreign currency liabilities				**1 054**	542
	RUB		RUB 6.0% - 6.96%	**42**	229
Total short-term foreign currency liabilities (note 29)				**1 096**	**771**
	Other currencies			**210**	2 120
Total long-term foreign currency liabilities (note 23)				**210**	2 120
Liabilities in South African Rand					
Bank borrowings and bank overdrafts				**2 799**	2 630
Total South African Rand liabilities (note 29)				**2 799**	**2 630**
Secured loans		2022 to 2026 onwards	7	**2 244**	4 260
Unsecured loans		2022 to 2026 onwards	8.3 - 9.56	**4 940**	4 372
Liabilities under capitalised finance leases		2022 to 2026 onwards	5.6 - 10		6
Total South African Rand liabilities (note 23)				**7 184**	**8 638**
Total South African Rand and foreign currency liabilities (note 23 and 29)				**11 079**	**14 159**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.3 Financial risk management continued

R million	2023	2022
Interest rates		
Loans at fixed rates of interest	**468**	3 212
Loans linked to floating rates of interest	**6 716**	8 803
Loans linked to offshore money markets		197
Long-term interest rate exposure (note 23)	**7 184**	**12 211**
Loans at fixed rates of interest	**330**	700
Loans linked to floating rates of interest	**2 469**	1 929
Loans linked to offshore money markets	**1 096**	771
Short-term interest rate exposure (note 29)	**3 895**	**3 400**
Interest rate exposures (notes 23 and 29)	**11 079**	**15 611**

* Libor – London inter-bank offered rate. Facilities linked to Libor are managed on a case-by-case basis. The undrawn Libor-linked facility was cancelled subsequent to year end.

R million	2023	2022
Interest rate sensitivity analysis		
Impact of a 1% change in South African interest rates		
– charge to profit or loss	**100**	113
Impact of a 1% change in offshore interest rates		
– charge to profit or loss	**13**	29

Barloworld's treasury follows a centralised cash management process, including cash management systems across bank accounts in South Africa to minimise risk and related interest costs. Barloworld's international cash management is managed by the treasury departments in the respective businesses.

iii) Commodity price risk

The Group is exposed to variability in the maize price via its procurement of maize and the sale of starch within Ingrain, which is also linked to the maize price. The Group's risk management strategy is to align the pricing of the procurement and sales contracts as much as possible to mitigate its exposure to maize price volatility. The execution of this strategy is achieved by selling the requisite number of SAFEX maize futures once procurement contracts with farmers/traders have been priced. The SAFEX futures are closed out once the underlying sales contracts with customers are priced, effectively matching the SAFEX-linked purchase and sales price elements. Similarly, if the customer has priced its contracts before the procurement contracts with the farmers/traders have been priced then the requisite number of SAFEX maize futures are purchased. The SAFEX futures are closed out once the underlying procurement contracts with the farmers/traders are priced.

iv) Other price risk

The group is exposed to price risk arising out of the following:

Barloworld share price

The group has a liability to option holders in terms of the long-term share based payments (note 34.2, 34.3 and 34.4)

Barloworld share price sensitivity analysis

	2023	2022
Impact of a 10% change in the Barloworld share price as at 30 September		
– charge to profit or loss in respect of the liability	**3**	2

There has been no change during the current year in the group approach to managing other price risk.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.3 Financial risk management continued

c. Credit risk

Credit risk exposure
Each of the Group's operating segments has credit terms appropriate for their industry. The average credit period on these sales ranges from 30 to 90 days. When dealing with sales to external retail, construction or mining customers, full settlement or confirmation of financing from a respected financial institution is required before delivery. These measures minimise the credit risk. Credit risk exposures to customers for parts, services, maintenance and repair contracts, vehicle rental, fleet leasing and starch are managed by monthly review of trade receivables ageing. The risk is mitigated with stringent background checks and credit limits for all customers, continuous review of credit limits, as well as legal action against defaulting customers. The average credit period on these sales is 30 days, however, extended credit terms may be negotiated during the account application process. It is group policy to deposit cash with major banks and financial institutions with strong credit ratings.

The carrying amount of the financial assets represents the group's maximum exposure to credit risk without taking into consideration any collateral provided as presented in note 33.1

No credit guarantee insurance is held against the carrying value of trade and other receivables within the group, therefore expected credit losses are considered across all operating debtors.

The following forward-looking information was utilised to estimate the expected credit loss:

- The geography and industry in which the customers operate, sales to entities based in other African countries outside of South Africa as well as sales related to part and services are considered riskier.
- Period overdue and time taken to settle underlying receivables, the older accounts are considered a higher risk.
- Past default experiences of the operating segments, examples include the Financial Services operations, which have a very low default experience.

The expected credit loss allowance has decreased marginally from 13.6% to 10.1% taking into consideration the factors disclosed above. There has been no material change in the estimation techniques applied in determining the ECLs from the prior year with the exception of the Ingrain business. The credit policy of Ingrain is similar to that of Barloworld with payment terms within 30 days from statement in South Africa and export customers on average 45 days from FOB. The gross receivables, disclosed below, are inclusive of VAT, applicable to various jurisdictions and the allowance for credit losses excludes VAT.

The ECL on cash and cash equivalents is considered immaterial as a result of the low credit risk due to banking with financial institutions with strong credit ratings.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.3 Financial risk management continued

The following table details the risk profile of trade receivables based on the group's provision matrix. As the group's historical credit loss experience shows significantly different loss patterns for the different customer segments, the provision for loss allowance is further distinguished between the group's different operations.

	2023			2022		
	Gross carrying amount R million	Lifetime ECL R million	Average ECL/ impairment ratio (%)	Gross carrying amount R million	Lifetime ECL R million	Average ECL/ impairment ratio (%)
Equipment	**3 395**	**(435)**	**13%**	3 909	(380)	10%
Fully performing	**1 659**	**(33)**	**2%**	2 426	(61)	3%
Up to 90 days past due	**1 427**	**(94)**	**7%**	1 043	(69)	7%
91 days to 180 days past due	**118**	**(65)**	**55%**	155	(38)	25%
greater than 181 days past due	**191**	**(243)**	**127%**	237	(183)	77%
Ingrain	**814**	**(1)**		701		
Fully performing	**597**			669		
Up to 90 days past due	**212**			29		
91 days to 180 days past due	**4**	**(1)**	**22%**	4		13%
Car Rental and Leasing				1 452	(443)	31%
Fully performing				761	(9)	1%
Up to 90 days past due				193	(16)	9%
91 days to 180 days past due				91	(59)	65%
181 days to 270 days past due				40	(35)	88%
greater than 271 days past due				368	(324)	88%
Logistics				329	(49)	15%
Fully performing				266	(12)	5%
Up to 90 days past due				35	(12)	34%
91 days to 180 days past due				15	(13)	89%
181 days to 270 days past due				6	(6)	98%
greater than 271 days past due				7	(6)	86%
Other segments	**166**	**(4)**	**2%**	39	(2)	5%
Total group	**4 374**	**(440)**	**10.1%**	**6 429**	**(875)**	**13.6%**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.3 Financial risk management continued

d. Liquidity risk

Liquidity risk arises when the group cannot meet its contractual cash outflows as they fall due and payable. The group manages liquidity risk by monitoring forecast cash flows, maintaining a balance between long-term and short-term debt and ensuring that adequate unutilised borrowing facilities are maintained. Unutilised bank facilities amounted to R5.8 billion (2022: R9.3 billion). There has been no change to this approach during the current year or prior year.

Group facilities

R billion	Sep 2023
Utilised	**11 079**
Unutilised	**5 750**
Total facilities	**16 829**
Unutilised – committed	**5 060**
Unutilised – uncommitted	**690**
Total unutilised facilities	**5 750**

Debt covenants

	Sep 2023
EBITDA: Interest cover > 3.0 times	**3.7 times**
Net debt: EBITDA cover < 3.0 times	**0.1 times**

Maturity profile of financial liabilities

Maturity profile of financial liabilities

The maturity profile of the financial instruments is summarised as follows (based on contractual undiscounted cash flows):

	Repayable during the year ending 30 September **2023**			
R million	Total owing	Within one year	Two to five years	Greater than five years
Interest-bearing liabilities	**9 418**	2 296	7 122	
Trade payables and other non-interest bearing liabilities	**13 578**	13 578		
Lease liabilities	**889**	287	547	55
Financial guarantee	**224**	224		
FECs	**135**	135		

	Repayable during the year ending 30 September **2022**			
R million	Total owing	Within one year	Two to five years	Greater than five years
Interest-bearing liabilities	14 062	4 475	8 115	1 472
Trade payables and other non-interest bearing liabilities	12 077	12 077		
Lease liabilities	1 234	286	720	229
FEC's	1	1		

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

33. Financial instruments continued

33.3 Financial risk management continued

	Maturity profile of financial guarantees contracts as at 30 September **2023**		
R million	Total owing	Within one year	Two to five years
Risk share debtors	**294**	**94**	**200**
Financial guarantees on behalf of joint ventures and associates	**1 816**	**1 816**	

	Maturity profile of financial guarantees contracts as at 30 September **2022**		
R million	Total owing	Within one year	Two to five years
Risk share debtors	442	141	301
Financial guarantees on behalf of joint ventures and associates	1 188	1 188	

d. Liquidity risk continued

During 2018, the Barloworld Equipment division entered into a Risk share agreement with Caterpillar Financial Corporation Financeira, S.A., E.F.C. – Sucursal em Portugal and Barloworld Equipment UK Limited. The Risk share agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2023, the maximum exposure of this guarantee was estimated to be R204 million (2022: R241 million) representing 25% of the capital balance outstanding.

During 2018, the Barloworld Equipment division entered into Risk share agreement with Caterpillar Financial Services South Africa (Pty) Ltd. The Risk share agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2023, the gross maximum exposure of this guarantee was estimated to be R29 million (2022: R142 million) representing 25% of the capital balance outstanding.

During 2018, the Vostochnaya Technica Equipment division entered into a Risk share agreement with Caterpillar Financial LLC. The Risk share agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2023, the maximum exposure of this guarantee was estimated to be R61 million (2022: R59 million) representing 40% to 60% of the capital balance outstanding.

Barloworld also provides certain guarantees, proportionate to our shareholding on behalf of NMI DSM, Maponya, Bartrac, and BHBW of which non-performance by these associates and joint ventures will result in contractual cash flows to be made by Barloworld which has been included in above-mentioned maturity analysis. The value of the financial guarantee relating to the debtors that were factored during the current year is not significant for group.

As these risk share agreements relate to a contractual payment in the event of default, they are accounted for as financial instruments (financial guarantee contracts).

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

34. Share incentive schemes and share-based payments

34.1 Financial effect of share-based payment transactions

R million	2023	2022
Income statement effect		
Compensation expense arising from equity and cash-settled forfeitable share plan	**106**	100
Compensation expense arising from equity and cash-settled share appreciation rights incentive plan	**2**	4
Share-based payment expense included in operating profit	**108**	104
Taxation benefit on forfeitable share plan and share appreciation rights	**(29)**	(29)
Net share-based payment expense after taxation	**79**	**75**
Financial position effect		
Liability raised for cash-settled shares (to be incurred within one to five years)	**(107)**	(43)
Deferred taxation asset raised on share-based payment transactions	**29**	12
Net reduction in shareholders' interest as a result of share-based payment transactions	**(78)**	**(31)**

34.2 Forfeitable share plan

On 28 January 2010, the group introduced the Barloworld forfeitable share plan (FSP).

The scheme allows executive directors and certain senior employees to earn a long-term incentive to assist with the retention and reward of selected employees.

Shares are granted to employees for no consideration. These shares participate in dividends and shareholder rights from grant date.

The vesting of the shares is subject to continued employment for a period of three years or the employee will forfeit the shares.

Prior to the 2016 awards, shares issued to the executive directors were subject to performance conditions. From 30 March 2016, shares issued to the executive directors and certain senior employees are subject to performance conditions which will be measured over the three-year vesting period.

The performance conditions over the vesting period include a market condition based on total shareholder return and non-market conditions based on return on invested capital, free cash flow and headline earnings per share.

On resignation, the employee will forfeit any unvested shares. On death or retirement, only a portion of the shares will vest, calculated based on the number of days worked over the total vesting period, subject to any performance condition being met.

The scheme is settled in shares and therefore the scheme is equity-settled. In jurisdictions where the delivery of shares is impractical, cash will be paid to employees in lieu of shares. These shares are cash-settled share-based payments.

Fair value estimates

Equity-settled

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date. The fair value takes into account that the employees are entitled to the dividends from grant date. The fair value of the equity-settled shares subject to non-market conditions is the closing share price at grant date. The estimated fair value of the equity-settled shares subject to market conditions were calculated at grant date using a Monte Carlo simulation model with the following inputs:

Date of grant:	25 November **2022**	23 May **2022**	7 December **2021**	4 December **2020**
Non-market conditions				
Number of shares granted	1 123 990	18 906	900 980	1 702 249
Share price at grant date (R)	R93.37	R97.34	R149.74	R105.00
Estimated fair value per share at grant date (R)	R93.37	R97.34	R149.74	R87.46
Number of shares granted	1 123 990			
Expected volatility (%)	43.5%			
Expected dividend yield (%)	4.80%			
Risk-free rate (%)	6.80%			
Estimated fair value per share at grant date (R)	R93.37	R97.34	R149.74	R87.46

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

34. Share incentive schemes and share-based payments continued

34.2 Forfeitable share plan continued

Cash-settled

In terms of IFRS 2, liabilities relating to cash-settled share-based payments are adjusted to fair value at financial position date. The estimated fair value of the cash-settled shares was calculated by using the closing share price at the reporting date, risk-free rate at reporting date and discounting future expected dividends.

Date of grant:	25 November 2022	7 December 2021	4 December 2020	9 March 2020	27 February 2019
Number of cash-settled shares granted	298 140	177 430	298 031	179 500	65 250
Share price at grant date (R)	R105.92	R149.74	R87.46	R78.00	R131.12
Risk-free rate (%)	7.7%	5.7%	4.9%	7.8%	7.0%
Estimated fair value per cash-settled share at grant date (R)	R105.92	R149.74	R89.81	R74.51	R127.83
Estimated fair value per cash-settled share at year end (R)	R86.84	R92.27	R78.00	R58.51	R66.44

34.3 Share appreciation rights scheme

During 2007 the Group introduced the Barloworld cash-settled share appreciation right scheme.

The scheme allows executive directors and certain senior employees to earn a long-term incentive amount calculated based on the increase in the Barloworld Limited share price between the grant date and the vesting and exercise of such rights. During 2011, the scheme rules were amended to change all future awards to be equity-settled in shares.

The objective of the scheme is to recognise the contributions of senior staff to the group's financial position and performance and to retain key employees.

The vesting of the rights are subject to specific performance conditions, based on Group headline earnings per share. Rights are granted for a period of six years and vest one-third after three years from grant date, a further one-third after four years and the final third after five years.

The grant price of these appreciation rights equals the volume weighted average market price of the underlying shares on the three trading days immediately preceding grant date.

On resignation, share appreciation rights which have not yet vested and those vested but not exercised, are forfeited. On death or retirement, the Barloworld remuneration committee may permit a portion of unvested rights to be exercised within one year (or such extended period as the committee may decide) of the date of cessation of employment.

It is Group policy that employees should not deal in Barloworld Limited shares (and this is extended to the forfeitable share plan, share appreciation rights and share options schemes) for the periods from 1 April for half year end and 1 October for year end until 24 hours after publication of the results and at any other time during which they have access to price sensitive information.

Equity-settled share appreciation rights:

Fair value estimates

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date.

The estimated fair value of the share appreciation rights was calculated using a binomial pricing model, with inputs as set out below.

	Equity-settled	
Date of grant:	27 February 2019	29 March 2017
Number of share appreciation rights granted	541 920	150 300
Grant price (R)	R130.02	R121.53
Share price at grant date (R)	R131.12	R120.00
Expected volatility (%)	24.6%	30.0%
Expected dividend yield (%)	3.5%	2.9%
Risk-free rate (%)	8.2%	7.9%
Exercise multiple (share price at exercise date/option exercise price)	1.8	1.76
Estimated fair value per share appreciation right at grant date (R)	**R45.16**	**R38.89**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

34. Share incentive schemes and share-based payments continued

34.3 Share appreciation rights scheme continued

The volatility was based on historical volatility of the shares over a five-year period. It was assumed that, given the long time frame, historical volatility could be used to estimate expected or implied volatility.

34.4 Conditional share plan

During the 2020 year, the group introduced the Barloworld conditional share plan scheme with the discontinuation of the share appreciation rights scheme.

The scheme will only apply to group executives including executive directors and prescribed officers and is designed to align the long-term incentive scheme with the company's strategy.

The objective of the scheme is to recognise the contributions of senior staff to the group's financial position and performance and to retain key employees.

The vesting of the shares are subject to specific performance conditions, based on return on invested capital, free cash flow conversion and headline earnings per share. The vesting of shares is subject to continued employment for a period of three years and a two-year holding period.

On resignation, the employee will forfeit any unvested shares; on death or retirement, only a portion of the shares will vest based on the number of days worked over the total vesting period subject to the performance condition being met.

The scheme is settled in shares and therefore equity-settled.

It is group policy that employees should not deal in Barloworld Limited shares (and this is extended to the forfeitable share plan, share appreciation rights and share options schemes and conditional share plan) for the periods from 1 April for half year end and 1 October for year end until 24 hours after publication of the results and at any other time during which they have access to price-sensitive information.

Fair value estimates

Equity-settled

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date. The fair value of the equity-settled shares subject to non-market conditions is the closing share price at grant date.

Date of grant:	25 November **2022**	7 December **2021**	4 December **2020**	9 December **2020**
Non-market conditions				
Number of shares granted	**699 308**	**428 200**	639 990	394 600
Share price at grant date (R)	**R105.92**	**R149.74**	R89.81	R78.00
Estimated fair value per share at grant date (R)	**R105.92**	**R149.74**	**R89.81**	**R78.00**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

34. Share incentive schemes and share-based payments continued

34.5 Total unvested forfeitable shares and appreciation rights unexercised

The following unvested forfeitable shares and share appreciation rights granted are unexercised/unvested:

Date of grant:	Date from which exercisable	Expiry date	Contractual life remaining (years)	Original exercise price (R)	Number of options/rights Barloworld directors	Barloworld employees#	Total unexercised**
27 February 2019	27-Feb-22	27-Feb-25	3.4	130.02	366 236	10 794	377 030
Total equity-settled share appreciation rights granted and unexercised					**366 236**	**10 794**	**377 030**
4 December 2020	3-Dec-23	3-Dec-23	2.2		172 620	815 399	988 019
7 December 2021	6-Dec-24	6-Dec-24	2.3		138 230	494 677	632 907
23 May 2022	22-May-25	22-May-25	2.0		0	18 906	18 906
25 November 2022	24-Nov-25	24-Nov-25	2.3		171 282	895 894	1 067 176
Total equity-settled forfeitable shares granted and unvested					**482 132**	**2 224 876**	**2 707 008**
4 December 2020	3-Dec-23	3-Dec-23	2.3		25 932	251 101	277 033
7 December 2021	6-Dec-24	6-Dec-24	2.3		15 194	124 340	139 534
25 November 2022	24-Nov-25	24-Nov-25	2.5		0	260 940	260 940
Total cash-settled forfeitable shares granted and unvested					**41 126**	**636 381**	**677 507**
4 December 2020	3-Dec-23	3-Dec-23	1.4		506 225	73 445	579 670
7 December 2021	6-Dec-24	6-Dec-24	2.2		376 426	53 695	430 121
25 November 2022	24-Nov-24	24-Nov-24	2.5		490 190	146 650	636 840
Total equity-settled conditional shares granted and unexercised					**1 372 841**	**273 790**	**1 646 631**
Total unexercised and unvested					**2 262 335**	**3 145 841**	**5 408 176**

The weighted average share price at the date of exercising share appreciation rights in current year was nil (2022: nil), as there were no exercise in the current period.

** Scheme rules dictate that the number of unexercised options may not exceed 5% of the total number of issued shares of the company at any time.
# The unexercised share appreciation rights granted to retired directors and employees are included in this column.

For the cash-settled share appreciation rights granted the provisions are raised and settled at maturity on the share price at that point in time hence no original exercise price is disclosed. The equity-settled share appreciation rights and conditional shares granted are settled on maturity hence no original exercise price is disclosed.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

34. Share incentive schemes and share-based payments continued

34.5 Total unvested forfeitable shares and appreciation rights unexercised continued

Forfeitable and conditional shares and appreciation rights movement for the year	Number of forfeitable shares	Number of appreciation rights	Number of conditional rights	Weighted average exercise price (R)*
2023				
Unexercised at the beginning of the year	**3 269 912**	**623 324**	**1 160 580**	**R128.53**
Forfeitable shares granted	**1 422 130**			**R105.92**
Forfeitable shares forfeited	**(587 628)**			
Forfeitable shares vested	**(719 899)**			
Conditional shares granted			**1 078 669**	**R105.92**
Conditional shares forfeited			**(592 618)**	
Appreciation rights equity forfeited		**(246 294)**		
Forfeitable shares, conditional shares unvested and appreciation rights unexercised at year end	**3 384 515**	**377 030**	**1 646 631**	**R113.46**
Appreciation rights equity exercisable at year end				
Held by:				
Directors, employees and ex-employees of Barloworld	**3 384 515**	**377 030**	**1 646 631**	**R113.46**

Forfeitable and conditional shares and appreciation rights movement for the year	Number of forfeitable shares	Number of appreciation rights	Number of conditional rights	Weighted average exercise price (R)*
2022				
Unexercised at the beginning of the year	3 201 045	638 555	889 505	R112.30
Forfeitable shares granted	1 097 316			R123.54
Forfeitable shares forfeited	(573 781)			
Forfeitable shares vested	(454 668)			
Conditional shares forfeited			428 200	R149.74
Appreciation rights equity forfeited		(15 231)		
Forfeitable shares, conditional shares unvested and appreciation rights unexercised at year-end	3 269 912	623 324	1 160 580	R128.53
Appreciation rights exercisable at year-end				
Held by:				
Directors, employees and ex-employees of Barloworld	3 269 912	623 324	1 160 580	R128.53

* Weighted average exercise price for appreciation rights

	2-5 years	<1 year	**2023** R million	2022 R million
Estimated amount to be paid over to tax authorities on behalf of employees	170		**170**	158

The estimated withholding tax obligation associated with equity-settled scheme to be paid over to the tax authorities on behalf of the employees in future years is based on a number of grants that are expected to vest at maturity and the share price as at 30 September 2023 at the applicable tax rate. Barloworld considers IFRS 2.33 (e-f) Share-based payment transactions with a net settlement feature for withholding tax obligations when considering cash vs equity classification.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

35. Changes in accounting policies

The following new and amended standards are expected to have no or minimal impact on presentation, recognition and measurement in future years:

	Effective date*
IFRS 17: Insurance Contracts	1 January 2023
Amendments to IAS 1 – Classification of liabilities as current vs non-current	1 January 2024
Amendments to IAS 1 Presentation of financial statements and IFRS practice statement 2 Making materiality judgements – Disclosure of accounting policies	1 January 2023
Amendments to IAS 1 – Presentation of financial statements – Non current liabilities and covenants	1 January 2024
Amendments to IAS 8: Accounting Policies, Changes in accounting estimates and errors – Definition of accounting estimates	1 January 2023
Amendments to IAS 12: Income Taxes – Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to IAS12: Income Taxes – International Tax reform – Pillar two model rules	1 January 2023
Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16 – Lease liability in a sale and leaseback	1 January 2024
Amendments to IFRS 10 and IAS 28 – sale or contribution of assets between an investor and its associate or joint venture	Effective date to be announced

* Effective for annual periods beginning on or after this date

36. Acquisitions

36.1 Barloworld Mongolia Limited acquisition update

Following the finalisation of the purchase price assessment as at 31 August 2021 per IFRS 3, all subsequent adjustments in terms of the SPA needs to be accounted for through profit and loss. The earn-out contingent consideration of R26 million ($1.5 million) was reassessed at 30 September 2022 and reversed to profit on financial instruments. A further subsequent adjustment of R14 million ($0.8 million) was recognised during the prior year in impairments and capital items as a profit. The true-up liabilities due to the sellers as at 30 September 2022 were settled during the current year.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests

Directors' remuneration

The group remuneration philosophy and basis for determining performance bonuses will be set out in the remuneration report of the integrated report. Other benefits determined below include share purchase trust loans, expatriate benefits, retention payments, redundancy and termination payments and any other non-pensionable allowances or fringe benefits.

The directors' and prescribed officers' remuneration for the year ended 30 September 2023 was as follows:

R' 000	Salary	Retirement and medical contributions	Car benefit	Other benefits	Bonus	Total 2023
2023						
Executive directors						
DM Sewela	11 179	1 742	42		16 530	29 493
N Lila	5 914	776			7 559	14 249
Total executive directors	17 093	2 518	42		24 089	43 742
Prescribed officers						
E Leeka	5 479	930	93	302	8 084	14 888
A Masemola (appointed 1 April 2023)	2 515	392	30		4 547	7 484
C Wierenga	4 991	842		50	4 104	9 987
QT McGeer (retired 30 September 2023)	6 478	1 126	329		10 206	18 139
Total prescribed officers	19 463	3 290	452	352	26 941	50 498
Grand total	36 556	5 808	494	352	51 030	94 240

R' 000	Total fees 2023
Non-executive directors	
Residents	
N Gwagwa	2 418
HH Hickey	989
NP Mnxasana	918
V Nkonyeni (appointed 12 April 2023)	429
NV Mokhesi	1299
Non-residents	
FNO Edozien (retired 17 February 2023)	707
MD Lynch-Bell (retired 17 February 2023)	950
P Schmid	2 269
H Molotsi	1 964
N Chiaranda	2 615
B Odunewu (appointed 12 April 2023)	1 042
Total non-executive directors	15 600
Total directors' and prescribed officers' remuneration	109 840

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests continued

R' 000	Salary	Retirement and medical contributions	Car benefit	Other benefits	Bonus	Total 2022
2022						
Executive directors						
Residents						
DM Sewela	10 602	1 390	92	19	14 431	26 534
N Lila	5 684	587		10	7 119	13 400
Total executive directors	16 286	1 977	92	29	21 550	39 934
Prescribed officers						
E Leeka	5 411	718	87	17	7 575	13 808
C Wierenga	4 598	736	34	2	5 350	10 720
QTM McGeer	5 572	964	283		8 261	15 080
Total prescribed officers	15 581	2 418	404	19	21 186	39 608
Grand total	31 867	4 395	496	48	42 736	79 542

R' 000	Total fees 2022
Non-executive directors	
Residents	
NP Dongwana (resigned)	205
N Gwagwa	2 516
HH Hickey	1 075
NP Mnxasana	1 122
NV Mokhesi	1 324
Non-residents	
FNO Edozien	1 150
MD Lynch-Bell	1 695
H Molotsi	1 420
P Schmid	1 231
N Chiaranda	1 058
Total non-executive directors	12 796
Total directors' and prescribed officers' remuneration	92 338

Interest of directors and prescribed officers of the company in share capital

The aggregate beneficial holdings as at 30 September 2023 of the directors and prescribed officers of the company and their immediate families (none of which has a holding in excess of 1%) in the issued ordinary shares of the company are detailed below. There have been no changes in these shareholdings since that date.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests continued

Number of shares at 30 September	Khula Sizwe 2023 Management Trust	2023 Public Scheme – Direct	2022 Management Trust	2022 Public Scheme – Direct
Executive directors				
DM Sewela	**3 214 915**		3 214 915	
NV Lila	**696 076**		696 076	
Total executive directors	**3 910 991**		3 910 991	
Non-executive directors				
N Mokhesi		**1 500**		1 500
Total non-executive directors		**1 500**		1 500
Prescribed officers				
E Leeka	**1 131 304**		1 131 304	
A Masemola	**251 846**			
C Wierenga	**22 037**		22 037	
Total prescribed officers	**1 405 187**		1 153 341	
Grand total	**5 316 178**	**1 500**	5 064 332	1 500

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests continued

	Barloworld							
Number of shares at 30 September	2023 CSP	2023 Forfeitable	2023 Direct	2023 Indirect	2022 CSP	2022 Forfeitable	2022 Direct	2022 Indirect
Executive directors								
DM Sewela	**685 448**	**187 370**	**93 695**	**334 706**	403 910	161 250		305 000
NV Lila	**265 444**	**73 920**	**57 431**		152 410	61 030	11 998	
Total executive directors	**950 892**	**261 290**	**151 126**	**334 706**	556 320	222 280	11 998	305 000
Non-executive directors								
Prescribed officers								
E Leeka	**278 555**	**76 690**	**55 359**		162 110	64 770	99 195	
A Masemola	**34 413**	**78 440**	**30 308**					
C Wierenga	**200 091**	**57 170**	**36 964**		107 410	43 120	12 339	
QT McGeer	**180 180**	**49 668**	**31 382**		163 400	65 540		
Total prescribed officers	**693 239**	**261 968**	**154 013**		432 920	173 430	111 534	
Grand total	**1 644 131**	**523 258**	**305 139**	**334 706**	989 240	395 710	123 532	305 000

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests continued

Interest of directors and prescribed officers of the company in share options, share appreciation rights and forfeitable shares

The interests of the executive directors and prescribed officers in shares of the company provided in the form of options, share appreciation rights and forfeitable shares are shown in the table below:

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR)/vested (FSP)/lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR)/vesting price (FSP)	Exercise or exercisable (options and SAR)/vesting date (FSP)
Executive directors								
DM Sewela								
Share appreciation rights								
	27-Feb-19	189 340			189 340	130.02		**26-Feb-22**
FSP – no performance conditions								
	09-Mar-20	10 070		10 070		n/a	96.71	**08-Mar-23**
	04-Dec-20	16 600			16 600	n/a		**04-Dec-23**
FSP – with performance conditions								
	09-Mar-19	11 106		11 106		n/a	Lapsed	**26-Feb-22**
	09-Mar-20	19 636		19 636		n/a	91.67	**08-Mar-23**
	09-Mar-20	10 574		10 574		n/a	Lapsed	**08-Mar-23**
	04-Dec-20	49 790			49 790	n/a		**03-Dec-23**
	07-Dec-21	54 580			54 580	n/a		**06-Dec-24**
	25-Nov-22		66 400		66 400	n/a		**24-Nov-25**
CSP								
	12-Jul-20	104 420	23 659	93 695	34 384	n/a	91.67	**08-Mar-23**
	12-Jul-20	34 384		34 384		n/a	Lapsed	**08-Mar-23**
	04-Dec-20	172 130	39 001		211 131	n/a		**03-Dec-23**
	25-Nov-22	190 021			190 021	n/a		**24-Nov-25**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR)/vested (FSP)/lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR)/vesting price (FSP)	Exercise or exercisable (options and SAR)/vesting date (FSP)
NV Lila								
FSP – no performance conditions								
	09-Mar-20	3 640		3 640		n/a		**08-Mar-23**
	04-Dec-20	6 040			6 040	n/a		**03-Dec-23**
FSP – with performance conditions								
	09-Mar-20	7 085		7 085		n/a	91.67	**08-Mar-23**
	09-Mar-20	3 815		3 815		n/a	Lapsed	**08-Mar-23**
	04-Dec-20	18 110			18 110	n/a		**03-Dec-23**
	07-Dec-21	22 340			22 340	n/a		**06-Dec-24**
	25-Nov-22		27 430		27 430	n/a		**25-Nov-25**
CSP								
	09-Mar-20	33 820	8 540	33 820	8 540	n/a	91.67	**08-Mar-23**
	09-Mar-20	13 605		13 605		n/a		**08-Mar-23**
	04-Dec-20	68 340	15 484		83 824	n/a		**03-Dec-23**
	07-Dec-21	52 120	11 809		63 929	n/a		**06-Dec-24**
	25-Nov-22		78 501		78 501	n/a		**24-Nov-25**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR)/vested (FSP)/lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR)/vesting price (FSP)	Exercise or exercisable (options and SAR)/vesting date (FSP)
Prescribed officers								
E Leeka								
Share appreciation rights								
	29-Mar-17	29 950		29 950		121.53	Lapsed	**23-Mar-20**
	31-Mar-18					177.71	Lapsed	**29-Jan-21**
	27-Feb-19	75 330			75 330	130.02		**26-Feb-22**
FSP – no performance conditions								
	27-Feb-19	3 130		3 130		n/a	124.37	**26-Feb-22**
	09-Mar-20	3 980		3 980		n/a		**08-Mar-23**
	04-Dec-20	6 590			6 590	n/a		**03-Dec-23**
	01-Jan-21	6 590			6 590	n/a		**03-Dec-23**
FSP – with performance conditions								
	27-Feb-19	4 418		4 418		n/a	Lapsed	**Lapsed**
	09-Mar-20	7 768		7 768		n/a	91.67	**08-Mar-23**
	09-Mar-20	4 182		4 182		n/a	Lapsed	**08-Mar-23**
	04-Dec-20	19 770			19 770	n/a		**03-Dec-23**
	07-Dec-21	22 480			22 480	n/a		**06-Dec-24**
	25-Nov-22		27 850		22 480	n/a		**06-Dec-24**
CSP								
	09-Mar-20	37 077	9 362	37 077	9 362	n/a		**08-Mar-23**
	09-Mar-20	13 605		13 605		n/a		**08-Mar-23**
	07-Dec-21	52 450	11 884		64 334	n/a		**06-Dec-24**
	07-Dec-22		79 715		79 715	n/a		**02-Nov-25**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR)/vested (FSP)/lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR)/vesting price (FSP)	Exercise or exercisable (options and SAR)/vesting date (FSP)
A Masemola								
FSP – no performance conditions								
	27-Feb-19	9 080		9 080		n/a	119.33	**27-Feb-22**
	09-Mar-20	11 880		11 880		n/a	119.33	**08-Mar-23**
	04-Dec-20	19 680			19 680	n/a	Lapsed	**03-Dec-23**
	07-Dec-21	10 950			10 950	n/a		**06-Dec-24**
	25-Nov-22		6 090	6 090		n/a	119.33	**25-Nov-25**
FSP – with performance conditions								
	27-Feb-19	4 812		4 812		n/a	124.37	**26-Feb-22**
	27-Feb-19	4 268		4 268		n/a	Lapsed	**26-Feb-22**
	09-Mar-20	7 722		7 722		n/a	91.67	**08-Mar-23**
	09-Mar-20	4 158		4 158		n/a	Lapsed	**08-Mar-23**
	04-Dec-20	19 680			19 680	n/a		**04-Dec-23**
	07-Dec-21	10 950			10 950	n/a		**06-Dec-23**
	25-Nov-22		17 180		17 180	n/a		**24-Nov-25**
CSP								
	25-Nov-22	49 161			49 161	n/a		**25-Nov-25**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR)/vested (FSP)/lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR)/vesting price (FSP)	Exercise or exercisable (options and SAR)/vesting date (FSP)
QT McGeer								
Share appreciation rights								
	27-Feb-19	57 060		1 564	55 496	130.02	Lapsed	**26-Feb-22**
FSP – no performance conditions								
	27-Feb-19	2 370		2 370		n/a	124.37	**26-Feb-22**
	09-Mar-20	3 200		3 200		n/a	91.67	**08-Mar-23**
	04-Dec-21	6 890			6 890	n/a		**03-Dec-23**
	04-Dec-21	5 170			5 170	n/a		**06-Dec-23**
FSP – with performance conditions								
	27-Feb-19	3 774		3 774		n/a	124.37	**26-Feb-22**
	27-Feb-19	3 346		3 346		n/a	Lapsed	**Lapsed**
	09-Mar-20	6 240		6 240		n/a	91.67	**08-Mar-23**
	09-Mar-20	3 360		3 360		n/a	Lapsed	**08-Mar-23**
	04-Dec-21	20 680			20 680	n/a		**03-Dec-23**
	01-Dec-22	25 170			25 170	n/a		**06-Dec-24**
	01-Dec-22		30 370		30 370	n/a		**06-Dec-24**
CSP								
	09-Mar-20	33 190	7 520	29 782	10 928	n/a	91.67	**08-Mar-23**
	09-Mar-20	10 928		10 928		n/a	Lapsed	**08-Mar-23**
	04-Dec-20	71 480	16 196		87 676	n/a		**03-Dec-23**
	07-Dec-21	58 730	13 307		72 037	n/a		**04-Dec-24**
	07-Dec-22		86 915		86 915	n/a		**24-Nov-25**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

37. Directors' remuneration and interests continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR)/vested (FSP)/lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR)/vesting price (FSP)	Exercise or exercisable (options and SAR)/vesting date (FSP)
C Wierenga								
Share appreciation rights								
	27-Feb-19	46 070			46 070	130.02		**26-Feb-22**
FSP – no performance conditions								
	27-Feb-19	1 920		1 920		n/a	124.37	**26-Feb-22**
	09-Mar-20	2 460			2 460	n/a		**08-Mar-23**
	04-Dec-21	4 090			4 090	n/a		**03-Dec-23**
FSP – with performance conditions								
	27-Feb-19	2 668		2 668		n/a	124.37	**26-Feb-22**
	27-Feb-19	2 702		2 702		n/a	lapsed	**26-Feb-22**
	09-Mar-20	4 790		4 790		n/a	91.67	**08-Mar-23**
	09-Mar-20	2 580		2 580		n/a	lapsed	**08-Mar-23**
	04-Dec-21	16 360			16 360	n/a		**03-Dec-23**
	07-Dec-22	16 930			16 930	n/a		**06-Dec-24**
	25-Nov-22		23 880		23 880	n/a		**24-Nov-25**
CSP								
	09-Mar-20	25 490	5 775	22 873	8 392	n/a	91.67	**08-Mar-23**
	09-Mar-20	8 392		8 392		n/a	Lapsed	**08-Mar-23**
	04-Dec-20	42 410	9 609		52 019	n/a		**03-Dec-23**
	07-Dec-21	48 462			48 462	n/a		**06-Dec-23**
	25-Nov-22		68 345		68 345	n/a		**24-Nov-25**

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

38. Principal subsidiary companies

						Interest of holding company					
		Issued capital		Effective percentage holdings		Investment in subsidiaries		Indebtedness		Amounts owing to subsidiaries	
	Type	Currency	Local Currency Amount	2023 %	2022 %	2023 R million	2022 R million	2023 R million	2022 R million	2023 R million	2022 R million
Avis Southern Africa Limited	H	ZAR	17 903 911		100		664		96		
Barloworld Botswana (Pty) Limited [2]	H	BWP	35 329 536	**100**	100						
Barloworld Equipment (Pty) Limited	O	ZAR	2	**100**	100						
Barloworld Equipment UK Limited [1]	O	GBP	4 500 000	**100**	100						
Vostochnaya Technica UK [1]	O	GBP	34 500 000	**100**	100						
Barloworld Holdings Limited [1]	H	GBP	228 301 000	**100**	100						
Barloworld Insurance Limited [1]	O	GBP	4 100 000	**100**	100	**63**	63				
Barloworld Investments (Pty) Limited	H	ZAR	900	**100**	100	**108**	108	**3 068**	3 068		
Barloworld Logistics Africa (Pty) Limited (held for sale, refer to note 21)	O	ZAR	2 859 920		100						
Barloworld South Africa (Pty) Limited	O	ZAR	765 424	**100**	100	**2 152**	2 152	**6 168**	7 787	**220**	187
Barloworld Investments Namibia (Pty) Limited [3]	H	NAD	1 450 000	**100**	100	**5**	5				
Zeda Car Leasing (Pty) Limited t/a Avis Fleet	O	ZAR	100		100				493		
Barloworld Siyakhula (Pty) Limited	O	ZAR	25 000 100	**100**	100						
Other subsidiaries*						**67**	58	**8**	14		0
						2 395	**3 050**	**9 244**	**11 458**	**220**	**187**

All companies are incorporated in (or operate principally in) the Republic of South Africa except where otherwise indicated as follows:

[1] United Kingdom
[2] Botswana
[3] Namibia

Keys to type of subsidiary
H – Holding companies
O – Operating companies

During the current year the group disposed of its investment in Barloworld Logistics Africa (Pty) Limited and unbundled the Avis businesses (refer note 21).

Any material changes which have taken place during the year, are dealt with in the appropriate operational reviews.
* A full list of subsidiaries and a list of the special resolutions of those companies are available to the shareholders, on request, from the registered office of the company.
It can be noted in the statement of profit or loss that there is non-controlling interest, non-controlling interest originates mainly from Khula Sizwe, with the black public owning 30%.

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

39. Related party transactions

Various transactions are entered into by the company and its subsidiaries during the year with related parties. Unless specifically disclosed, these transactions occurred under terms that are no less favourable than those entered into with third parties. Intra-group transactions are eliminated on consolidation.

The following is a summary of other transactions with related parties during the year and balances due at year end:

R million	Associates of the group	Joint ventures of the group
2023		
Goods and services sold to		
NMI Durban South Motors (Pty) Ltd	**33**	
	33	
Goods and services purchased from		
Irene Khaya Investment (Pty) Ltd		**16**
		16
Trade and other receivables		
NMI Durban South Motors (Pty) Ltd	**1**	
Barlow Park Residential Property Limited – Investments		**62**
	1	**62**
Leasing finance arrangements, commitments and other transactions		
Bartrac Equipment		**19**
		19

R million	Associates of the group	Joint ventures in which the group is a venture
2022		
Goods and services sold to		
NMI Durban South Motors (Pty) Ltd	52	
Barzem Enterprise (Pty) Ltd		2
	52	2
Goods and services purchased from		
Irene Khaya Investments (Pty) Ltd		15
		15
Trade and other receivables/(payables)		
NMI Durban South Motors (Pty) Ltd	82	
Barzem Enterprise (Pty) Ltd		1
Congo Equipment SPRL		1
BHBW SA (Pty) Ltd		4
Barlow Park Residential Property Limited – Investments		25
	82	31
Leasing finance arrangements commitments		
Menlyn Main Towers (Pty) Ltd		19
NMI Durban South Motors (Pty) Ltd	16	
	16	19

Notes to the consolidated financial statements continued

for the year ended 30 September 2023

39. Related party transactions continued

R million	Associates of the group	Joint ventures in which the group is a venture
2022		
Amounts due from related parties as at the end of the year		
NMI Durban South Motors (Pty) Ltd	**72**	
	72	

Terms on other outstanding balances
Unless otherwise noted, all outstanding balances are payable within 30 days, unsecured and not guaranteed.

Associates and joint ventures
The loans to associates and joint ventures are repayable on demand and bear interest at market related rates. There are no provisions held against any of the related parties.

There were no impairments of any investments in the current year. Refer to note 13. Details of investments in associates and joint ventures are disclosed in note 13.

Subsidiaries
Details of investments in subsidiaries are disclosed in note 38.

Directors
Details regarding directors' remuneration and interests are disclosed in note 37, and share appreciation rights, forfeitable shares and conditional shares are disclosed in note 34.

Transactions with key management and other related parties (including directors and prescribed officers)
There were no related party transactions outside the ordinary course of business requiring separate disclosure in the consolidated financial statements.

Shareholders
The principal shareholders of the company are disclosed in the integrated report.

Barloworld Medical Scheme
Contributions of R220 million were made to the Barloworld Medical Scheme on behalf of employees (2022: R213 million).

Barloworld Pension Fund (UK)
Amounts recognised in the Income Statement in respect of defined benefit plans was a net expense of R46 million (2022: R5 million net expense).

40. Events after the reporting period

On 17 October 2023 Barloworld Limited issued a 3 year BAW41 and 5 year BAW42 debt instrument of R1 billion as part of the refinancing of the instruments maturing during October 2023.

To the knowledge of the directors, no other material events have occurred between the reporting date and the date of approval of these financial statements that would affect the ability of the users of the financial statements to make proper evaluations and decisions.

Definitions of key performance indicators

Headline earnings per share
Profit for the year attributable to owners of Barloworld Limited adjusted for impairments and capital items (and other items required in terms of the SAICA circular) net of tax divided by weighted average number of shares.

Diluted headline earnings per share
Profit or loss attributable to ordinary equity holders of the parent entity adjusted for impairments and capital items (and other items required in terms of the SAICA circular) net of tax divided by the weighted average number of ordinary shares outstanding during the period, both adjusted for the effects of all dilutive potential ordinary shares.

Impairments and capital items
Impairments and capital items cover those amounts, which are not considered to be of an operating/trading nature, and generally include re-measurements and consist of the following items:

- Impairments and impairment reversal of goodwill.
- Impairment and impairment reversal of indefinite intangible assets
- Impairment and impairment reversal of definite intangible assets
- Impairments and impairment reversal of items of property, plant and equipment.
- Impairment and impairment reversal of investments
- Gains and losses on the measurement to fair value less costs to sell (or on the disposal) of assets or disposal groups constituting assets held for sale and discontinued operations
- Gains and losses on the measurement to fair value less costs to sell of non-current assets or disposal groups classified as held for sale
- Gains and losses on the disposal of property, plant and equipment
- Recycling through profit or loss of foreign currency translation reserves upon disposal of entities whose functional currencies are different to the group's presentation currency
- Recycling through profit or loss of fair value gains and losses previously recognised in other comprehensive income upon the disposal of financial assets as at fair value through other comprehensive income (FVTOCI) and realisation of hedges of a net investment in a foreign operation, and
- Remeasurements to fair value of other financial instruments (including amounts recycled through profit or loss under cash flow hedges that were previously recognised in other comprehensive income) are not included in impairments and capital items.

EBITDA
Earnings before interest (finance costs less finance income), taxes, depreciation, and amortisation of intangible assets.

Operating profit from core trading activities
Profit before impairments and capital items, interest (finance costs less finance income) and taxation.

Net operating profit after tax (NOPAT)
Operating profit from core trading activities after tax and share of associate income. (excludes impairments and capital items net of tax)

Economic profit
The measure of the difference between the net operating profit after tax and capital charge.

Capital charge
Average invested capital multiplied by WACC rate.

Invested capital
The measure of the sum of the total interest of all shareholders (including non-controlling interests), long-term loans, lease liabilities, bank overdrafts and short-term loans less cash.

Average invested capital
Comprises simple average for the reporting period, determined as invested capital at the beginning of the 12 months prior to the reported period plus invested capital at the end of the reporting period divided by two.

Equity
Interest of shareholders of Barloworld Limited as stated on the statement of financial position comprising share capital and share premium, other reserves and retained income. Excludes non-controlling interests.

Return on invested capital (ROIC)
The return on invested capital is a return ratio and is calculated by dividing NOPAT over average invested capital.

Definitions of key performance indicators continued

Adjusted return on invested capital (Adjusted ROIC)
Percentage return that a company makes over its invested capital by calculating net operating profit after tax plus finance income and income from associates and joint ventures, over average invested capital (adjusted for cumulative impairments and capital items net of tax deducted in prior periods, from 2020 financial year to end of reporting period).

Return on equity (ROE)
Net profit after tax plus income from associates and joint ventures attributable to the owners of Barloworld Limited adjusted to exclude impairments and capital items net of tax as a percentage of average equity.

Adjusted return on equity (Adjusted ROE)
Net profit after tax plus income from associates and joint ventures attributable to the owners of Barloworld Limited excluding impairments and capital items net of as a percentage of ordinary shareholders' funds (adjusted for cumulative impairments and capital items deducted in prior periods, from 2020 financial year to end of reporting period).

Free cash flow
Cash flows from operating and investing activities (excluding cash paid for business acquisitions and cash received from sales of businesses) and excludes dividends paid.

Gross interest
Total finance costs comprising interest paid on interest-bearing liabilities (including floor plans), amounts due to bankers and short-term loans, defined benefit plan and lease liabilities.

Gross debt
Interest-bearing liabilities, excluding lease liabilities (unless stated otherwise), and amounts due to bankers and short-term loans.

Interest cover
Operating profit from core trading activities plus finance income divided by finance costs.

Net debt
Gross debt less cash and cash equivalents.

Return on net operating assets
Operating profit from core trading activities plus finance income, income from associates and joint ventures as a percentage of net operating assets.

Net operating assets
Segment assets less segment liabilities.

Segment assets
Total assets less goodwill, cash and cash equivalents, taxation and deferred taxation assets.

Segment liabilities
Total liabilities less interest-bearing loans, amounts due to bankers and short-term loans, lease liabilities, taxation and deferred taxation liabilities.

Net assets
Net operating assets plus goodwill, cash and cash equivalents

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

Group operating margin
Operating profit from core trading activities as a percentage of revenue.

Company income statement

for the year ended 30 September 2023

R million	Notes	2023	2022
Revenue made up as follows:			
Dividend income^		835	2 402
Interest income^^		452	410
Finance costs*		(451)	(326)
Administrative costs		(80)	(67)
Expected credit loss movement on financial guarantees**		19	6
Operating profit from core trading activities#		775	2 425
Capital profit/(expenses)#		2 393	(65)
Impairment of loans	6	(7)	(49)
Profit before taxation	2	3 161	2 311
Taxation	3	(257)	56
Profit after tax		2 904	2 367
Total comprehensive income for the year		2 904	2 367

^ Dividend income comprises dividends received from investment in subsidiaries of R835 million (2022: R2 155 million), dividends received from deregistration of subsidiaries of nil (2022: R246 million) and dividends received from insurance company of R0.6 million (2022: R0.7 million).

^^ Interest income is mainly derived from interest received from subsidiary companies that hold interest-bearing loans. Interest received includes nil (2022: R9 million) relating to the unwinding of interest on the Khula Sizwe Management trust.

* Finance costs mainly relate to external borrowings, finance costs relating to short-term borrowing amounting to R154 million (2022: R167 million), finance costs relating to long-term borrowing amounting to R292 million (2022: R159 million), and R5 million (2022: R0.7 million) relates to other interest.

** Expected credit loss movement on financial guarantees of R19 million profit (2022: R6 million profit) relates to financial guarantees.

Capital profit relates to the profit from unbundling Zeda Limited. This is net after costs to sell and loan settlements. Refer to note 30 of the consolidated annual financial statements.

Company statement of financial position

at 30 September 2023

R million	Notes	2023	2022
ASSETS			
Non-current assets		11 744	13 423
Investment property	4	89	51
Other long-term receivables		8	11
Investments	5	2 474	2 425
Loans to subsidiaries	6	9 173	10 848
Deferred taxation asset	8		88
Current assets		409	861
Loans to subsidiaries	6		12
Trade and other receivables		32	15
Taxation			42
Cash and cash equivalents	7	377	792
Assets classified as held for sale	9.1	57	721
Total assets		12 210	15 005
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	10	(2 322)	(2 273)
Other reserves		735	735
Retained income		8 314	10 559
Interest of shareholders of Barloworld Limited		6 727	9 021
Non-current liabilities		3 107	3 825
Interest-bearing liabilities	11	3 104	3 825
Deferred taxation liabilities	8	3	
Current liabilities		2 376	2 159
Loans from subsidiaries	6	220	167
Trade and other payables		103	135
Taxation		3	
Provisions	12	6	6
Amounts due to bankers and short-term borrowings	13	2 044	1 851
Total equity and liabilities		12 210	15 005

Company statement of changes in equity

for the year ended 30 September 2023

R million	Notes	Share capital and premium	Revaluation reserve	Equity compensation reserve*	Total other reserves	Total retained income	Total shareholders' interest
Balance at 1 October 2021		(1 355)	3	735	738	11 420	10 803
Total comprehensive income for the year						2 367	2 367
Dividends on ordinary shares	15					(3 230)	(3 230)
Share buy back for the year	10	(918)					(918)
Transfer of reserves			(3)		(3)	2	(1)
Balance at 30 September 2022		**(2 273)**		**735**	**735**	**10 559**	**9 021**
Total comprehensive income for the year						2 904	2 904
Dividends on ordinary shares	15					(5 149)	(5 149)
Share buy back in the year	10	(49)					(49)
Balance at 30 September 2023		**(2 322)**		**735**	**735**	**8 314**	**6 727**

* The equity compensation reserve relates to the IFRS 2 charge for the Khula Sizwe B-BBEE transaction.

Shares of 6,578,121 or 3% were issued to the Barloworld Empowerment Foundation on the 13th of December 2019, at a share price of R111.87 per share, equating to a grant fair value of R735 million. A further 5% discount on the market values of the properties was given to Khula Sizwe on the sale of properties.

The shares held by the foundation are indefinite.

Company statement of cash flows

for the year ended 30 September 2023

R million	Notes	2023	2022
Cash flows from operating activities			
Cash utilised in operations	A	**(164)**	(84)
Dividend income from investments (excluding withholding tax)		**835**	2 397
Interest income*		**13**	401
Finance costs*		**(446)**	(326)
Taxation paid	B	**(122)**	(44)
Cash flow from operations		**116**	2 344
Dividends paid		**(1 982)**	(3 230)
Cash outflow from operating activities		**(1 866)**	(886)
Cash flows from investing activities			
Acquisition of investment properties		**(38)**	
Advance to joint venture		**(37)**	(25)
Proceeds on deregistration of investments			33
Advance of loans to subsidiaries			(1 387)
Payment received on loans to subsidiaries		**2 051**	
Net cash inflow/(outflow) from investing activities		**1 976**	(1 379)
Net cash inflow/(outflow) before financing activities		**110**	(2 265)
Cash flows from financing activities			
Repayment on loans from subsidiaries			(10)
Increase in loans from subsidiaries		**53**	28
Share buyback		**(49)**	(918)
Proceeds from long-term borrowings		**823**	2 241
Repayment of short-term borrowings		**(1 351)**	(2 846)
Net cash outflow from financing activities	C	**(524)**	(1 505)
Net movement in cash and cash equivalents		**(414)**	(3 770)
Cash equivalents at the beginning of year		**791**	4 561
Cash and cash equivalents at the end of the year		**377**	791

Notes to the statement of cash flows

for the year ended 30 September 2023

R million	2023	2022
A. Cash utilised in operations is calculated as follows:		
Profit before taxation	**3 161**	2 311
Adjustments for:		
Impairment of investments	**7**	49
Non-cash movement in provisions	**1**	6
Dividends income	**(835)**	(2 402)
Interest income	**(452)**	(410)
Finance costs	**451**	326
Fair value adjustments on financial instruments	**(19)**	(6)
Capital profit	**(2 432)**	
Operating cash flows before movements in working capital	**(118)**	(126)
Increase in trade and other receivables	**(14)**	(8)
(Decrease)/Increase in trade and other payables	**(32)**	50
Cash utilised from operations	**(164)**	(84)
B. Reconciliation of taxation paid:		
Amounts overpaid at the beginning of the year	**42**	23
Per the income statement (excluding deferred taxation)	**(167)**	(24)
Net amounts under/(over) paid at the end of the year	**3**	(42)
Cash amounts paid	**(122)**	(44)

* Interest income and finance costs exclude intergroup interest due to it not being cash transactions.

Notes to the statement of cash flows continued

for the year ended 30 September 2023

R million	1 October	Cash flows	Other non-cash	Transfers to or from short term loans	30 September
C. Net cash outflow from financing activities:					
2023					
Net cash (used in)/generated from financing activities is reconciled as follows:					
Loans from subsidiaries	**167**	**53**			**220**
Non-current interest-bearing loans	**3 825**	**823**		**(1 544)**	**3 104**
Current interest-bearing loans	**1 851**	**(1 351)**		**1 544**	**2 044**
Other movements					
Share capital	**(2 273)**	**(49)**			**(2 322)**
	3 570	**(524)**			**3 046**
2022					
Net cash (used in)/generated from financing activities is reconciled as follows:					
Loans from subsidiaries	149	18			167
Non-current interest-bearing loans	2 941	2 241	(6)	(1 351)	3 825
Current interest-bearing loans	3 346	(2 846)		1 351	1 851
Other movements					
Share capital	(1 355)	(918)			(2 273)
	5 081	**(1 505)**	**(6)**		**3 570**

Notes to the company financial statements

for the year ended 30 September 2023

1. Accounting framework

The accounting policies of the company are the same as those of the group, where applicable (refer to the consolidated annual financial statements). The policies detailed below are those specifically applicable to the company.

Accounting policies for which no choice is permitted in terms of International Financial Reporting Standards have been included only if management and directors concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item being discussed. Accounting policies which are not applicable from time to time, have been removed, but will be included if the type of transaction occurs in future.

The basis of preparation is consistent with the prior year. Barloworld Limited (the company) does not have any leases which require a right of use asset or lease liability to be recognised in the statement of financial position.

1.1 Underlying concepts

The financial statements are prepared on the going concern basis. Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are offset and the net amount reported only when a legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously. Impairment and capital items refer to expenses/income that are unrelated to Barloworld's core operations and fall outside the normal course of business. All financial information has been rounded to the nearest million unless stated otherwise.

1.2 Significant judgements made by management

Preparing financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates.

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments, as follows:

Non-current assets held for sale
The company classified one property as held for sale, which should be transferred within the next 12 months.

1.3 Revenue

Included in revenue are dividends received and interest received from subsidiaries.

Interest income and expense are recognised in the statement of comprehensive income using the effective interest method for all interest-bearing financial instruments.
Dividends from subsidiaries are accrued for once declared by the subsidiaries.

1.4 Financial assets and financial liabilities (financial instruments)

Financial instruments comprise investments in equity securities, loans receivable, trade and other receivables (excluding prepayments), cash and cash equivalents, borrowings, other non-current liabilities (excluding provisions), bank overdrafts and trade and other payables.

Financial guarantees related to the Khula Sizwe lease and Treasury long-term loans are valued by external experts on an annual basis. Fair value adjustments are processed to profit or loss per the statement of comprehensive income.

1.5 Investment property

An investment property is either land or a building or part of a building held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both. The cost model is applied in accounting for investment property, i.e. the investment property is recorded at cost less any accumulated depreciation and impairment losses. Land is stated at cost and not depreciated. Investment property is depreciated on a straight line basis over 20 to 50 years.

Property is valued on an annual basis and will be impaired if needed.

Notes to the company financial statements continued

for the year ended 30 September 2023

1. Accounting framework continue

1.6 Lessor

Lessors will classify each lease as an operating lease.

A lessor recognises operating lease payments as income on a straight-line basis.

The company recognises costs, including depreciation, incurred to obtain lease income as an expense.

1.7 Cash and cash equivalents

Barloworld makes use of intercompany treasury functions and as such some of the intercompany balances meet the definition of cash and cash equivalents, being highly liquid, readily convertible and exposed to negligible risk of change in value under the heading Cash and cash equivalents.

1.8 Changes in accounting policies

The following new and amended standards are expected to have no or minimal impact on presentation, recognition and measurement in future years:

	Effective date*
IFRS 17: Insurance Contracts	1 January 2023
Amendments to IAS 1 – Classification of liabilities as current vs non-current	1 January 2024
Amendments to IAS 1 Presentation of financial statements and IFRS practice statement 2 Making materiality judgements – Disclosure of accounting policies	1 January 2023
Amendments to IAS 1 – Presentation of financial statements – Non current liabilities and covenants	1 January 2024
Amendments to IAS 8: Accounting Policies, Changes in accounting estimates and errors – Definition of accounting estimates	1 January 2023
Amendments to IAS 12: Income Taxes – Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to IAS 12: Income Taxes – International Tax reform – Pillar two model rules	1 January 2023
Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16 – Lease liability in a sale and leaseback	1 January 2024
Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture	Effective date to be announced

* Effective for annual periods beginning on or after this date

2. Profit before taxation

R million	2023	2022
Profit before taxation is arrived at as follows:		
Total income	**1 287**	2 812
Expected credit loss movement on financial guarantees	**19**	6
Less: Finance costs	**(451)**	(326)
Less: Administrative costs	**(80)**	(67)
Less: Impairment of investment	**(7)**	(49)
Add: Capital profit/(expenses)	**2 393**	(65)
Profit before taxation	**3 161**	**2 311**
Administrative costs include the following:		
Administration, management and technical fees paid	**8**	11
Consulting, insurance and other investor relation expenses	**39**	30
Non-executive director remuneration	**18**	15
Auditors' remuneration	**15**	10

Notes to the company financial statements continued

for the year ended 30 September 2023

3. Taxation

R million	2023	2022
Current tax		
Withholding taxation	**(68)**	(11)
Normal and Capital gains tax		
Current year	**(103)**	(14)
Prior year	**5**	1
	(166)	**(24)**
Deferred tax		
Current year	**(88)**	80
Rate change	**(3)**	
	(91)	80
Total taxation	**(257)**	56

%	2023	2022
Reconciliation of rate of taxation:		
South Africa normal taxation rate	**27.0**	28.0
Reduction in rate of taxation	**(22.8)**	(33.3)
Adjustment due to exemption for dividend income	**(7.3)**	(29.1)
Impairments and capital items taxation	**(15.3)**	
Prior year adjustment non-taxable income	**(0.2)**	(0.1)
Other non-taxable income		(4.1)
Increase in the rate of taxation	**3.9**	2.8
Disallowable charges	**0.8**	2.3
Impairments and capital items taxation	**0.1**	
Under provision of tax in respect of prior year	**0.1**	
Imputed income	**0.8**	
Withholding taxation	**2.1**	0.5
Taxation as a percentage of profit before taxation	**8.1**	(2.5)

4. Investment property

R million	Cost	Accumulated depreciation	Net book value
2023			
Freehold land and buildings	**89**		**89**
	89		**89**
2022			
Freehold land and buildings	51		51
	51		**51**

R million	Freehold land and Buildings
Movement of carrying value of investment property	
2023	
Carrying value at 1 October 2022	**108**
Other additions	**58**
Disposal	**(20)**
Reclassification as held for sale (note 9.1)	**(57)**
Carrying value at 30 September 2023	**89**
2022	
Carrying value at 1 October 2021	108
Reclassification as held for sale (note 9.1)	(57)
Carrying value at 30 September 2022	**51**

The register of land and buildings is open for inspection at the registered office of the company.

Notes to the company financial statements continued

for the year ended 30 September 2023

4. Investment property continued

2023

The fair value for the above freehold land and buildings amounted to R260 million (2022: R222 million (including property held for sale) based on a valuation at September 2022.

The fair value measurement of the properties is considered a level 3 measurement in accordance with IFRS 13. Valuation was done in accordance with International Valuation Standards by a chartered surveyor in accordance with The Royal Institution of Chartered Surveyors professional standards manual. There are no known restrictions on the realisable value of the investment properties.

5. Investments

R million	2023	2022
Investment arising from initial recognition of financial guarantee liability	**67**	56
Investment in subsidiaries and joint ventures at cost less impairment#	**2 329**	2 993
Unlisted investments at fair value*	**16**	16
Loan to joint venture	**62**	25
	2 474	**3 089**
Reclassification as held for sale (note 9.1)		**(664)**
Total	**2 474**	**2 425**

* Refer to note 14 for the valuation methodology.

\# The decrease in the investment in subsidiaries relates to the unbundling and separate listing of Zeda Limited.

The movement in investments comprises an increase of R37 million (2022: R82 million) relating to a loan to a joint venture; and an increase to R67 million (2022: R56 million) in investments resulting from the initial recognition of liability arising from financial guarantees granted to Khula Sizwe lease and Treasury long-term loans.

The above assets have been assessed for impairment based on the historical and forecast dividends received and no impairment is required.

Refer to note 38 of the consolidated annual financial statements, principal subsidiary companies.

6. Loans owing from/(to) subsidiaries

R million	2023	2022
Long-term loans	**9 173**	10 848
Short-term loans		12
Amounts owing from subsidiaries*	**9 173**	**10 860**
Amounts owing to subsidiaries**	**(220)**	**(167)**

* Included in amounts owing from subsidiaries is interest-bearing loans amounting to R5 233 million to Barloworld South Africa (Pty) Ltd (2022: R493 million). Non-interest-bearing loans are not repayable on demand but are long-term. The Khula Sizwe Management trust was provided a R207 million (2022: R207 million) interest free loan held at carrying value of R187 million (2022: R187 million). The borrowing rate was determined at JIBAR plus 1.95%. During the current year a loan due from a dormant group company to the value of R7 million (2022: R49 million) was impaired. Other than the above there is no history of credit losses on loans to subsidiaries and management expect these loans to continue performing, and therefore, no expected credit losses have been recognised on these loans. Management have also considered macroeconomic forward-looking factors relating to these loans, however the ECL remains negligible and as such none has been recognised.

** The R220 million (2022: 167 million) owing to subsidiaries is made up mainly of various group equity loans which are interest free with no fixed repayment terms.

Expected credit losses are determined in line with the group's accounting policy included in the group annual financial statements.

Notes to the company financial statements continued

for the year ended 30 September 2023

7. Cash and cash equivalents

R million	2023	2022
Cash and cash equivalent balances	**377**	**792**

8. Deferred taxation asset/(liability)

R million	2023	2022
Movement of deferred taxation		
Balance at the beginning of year	**88**	8
Recognised in the statement of comprehensive income	**(91)**	80
Balance at the end of the year	**(3)**	**88**
Analysis of deferred taxation by type of temporary difference		
Unutilised tax loss		89
Property	**(3)**	(1)
	(3)	**88**
Amount of deferred taxation recognised in the statement of comprehensive income		
Other temporary differences	**(91)**	84
Unremitted earnings on Namibia		(5)
	(91)	**80**

9. Assets classified as held for sale

9.1 Assets classified as held for sale

R million	2023	2022
Movement of net book value of investment property		
Properties classified as held for sale	**57**	57
Properties at cost – 30 September	**57**	57
Investments		664
Total	**57**	**721**

The property relates to the development of Barlow Park. The company will contribute the property to the joint venture as part of the initial contribution. The property is currently in the process of being transferred. The property will be developed by the joint venture and will be completed in phases.

The company committed R20 million in 2022 for the purchase of the last property from an underlying subsidiary as part of the Khula Sizwe deal. This was completed during the current year.

Notes to the company financial statements continued

for the year ended 30 September 2023

10. Share capital and premium

R million	2023	2022
Authorised share capital		
500 000 6% non-redeemable cumulative preference shares of R2 each (2022: 500 000)	**1**	1
400 000 000 ordinary shares of 5 cents each (2022: 400 000 000)	**20**	20
	21	**21**
Issued share capital		
375 000 6% non-redeemable cumulative preference shares of R2 each (2022: 375 000)	**1**	1
189 641 787 ordinary shares of 5 cents each (2022: 189 641 787)	**10**	10
	11	**11**
Share premium*	**(2 333)**	(2 284)
Total issued share capital and premium	**(2 322)**	**(2 273)**

* In the prior year. 10 608 119 shares were repurchased, of which 10 046 363 shares were cancelled during 2022 and 561 756 shares were cancelled on 5 October 2022.

There are no rights preferences or restrictions on the ordinary shares in issue with the exception of those shares issued to the Barloworld Empowerment Foundation.

Refer to note 22 of the group annual financial statements for further details relating to the company's share capital.

Notes to the company financial statements continued

for the year ended 30 September 2023

11. Interest-bearing liabilities

R million	2023	2022
Total long-term borrowings	**4 615**	5 136
Financial liabilities*	**33**	40
Less: Current portion redeemable and repayable within one year (note 13)	**(1 544)**	(1 351)
South African Rand: Interest-bearing	**3 104**	**3 825**

* Financial liabilities arise due to the premium of rental and long-term loan guarantees provided. At initial recognition, a financial guarantee is measured at fair value. A discount rate was applied, taking time value of money, risk premium and own credit risk into account and will amortise over the length of the guarantee period.

Barloworld bonds

Certificate	Issued	Maturity	Comparable treasury stock	Spread bps	Yield%	Type	2023 Rm	2022 Rm
BAW22	7-Dec-15	7-Dec-22	3-month Jibar	200	5.67	Floating rate		252
BAW29	22-Feb-18	22-Feb-23	3-month Jibar	180	5.48	Floating rate		400
BAW32U	14-May-20	15-May-23	Fixed	Fixed	6.73	Fixed rate (NACS)		700
BAW33	13-Oct-20	13-Oct-23	Fixed	Fixed	6.15	Fixed rate (NACS)	**330**	330
BAW34	9-Oct-20	9-Oct-23	3-month Jibar	200	5.68	Floating rate	**500**	500
BAW36	18-Feb-21	18-Feb-24	3-month Jibar	169	5.37	Floating rate	**714**	714
BAW37	12-Jul-22	12-Jan-25	3-month Jibar	145	6.45	Floating interest	**315**	315
BAW38	12-Jul-22	12-Jan-27	3-month Jibar	165	6.45	Floating interest	**785**	785
BAW39	26-May-23	30-Jun-25	3-month Jibar	140	1.40	Floating interest	**430**	
BAW40	30-Jun-23	30-Jun-25	Fixed	Fixed	0.00	Fixed rate (NACS)	**400**	
BAWGL1	22-Aug-22	22-Aug-25	3-month Jibar	142	5.74	Floating interest	**415**	415
BAWGL2	22-Aug-22	22-Aug-25	3-month Jibar	160	5.74	Floating interest	**728**	728
Fees capitalised							**(2)**	(3)
							4 615	5 136

Notes to the company financial statements continued

for the year ended 30 September 2023

12. Provisions

R million	2023	2022
Current	6	6
	6	6

R million	2023
Balance at 30 September 2022	6
Net movements	
Raised	1
Utilised	(1)
Balance at 30 September 2023	6

Provision mainly relates to withholding tax on anticipated dividends and directors fees.

13. Amounts due to bankers and short-term borrowings

R million	2023	2022
Short-term loans^	500	500
Current portion of long-term borrowings*	1 544	1 351
	2 044	1 851

^ Short-term borrowings relates to Future Growth facility repayable on demand of R500 million (2022: R500 million).

* Current portion of long-term borrowings relate to Barloworld bonds which will reach maturity within one year.

Notes to the company financial statements continued

for the year ended 30 September 2023

14. Financial instruments

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank borrowings, money and capital market borrowings, loans to and from subsidiaries.

14.1 Categories of financial instruments

R million	Notes	2023 Amortised cost	2023 Fair value through profit and loss	2023 Total amount	2022 Amortised cost	2022 Fair value through profit and loss	2022 Total amount
ASSETS							
Amounts due from subsidiaries (debt instruments)	6	**9 173**		**9 173**	10 860		10 860
Cash and cash equivalents	7	**377**		**377**	792		792
Long-term financial assets*	5		**16**	**16**		16	16
Total assets		**9 550**	**16**	**9 566**	**11 652**	**16**	**11 667**

* The fair value measurement of this investment is considered a level 3 measurement in accordance with IFRS 13. The fair value was determined based on the latest arm's length share trade information available for this investment. Sensitivity to inputs is considered immaterial for further disclosure.
There are no unobservable inputs for which reasonable change in input would result in a significantly higher or lower fair value measurement. There are also no significant unobservable inputs for which there are interrelationships which significantly influence the valuation.

R million	Notes	2023 Amortised cost	2022 Amortised cost
LIABILITIES			
Interest-bearing non-current liabilities	11	**3 104**	3 825
Trade and other payables		**103**	135
Amounts due to subsidiaries (debt instruments)	6	**220**	167
Amounts due to bankers and short-term loans	13	**2 044**	1 851
Total liabilities		**5 471**	**5 978**

Notes to the company financial statements continued

for the year ended 30 September 2023

14. Financial instruments continued

14.2 Financial risk management

a. Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity. The overall strategy remains unchanged from the previous year.

The capital structure of the company consists of debt (refer notes 11 and 13) and equity attributable to equity holders of Barloworld Limited, comprising issued capital (note 10), reserves and retained earnings (statement of changes in equity).

A finance committee consisting of senior executives of the company meet on a regular basis to review the capital structure based on the cost of capital and the risks associated with each class of capital, analyse currency and interest rate exposure and to re-evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

b. Market risk

1) *Currency risk*
The company is not exposed to any significant currency risk.

2) *Interest rate risk*
The company manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach.

R million	2023	2022
The interest rate profit of total borrowings is as follows:		
Interest rates		
Loans at fixed rates of interest	**730**	1 029
Loans linked to South Africa floating interest rates	**4 418**	4 647
	5 148	**5 676**

Interest rate sensitivity analysis
A change in interest rates by 1% would result in a change in profit or loss of R51 million (2022: 1%: R57 million). The impact will be the same on equity.

c. Credit risk

The potential area of credit risk is short-term cash investments, equity loans and inter-group loans. It is company policy to deposit short-term cash investments with major banks and financial institutions with strong credit ratings. No collateral is held.

R million	2023	2022
Maximum exposure to credit risk		
Financial assets*	**9 566**	**11 667**

* The financial assets mainly comprise loans owed by subsidiaries trading in the earthmoving equipment and power industries in South Africa and a small concentration in Lesotho. Loans owed by the Car Rental business and Avis fleet was repaid during the current year.

Notes to the company financial statements continued

for the year ended 30 September 2023

14. Financial instruments continued

14.2 Financial risk management continued

c. Credit risk continued

Each of the above operations have credit terms appropriate for their industry. When dealing with sales to external retail, construction or mining customers, full settlement or confirmation of financing from a respected financial institution is required before delivery. These measures minimise the credit risk. Credit risk exposures to customers for parts, services, maintenance and repair contracts are managed by monthly review of trade receivables ageing. The risk is mitigated by stringent background checks and credit limits for all customers, continuous review of credit limits, as well as legal action against defaulting customers. The average credit period on these sales is 30 days, however, extended credit terms may be negotiated during the account application process. It is group policy to deposit cash with major banks and financial institutions with strong credit ratings.

Each of the above operations use forward-looking information utilised in the expected credit loss models:

The following forward-looking information was utilised to estimate the expected credit loss:

- The geography and industry in which the customers operate, sales to entities based in South Africa as well as sales related to part and services are considered riskier.
- Period overdue and time taken to settle underlying receivables, the older accounts are considered a higher risk.
- Past default experiences of the operations, examples include the financial services operations, which have a very low default experience.

The company will contribute the property to the joint venture as part of the initial contribution. The property is currently in the process of being transferred.

d. Liquidity risk

Liquidity risk arises when the company cannot meet its contractual cash outflows as they fall due and payable. The company is mainly funded through the treasury department in Barloworld South Africa and dividends received by subsidiaries. Liquidity risk is monitored through forecast cash flows, maintaining a balance between long-term and short-term debt and ensuring that adequate unutilised borrowing facilities are maintained.

There has been no change to this approach in the current year.

Maturity profile of financial liabilities

The maturity profile of the financial instruments is summarised as follows (based on contractual undiscounted cash flows):

R million	Total owing 2023	Repayable during the year ending 30 September 2024	2025-2027
Interest-bearing liabilities	**5 909**	1 966	3 942
Interest	**(761)**		
Total interest-bearing liabilities	**5 148**		

R million	Total owing 2022	Repayable during the year ending 30 September 2023	2024-2026
Interest-bearing liabilities	5 960	1 682	4 278
Interest	**(284)**		
Total interest-bearing liabilities	**5 676**		

Notes to the company financial statements continued

for the year ended 30 September 2023

14. Financial instruments continued

14.2 Financial risk management continued

d. Liquidity risk continued

R million	Total owing 2023	2024	2025-2026	>5 years
	Repayable during the year ending 30 September			
Financial guarantees on behalf of joint ventures and associates#	**887**	887		
Financial guarantees on behalf of subsidiaries^	**2 693**	358	1 742	592

R million	Total owing 2022	2023	2024-2026	>5 years
	Repayable during the year ending 30 September			
Financial guarantees on behalf of joint ventures#	683	683		
Financial guarantees on behalf of subsidiaries^	3 024	332	1 079	1 613

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

^ For issued financial guarantee contracts related to rental payments payable by subsidiary companies, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called and would therefore follow the rental period.

15. Dividends

R million	2023	2022
Ordinary shares		
Normal dividend No 186 paid on 9 January 2023: 295 cents per share (2022: No 184-300 cents)	**560**	601
Special dividend No 186 paid on 9 January 2023: 550 cents per share (2022: No 184-1150 cents per share)	**1 043**	2 302
Interim dividend No 187 paid 26 June 2023: 200 cents per share (2022: No 185-165 cents per share)	**379**	327
Dividend in specie – Shares in Zeda Limited	**3 167**	
Paid to Barloworld Limited shareholders	**5 149**	**3 230**

16. Related party transactions

The following is a summary of transactions with related parties during the year and balances due at year end:

R million	2023	2022
With related parties of the company		
Dividends from subsidiaries	**835**	2 401
Barloworld South Africa (Pty) Ltd	**338**	658
Zeda Limited	**271**	
Barloworld Investments (Pty) Ltd	**226**	1 261
Avis Southern Africa (Pty) Ltd		130
Barloworld Equipment Lesotho (Pty) Ltd		7
Barloworld Equipment Namibia (Pty) Ltd		100
Clidet No. 613 (Pty) Ltd		45
Clidet No. 629 (Pty) Ltd		38
CTH Magic Property No 2 (RF) (Pty) Ltd		27
CTH Magic Property Motor No 6 (RF) (Pty) Ltd		133
Barloworld Handling (Pty) Ltd		1
Barlows Cement Investments (Pty) Ltd		1
Interest paid to subsidiaries	**5**	
Barloworld South Africa (Pty) Ltd	**5**	
Interest revenue from subsidiaries	**439**	400
Barloworld South Africa (Pty) Ltd	**432**	231
Zeda Car Leasing (Pty) Ltd	**7**	153
Phakisaworld Fleet Solutions (Pty) Ltd		16

Notes to the company financial statements continued

for the year ended 30 September 2023

16. Related party transactions continued

The following is a summary of transactions with related parties during the year and balances due at year end (continued):

R million	2023	2022
Inter-group loans and other amounts due from related parties as at the end of the year	**9 550**	11 652
Barloworld South Africa (Pty) Ltd^	**6 168**	7 764
Khula Sizwe Management trust	**187**	187
Barloworld Investments (Pty) Ltd	**3 068**	3 069
Barlows Cement Investments (Pty) Ltd	**119**	119
Zeda Car Leasing (Pty) Ltd		493
Other related parties	**8**	20

R million	2023	2022
Inter-group loans and other amounts due to related parties as at the end of the year	**220**	167
Barloworld South Africa (Pty) Ltd	**220**	167

Various transactions are entered into by the company and its subsidiaries during the year with related parties. Unless specifically disclosed, these transactions occurred under terms that are no less favourable than those entered into with third parties.

There are no doubtful debt provisions raised in respect of amounts due to/from related parties and no bad debts incurred during the year on these balances.

Details regarding directors' and key management remuneration and interest, share options, share appreciation rights and forfeitable shares are disclosed in note 34 and 37 of the consolidated annual financial statements.

^ The company does not own a bank account; as such it uses the bank accounts owned by Barloworld South Africa and the related entries are accounted for through the current loan account. Such loan accounts are used exclusively to account for the bank transactions and treated as cash and cash equivalents. Included in this amount is an amount of R377 million (2022: R792 million) which relates to the current loan accounts used to account for the bank transactions in the company.

17. Events after the reporting period

Refer to note 40 of the consolidated annual financial statements for events after the reporting date impacting the company.

The consolidated financial statements are available on www.barloworld.com

Public and non-public shareholding of ordinary shares

Public and non-public shareholding of ordinary shares

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	**15**	0.14	**10 564 988**	5.57
– Directors, prescribed officers and associates	**9**	0.09	**663 764**	0.35
– Company Related & Subsidiaries	**3**	0.03	**3 180 511**	1.68
– Empowerment	**1**	0.01	**6 578 121**	3.47
– Share Plan	**1**	0.01	**108 651**	0.06
– Employee and educational trusts	**1**	0.01	**33 941**	0.02
Public shareholders	**10 539**	99.86	**179 076 799**	94.43
Total	**10 554**	**100**	**189 641 787**	**100**

Registered shareholder spread

Registered	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 - 1 000 shares	**8 636**	81.83	**1 628 129**	0.86
1 001 - 10 000 shares	**1 346**	12.75	**4 441 053**	2.34
10 001 - 100 000 shares	**411**	3.89	**13 271 518**	7.00
100 001 - 1 000 000 shares	**137**	1.30	**40 654 799**	21.44
1 000 001 shares and above	**24**	0.23	**129 646 288**	68.36
Total	**10 554**	**100**	**189 641 787**	**100**

Beneficial shareholdings 5% or more

Shareholder Name	Total shareholding	% of issued capital
Zahid Tractor & Heavy Machinery Co. Limited	**35 834 624**	18.90
Government Employees Pension Fund	**33 062 885**	17.43
Silchester International Investors International Value Equity Trust	**17 466 377**	9.21
Total	**86 363 886**	**45.54**

Investment managers holding 5% or more

Shareholder Name	Total shareholding	% of issued capital
Silchester International Investors, L.L.P.	**33 506 537**	17.67
Public Investment Corporation (SOC) Limited	**26 672 199**	14.06
Total	**60 178 736**	**31.73**

Geographic split of beneficial shareholders

Region	Total Shareholding	% of issued capital
South Africa	**82 589 910**	43.55
United Kingdom	**38 119 710**	20.10
United States of America and Canada	**27 048 000**	14.26
Rest of Europe	**2 948 644**	1.55
Rest of World	**38 935 523**	20.53
Total	**189 641 787**	**100**

Public and non-public shareholding of ordinary shares continued

Breakdown of non-public shareholders

Non-public shareholders	Total shareholding	% of issued capital
Directors, prescribed officers and associates	**663 764**	0.35
The Katlego Le Masego Trust (Sewela, D)	**334 706**	0.18
Sewela, D	**93 695**	0.05
Leeka, E	**55 359**	0.03
Lila, N	**57 431**	0.03
Wierenga, C	**36 964**	0.02
McGeer, Q	**31 382**	0.02
Masemola, MMA	**30 308**	0.02
Menon, N	**22 419**	0.01
Lemmert, GA	**1 500**	0.00
Company Related & Subsidiaries	**3 180 511**	1.68
Barloworld South Africa (Pty) Ltd	**3 162 201**	1.67
Barloworld South Africa (Pty) Ltd	**12 529**	0.01
Barloworld Investments Pty Ltd	**5 781**	0.00
Empowerment	**6 578 121**	3.47
Barloworld Empowerment Foundation	**6 578 121**	3.47
Share Plan	**108 651**	0.06
Barloworld Limited FSP	**108 651**	0.06
Employee and educational trusts	**33 941**	0.02
Barloworld Education Trust	**33 941**	0.02

Breakdown of beneficial holdings

	Total shareholding	% of issued capital
Government Employees Pension Fund	**33 062 885**	17.43
Government Employees Pension Fund – Public Investment Corporation (SOC) Limited	**25 340 566**	13.36
Government Employees Pension Fund – Coronation Fund Managers Limited	**4 092 952**	2.16
Government Employees Pension Fund – Mazi Capital (Pty) Ltd	**1 495 903**	0.79
Government Employees Pension Fund – Aeon Investment Management (Pty) Ltd	**1 116 697**	0.59
Government Employees Pension Fund – All Weather Capital (Pty) Ltd	**993 759**	0.52
Government Employees Pension Fund – Differential Capital Pty Ltd	**23 008**	0.01

Issued share capital – 29 September 2023 189 641 787 shares

Number of shareholders 10 554

Corporate information

Barloworld Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1918/000095/06) (Income Tax Registration number: 9000/051/71/5)
(JSE share code: BAW) (JSE ISIN: ZAE000026639)
(Share code: BAWP)
(A2X code: BAW)
(JSE ISIN: ZAE000026647)
(Bond issuer code: BIBAW)
(Barloworld or "the company" or "the group")

Registered office and business address
Barloworld Limited
61 Katherine Street, Sandton 2196
PO Box 782248, Sandton 2146, South Africa
T +27 11 445 1000
E bawir@barloworld.com

Directors
Non-executive
NN Gwagwa (Chairman), N Chiaranda*, HH Hickey, NP Mnxasana, NV Mokhesi, H Molotsi, V Nkonyeni, B Odunewu^, P Schmid

Executive directors
DM Sewela (Group Chief Executive Officer), N Lila (Group Finance Director)

^ Nigeria * Italy

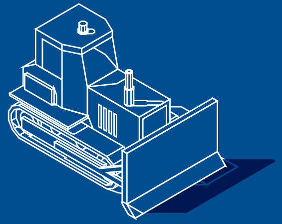
Group Company Secretary
Nomini Rapoo

Group Investor Relations
Nwabisa Piki

Enquiries
Barloworld Limited
T +27 11 445 1000
E bawir@barloworld.com

Sponsor
Nedbank Corporate and Investment Banking
(a division of Nedbank Limited)

Designed by Green Grass Design



barloworld.com