York Timber Holdings Limited
(Registration number 1916/004890/06)
Audited Consolidated and Separate Annual Financial Statements
for the year ended 30 June 2023

These consolidated and separate annual financial statements were prepared under the supervision of:
PS Barnard CA(SA)
Chief Financial Officer

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The reports and statements set out below comprise the audited consolidated and separate annual financial statements presented to the shareholders:

Audit Committee Report

1. Mandate and terms of reference

The Group's Audit Committee has adopted formal terms of reference, delegated to it by the Board of Directors (Board), as its mandate. The mandate is in line with the Companies Act 71 of 2008 of South Africa, as amended (Companies Act), the King IV Report on Governance for South Africa, 2016 (King IV) and the JSE Limited Listings Requirements (JSE Listings Requirements). During the year, the Audit Committee discharged the functions delegated to it in its mandate.

The Audit Committee performed the following statutory and regulatory duties:

- Reviewed and recommended for adoption by the Board the publicly disclosed financial information which comprised the Group's consolidated interim results for the six months ended 31 December 2022 and the consolidated and separate annual financial statements for the year ended 30 June 2023;
- Satisfied itself that the external auditor, Deloitte, and its audit partner, complied with the suitability criteria for appointment as required by paragraph 3.84(g)(iii) as read with paragraph 22.15(h) of the JSE Listings. Requirements, are properly accredited and independent and assessed the quality of the audit;
- Approved the external auditor's fees and terms of engagement for the 2023 financial year;
- Determined the nature and extent of the non-audit services that may be provided by the external auditors and pre-approved any proposed agreements with them for the provision of such services;
- Evaluated the performance of the internal audit function and resolved to continue to source the internal audit function from BDO and approved the internal audit plan and budgeted fee for the 2023 financial year;
- Reviewed the Audit Committee charter in line with King IV recommendations;
- Held separate meetings with management and the external and internal auditors to discuss relevant matters;
- Noted that it had not received any substantiated complaints, from either within or outside the Company, relating to the accounting practices, the internal audits, the content or auditing of the annual financial statements, the internal financial controls or any other related matters. It has however adopted certain recommendations proposed by the JSE Limited as part of their proactive monitoring of financial statements;
- Confirmed that a whistle-blowing facility was in place and considered the actions taken in regard to incident reports;
- Evaluated and satisfied itself as to the appropriateness of the expertise and experience of the Chief Financial Officer, as required by paragraph 3.84(g)(i) of the JSE Listings Requirements;
- Satisfied itself as to the expertise, resources and experience of the company's finance function together which included a capacity building plan that will be executed in the immediate future;
- Considered the Group's liquidity and solvency positions and satisfied itself that the adoption of the going concern basis by York Timber Holdings Limited in preparing the consolidated annual financial statements was appropriate. Taking the circumstances into account as outlined in paragraph 11 of the Directors' report, the Audit Committee is satisfied that the company is still a going concern;
- Confirmed, with reference to reporting by management and the internal audit function, that the Group had established appropriate financial reporting procedures and satisfied itself that those procedures were operating which includes consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the Company to effectively prepare and report on the financial statements of the Company;
- Satisfied itself that the combined assurance provided is effective and monitors the relationship between external assurance providers and the Company;
- Ensured that the appointment of the auditor and audit partner is presented and included as a resolution at the annual general meeting of the Company, pursuant to section 61(8) of the Companies Act; and
- Satisfied itself through management representations and findings by the external auditor, as well as work performed by the internal auditors that the key audit matters relating to Goodwill, Going Concern and the valuation of Biological Assets for Pine and Eucalyptus trees have been presented fairly in the consolidated and separate annual financial statements; and
- Approved the circular for the rights offer.

2. Membership

In terms of section 94(2) of the Companies Act, the Audit Committee is a statutory committee and in terms of the JSE Listings Requirements and King IV, comprises at least three independent non executive members, elected by the shareholders at each annual general meeting. The members of the Audit Committee for the 2023 financial year were:

- AW Brink CA(SA) (Independent non-executive, Audit Committee Chairman);
- KM Nyanteh CA(SA) (Independent non-executive);
- Dr AP Jammine (Resigned 9 November 2022);
- A Zetler CA(SA) CFA Charterholder (Non-executive) (Appointed 15 September 2022); and
- L Dhlamini CA(SA) (Independent non-executive) (Appointed 9 November 2022).

Audit Committee Report

The members of the Audit Committee have the necessary academic qualifications and experience to adequately fulfil their duties as members of the Audit Committee.

The Chief Executive Officer, Chief Financial Officer, the heads of External and Internal Audit, and other relevant parties attend Audit Committee meetings by invitation.

The internal and external auditors have unlimited access to the Chairman of the Audit Committee.

Audit committee meeting attendance	08/09/2022	01/11/2022	02/02/2023	17/03/2023
AW Brink (Chairman)	Yes	Yes	Yes	Yes
KM Nyanteh	Yes	Yes	Yes	Yes
Dr AP Jammine (resigned 9 November 2022)	Yes	Yes	N/a	N/a
L Dhlamini	N/a	N/a	Yes	Yes
A Zetler	Yes	Yes	Yes	Yes

3. Internal controls

Internal controls comprise the methods and procedures adopted by management to provide reasonable assurance of the safeguarding of assets, prevention and detection of errors, accuracy and completeness of accounting records, and reliability of the consolidated and separate annual financial statements of all entities in the Group.

The internal audit function performs independent evaluations of the adequacy and effectiveness of the Group's controls, financial reporting mechanisms, information systems and operations, and provides a degree of assurance regarding safeguarding of assets and the integrity of financial information.

Management continuously reviews the adequacy of the internal control environment and addresses any shortcomings identified.

During the current financial year certain significant deficiencies were identified in internal control over financial reporting. These deficiencies relate to review controls in the financial statement close process and automated controls over general journal entries in the new ERP system. No other significant deficiencies were identified.

The Chief Executive Officer and Chief Financial Officer's evaluation of controls included:
- The identification and classification of risks based on material account balances in the Statement of Financial Position and Statement of Profit or Loss.
- Identification of controls, control owners and frequency of controls over these risks.
- Utilising internal audit to test the operating effectiveness of controls addressing high risk areas.

Remedial action was taken to mitigate the risk of material error during the year-end close process. Automated controls have subsequently been implemented to improve the controls over general journal entries. Other remedial actions are in place with specific timelines assigned.

The Committee has discussed and documented the basis for its conclusion, which includes discussions with internal and external auditors as well as management.

The Audit Committee is of the view that the internal controls are designed and implemented effectively, other than the deficiencies mentioned above. All shortcomings in the internal control environment identified by the respective reviews by internal audit and external audit are addressed by management to improve the internal control environment.

Audit Committee Report

4. Recommendation of the consolidated and separate annual financial statements

Based on the information provided to the Audit Committee by management, and considering the reports of the external and internal auditors, the Audit Committee is satisfied that the annual financial statements comply, in all material respects, with the requirements of the Companies Act 71 of 2008 of South Africa, International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements. The consolidated and separate annual financial statements for the year ended 30 June 2023 were approved by the Board of Directors on 28 September 2023. These consolidated and separate annual financial statements will be open for discussion at the forthcoming AGM.

The Chairman of the Audit Committee, or in his absence, the other members of the Audit Committee, will attend the annual general meeting to answer questions falling within the mandate of the Audit Committee.

AW Brink
Chairman Audit Committee

28 September 2023

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa, 71 of 2008, as amended (Companies Act) to maintain adequate accounting records and are responsible for the content and integrity of the audited consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the Companies Act. The external auditor is engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and Company and all employees are required to maintain the highest ethical standards in ensuring that the Group and Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group and Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within pre-determined procedures and constraints. The consolidated and separate annual financial statements are uploaded on the website of the Group after signing. The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the consolidated and separate annual financial statements and the auditor cannot be held responsible for any changes that may have occurred to the consolidated and separate annual financial statements since they were initially presented on the website.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited consolidated and separate annual financial statements. Any system of internal financial control however, can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group and Company's cash flow forecast for the year to 30 June 2024 and, in light of this review and the current financial position, they are satisfied that the Group and Company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's audited consolidated and separate annual financial statements. The audited consolidated and separate annual financial statements have been examined by the Group's external auditor and their report is presented on pages 12 to 16.

The audited consolidated and separate annual financial statements set out on pages 17 to 93, which have been prepared on the going concern basis, were approved by the Board of Directors on 28 September 2023 and were signed on their behalf by:

Approval of consolidated and separate annual financial statements

N Siyotula	**GCD Stoltz**
Chairperson	**Chief Executive Officer**

Company Secretary's certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, 71 of 2008, as amended, I certify that the Group and Company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

M.P. Wray

Kilgetty Statutory Services (South Africa) Proprietary Limited
Company Secretary

Responsibility Statement by the Executive Directors

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

- the annual financial statements set out on pages 17 to 93, fairly present in all material respects the financial position, financial performance and cash flows of York Timber Holdings Limited ("York") in terms of the International Financial Reporting Standards;
- 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;
- internal financial controls have been put in place to ensure that material information relating to York and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of York;
- 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;
- 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
- we are not aware of any fraud involving directors.

GCD Stoltz
Chief Executive Officer
28 September 2023

PS Barnard
Chief Financial Officer
28 September 2023

Directors' report

The directors have pleasure in submitting their report on the audited consolidated and separate annual financial statements of York Timber Holdings Limited (York, the Company or the Group) for the year ended 30 June 2023.

1. Nature of business

York was incorporated in South Africa with interests in investment holding. The activities of the Group are undertaken through the subsidiaries with interests in forestry and fleet management, sawmills, plywood, wholesale, farming of citrus, avocados and macadamias and the hospitality industry. The Group operates in South Africa, the Southern Africa Development Community and international market.

2. Review of the financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008 of South Africa. The accounting policies applied to the consolidated and separate financial statements have been applied consistently compared to the prior year, except for the change as disclosed in note 32.

Full details of the financial position, results of operations and cash flows of the Group are set out in the consolidated and separate annual financial statements.

The total consolidated comprehensive loss for the period was R313.3 million (2022: restated total consolidated comprehensive profit R184.3 million).

The results were negatively impacted by an increase in operational costs related to electricity load shedding, increase in diesel, cost, external log purchases following the revised clearfell strategy, and downward pressure on sales. The biological asset value decreased by R 384 million, contributing to the loss for the year.

3. Share capital

	2023	2022	2023	2022
Issued	R '000	R '000	Number of shares	
Ordinary shares	23 188	16 045	463 753 384	320 896 242

In the current year the Company had a rights issue where the Company issued 142 857 142 shares for R250 million.

4. Dividends

The Board has resolved not to declare a dividend for the year ended 30 June 2023.

5. Directors' shareholding

As at 30 June 2023, the directors of the Company held direct beneficial interests in 0.2% (2022: 0.18%) and indirect beneficial interest in 31.55% (2022: 21.82%) of its issued ordinary shares, as set out below. There were no changes to the directors' shareholding between 30 June 2023 and the date of approval of the annual financial statements.

Interest in shares	**2023 Number of shares**	**2022 Number of shares**	**2023 % shareholding**	**2022 % shareholding**
GCD Stoltz (Direct interest)	924 888	609 866	0.20	0.18
A Zetler and A van der Veen (represented by A2 Investment Partners Proprietary Limited (A2) and Peresec Prime Brokers Proprietary Limited (Peresec), which York shares held by Peresec are controlled by A2) (Indirect interest)	149 623 485	72 274 219	31.55	21.82
	150 548 373	**72 884 085**	**31.75**	**22.00**

The register of interests of directors and others in shares of the Company is available to the shareholders on request.

Directors' report

6. Borrowing limitations

In terms of the memorandum of incorporation, the Board may raise debt from time to time for the purposes of the Group.

The Group's subsidiary, York Timbers Proprietary Limited, is subject to externally imposed capital requirements in the form of a debt-equity ratio requirement of below 1:1, in terms of the Land Bank loan facility and a debt-equity ratio of below 0.3, in terms of the Absa Capital Fund loan (refer to note 19 and 39).

7. Directorate

The directors in office at reporting date, including changes during the year, are as follows:

Directors	Office	Designation	Changes
PS Barnard	Chief Financial Officer	Executive	Appointed 1 May 2023
AW Brink		Non-executive Independent	
L Dhlamini		Non-executive Independent	
Dr AP Jammine		Non-executive Independent	Resigned 9 November 2022
HM Mbanyele-Ntshinga		Non-executive Independent	
KM Nyanteh		Non-executive Lead Independent	
N Siyotula	Chairperson	Non-executive Independent	
AJ Solomons		Non-executive	Appointed 15 July 2022
GCD Stoltz	Chief Executive Officer	Executive	Appointed as CEO on 1 July 2022
A van der Veen		Non-executive	
A Zetler		Non-executive	Appointed 15 July 2022

8. Auditor

Deloitte & Touche were appointed as auditors for the Group with effect from 20 February 2023. The appointed engagement partner appointed is Logan Govender.

9. Secretary

Kilgetty Statutory Services (South Africa) Proprietary Limited were appointed as company secretary with effect from 1 August 2023.

Business address:	1st Floor, Building 33 Waterford Office Park Waterford Drive Fourways 2191

10. Interest in subsidiaries

Details of the Group's investment in subsidiaries are set out in note 7 to the consolidated and separate annual financial statements.

Directors' report

11. Going concern

The audited consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The increase in interest rates and related higher interest expense continues to put pressure on the Group's covenants under both the Absa and Land Bank facility agreements.

Management have proactively engaged with both banks and received a condonement from Absa for the expected 30 September 2023 breach. Based on current forecasts and current ratio parameters, the 31 December 2023 interest and leverage covenants are expected to be breached. Absa is conducting its annual review during October 2023 where covenant ratio's will be reset. The group expects to have sufficient funds available to settle the Absa debt, should it become payable in January 2024. However, this is unlikely based on indications from the bank.

The Land Bank facility provides a remedy to cure a breach within 20 days of notifying the bank of a potential breach. York has notified the bank of a potential breach and have applied the remedy in the compliance certificate issued to the bank, for the 30 September 2023 measurement period. The remedy cures the breach, and as such the group is not in default.

The rights issue funds are available to the Group to fund the increased external purchases as well as for liquidity. At year-end, R158 million of the funds were invested in a short-term fixed deposit and available to the group.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited consolidated and separate annual financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

12. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' report

13. Shareholder profile

The shareholder profile at 30 June 2023 was as follows:

Shareholder spread	Number of shareholder accounts	% Number of shareholder accounts	Number of shares	% of number of shares
1 - 1 000	3 585	76.24 %	386 649	0.08 %
1 001 - 10 000	617	13.12 %	2 341 352	0.49 %
10 001 - 100 000	376	8.00 %	13 034 601	2.75 %
100 001 - 1 000 000	97	2.06 %	27 828 563	5.87 %
Over 1 000 000	27	0.58 %	430 506 574	90.81 %
Total	**4 702**	**100.00 %**	**474 097 739**	**100.00 %**

Assurance Companies	1	0.02 %	37 901 567	7.99 %
Close Corporation	13	0.28 %	336 867	0.07 %
Collective Investment Schemes	8	0.17 %	43 715 988	9.22 %
Custodians	3	0.06 %	1 000 014	0.21 %
Foundations and Charitable Funds	12	0.26 %	492 896	0.10 %
Hedge Funds	6	0.13 %	26 722 033	5.64 %
Investment Partnerships	7	0.15 %	4 254 719	0.90 %
Managed Funds	5	0.11 %	54 002 704	11.39 %
Private Companies	84	1.79 %	59 638 094	12.58 %
Public Companies	3	0.06 %	88 180	0.02 %
Public Entities	1	0.02 %	95 136 513	20.07 %
Retail Shareholders	4 470	95.07 %	38 907 462	8.21 %
Retirement Benefit Funds	2	0.04 %	280 965	0.06 %
Script Lending	1	0.02 %	627 745	0.13 %
Share Schemes	1	0.02 %	48 200	0.01 %
Stockbrokers & Nominees	10	0.21 %	101 353 729	21.38 %
Trusts	74	1.57 %	9 588 642	2.02 %
Unclaimed Scrip	1	0.02 %	1 421	- %
Total	**4 702**	**100.00 %**	**474 097 739**	**100.00 %**

Key Shareholders	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
Directors and Associates	4	0.09 %	150 548 373	31.75 %
Share Schemes	1	0.02 %	48 200	0.01 %
Non-public shareholders	5	0.11 %	150 596 573	31.76 %
Public Shareholders	4 697	99.89 %	323 501 166	68.24 %
Total	**4 702**	**100.00 %**	**474 097 739**	**100.00 %**

Beneficial Shareholders Holding > 3% of Issued Shares	Number of shares	% of issued shares
Legae Peresec	96 876 915	20.43 %
Industrial Development Corporation	95 136 513	20.07 %
Old Mutual Group	62 073 126	13.09 %
A2 Investment Partners Proprietary Limited	52 746 570	11.13 %
Mr D Hayward (previously disclosed as held by Bridge Creek Trading 10 Proprietary Limited)	29 356 410	6.19 %
Rozendal Partners	22 806 359	4.81 %
	358 995 893	**75.72 %**

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of York Timber Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of York Timber Holdings Limited (the Group and Company) set out on pages 17 to 93 which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of 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 York Timber Holdings Limited and its subsidiaries as at 30 June 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 in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation of biological assets (timber plantation)	
The biological asset comprises pine and eucalyptus (timber plantation) as well as unharvested fruit. As disclosed in note 5 of the consolidated financial statements, the valuation of timber plantation included in the biological assets amounted to R2 529 million (2022: restated: R2 876 million). The net fair value adjustment for the year ended 30 June 2023 amounted to a decrease in profit of R386 million (2022 restated: increase of R88 million). The timber plantation is measured at fair value less estimated costs to sell in accordance with IAS 41: *Agriculture* ('IAS 41') and IFRS 13 *Fair value adjustment* ("IFRS 13"). The fair value is determined using a discounted cash flow model. These discounted cash flows require estimates, assumptions and judgements relating to log prices, operating costs, costs to sell, discount rates and volumes. As a result of the significant audit effort required to assess the judgements made by management with regards to the inputs into the discounted cash flows, this was considered a key audit matter in our audit of the consolidated financial statements.	Our audit procedures to address the key audit matter were as follows: • Assessed the design and tested implementation of both automated and manual controls in respect of the determination of inputs into the timber plantation fair value model as well as the application of the relevant IFRS considerations. • Testing the operating effectiveness of the controls relating to thinning, planting harvesting and enumerations which informs forecasted volumes. • Utilised internal valuation experts to test the logic of the biological asset model and the appropriateness of the discount rate used in the discounted cash flows. • Performed a retrospective review on prior years forecasted volumes to the actual volumes achieved for thinning's and harvesting. We further challenged management's use of theoretical thinning and harvesting volumes in the model against historical thinnings and harvestings. • Assessed the reasonableness of the assumptions contained within the fair value model relating to sales prices and operating costs. • Engaged internal land experts on the appropriateness of the contributory asset charge deduction on the biological asset model. • We performed independent sensitivity analysis on the biological asset model for all key assumptions within the model. • Assessed whether the disclosures in the consolidated financial statements in relation to the fair value of the biological assets and the disclosures relating to the estimation uncertainty are complete, appropriate and in compliance with IFRS 13 as disclosed in note 5. Based on the procedures performed above, the inputs, assumptions and the related disclosure used in the timber valuation is appropriate in all material aspects. Please refer to note 5 and 32.7 of the consolidated annual financial statements.

Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
Goodwill valuation	
The Group previously recognised goodwill which arose on the purchase of the forestry cash generating unit ("CGU"). The goodwill was held at a carrying amount of R357 million as disclosed in note 32.8 of the consolidated annual financial statements and has been impaired retrospectively. The directors conduct an annual impairment assessment in accordance with IAS 36 to assess the recoverability of the carrying value of goodwill. This is performed by calculating the fair value less to cost of disposal of the forestry CGU using a discounted cashflow model. These discounted cash flows require estimates, assumptions and judgements relating to log prices, operating costs, costs to sell, discount rates and volumes. IFRS 13 requires determination of highest and best use of the timber plantation from the perspective of market participants, even if an entity intends a different use. As a result of the significant audit effort required to assess the judgements made by management in determining the recoverable amounts of the CGU and the associated impairment of goodwill, this was considered a key audit matter in our audit of the consolidated financial statements.	Our audit procedures to address the key audit matter were as follows: • Assessed the design and tested the implementation of the management review control in respect of the determination of inputs into the impairment model as well as the application of the relevant IFRS considerations. • Utilised internal valuation experts to test the logic of the goodwill model and the appropriateness of the discount rate used in the discounted cash flows. • Assessed the reasonableness of the model that was used to calculate the fair value less cost to determine if the model complied with the valuation principles as well as that of IAS 36 and IFRS 13. • Challenged managements highest and best economic use of the timber plantation when compared to the cash flow forecast of the timber plantation valuation. • Challenged the application of the IAS 36 guidance on the determination of the assets and liabilities to be included in the carrying amount of the CGU. • Challenged the appropriateness of the period in which the impairment indicators arose in order to conclude on the prior year restatement. • Assessed the appropriateness of the disclosures in note 32.8 of the consolidated financial statements in relation to the restatement of Goodwill. Based on our procedures performed above, the restatement of the Goodwill balance is appropriate in all material aspects. Please refer to note 32.8 of the consolidated annual financial statements.
Going Concern assumption	
International standard on auditing 570, Going concern prescribes that under the going concern basis of accounting, the financial statements are prepared on the assumption that the entity is a going concern and will continue its operations for the foreseeable future. Note 41 of the consolidated financial statements sets out managements going concern considerations. The note further describes the pressure on the Groups covenants under both the ABSA and Land Bank of South Africa (Land Bank) agreements which includes managements anticipated breaching of financial covenants in September 2023 and December 2023, as well as how management have proactively engaged with the lenders to remedy or resolve the potential breaches. Due to the significant and pervasive impact the going concern assumption has on the financial statements, and the extent of judgement involved in assessing the appropriateness of the going concern assumption given the circumstances outlined above, this was considered to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures to address the key audit matter were as follows: • Obtaining management's assessment of going concern, which included the assessment of the impact of the anticipated breach and the related steps undertaken to remedy. • Testing management's assessment, including challenging and critically assessing the assumptions made by management against independent observable data and the Group's historical performance, and assessing the budgeting and forecast process. • Inspecting and assessing the condonement agreement with the lender including fulfillment of the conditions precedent. • Attending meetings with management and certain financiers to understand the remedy available to a potential breach in covenants. • Engaged internal legal experts to review and interpret key clauses in the lending agreements relating to potential breaches and remedies. • Reviewing the correspondence between management and management's legal counsel to understand the legal impact of breaches and remedies on the facility agreements. • Reviewing the calculation supporting the remedy to the potential breach, including the compliance certificate submitted to the banking institutions. • Performing a scenario analysis over managements cashflow forecasts. • Assessing the appropriateness of the disclosures in note 41 of the consolidated financial statements in relation to going concern. • Entrusting the audit work to senior personnel and personnel with specialised experience. Based on our procedures performed above, the going concern assumptions appears appropriate in all material aspects. Please refer to note 41 of the consolidated annual financial statements.

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 30 June 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 20 September 2022.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "York Timber Holdings Limited Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2023", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

Deloitte.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of York Timber Holdings Limited (continued)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (continued)

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

We communicate with the Audit Committee 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 Audit Committee 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 Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of York Timber Holdings Limited for 1 year.

Deloitte & Touche
Registered Auditor

DocuSigned by:
Per: Deloitte & Touche
9DFA9D3CD60C433...

Partner
Logan Govender CA(SA); RA

29-09-2023

2 Vuna Close
Umhlanga Ridge
4319
South Africa

Statements of Financial Position as at 30 June 2023

		Group			Company		
Figures in Rand R'000	Notes	2023	Restated* 2022	Restated* 2021	2023	Restated* 2022	Restated* 2021
Assets							
Non-Current Assets							
Property, plant and equipment	3	878 819	934 348	927 732	-	-	-
Investment property	4	13 884	12 100	12 093	-	-	-
Biological assets	5	2 216 402	2 538 757	2 375 009	-	-	-
Intangible assets	6	128	237	334	-	-	-
Investments in subsidiaries	7	-	-	-	1 261 452	1 260 302	1 253 132
Loans to group companies	8	-	-	-	1 411 971	1 240 449	1 256 070
Other financial assets at amortised cost	9	133 005	114 785	97 583	-	-	-
Deferred tax	10	9 991	9 703	4 336	-	36	37
		3 252 229	**3 609 930**	**3 417 087**	**2 673 423**	**2 500 787**	**2 509 239**
Current Assets							
Biological assets	5	319 863	342 879	363 591	-	-	-
Inventories	11	243 931	223 276	183 265	-	-	-
Trade and other receivables	12	230 056	193 453	271 933	184	187	138
Current tax receivable	13	2 812	822	1 072	2	2	-
Cash and cash equivalents	14	191 916	16 364	108 030	1	-	1
		988 578	**776 794**	**927 891**	**187**	**189**	**139**
Non-current assets held for sale and assets of disposal groups		-	-	750	-	-	-
Total Assets		**4 240 807**	**4 386 724**	**4 345 728**	**2 673 610**	**2 500 976**	**2 509 378**
Equity and Liabilities							
Equity							
Share capital	15	1 735 670	1 491 674	1 484 157	1 773 427	1 529 431	1 521 914
Reserves	16,17 18	18 336	17 587	16 391	2 164	1 014	1 363
Retained income		928 925	1 241 788	1 059 033	896 989	968 083	984 289
		2 682 931	**2 751 049**	**2 559 581**	**2 672 580**	**2 498 528**	**2 507 566**
Liabilities							
Non-Current Liabilities							
Borrowings	19	237 375	298 210	347 330	-	-	-
Lease liability	20	21 925	25 941	394	-	-	-
Retirement benefit obligation	21	26 430	24 081	25 658	-	-	-
Deferred tax	10	741 122	858 575	845 961	-	-	-
Provisions	22	18 518	17 670	16 576	-	-	-
		1 045 370	**1 224 477**	**1 235 919**	**-**	**-**	**-**

Statements of Financial Position as at 30 June 2023

		Group			Company		
Figures in Rand R'000	Notes	2023	Restated* 2022	Restated* 2021	2023	Restated* 2022	Restated* 2021
Current Liabilities							
Trade and other payables	23	345 271	273 526	337 535	1 030	2 448	1 812
Borrowings	19	156 302	121 704	204 311	-	-	-
Lease liability	20	8 236	6 191	4 690	-	-	-
Deferred income		-	1 663	502	-	-	-
Current tax payable	13	41	5 202	2 934	-	-	-
Provisions	22	2 656	2 912	256	-	-	-
		512 506	**411 198**	**550 228**	**1 030**	**2 448**	**1 812**
Total Liabilities		**1 557 876**	**1 635 675**	**1 786 147**	**1 030**	**2 448**	**1 812**
Total Equity and Liabilities		**4 240 807**	**4 386 724**	**4 345 728**	**2 673 610**	**2 500 976**	**2 509 378**

* Refer to note 32 for details on the restatements.

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Rand R'000	Notes	2023	Restated* 2022	2023	2022
Revenue	24	1 666 294	1 838 810	6 404	6 564
Cost of sales **	25	(1 702 360)	(1 248 408)	-	-
Gross (loss) / profit		**(36 066)**	**590 402**	**6 404**	**6 564**
Other operating income	26	15 879	10 359	-	-
Other operating (losses) / gains	27	(3 005)	3 701	-	-
Movement in credit loss allowances		309	2 758	-	-
Other operating expenses		(370 654)	(358 274)	(8 907)	(7 080)
Operating (loss) / profit	28	**(393 537)**	**248 946**	**(2 503)**	**(516)**
Interest income	29	14 687	5 011	2	1
Finance cost	30	(47 109)	(37 484)	(68 557)	(15 690)
(Loss) / profit before taxation		**(425 959)**	**216 473**	**(71 058)**	**(16 205)**
Taxation	31	113 095	(33 718)	(36)	(1)
(Loss) / profit for the year		**(312 864)**	**182 755**	**(71 094)**	**(16 206)**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements to retirement benefit obligation		(2 074)	1 900	-	-
Gains on property revaluation		334	146	-	-
Taxation related to remeasurements retirement benefit obligation		1 339	(501)	-	-
Total items that will not be reclassified to profit or loss		**(401)**	**1 545**	**-**	**-**
Other comprehensive (loss) / income for the year net of taxation		**(401)**	**1 545**	**-**	**-**
Total comprehensive (loss) / income for the year		**(313 265)**	**184 300**	**(71 094)**	**(16 206)**
Earnings per share					
Per share information					
Basic (loss) /earnings per share (c)	43	(77)	53	(17)	(5)
Diluted (loss) / earnings per share (c)	43	(77)	53	(17)	(5)

* Refer to note 32 for details on the restatements.

** The fair value loss on biological assets of R384 million (2022: profit of R90.8 million) is included in cost of sales.

Statements of Changes in Equity

Figures in Rand R'000	Share capital	Revaluation reserve	Share based payment reserve	Retirement benefit obligation reserve	Total reserves	Retained income	Total equity
Group							
Balance at 01 July 2021 as restated (refer to note 32)	**1 484 157**	**14 198**	**1 363**	**830**	**16 391**	**1 059 033**	**2 559 581**
Profit for the year restated (refer to note 32)	-	-	-	-	-	182 755	182 755
Other comprehensive income restated (refer to note 32)	-	146	-	1 399	1 545	-	1 545
Total comprehensive income for the year	**-**	**146**	**-**	**1 399**	**1 545**	**182 755**	**184 300**
Employees share option scheme	-	-	7 168	-	7 168	-	7 168
Employee share option vested	7 517	-	(7 517)	-	(7 517)	-	-
Total contributions by and distributions to owners of company recognised directly in equity	**7 517**	**-**	**(349)**	**-**	**(349)**	**-**	**7 168**
Balance at 01 July 2022 as restated (refer to note 32)	**1 491 674**	**14 344**	**1 014**	**2 229**	**17 587**	**1 241 788**	**2 751 049**
Loss for the year	-	-	-	-	-	(312 864)	(312 864)
Other comprehensive loss	-	334	-	(735)	(401)	-	(401)
Total comprehensive loss for the year	**-**	**334**	**-**	**(735)**	**(401)**	**(312 864)**	**(313 265)**
Issue of shares	243 996	-	-	-	-	-	243 996
Employee share option scheme	-	-	1 150	-	1 150	-	1 150
Total contributions by and distributions to owners of company recognised directly in equity	**243 996**	**-**	**1 150**	**-**	**1 150**	**-**	**245 146**
Balance at 30 June 2023	**1 735 670**	**14 678**	**2 164**	**1 494**	**18 336**	**928 925**	**2 682 931**
Notes	15	16	17	18			

Statements of Changes in Equity

Figures in Rand R'000	Share capital	Revaluation reserve	Share based payment reserve	Retirement benefit obligation reserve	Total reserves	Retained income	Total equity
Company							
Balance at 01 July 2021 as restated (refer to note 32)	**1 521 914**	**-**	**1 363**	**-**	**1 363**	**984 289**	**2 507 566**
Loss for the year	-	-	-	-	-	(16 206)	(16 206)
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**-**	**(16 206)**	**(16 206)**
Employees' share option scheme	-	-	7 168	-	7 168	-	7 168
Employee share options vested	7 517	-	(7 517)	-	(7 517)	-	-
Total contributions by and distributions to owners of company recognised directly in equity	**7 517**	**-**	**(349)**	**-**	**(349)**	**-**	**7 168**
Balance at 01 July 2022 as restated (refer to note 32)	**1 529 431**	**-**	**1 014**	**-**	**1 014**	**968 083**	**2 498 528**
Loss for the year	-	-	-	-	-	(71 094)	(71 094)
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**-**	**(71 094)**	**(71 094)**
Issue of shares	243 996	-	-	-	-	-	243 996
Employee share option scheme	-	-	1 150	-	1 150	-	1 150
Total contributions by and distributions to owners of company recognised directly in equity	**243 996**	**-**	**1 150**	**-**	**1 150**	**-**	**245 146**
Balance at 30 June 2023	**1 773 427**	**-**	**2 164**	**-**	**2 164**	**896 989**	**2 672 580**
Notes	15	16	17	18			

Statements of Cash Flows

		Group		Company	
Figures in Rand R'000	Notes	2023	Restated* 2022	2023	2022
Cash flows from operating activities					
Cash generated from / (used in) operations	33	128 102	255 387	(3 918)	70
Interest income	29	14 687	5 011	2	1
Finance cost		(44 356)	(36 257)	-	-
Tax paid	34	(10 549)	(24 309)	-	(2)
Net cash from (applied to) operating activities		**87 884**	**199 832**	**(3 916)**	**69**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(29 026)	(64 322)	-	-
Proceeds from sale of property, plant and equipment	3	1 727	1 407	-	-
Proceeds from sale of investment property	4	-	1 150	-	-
Purchases of intangible assets	6	-	(14)	-	-
Cash advanced to group companies	8	-	-	(240 079)	(70)
Purchase of other financial assets at amortised cost	9	(18 220)	(17 202)	-	-
Establishment cost on biological assets		(38 728)	(53 160)	-	-
Net cash applied to investing activities		**(84 247)**	**(132 141)**	**(240 079)**	**(70)**
Cash flows from financing activities					
Proceeds from issue of share capital	15	250 000	-	250 000	-
Payment of rights issue cost	15	(6 004)	-	(6 004)	-
Repayments of borrowings	33	(58 561)	(156 483)	-	-
Repayments of lease liabilities	33	(9 383)	(8 594)	-	-
Net cash from (applied to) financing activities		**176 052**	**(165 077)**	**243 996**	**-**
Total cash movement for the year		**179 689**	**(97 386)**	**1**	**(1)**
Cash and cash equivalents at the beginning of the year		16 364	108 029	-	1
(Losses) gains on foreign exchange on cash and cash equivalents		(4 137)	5 721	-	-
Cash and cash equivalents at the end of the year	14	**191 916**	**16 364**	**1**	**-**

* Refer to note 32 for details on the restatements.

Accounting policies

Corporate information

York Timber Holdings Limited is a public company incorporated and domiciled in South Africa.

The consolidated and separate annual financial statements for the year ended 30 June 2023 were approved by the Board of Directors on 28 September 2023.

1. Significant accounting policies

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

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these consolidated and separate annual financial statements and the Companies Act.

These consolidated and separate annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements.

The consolidated and separate annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in South African Rands, which is the group and company's functional currency and rounded to the nearest thousand (R'000).

All subsidiaries use uniform accounting policies.

These accounting policies are consistent with the previous period, except for the change in accounting policy as noted in note 32.

1.2 Segmental reporting

The Group determines and presents operating segments based on the information that is internally provided to the Group's Chief Operating Decision-Maker (CODM), comprising senior management and Executive Committee members.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and in which it may incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segment and to assess its performance where salient financial information is available.

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

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Accounting policies

1.3 Consolidation

Basis of consolidation

Acquisitions on or after 1 July 2009

For acquisitions on or after 1 July 2009, the Group measures goodwill as the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net identifiable assets being recognised at the aquisition date fair values. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of a pre-existing relationship between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards are exchanged (replacement awards) for awards held by the acquiree’s employees (acquiree’s awards) related to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. Transaction costs that the Group incurs in connection with a business combination, such as finder’s fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Acquisitions prior to 1 July 2009

For acquisitions prior to 1 July 2009, the Group measures goodwill as the excess of the cost of the acquisition over the Group’s interest in the recognised amount of the identifiable assets, liabilities and contingent liabilities of the acquiree at the aquisition date fair value. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated annual financial statements.

Investments in subsidiaries in the separate financial statements

Subsidiaries are entities controlled by the Company. Control exists when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated annual financial statements from the date that control commences until the date that control ceases. They are de-consolidated from the date that control is lost. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Investments in subsidiaries are initially carried at cost and subsequently at cost less impairment.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of audited consolidated and separate annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Accounting policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

For details of judgements and estimates that have a significant effect on the consolidated financial statements, refer to:

- Note 3 - Property, plant and equipment
- Note 5 - Biological assets
- Note 11 - Inventories
- Note 12 - Trade and other receivables
- Note 20 - Lease liability
- Note 21 - Retirement benefit obligation
- Note 22 - Provisions

1.5 Biological assets

Pine and eucalyptus trees:

Planted pine and eucalyptus trees are recognised as biological assets, where the group controls the assets, future economic benefits are probable and the fair value can be reliably measured.

Biological assets are measured at fair value less costs to sell, at each reporting period (31 December and 30 June), with any resultant gain or loss recognised in cost of sales in the Statement of Profit or Loss and other Comprehensive Income.

Biological assets that are expected to be consumed in the next 12 months are disclosed under current assets. Biological assets are transferred to inventory upon harvesting.

The operating cycle will commence when the biological assets reach clearfell age at 20 - 23 years where after the biological assets will be consumed in the next 12 months as part of the normal operating cycle.

Establishment cost which includes activities such as site preparation, planting and the cost of the seedlings are capitalised to the biological asset. All subsequent costs are expensed through profit or loss. Refer to note 32 for the change in accounting policy.

Unharvested fruit:

The Group recognises a biological asset from unharvested avocado and macadamias when, and only when:

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

Avocados and macadamias growing on bearer plants (recognised in Property, plant and equipment Note 3) are accounted for as biological assets until the point of harvest. Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sell at the point of harvest. A gain or loss arising on initial recognition of unharvested agricultural produce at fair value less cost to sell is included in operating profit or loss for the period in which it arises as a fair value adjustment. Any fair value adjustments subsequent to initial recognition will be included in operating profit or loss for the period.

The fair value of avocado and macadamias growing on the bearer plants is determined by reference to market prices for local, export and reject classes, adjusted for expected costs to reach maturity, which is typically one to three months after the end of the reporting period. Significant estimates include the expected agricultural produce yields and quality, and the expected market price.

Accounting policies

1.6 Investment property

Investment property is initially recognised at cost and subsequently measured at fair value. Transaction costs are included in the initial measurement of investment property.

Any gain or loss arising from a change in fair value is recognised as non-operating profit or loss in the statement of Profit or Loss and other comprehensive income. An external, independent valuation company, having an appropriate, recognised professional qualification and recent experience in the location and category of property being valued, is used to value the portfolio. External valuations are performed every three years. The valuations in between the professional valuations are done internally by the directors. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. An external valuation was performed in the current year.

Rental income from investment property is accounted for as described in accounting policy 1.17.

When an item of property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is, to the extent that the remeasurement of an investment property on the date of classification results in a gain, applied first to reducing any impairment loss that was previously recognised in profit or loss and the remaining increase is recognised in other comprehensive income. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in profit or loss.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

When the Group begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, measured in terms of the fair value model, and is not reclassified as property, plant and equipment during the redevelopment.

1.7 Property, plant and equipment

Owned assets

All items of property, plant and equipment, except for residential buildings, and bearer plants are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Bearer plants consists of citrus, macadamias and avocado trees. Residential buildings are measured based on the revaluation model at fair value less accumulated depreciation and accumulated impairment losses since last revaluation. The residual value of the residential buildings equals their fair value therefore no depreciation was recognised.

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised interest and any other costs directly attributable to bringing the asset to a working condition for its intended use. The cost of self-constructed and acquired assets includes:

- the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing items and restoring the site on which they are located; and
- changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligations or from changes in the discount rate.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Significant capital spares are included within property, plant and equipment. The capital spares are carried at cost less any impairments and depreciated when they are installed.

Capital work in progress is carried at cost less any impairments.

Accounting policies

1.7 Property, plant and equipment (continued)

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The replaced part is subsequently derecognised. All other costs are recognised in profit or loss as an expense as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives, after taking the residual value into account for each part of an item of property, plant and equipment. Land is not depreciated. Depreciation of an item of property, plant and equipment commences when it is available for use and ceases on the earlier of the date it is classified as held for sale or the date it is derecognised upon disposal. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised net within other income / other expenses in profit or loss.

The residual values, depreciation methods and useful lives are re-assessed annually at the reporting date. The current estimated useful lives are as follows:

Item	Depreciation method	Useful life
Land	-	Indefinite
Roads	Straight-line	40 years
Buildings	Straight line	10 - 49 years
Residential buildings	Straight line	49 years
Right of use assets - warehouses and office space	Straight line	2 - 5 years
Plant and machinery	Straight line	5 - 12 years
Other equipment	Straight-line	3 - 15 years
Bearer plants	Straight line	20 - 30 years

In the current year the useful lives of the assets were reviewed and certain bearer plants' useful lives were extended by 15 years, IT equipment were extended between 3-5 years, plant and machinery were extended between 3-5 years and motor vehicles were extended by 5 years. Refer to note 3 for details on the change in estimate.

Accounting policies

1.8 Leases

Where the Group is the lessee, a right of use asset and lease liability are recognised.

Payments made under leases are recognised against the lease liability over the period of the lease.

The right of use assets are initially measured at cost and include the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration cost where applicable and subsequently measured at cost less accumulated depreciation and accumulated impairment losses and are depreciated over the shorter of the asset's useful life and the lease term on a straightline basis. The lease payments are fixed with annual escalations over the lease term.

The right of use assets and liabilities consist mainly of warehouses and office space leased for a period between 3 – 5 years and are measured at the present value of lease payments over the lease term at the Group’s incremental borrowing rate adjusted for asset specific risks and the lease term. Lease modifications that result in the addition of one or more assets are accounted for as a newly acquired asset and lease liability. Lease modification that does not result in the addition of one or more assets i.e. rent reductions and amendment of lease terms are accounted for as a right of use asset and lease liability adjustment at the adjusted incremental borrowing rate on the effective date of the modification.

Lease payments are allocated between principal and finance cost. The finance cost is changed to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group has elected to apply the recognition exemption to not recognise right of use assets and liabilities for short term leases of 12 months or less.

The lease extension periods are not included in the assessment of the right of use asset and lease liability due to the Company not being reasonably certain about the exercise of lease extension periods and no significant leasehold improvements are undertaken. The lease agreements are renegotiated at the termination of each lease contract.

1.9 Intangible assets

Other intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Useful life

For all other intangible assets, amortisation is provided on a straight-line basis over their useful lives commencing when the asset is available for use and ceasing when the asset is disposed of or no longer generates benefits for the entity.

Re-assessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite, is an indicator that the asset may be impaired. As a result, the asset is tested for impairment when an impairment indicator exists and the remaining carrying amount is amortised over its useful life.

Subsequent measurement

The Group recognises in the carrying amount of an item of intangible assets, the cost of replacing part of such an item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The replaced part is subsequently derecognised. All other costs are recognised in profit or loss as an expense as incurred.

Amortisation

The residual values, amortisation methods and useful lives are re-assessed annually at the reporting date.

Amortisation is recognised as part of operating expenses in the Statement of Profit or Loss and Other Comprehensive Income.

Amortisation is provided to write down intangible assets, on a straight-line basis, to their residual values as follows:

Item	**Useful life**
Computer software	5 years

Accounting policies

1.10 Financial instruments

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

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:

- Amortised cost.

Note 39 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

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

Loans receivable at amortised cost

Classification

Loans to group companies (note 8) and self insurance fund (note 9) are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans. A significant increase in credit risk will arise if the underlying subsidiary is not solvent and liquid after taking assets held as security for borrowings into account.

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

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

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

Accounting policies

1.10 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, value added tax (VAT) and prepayments, are classified as financial assets subsequently measured at amortised cost (note 12).

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

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

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

Impairment

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

The Group calculated the expected credit loss under the simplified approach using a provision matrix. The expected credit loss is calculated by applying an expected loss ratio to each age receivable Group. The loss ratio is calculated as the historical payment profile and adjusted for macro-economic forecasts such as inflation rates and economic outlook. A default credit loss ratio is applied to ageing periods of 90 days and over if the debtor is covered by credit insurance as the receivable balance are then handed over to the credit insurers. Debtors not covered by credit insurance are reviewed on an individual basis based on historical transactions and communication to determine debt loss.

Derecognition

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost.

Borrowings

Classification

Borrowings (note 19) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

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

Interest expense, calculated on the effective interest method, is included in profit or loss under finance cost (note 30).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 39 for details of risk exposure and management thereof.

Accounting policies

1.10 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 23), excluding VAT and amounts received in advance, and payroll accruals are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance cost (note 30).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 39 for details of risk exposure and management thereof.

Derecognition

Any gains or losses arising on the derecognition of trade and other payables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are classified as financial assets initially and subsequently measured at amortised cost and consist of cash on hand and bank balances.

Bank overdrafts

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

1.11 Tax

Current tax assets and liabilities

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- differences relating to investments in subsidiaries and jointly-controlled entities, to the extent that it is probable that they will not reverse in the foreseeable future, and the Group is able to control the timing of the reversal; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

Accounting policies

1.11 Tax (continued)

Tax expenses

Income tax expense for the year comprises current and deferred tax. Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

1.12 Inventories

Raw materials, work in progress and finished goods of timber and timber related products, and consumable stores, are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is based on the weighted average cost method.

The cost of harvested timber is its fair value less cost to sell at the date of harvest, based on the previous biological asset valuation performed, determined in accordance with the accounting policy for biological assets. Any change in value at the date of harvest is recognised in profit or loss.

The cost of agriculture produce is its fair value less cost to sell, based on the previous biological asset valuation performed, determined in accordance with the accounting policy for biological assets.

The harvested timber is carried at roadside prices which includes transport cost up to roadside. The ageing of logs is used to determine whether the logs should be written off. Logs older than 20 weeks are written off.

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

1.13 Share capital and equity

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

1.14 Share based payments

Equity-settled transactions

The grant date fair value of options allocated to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The Group allocated shares based payment scheme to the employees of a subsidiary. The grant date fair value of options allocated to employees is recognised as an investment in subsidiary, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an investment in subsidiary is adjusted to reflect the actual number of share options that vest.

Due to the entity not expecting a dividend flow within the next three years and no consideration payable at exercise date, the grant date fair value is deemed to be equal to the share price at award date.

Accounting policies

1.15 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised in the period in which the employee renders the related service.

The accrual/liability for employee entitlements to wages, salaries and annual leave represents the amount which the Group has a present obligation to pay as a result of employees' services provided up to the reporting date. The accruals have been calculated at undiscounted amounts based on expected wage and salary rates.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an expense in profit and loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's current policy is not to provide post-retirement medical aid benefits to its employees. However, there is a legacy fund for a closed group of existing and former employees.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting the amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The expense is included under operating expenses.

1.16 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of any discount is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

Accounting policies

1.17 Revenue from contracts with customers

The group recognises revenue from the following major sources:
- Sale of logs
- Sale of timber products
- Rendering of services - treating
- Sale of food and beverages
- Accommodation income
- Sale of nuts and fruits
- Income from fruit packing
- Rental income
- Transport income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of logs

Revenue is recognised at a point in time for sale of logs and includes the sale of logs.

For the sale of logs to customers, revenue is recognised when control of the goods has transferred, being at the point when the customer receives the goods. Payment of the transaction price is due immediately at the point the customer purchases the goods, or within 30 days for account holding customers. A receivable is recognised for account holding customers. No financing element is recognised as the payment terms are within 30 days.

Sale of timber products

Revenue is recognised at a point in time for local and export sales of timber products and includes the sales of timber and transport income.

Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. In some instances the customer requires the company to arrange transport with the sale of goods. Volume discount is applied to certain sales transactions. The performance obligation on the sale of goods are then satisfied when the goods are delivered to the customer.

Revenue is deferred when performance obligations have not been satisfied. This is mostly for export sales.

Rendering of services - treating

Revenue relating to treating services is recognised in the accounting period in which the services are rendered.

Sale of food and beverages

Revenue from sale of food and beverages is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and VAT.

Accommodation income

Revenue is derived from accommodation income and is measured at the transaction price received or receivable after deducting VAT based on an overnight rate for accommodation. Revenue is recognised when the performance obligations are met over time as services are rendered.

Accounting policies

1.17 Revenue from contracts with customers (continued)

Sale of nuts and fruits

Revenue is recognised at a point in time for sales of nuts and fruit.

For the sale of fruit, the final packed produce is sent to the marketing and distribution agent (Agent) for local and export consumers. The title of the produce remains with the group until the final payment for the product has been received by the Agent and the risk in the produce will only pass to the end consumer on the sale between the Agent and end consumer.

Deferred revenue is recognised for produce where the Group has received partial payment for the produce from the Agent.

For the sale of nuts revenue is recognised when the nuts are delivered to the customer.

Income from fruit packing

Revenue is recognised at a point in time.

Revenue derived from fruit packing services rendered is recognised when the goods are packed and is based on the pack out distribution of the produce delivered by the grower.

Rental income

Rental income from investment property is recognised in profit or loss (net of VAT). Other rental income is recognised in profit or loss.

Transport income

Revenue derived from transport services is recognised in the accounting period in which the services are rendered, at a point in time when the goods are delivered, at the gross amount of revenue received.

1.18 Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at the rate of exchange ruling on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at rates of exchange ruling at the reporting date (spot rate).

Any foreign exchange differences are recognised in profit and loss in the year in which the difference occurs. The profits are included under other income and the losses are included under other operating gains / (losses).

Non-monetary assets and libilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

1.19 Investment income and finance cost

Investment income comprises interest income on funds invested, interest charged on overdue trade receivables and interest charged at a market related interest rate for loans to group companies in line with IFRS 9.

Interest income is recognised as it accrues, using the effective interest method.

Finance cost comprises interest expenses on borrowings, interest expenses on lease liabilities, interest expense charged on overdue trade payables and interest charged at market related interest rate for loans to group companies in line with IFRS 9 and overdraft facilities.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

No amendments needed to be made during the year.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts in now specifically required.

No amendments needed to be made during the year.

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the group is for years beginning on or after 01 January 2022.

The group has adopted the amendment for the first time in the 2023 audited consolidated and separate annual financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts in now specifically required.

The effective date of the group is for years beginning on or after 01 January 2022.

The group has adopted the amendment for the first time in the 2023 audited consolidated and separate annual financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

2.2 Standards and interpretations not yet effective

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

2. New Standards and Interpretations (continued)

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the consolidated and separate annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

2. New Standards and Interpretations (continued)

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in consolidated and separate annual financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

It is unlikely that the amendment will have a material impact on the group's audited consolidated and separate annual financial statements.

Initial application of IFRS 17 and IFRS 9 - Comparative information

A narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the group's audited consolidated and separate annual financial statements.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the audited consolidated and separate annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

Notes to the consolidated and separate annual financial statements

2. New Standards and Interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the group's audited consolidated and separate annual financial statements.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in audited consolidated and separate annual financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the group's audited consolidated and separate annual financial statements.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

It is unlikely that the amendment will have a material impact on the group's audited consolidated and separate annual financial statements.

3. Property, plant and equipment

Group		2023			Restated** 2022	
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	140 880	-	140 880	140 880	-	140 880
Buildings (1)	321 628	(103 490)	218 138	317 882	(86 650)	231 232
Plant and machinery	680 327	(399 587)	280 740	662 365	(341 770)	320 595
Residential property	24 567	-	24 567	22 745	-	22 745
Motor vehicles	233 149	(132 815)	100 334	212 882	(115 510)	97 372
Right of use assets - warehouse and office space (2)	64 377	(37 039)	27 338	59 365	(28 334)	31 031
Bearer plants	26 689	(3 530)	23 159	20 987	(2 672)	18 315
Roads (1)	40 259	(18 031)	22 228	40 259	(16 792)	23 467
Other property, plant and equipment*	19 393	(11 534)	7 859	14 032	(8 850)	5 182
Capital - Work in progress	33 576	-	33 576	43 529	-	43 529
Total	**1 584 845**	**(706 026)**	**878 819**	**1 534 926**	**(600 578)**	**934 348**

(1) In the prior year financial statements roads were included as part of the buildings balance. It has now been disclosed separately in the current and prior year and excluded from buildings, as they have a different useful life as compared to buildings, and fall within a different class of asset to be aligned to IAS 16 and is a correction of an error.

3. Property, plant and equipment (continued)

(2) In the prior year financial statements the cost and accumulated depreciation of warehouse right of use assets that reached the end of their lease term were incorrectly disposed. The cost and accumulated depreciation of R22.2 million were corrected in the prior year in line with IFRS 16 requirements. This restatement had a Rnil impact on the net book value of the right of use assets.

* Other equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment have been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.

** Refer to note 32 for details on restatements.

	Group		Company	
Figures in Rand R'000	2023	Restated** 2022	2023	2022

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
Land	140 880	-	-	-	-	-	-	140 880
Buildings (1)	231 232	-	(91)	3 964	-	(12 938)	(4 029)	218 138
Plant and machinery	320 595	-	(501)	21 663	-	(60 938)	(79)	280 740
Residential property	22 745	148	-	1 248	426	-	-	24 567
Motor vehicles	97 372	16 973	(1 827)	9 921	-	(21 960)	(145)	100 334
Right of use assets - warehouse and office space	31 031	5 013	-	-	-	(8 706)	-	27 338
Bearer plants	18 315	-	-	5 702	-	(858)	-	23 159
Roads (1)	23 467	-	-	-	-	(1 239)	-	22 228
Other property, plant and equipment*	5 182	-	(21)	5 725	-	(3 011)	(16)	7 859
Capital - Work in progress	43 529	43 942	-	(48 223)	-	-	(5 672)	33 576
	934 348	**66 076**	**(2 440)**	**-**	**426**	**(109 650)**	**(9 941)**	**878 819**

(1) In the prior year financial statements roads were included as part of the buildings balance. It has now been disclosed separately in the current and prior year and excluded from buildings, as they have a different useful life as compared to buildings, and fall within a different class of asset to be aligned to IAS 16 and is a correction of an error.

* Other equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment have been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.

** Refer to note 32 for details on restatements.

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2022 Restated**

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	140 880	-	-	-	-	140 880
Buildings (1)	224 576	20 308	(165)	(407)	(13 080)	231 232
Plant and machinery	352 090	34 299	-	-	(65 794)	320 595
Residential property	22 087	658	-	-	-	22 745
Motor vehicles	92 723	16 864	(1 169)	-	(11 046)	97 372
Right of use assets - warehouse and office space	3 812	34 286	-	-	(7 067)	31 031
Bearer plants	22 150	47	(1 563)	-	(2 319)	18 315
Roads (1)	22 804	1 942	-	-	(1 279)	23 467
Other property, plant and equipment*	13 258	4 406	(23)	-	(12 459)	5 182
Capital - Work in progress	33 352	10 177	-	-	-	43 529
	927 732	**122 987**	**(2 920)**	**(407)**	**(113 044)**	**934 348**

(1) In the prior year financial statements roads were included as part of the buildings balance. It has now been disclosed separately in the current and prior year and excluded from buildings, as they have a different useful life as compared to buildings, and fall within a different class of asset to be aligned to IAS 16 and is a correction of an error.

* Other equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment have been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.

** Refer to note 32 for details on the restatements.

Property, plant and equipment encumbered as security

Landholdings amounting to 57 178 ha (2022: 57 178 ha) with a carrying value of R29.8 million were encumbered in favour of Micawber 558 Proprietary Limited (unrelated to the Group), as security for loans and borrowings, as per note 19.

Assets comprising the Plywood plant with a carrying value of R201.4 million (2022: R231.7 million) are subject to a notarial bond.

Assets are encumbered in terms of instalment sale agreements.

Useful life revision

In the current year the useful lives of the assets were reviewed and certain bearer plants, IT equipment, plant and machinery and motor vehicles were adjusted. The change in useful life was due to the current condition of the assets and regular maintenance resulting in an increase in the useful life.

The change resulted in a decrease of R1.2 million in depreciation in the current period and an expected increase of R1.2 in depreciation in future periods.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

3. Property, plant and equipment (continued)

Carrying value of plant and equipment under instalment sale agreement obligation

Plant and machinery	17 358	19 608	-	-
Motor vehicles	66 268	86 470	-	-
	83 626	**106 078**	**-**	**-**

The Group has entered into instalment sale agreements with Absa, Mercedes Benz Financial Services, Daimler Financial Services and Toyota Financial Services for plant, equipment and vehicles (Refer note 19).

The present value of minimum instalment sale agreement payments due at year-end was R61 million (2022: R65 million) (Refer note 19).

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company and its respective subsidiaries.

Impairment

The impairment relates to work in progress projects that were stopped and not capitalised as an item of property, plant and equipment as well as the impairment of fixed assets that are no longer in use.

4. Investment property

Group	Valuation	Restated* Valuation
Investment property	13 884	12 100

Reconciliation of investment property - Group - 2023

	Opening balance	Fair value adjustments	Total
Investment property	12 100	1 784	13 884

Reconciliation of investment property - Group - 2022 Restated

	Opening balance	Disposals	Transfers	Total
Investment property	12 093	(400)	407	12 100

Lease agreements for investment properties are at market-related rentals and are renewed annually.

Registers with details of investment properties are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

4. Investment property (continued)

Details of valuation

There is a three year external valuation cycle. External valuations were performed on 29 June 2023.

Revaluations were performed by independent valuators, Tetragon Valuers Proprietary Limited. These valuators are independent to the Company and have recent experience in the location and category of the investment properties being valued. A comparable sales approach was used to value the investment properties. The valuation takes into account a combination of market related rent in the area as well as comparable sales to determine a fair value.

The fair value measurement for investment property of R14.1 million (2022: R12.1 million) has been categorised as a Level 3 fair value. A 1% change in the value of investment property would result in a R0.1 million (2022: R0.1 million) adjustment to profit and loss.

The Group’s investment properties comprise of residential houses, flats and other recreational buildings leased to third parties.

Amounts recognised in profit and loss for the year excluding fair value adjustments

Rental income from investment property	834	743	-	-
Direct operating expenses for rental generating property	(424)	(414)	-	-
Total	**410**	**329**	**-**	**-**

* Refer to note 32 for details on the restatements.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

5. Biological assets

The biological assets comprise of pine and eucalyptus plantations and unharvested fruit.

Pine and eucalyptus plantations:

The calculation to establish the value of the plantation biological assets is based on existing, sustainable harvesting plans and assessments regarding growth, timber prices, harvesting and silviculture costs and selling expenses. The calculation is performed for a harvesting cycle for biological assets that York estimates to average 20 - 23 years (2022: 20 years) and does not include replanting of trees once harvested. During the year, the planned rotation period of the escarpment plantations was extended to 23 years (2022: 20 years).

The change in value is recognised as part of cost of sales in the Statement of profit or loss and other comprehensive income.

Reconciliation of biological asset: pine and eucalyptus plantations

		Restated*		
Opening balance	2 876 253	2 736 352	-	-
Standing timber harvested	-	(935)	-	-
Reconciliation of biological assets due to changes in standing volume:				
Fair value adjustment				
- Increase due to growth and enumerations(1)	322 408	414 585	-	-
- Decrease due to harvesting and disposals	(243 860)	(230 704)	-	-
- Adjustment to standing timber values to reflect changes to sales price, cost and discount rate assumptions(2)	(464 327)	(96 205)	-	-
Establishment cost	38 728	53 160	-	-
Closing balance	**2 529 202**	**2 876 253**	**-**	**-**
Classified as non-current assets	2 216 402	2 538 757	-	-
Classified as current assets(3)	312 800	337 496	-	-
	2 529 202	**2 876 253**	**-**	**-**

* Refer to note 32 for details of restatement.

1 Enumerations refer to updates that are made to the merchandising model's data due to more accurate information being collected about the trees in the plantations. These are used to adjust the model's theoretical yields to actual yields and are done systematically over the life of the plantations.

2 Being the movement after the increases in growth and enumeration and decreases due to harvesting, from the opening balance value and consists of the impact of changes to the discount rate, log sales prices and operating costs from the prior year balance.

3 The biological assets to be harvested and sold in the 12 months after year-end.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022
5. Biological assets (continued)				
Change in discounted cash flow (DCF) attributable to:				
Opening balance	2 876 253	2 736 352	-	-
Change in product mix and age (4)*	(315 326)	33 532	-	-
Revenue and price (5)*	121 747	503 862	-	-
Operating costs*	(162 234)	(255 175)	-	-
Discount rate*	(240 164)	(383 398)	-	-
Establishment cost	38 728	53 160	-	-
Purchased standing timber harvested	-	(935)	-	-
Change in volume (6)*	210 198	188 855	-	-
	2 529 202	**2 876 253**	**-**	**-**

* The total of these amounts equals the fair value adjustment disclosed in note 28 included in cost of sales in the Statement of Profit or Loss and Other Comprehensive Income.

4 Represents the cash flow profile change from the prior year yield forecast as a result of the change in the product mix and the age profile of the plantation biological assets.

5 Revenue and price changes relate to inflationary adjustments over the next year, following year and over the long term.

6 Change in volume in the DCF model refers to changes in the forecast yield at maturity of planted trees. Temporary unplanted hectares increased by 536 hectares from the prior year. The DCF volumes over the 20 - 23 year period increased from the prior year by 1 566 844 m3. An accuracy factor is used to calculate the accounting estimated volume. This is a downwards adjustment of harvestable volume.

Change in estimates

The increase in rotation period resulted in a net R246.2 million decrease in the value in the current year. This decrease is due to the timing of the expected cash flow which will realise later than in the previous 20 year rotation model. Total volumes increased by 1 647 244 m3, with a richer product mix. This value will realise in later years.

Reconciliation of standing volume (excluding purchased plantations) (m3)				
Opening balance	6 707 355	6 285 007	-	-
Increase due to growth and enumeration(1)	751 849	952 241	-	-
Decrease due to harvesting and sales	(568 677)	(529 893)	-	-
	6 890 527	**6 707 355**	**-**	**-**

Landholding: (Hectares)				
Pine(7)	55 925	56 473	-	-
Eucalyptus(7)	304	292	-	-
Temporary unplanted areas(7)	2 534	1 998	-	-
Conservancy areas(7)	30 701	30 701	-	-
Agricultural land(7)	115	115	-	-
	89 579	**89 579**	**-**	**-**

1 Enumerations refer to updates that are made to the merchandising model's data due to more accurate information being collected about the trees in the plantations. These are used to adjust the model's theoretical yields to actual yields and are done systematically over the life of the plantations.

7 The planted pine and eucalyptus trees are valued in determining the fair value of the biological assets. The land value of the Group's total landholdings are carried at cost and included under land in note 3.

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

5. Biological assets (continued)

Methodology and assumptions used in determining fair value

The key inputs into the DCF are set out below. The DCF does not take replanting into account and is based on a finite period. This is consistent with the expected average rotation of the plantations, being 23 years in the Escarpment and 20 years in the Highveld.

Log Prices: Log prices per cubic metre and per log class are based on current and future expected market prices. Future prices were adjusted upwards for inflation with 4.8% over the next year, 4.4% over the following year and 4.6% over the long term. (2022: 5.8% over the next year, 4.7% over the following year and 4.6% over the long term).

Operating costs: Costs include harvesting, maintenance and associated fixed overhead costs as well as a contributory asset charge. No replanting and associated costs are included. The overheads are based on a unit cost on the remaining planted hectares, and reduce over the discount period as the remaining planted hectares reduce. Future costs were adjusted upwards for inflation with of 4.8% over the next year, 4.4% over the following year, and 4.6% over the long term (2022: 5.8% over the next year, 4.7% over the following year, and 4.6% over the long term) was used.

Costs to sell: Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes. Costs to sell include harvesting costs and costs to bring logs to roadside, that are part of operating costs.

Discount rate: In determining the weighted average cost of capital (“WACC”), a comparable group of forestry companies’ Beta is used to determine the Beta applied in WACC. York applied the debt/equity ratio of market participants included in its comparable company basket.

Volumes and volume adjustment factor: The total maturity volumes over 20 - 23 year cycle is 23 006 873 m3 (2022: 21 440 029 m3). The projected volumes from the harvesting plans are risk adjusted by a weighted average of 3% (2022: 3%) based on the most recent actual yield reconciliation data to account for normal and abnormal deviations and operational losses.

Year	**Maturity volume (m3) 2023**	**Maturity volume (m3) 2022**		
Year one to five	3 390 586	3 785 099	-	-
Year six to ten	5 830 549	6 406 816	-	-
Year eleven to fifteen	5 681 580	4 998 934	-	-
Year sixteen and above	8 104 158	6 249 180	-	-
Total	**23 006 873**	**21 440 029**	**-**	**-**

Level 3 fair value

The valuation model considers the present value of the net cash flows expected to be generated from the plantations. The cash flow projections include specific estimates for 20 - 23 years (2022: 20 years). The expected cash flows are risk-adjusted for current economic conditions.

Key assumptions used in calculation of the discount rate

Beta factor (9)	1.07	1.16	-	-
Risk free rate (8)	11.76%	11.00%	-	-
Cost of equity	18.42%	18.17%	-	-
Post-tax cost of debt	8.58%	6.02%	-	-
After-tax wighted average cost of capital	16.26%	15.27%	-	-
Debt-equity ratio (9)	22:78	24:76	-	-

8 The GSAB10YR yield curve was used (2022: GSAB10YR yield curve).

9 York applied a relevered beta and a debt/equity ratio of the market participants included in its comparable company basket.

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

5. Biological assets (continued)

The Group is exposed to a number of risks relevant to its commercial tree plantations, namely:

Regulatory and environmental risk: The Group has established environmental policies and procedures aimed at compliance with environmental legislation. Management performs regular reviews to identify environmental risks and to ensure that the management systems in place are adequate. The Group manages its plantations in compliance with the International Forest Stewardship Council's (FSC) requirements for sustainable forestry.

Supply and demand risks: The Group is exposed to risks arising from fluctuations in the price and demand for log products. When possible the Group manages these risks by aligning its harvest volumes to market demand. Management performs regular industry trend analyses to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with expected demand on a sustainable basis.

Climate and other risks: The Group's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks. The Group subscribes to various national fire prevention associations which use differing weather conditions to indicate fire risk. The Group insures itself against natural disasters such as fires and floods. Refer to note 10. The Group is mapping areas in terms of expected climatical conditions over York's landholdings and identifying suitable genetic material in response to climate changes and pest tolerance. To address the climate change the Group developed hybrid material that are more heat tolerant and less dependent on water.

Pledged as security

Landholdings amounting to 57 178 ha (2022: 57 178 ha) with biological assets valued at R1.4 billion were encumbered in favour of Micawber 558 Proprietary Limited, as security for loans and borrowings, as per note 19.

Sensitivity analysis

The sensitivity analysis below shows how the present value of the discounted cash flows would be affected if the key valuation parameters were attributed to other values than those that form the basis of the current valuation of the discounted cash flows. A decrease by the same percentage would have the opposite effect on the valuation.

Sensitivity analysis				
100 basis point increase in the current log price	45 576	47 895	-	-
25 basis points increase in forecasted log prices (year 1 and 2 and long term)	88 808	88 185	-	-
25 basis point increase in the forecast cost inflation rate	(28 517)	(25 200)	-	-
50 basis points increase in the pre-tax cost of debt	(17 977)	(20 699)	-	-
25 basis points increase in the discount rate	(55 337)	(58 739)	-	-
100 basis points increase in projected volumes	45 576	47 895	-	-

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

5. Biological assets (continued)

Reconciliation of biological assets: Unharvested fruit				
Opening balance	5 383	2 248	-	-
Change in fair value of avocados and macadamias due to harvesting	(5 383)	(2 248)	-	-
Change in fair value of avocados and macadamias due to growth	7 063	5 383	-	-
	7 063	**5 383**	**-**	**-**

Methodology and assumptions used in determining the level 3 fair value.

Prices: The fair value of avocados and macadamias growing on the bearer plants is determined by reference to market prices for local, export and reject classes, adjusted for expected costs to reach maturity, which is typically 1 to 3 months (2022: 1 to 2 months) after the end of the reporting period.

Costs to sell: Costs to sell include packaging and harvesting costs.

Volume: The agricultural produce volumes were reduced by a weighted average of 1% (2022:1%) for avocados and 13% (2022:13%) moisture loss for macadamias. These adjustments were based on the historical actual volumes harvested compared to estimated volumes and volume distribution between export, local and reject markets on the historical pack-out yields.

Maturity of bearer plants

As at 30 June 2023, the Group had 176 hectares (2022: 117 hectares) of bearer plants. Of the 176 hectares 97 hectares were immature, and 79 hectares were mature (2022: 117 hectares, 38 hectares were immature, and 79 hectares were mature). During the year 827 ton (2022: 685 ton) of agricultural produce were harvested. The bearer plants are included in note 3.

Sensitivity analysis				
100 basis point increase in market prices	76	61	-	-
25 basis point increase in harvesting cost	(1)	(2)	-	-
100 basis point increase in volumes	71	54	-	-

The above sensitivity analysis shows how the fair value would be affected if the key valuation paramaters were attributed other values than those that form the basis of the current valuation. A decrease by the same percentage would have the opposite effect on the valuation.

Classified as current assets	7 063	5 383	-	-

Total biological assets (Pine and eucalyptus plantations and unharvested fruit)

Classified as non-current assets	2 216 402	2 538 757	-	-
Classified as current assets	319 863	342 879	-	-
	2 536 265	**2 881 636**	**-**	**-**

The fair value movement in biological assets are included in cost of sales in the statement of profit of loss and other comprehensive income.

Figures in Rand R'000

6. Intangible assets

Group	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	3 158	(3 030)	128	3 189	(2 952)	237

Reconciliation of intangible assets - Group - 2023

	Opening balance	Disposals	Amortisation	Total
Computer software, other	237	(5)	(104)	128

Reconciliation of intangible assets - Group - 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	334	14	(111)	237

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

7. Investments in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company

Name of company	Percentage holding 2023	Percentage holding 2022	Carrying amount 2023	Restated** Carrying amount 2022
South African Plywood Proprietary Limited(1)*	100.00 %	100.00 %	-	-
Global Forest Products Proprietary Limited(1)	100.00 %	100.00 %	1 117 743	1 117 743
York Timbers Proprietary Limited(2)	100.00 %	100.00 %	143 709	142 559
Agentimber Proprietary Limited	100.00 %	100.00 %	-	-
Madiba Forest Products Proprietary Limited*	100.00 %	100.00 %	-	-
Madiba Timbers Proprietary Limited*	100.00 %	100.00 %	-	-
York Timbers Chile Limitada*	100.00 %	100.00 %	-	-
York Timbers Energy (RF) Proprietary Limited*	100.00 %	100.00 %	-	-
York Fleet Solutions Proprietary Limited	100.00 %	100.00 %	-	-
York Carbon Proprietary Limited*	51.00 %	51.00 %	-	-
Mbulwa Estate Proprietary Limited	100.00 %	100.00 %	-	-
York Power (RF) Proprietary Limited*	100.00 %	100.00 %	-	-
Sonrach Proprietary Limited	100.00 %	100.00 %	-	-
Stadsrivier Vallei Proprietary Limited	100.00 %	100.00 %	-	-
Nicholson & Mullin V2 Proprietary Limited*	100.00 %	100.00 %	-	-
York Timbers Zambia Proprietary Limited*	100.00 %	- %	-	-
			1 261 452	1 260 302

Subsidiaries detail

* The entities are currently dormant and not actively trading.

** Refer to note 32 for details on the restatements.

The carrying amount of subsidiaries is shown net of impairment losses.

All of the companies are incorporated and domiciled in the Republic of South Africa, except for York Timbers Chile Limitada and York Timbers Zambia which is incorporated and domiciled in Chile and Zambia.

(1) The Company has a direct investment in these companies. All other companies are indirect investments.

(2) Increase of investment in subsidiary through share based payment scheme

The Company granted certain employees of its subsidiary, York Timbers Proprietary Limited, the right to receive 1 300 000 (2022: 1 300 000) shares. The options will vest at the end of three years at no consideration to the employees. Refer to note 17.

Fair value of options

	Group 2023	Group 2022	Company 2023	Company 2022
Value of options	-	-	2 164	7 170

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

8. Loans to group companies

Subsidiaries

York Timbers Proprietary Limited The loan to the group company is unsecured, bears no interest and has a notice period of at least 367 days.	-	-	1 411 971	1 240 449

Split between non-current and current portions

Non-current assets	-	-	1 411 971	1 240 449
Current assets	-	-	-	-
	-	**-**	**1 411 971**	**1 240 449**
Face value of loan	-	-	1 581 044	1 340 965

Exposure to credit risk

Loans receivable inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

The expected credit loss for the intercompany loan was assessed by taking into account macro-economic factors and the solvency and liquidity of the underlying subsidiary and no credit loss was deemed necessary. The underlying subsidiary's credit risk and the loss given default was taken into account, after exclusion of the assets held as security for borrowings, and no impairment was necessary as the underlying subsidiary has sufficient assets to cover outstanding debt and therefore has no loss at default.

Repayment of the loan has been subordinated as security for borrowings as per note 19.

The loan has been amortised in terms of IFRS 9 at the prime interest rate.

9. Other financial assets

Other financial assets at amortised cost (contingency fund)	133 005	114 785	-	-

Split between non-current and current portions

Non-current assets	133 005	114 785	-	-

The capacity target of the fund is R198.8 million (2022: R173 million) and is reassessed annually to take into account changing insurance cover requirements. For periods where the Experience Account balance is positive, the investment accrues interest at the 32-day call rate average for FNB, Absa and Nedbank as published on the first business day of each month. Where the Experience Account balance is negative, interest is charged at the prime lending rate plus 200 basis points.

Risk exposure

The investments held by the group expose it to interest rate risk. Refer to note 39 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

The carrying amount reasonably approximates its fair value.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

10. Deferred tax

The deferred tax asset and the deferred tax liability relate to income tax in the same jurisdiction, which allows net settlement.

	2023	2022 Restated**	2023	2022
Deferred tax liability	(741 122)	(858 575)	-	36
Deferred tax asset	9 991	9 703	-	-
Total net deferred tax (liability) / assets	**(731 131)**	**(848 872)**	**-**	**36**

Reconciliation of deferred tax (liability) / asset

	2023	2022	2023	2022
At beginning of year	(848 872)	(841 625)	36	37
Increase in tax losses available for set-off against future taxable income*	13 143	1 786	-	-
Taxable temporary differences*	103 387	47 051	-	-
Changes to other comprehensive income	1 247	(356)	-	-
Deferred tax not recognised*	(36)	-	(36)	-
Rate change*	-	(30 132)	-	(1)
Prior year under provision*	-	(25 596)	-	-
Closing balance	**(731 131)**	**(848 872)**	**-**	**36**

The balance comprises the following items:

	2023	2022	2023	2022
Capital allowances	(117 179)	(106 605)	-	-
Biological assets	(684 791)	(775 211)	-	-
Provisions	55 422	27 965	-	36
Estimated tax loss	18 946	5 803	-	-
Defined benefit plan reserve and revaluation reserve	(3 529)	(824)	-	-
	(731 131)	**(848 872)**	**-**	**36**

Deferred tax asset not recognised

	2023	2022	2023	2022
Assessed loss not recognised	5 965	17 446	-	-
Potential tax benefit on assessed loss	1 611	4 710	-	-

* The total of these amounts equals the deferred tax movement in profit or loss in note 31.

** Refer to note 32 for details on the restatements.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

11. Inventories

Raw materials	30 420	27 866	-	-
Work in progress	41 423	34 263	-	-
Timber products	113 968	102 595	-	-
Merchandise	2 638	2 857	-	-
Consumables	57 531	57 407	-	-
Agricultural produce	813	1 663	-	-
	246 793	226 651	-	-
Write-downs	(2 862)	(3 375)	-	-
Total inventory	**243 931**	**223 276**	**-**	**-**

The total movement in cost of sales regarding inventory write downs was an income of R0.5 million (2022: expense of R0.4 million). The movement of inventory in cost of sales was R514.6 million (2022: R569.8 million).

Finished goods at net realisable value

Finished goods carried at net realisable value	22 429	10 781	-	-

12. Trade and other receivables

Financial instruments:				
Trade receivables	193 462	168 285	178	178
Loss allowance	(7 243)	(7 186)	(178)	(178)
Trade receivables at amortised cost	186 219	161 099	-	-
Deposits	8 675	5 873	-	-
Staff loans	1 823	1 563	-	-
Other receivables	9 549	7 637	-	-
Non-financial instruments:				
Value added taxation	8 297	5 477	-	-
Prepayments	15 493	11 804	184	187
Total trade and other receivables	**230 056**	**193 453**	**184**	**187**

Trade and other receivables pledged as security

At year-end, trade receivables and Credit Guarantee Insurance Corporation of Africa Ltd (CGIC) insurance had been ceded to Absa Bank as security for banking facilities (refer to note 19). The amount of trade receivables that has been pledged as security was R160 million (2022: R152.4 million).

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

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

Refer to note 39 for details on credit risk exposure.

The carrying amount reasonably approximates its fair value.

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

12. Trade and other receivables (continued)

Group	2023	2023	2022	2022
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Expected credit loss rate:				
Current	128 427	(2 753)	125 428	(1 299)
30 days	48 973	(1 070)	33 606	(377)
60 days	8 654	(233)	4 440	(930)
90 days and over	7 408	(3 187)	4 811	(4 580)
Total	**193 462**	**(7 243)**	**168 285**	**(7 186)**

Company	2023	2023	2022	2022
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Expected credit loss rate:				
60 days and over	178	(178)	178	(178)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(7 186)	(10 057)	(178)	(178)
Provision raised on new trade receivables	-	(9)	-	-
Remeasurement of loss allowance	(2 148)	97	-	-
Bad debt written off	2 091	2 783	-	-
Closing balance	**(7 243)**	**(7 186)**	**(178)**	**(178)**

A 0.25% - 2.52% (2022: 0.25% - 1.82%) credit loss ratio is applied to current up to 60 days debtors, taking into account macroeconomic factors such as the inflation rate and economic outlook.

Included in the credit loss ratio is an additional loss ratio of 0.25% (2022: 0.25%) applied to take account of future economic uncertaintly.

A default loss ratio of 20% (2022: 20%) was applied to debtors ageing over 90 days if they are covered by credit insurance. Debtors not covered by credit insurance are reviewed individually to determine the risk of expected credit losses. There was an increase in debtors covered by CGIC in the current year.

All other receivables are neither past due nor impaired as there is no risk of expected loss.

13. Current tax receivable / (payable)

Normal tax	2 771	(4 380)	2	2

Income tax receivable relates to an over estimate and payment of provisional taxes.

Income tax payable relates to an under estimate and payment of provisional taxes.

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

14. Cash and cash equivalents

Cash and cash equivalents consist of:

		Restated*		
Cash on hand	158	143	-	-
Bank balances	33 002	12 632	1	-
Short-term deposits	158 756	3 589	-	-
	191 916	**16 364**	**1**	**-**

The carrying amount reasonably approximates its fair value.

* Refer to note 32 for detail on restatements.

15. Share capital

Authorised				
600 000 000 Ordinary shares of R0.05 each	30 000	30 000	30 000	30 000
Reconciliation of number of shares issued:				
Opening balance	320 896	317 520	331 241	331 241
Exercise of options	-	3 376	-	-
Rights issue	142 857	-	142 857	-
	463 753	**320 896**	**474 098**	**331 241**
Issued - R'000				
474 097 739 (2022: 331 240 597) ordinary shares	23 705	16 562	23 705	16 562
10 344 355 (2022: 10 344 355) treasury shares	(517)	(517)	-	-
Rights issue cost	(6 006)	-	(6 006)	-
Exercise of options	-	11 199	-	7 517
Share premium	1 718 488	1 464 430	1 755 728	1 505 352
	1 735 670	**1 491 674**	**1 773 427**	**1 529 431**

All issued shares are fully paid.

The Group repurchased shares during the 2016 and 2017 financial year in the open market in order to benefit from the discount between the share price and the tangible net asset value per share. A total of 10.3 million shares (2022: 10.3 million shares) were held by the subsidiary at 30 June 2023 and are treated as treasury shares for accounting purposes.

In the current year the entity had a rights issue where the entity issued 142 857 142 shares for R250 million.

Refer to note 32 for details on restatements.

16. Revaluation reserve

		Restated*		
Opening balance	14 344	14 198	-	-
Current year fair value adjustment	426	-	-	-
Current year deferred tax movement through OCI	(92)	146	-	-
	14 678	**14 344**	**-**	**-**

* Refer to note 32 for details on the restatements.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

17. Share based payment reserve

Opening balance	1 014	1 363	1 014	1 363
Share-based payment movement	1 150	(349)	1 150	(349)
Closing balance	**2 164**	**1 014**	**2 164**	**1 014**
Opening balance (units)	1 300 000	3 601 504	1 300 000	3 601 504
Units awarded	-	1 300 000	-	1 300 000
Units vested	-	(3 601 504)	-	(3 601 504)
Closing balance (units)	**1 300 000**	**1 300 000**	**1 300 000**	**1 300 000**

The shares allocated as part of the share based payment employment schemes are approved as per the 2015 Share Plan which states that the maximum number of shares which may be issued and allocated shall not exceed 9 000 000 shares.

In the prior year, the Company granted certain employees of York Timbers Proprietary Limited, the right to receive 1 300 000 shares.

In the prior year, the share based payment schemes awarded in the 2019 financial year and the restricted shares granted to the late CEO in the 2021 financial year vested, with 3 601 504 units awarded to qualifying individuals at an exercise price of Rnil.

Due to the entity not expecting a dividend flow within the next three years and no consideration payable at exercise date, the grant date fair value is deemed to be equal to the share price at award date.

During the period ended 30 June 2023, the Company had one (2022: one) share based payment scheme, with the following details:

Key assumptions used in 2022 award		
York share price at reporting date	R1.90	R2.46
Number of shares awarded	1 300 000	1 300 000
Award date	2021/08/12	2021/08/12
Expiry / vesting date	2024/08/12	2024/08/12
Fair value of options at grant date	R2.32	R3.32
Exercise price	R -	R -
Expected vesting rate	80%	80%
Vesting conditions	Three years' service	Three years' service

18. Defined benefit plan reserve

The reserve is a result of the actuarial gains or losses on the defined benefit plan.

Opening balance	2 229	830	-	-
Movement through other comprehensive income	(735)	1 399	-	-
Closing balance	**1 494**	**2 229**	**-**	**-**

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

19. Borrowings

Held at amortised cost		**Restated***		
Secured				
Land Bank term loan	177 805	226 701	-	-
Land Bank Press loan	2 842	9 662	-	-
Instalment sale agreements	61 455	65 272	-	-
Loan raising fee	(804)	(1 157)	-	-
Absa IMX facility	72 645	38 604	-	-
Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited)	75 000	75 000	-	-
Absa Capital fund loan (Sonrach Properties Proprietary Limited)	4 734	5 832	-	-
	393 677	**419 914**	**-**	**-**

Split between non-current and current portions

Non-current liabilities	237 375	298 210	-	-
Current liabilities	156 302	121 704	-	-
	393 677	**419 914**	**-**	**-**

* Refer to note 32 for details on the restatements.

Land Bank Term loan: This loan bears interest at an interest rate of prime less 0.5% (2022: prime less 0.5%) per annum and is payable monthly in arrears over 10 years of which 3 are remaining.

Refer to Financial instruments and risk management, note 39, for detail on loan covenants.

Land Bank Press loan: This loan bears interest at an interest rate of prime less 0.5% (2022: prime less 0.5%) per annum and is payable monthly in arrears, over 5 years and 6 months, of which 5 months are remaining.

Security over the Land Bank debt:

- Guarantee by security special purpose vehicle (SPV), Micawber 558 Proprietary Limited (unrelated to the group), in respect of all of the Group's obligations under the loan;
- Indemnity by the Group in favour of the security SPV, limited to R720 million in respect of any claim under the Guarantee;
- Mortgage Covering Bonds for an amount of R1.4 billion, limited to the indemnity of R720 million, and limited to the land-holding of 57 178 ha (2022: 57 178 ha) as recorded in note 5;
- Cession of insurance policy;
- Subordination of the shareholder's loan from York Timber Holdings Limited. The facility is held in York Timbers Proprietary Limited; and
- A notarial covering bond(s) over the assets of the Borrower, in respect of the Sabie Plywood plant for an amount of R306 million with a net book value of R201.4 million (2022: 231.7 million) in favour of the Security SPV Guarantor.

Absa IMX Facility: The IMX facility is a receivable finance facility provided by Absa bank. Absa purchases the right to receive payments from certain qualifying debtors and in return advance up to 85% of the value of debtors / invoices. Absa has full recourse on amounts advanced when a debtor does not settle its accounts by the due date, normally 30 days.

At year-end, the IMX facility granted by Absa Bank was secured by a cession of a restricted clearing account held with Absa bank and cession of trade receivables with a maximum exposure limit of R150 million, and CGIC insurance (refer note 13). The IMX facility bears interest at the prime interest rate on the utilised amount. This facility is available to all companies in the Group. The funds in use balance was a credit balance of R98.1 million at year-end with an offsetting clearing account debit balance of R25.5 million - net credit balance of R72.6 million.The availability on the facility is limited to the lower of 85% of qualifying debtors or R150 million.

19. Borrowings (continued)

Absa Capital fund loans (Stadsrivier Vallei Proprietary Limited): The loan bears interest at prime and is repayable over 5 years of which 2 years and 10 months are remaining. The interest is repayable on a quarterly basis and quarterly capital repayments of R1.5 million from 31 March 2024 and a once off payment at the end of the term of R63.5 million.

Security over the Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited):

- a pledge and cession of all the shares, securities and other ownership interests held by Stadsrivier Vallei Proprietary Limited, together with all its debt claims (on shareholder loan account or otherwise);
- a cession of all its present and future claims against any person;
- a cession of all its rights and claims in respect of bank accounts maintained in South Africa (including all cash balances standing to the credit of those bank accounts);
- a cession of all Insurances taken out by or for the benefit of the Borrower, and all the proceeds receivable under those Insurances at any time;
- first-ranking covering mortgage bonds over the Stadsrivier Vallei Proprietary Limited's properties and all other immovable property of which the Borrower is the registered owner; and
- a general notarial bond over all its movable assets.

Refer to Financial instruments and risk management, note 39, for details on loan covenants.

Loan raising fees: The Land Bank and Absa loan raising fees are amortised over the period of the loan using the effective interest rate method. The amortised amount is included in finance expenses (refer note 30).

Absa Capital fund loan (Sonrach Properties Proprietary Limited): This loan bears interest at an interest rate of prime less 0.75% (2021: prime less 0.75%) per annum and is payable in monthly instalments in arrears, over a period of 10 years of which 3 are remaining.

The carrying amounts reasonably approximates its fair value.

Exposure to liquidity risk

Refer to note 39 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group does not have a policy to hedge long term interest rate risk and will only make use of hedging instruments to reduce the short term sensitivity of the Group to interest rate changes.

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

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel, and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only loans held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The sensitivity analysis was calculated based on 1% higher and lower rate than the actual rate.

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

19. Borrowings (continued)

Group	2023	2023	2022	2022
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Finance cost	3 806	(3 806)	4 269	(4 269)
Taxation	(1 028)	1 028	(1 195)	1 195
	2 778	**(2 778)**	**3 074**	**(3 074)**

Instalment sale agreements

The Instalment Sale Agreements liabilities consist of 113 (2022: 137) instalment sale agreements, payable over a period of three to six years at effective interest rates of prime less 1% to prime plus 0.5% (2022: prime less 1% to prime plus 0.5%) per annum. These liabilities are secured by plant and equipment and motor vehicles with a carrying value of R107.7 million (2022: R106.1 million). Refer to note 3. They have no escalation clauses. Repayments are based on the outstanding debt at the prevailing interest rate.

Instalment sale agreement obligation				
- within one year	29 476	28 148	-	-
- in second to fifth year inclusive	42 233	43 035	-	-
Total	71 709	71 183	-	-
Less: future finance charges	(10 254)	(5 911)	-	-
Present value of minimum instalment sale agreement payments	**61 455**	**65 272**	**-**	**-**

Instalment sale providers	**Quantity**	**Interest rate**	**Quantity**	**Interest rate**
Absa Bank	89	10.75% - 12.25%	101	7.25% - 8.75%
Mercedes Finance	14	11.25%-12%	26	7.75% - 8.55%
Toyota Finance	8	10.75% - 11.25%	8	7.25% - 7.75%
Daimler Truck	2	11.75% - 12%	2	8.50%

Present value of minimum instalment sale agreement payments				
- within one year	23 873	24 843	-	-
- in second to fifth year inclusive	37 582	40 429	-	-
	61 455	**65 272**	**-**	**-**

20. Lease liability

Non-current liabilities	21 925	25 941	-	-
Current liabilities	8 236	6 191	-	-
	30 161	**32 132**	**-**	**-**

Contractual undiscounted cash flows				
Less than one year	10 298	8 425	-	-
One to five year	23 513	29 451	-	-
	33 811	**37 876**	**-**	**-**

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

20. Lease liability (continued)

The lease liability relates to warehouse facilities and office space rented by the group for 3 to 5 years (2022: 3 to 5 years).

The lease liability is measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate adjusted for asset specific risk and lease term. This liability is measured at amortised cost.

Assumptions used	2023	2022
Lease terms	3 - 5 years	3 - 5 years
Group's incremental borrowing rate	7%-10%	6.75% - 9.50%
Adjustment to asset specific risk - unsecured debt	0.25%	0.25%
Adjustment over the lease term	0.25%	0.25%
Effective interest rate	7.5%-10.5%	7.25% - 10%

Refer to note 3 for disclosure on the right of use assets, accumulated depreciation, impairment and depreciation, note 28 for the depreciation, variable lease payments, short term leases and leases of low value assets, and note 30 for finance costs on leases.

21. Retirement benefit obligation

Defined benefit plan

The Group's current policy is not to provide post-retirement medical aid benefits to its employees. However, a provision is made for a closed group of current and former employees in respect of legacy post-retirement medical scheme contribution subsidies. Independent actuaries determine the value of this obligation and the annual costs of the benefits. The assumptions used are consistent with those adopted by the actuaries in determining pension costs, and in addition, include long-term estimates of the increases in medical costs and appropriate discount rates. An actuarial valuation was carried out at year-end.

Present value of defined benefit obligation

	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	24 081	25 658	-	-
Service cost	1	2	-	-
Interest cost	2 697	2 745	-	-
Actuarial loss / (gain)	2 074	(1 900)	-	-
Benefits paid	(2 423)	(2 424)	-	-
Closing balance	**26 430**	**24 081**	**-**	**-**

The closing balance is the present value of the defined benefit obligation and is wholly unfunded. There is no asset-funding plan in place.

The actuarial loss for the current year consists of two factors, demographic and financial. The demographic factors contributed a gain of R3.1 million (2022: loss of R0.4 million) and the financial factors a loss of R5.2 million (2022: gain of R2.4 million).

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

21. Retirement benefit obligation (continued)

Sensitivity analysis

Assumed healthcare cost trend rates have a significant effect on the amount recognised in profit and loss.

A 1% change in the medical inflation rate would have the following effects:				
100 basis points increase: Increase in aggregate of the service and interest cost	968	211	-	-
100 basis points increase: Increase in defined benefit obligation	1 986	1 887	-	-
A 1% change in the investment discount rate would have the following effects:				
100 basis points increase: Increase in aggregate of the service and interest cost	61	41	-	-
100 basis points increase: Decrease in defined benefit obligation	(1 729)	(1 638)	-	-

Contributions towards defined benefit plan

Current service cost	2 628	2 511	-	-

Key assumptions used

Number of active members	-	6	-	-
Number of retired members	35	36	-	-
Total number of members	35	42	-	-
Average expected duration of the scheme for pensioners (years)	7.40	17.10	-	-
Average expected duration of the scheme for active members	-	1.80	-	-
Discount rate (estimated corporate bond yield)	12.90 %	11.20 %	-	-
Medical contribution inflation rate	10.90 %	9.20 %	-	-

Defined contribution plan: Retirement fund

The Group has three provident fund schemes, York Timbers Provident Fund, the Hospitality and General Provident Fund and the Alexander Forbes Provident Fund. The Group also has an Alexander Forbes Pension Fund and a Momentum Pension Fund. Pensioners under these schemes have had their pensions bought from insurers in the form of annuities and there is no on-going liability to the Group. The schemes are governed by the Pensions Fund Act, 24 of 1956, as amended.

The number of members of the Provident Fund at year-end:

Hospitality and General provident Fund	102	130	-	-
York Timbers Provident Fund	1 379	1 798	-	-
Alexander Forbes Provident Fund	400	293	-	-

Defined contribution plan: Pension fund and Retirement annuity

The Group has two pension funds with the following number of members at year end:

Alexander Forbes Pension Fund	7	7	-	-
Momentum Pension Fund	141	85	-	-

Defined contribution plan: Medical aid fund

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

21. Retirement benefit obligation (continued)

The Group facilitates contributions to a defined medical aid scheme for the benefit of its permanent employees and their dependants. In terms of the Group's policy there is no post-retirement medical aid obligation for current or retired employees, other than the closed group referred to above. The Group is under no obligation to cover any unfunded benefits.

Contributions towards defined contribution funds:				
Hospitality and General Provident Fund	2 854	2 816	-	-
York Timbers Provident Fund	16 588	20 613	-	-
Alexander Forbes Provident Fund	12 847	11 356	-	-
Alexander Forbes Pension Fund	429	409	-	-
Momentum Pension Fund	269	1 037	-	-
Alan Gray Retirement Annuity	-	190	-	-
	32 987	**36 421**	**-**	**-**

Expected contributions for the next year				
Hospitality and General Provident Fund	2 997	2 968	-	-
York Timbers Provident Fund	17 418	21 726	-	-
Alexander Forbes Provident Fund	13 489	11 969	-	-
Alexander Forbes Pension Fund	451	431	-	-
Momentum Pension Fund	283	1 093	-	-
Alan Gray Retirement Annuity	-	201	-	-
	34 638	**38 388**	**-**	**-**

These amounts are included in salary, wages and other employee costs per note 28.

Below is the undiscounted maturity analysis of the retirement benefit obligation. The weighted average duration for pensioners in payment is 7.4 years years for the active members (2022: 7.5 years for Pensioners and 1.8 years for the active members).

2023	**Pensioners R'000**	**Actives R'000**	**Total R'000**
Less than a year	2 777	-	2 777
1 - 2 years	2 952	-	2 952
2 - 5 years	9 839	-	9 839
More than 5 years	103 349	-	103 349
	118 917	**-**	**118 917**

2022	**Pensioners R'000**	**Actives R'000**	**Total R'000**
Less than a year	2 506	11	2 517
1 - 2 years	2 632	8	2 640
2 - 5 years	8 568	5	8 573
More than 5 years	75 582	-	75 582
	89 288	**24**	**89 312**

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

22. Provisions

Reconciliation of provisions - Group - 2023

	Opening balance	Additions	Utilised during the year	Total
Restructuring	2 912	-	(256)	2 656
Environmental rehabilitation	17 670	848	-	18 518
	20 582	**848**	**(256)**	**21 174**

Reconciliation of provisions - Group - 2022

	Opening balance	Additions	Total
Restructuring	-	2 912	2 912
Environmental rehabilitation	16 832	838	17 670
	16 832	**3 750**	**20 582**

	Group 2023	Group 2022	Company 2023	Company 2022
Non-current liabilities	18 518	17 670	-	-
Current liabilities	2 656	2 912	-	-
	21 174	**20 582**	**-**	**-**

Environmental liability

The provision of R18.5 million arose from a business combination during the 2007 financial year. It comprised contingent amounts assessed at the date of the transaction. At each financial period-end the amount is re-assessed. The expected timing of the outflow of economic benefits is estimated to be during the next two to five years. The re-assessment in the current year comprises an inflation adjustment only. The inflation rate applied during the year was 4.8% (2022: 6.6%).

Restructuring liability

The restructuring provision in the current year relates to a restructuring at one of the warehouses which is expected to be finalized within the next 12 months.

23. Trade and other payables

	Group 2023	Group 2022	Company 2023	Company 2022
Financial instruments:		Restated*		
Trade payables	273 533	178 889	230	60
Accruals	32 950	57 264	2	-
Deposits received	206	124	-	-
Other payables	1 594	1 305	-	-
Non-financial instruments:				
Payroll related accruals*	34 281	32 881	698	2 334
Value added taxation	2 707	3 063	100	54
	345 271	**273 526**	**1 030**	**2 448**

* Payroll related accruals erroneously classified under financial instruments, previously, were correctly reallocated to non-financial instruments in the current and prior year as accruals by their nature are not financial instruments under IFRS 9.

Exposure to liquidity risk

Refer to note 39 Financial instruments and financial risk management for details of liquidity risk exposure and management.

The carrying amounts reasonably approximates its fair value.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

24. Revenue

Revenue from contracts with customers				
Sale of goods	1 637 997	1 819 231	-	-
Rendering of services	28 297	18 617	6 404	6 564
Rental income	-	962	-	-
	1 666 294	**1 838 810**	**6 404**	**6 564**

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

Sale of goods				
Food and beverage sales	111	116	-	-
Lumber sales	823 239	1 010 950	-	-
Plywood sales	652 702	669 181	-	-
Fruit and nut sales	14 655	16 645	-	-
Sundry income (1)	38 499	38 997	-	-
Log sales	108 791	83 342	-	-
	1 637 997	**1 819 231**	**-**	**-**
Rendering of services				
Administration and management fees received	-	-	6 404	6 564
Transport income	3 189	1 357	-	-
Income from fruit packed	19 628	12 618	-	-
Treating income	4 407	3 979	-	-
Accommodation income	1 073	663	-	-
	28 297	**18 617**	**6 404**	**6 564**
Other revenue				
Rental income	-	962	-	-
Total revenue from contracts with customers	**1 666 294**	**1 838 810**	**6 404**	**6 564**

1) Majority of the sundry sales consist of sawdust and chip sales.

Timing of revenue recognition

At a point in time				
Sale of goods	1 637 996	1 819 231	-	-
Rendering of services	27 225	17 954	6 404	6 564
	1 665 221	**1 837 185**	**6 404**	**6 564**
Over time				
Rendering of services - accommodation income	1 073	663	-	-
Other revenue	-	962	-	-
	1 073	**1 625**	**-**	**-**
Total revenue from contracts with customers	**1 666 294**	**1 838 810**	**6 404**	**6 564**

Refer to note 35 for revenue per geographical area.

Notes to the consolidated and separate annual financial statements

		Group		Company	
Figures in Rand R'000		2023	2022	2023	2022

25. Cost of sales

			Restated*		
Cost of sales before fair value adjustment on biological assets		1 318 261	1 339 219	-	-
Fair value loss / (gain) on biological assets (refer to note 5)		384 099	(90 811)	-	-
		1 702 360	**1 248 408**	**-**	**-**

* Refer to note 32 for details on restatement.

26. Other operating income

Other rental income(1)		4 969	4 092	-	-
Bad debts recovered		63	20	-	-
Sundry income (2)		4 282	3 875	-	-
Insurance income		322	1 235	-	-
Scrap sales		6 243	1 137	-	-
		15 879	**10 359**	**-**	**-**

(1) Other rental income relates to income derived from rental income on Telecommunication infrastructure placed on York's property and other property rental.

(2) Sundry income relates to seedlings sold and income received for training programmes.

27. Other operating gains (losses)

Losses on disposals, scrappings and settlements					
Property, plant and equipment	3	(652)	(2 021)	-	-
Foreign exchange gains (losses)					
Net foreign exchange (losses) gains		(4 137)	5 722	-	-
Fair value gains					
Investment property	4	1 784	-	-	-
Total other operating gains (losses)		**(3 005)**	**3 701**	**-**	**-**

28. Operating (loss) / profit

Operating (loss) / profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external					
Audit fees		3 388	2 750	-	-
Remuneration, other than to employees					
Administrative, consulting and professional services		19 053	16 463	2 347	1 631

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

28. Operating (loss) / profit (continued)

Employee costs

Salaries, wages, bonuses and other benefits	112 471	121 381	5 360	4 590
Employee cost included in cost of sales	272 115	279 893	-	-
Retirement benefit plans: defined benefit expense	2 601	2 740	-	-
Equity settled share-based payment expenses	1 150	7 814	-	-
Total employee costs	**388 337**	**411 828**	**5 360**	**4 590**

Leases

Short term leases	1 647	1 305	-	-

Depreciation and amortisation				
Depreciation of property, plant and equipment	109 650	113 044	-	-
Amortisation of intangible assets	104	111	-	-
Total depreciation and amortisation	**109 754**	**113 155**	**-**	**-**

Depreciation of R71.9 million (2022: R76.8 million) on property, plant and equipment that forms part of the production process is included in cost of sales and all other depreciation and amortisation are included in operating expenses.

Impairment losses				
Property, plant and equipment	9 941	-	-	-

Fair value adjustment on biological assets

		Restated*		
Fair value adjustment on biological assets (included in Cost of Sales)	(385 779)	87 676	-	-
Harvested fruit	1 680	3 135	-	-
	(384 099)	**90 811**	**-**	**-**

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

28. Operating (loss) / profit (continued)

Changes in inventories of finished goods and work in progress excluding fair value adjustment due to harvested timber	270 719	339 050	-	-
Employee costs	388 337	411 828	5 360	4 590
Lease expenses	1 647	1 305	-	-
Depreciation, amortisation and impairment	119 694	113 155	-	-
Other expenses	383 385	356 223	3 547	2 490
Utilities	90 618	87 498	-	-
Roads	18 210	16 564	-	-
Fuel	66 654	43 669	-	-
Repairs & Maintenance	48 718	42 707	-	-
Transport	227 678	206 197	-	-
Harvesting contractors	72 946	76 539	-	-
Fair value adjustment to biological assets	384 099	(90 811)	-	-
	2 072 705	**1 603 924**	**8 907**	**7 080**

* Refer to note 32 for details on restatements.

29. Investment income

Interest income				
Investments in financial assets:				
Bank and other cash	3	2	2	1
Other financial assets	14 684	5 009	-	-
Total interest income	**14 687**	**5 011**	**2**	**1**

Interest was generated from financial assets at amortised cost.

30. Finance cost

Group loans*	-	-	68 557	15 690
Trade and other payables	381	10	-	-
Lease liabilities	2 400	1 355	-	-
Interest on borrowings held at amortised cost	34 712	31 115	-	-
Loan raising fee - amortised	353	436	-	-
Other interest paid	9 263	4 568	-	-
Total finance costs	**47 109**	**37 484**	**68 557**	**15 690**

* Interest relates to the amortisation of the interest free intercompany loan in terms of IFRS 9 with the prime interest rate.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

31. Taxation

Major components of the tax (income) expense

Current		**Restated***		
Local income tax - current period	3 398	26 827	-	-
Deferred				
Deferred tax: current period	(116 493)	14 008	36	1
Deferred tax: rate change	-	(30 132)	-	-
Deferred tax: prior periods	-	23 015	-	-
	(116 493)	**6 891**	**36**	**1**
Total	**(113 095)**	**33 718**	**36**	**1**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	(27)	28 %	27 %	28 %
Legal fees, fines and penalties	4.73 %	1.76 %	- %	- %
Learnership agreements and bargain purchase	(4.66)%	(1.51)%	- %	- %
Assessed loss not recognised	0.38 %	0.46 %	(0.82)%	- %
Amortisation of intergroup loans	- %	- %	(26.23)%	(28.00)%
Rate change	- %	(18.03)%	- %	(0.01)%
Prior year under provision	- %	4.90 %	- %	- %
	(26.55)%	**15.58 %**	**(0.05)%**	**(0.01)%**

* Refer to note 32 for details on restatements.

Taxation related to components of other comprehensive income

Re-measurements of defined benefit liability	1 339	(501)	-	-
Revaluation on property, plant and equipment	(92)	146	-	-

32. Change in accounting policy and prior year error restatements

1. Change in accounting policy

The Group previously expensed establishment costs of its pine plantations as part of cost of sales in the Statement of Profit and Loss. During the current year, the Group changed this policy to capitalising establishment costs to the biological asset on the Statement of Financial Position. These costs include activities such as site preparation, planting and the cost of the seedlings. These activities create an asset, being the plantation, and as such, the costs incurred should be capitalised. This provides a better economic presentation of the nature of the costs, as the establisment costs create the asset that is carried at fair value. The associated costs and cashflow to create the asset should be regarded as an investing activity as it creates an asset. The biological asset is stated at fair value and as such, is not impacted by this change.

The net impact of the change in the Statement of Profit and Loss is a reduction of R53.2 million in cost of sales and an increase in the fair value loss of the same amount. There is no impact to the Statement of Financial Position. In the Statement of Cashflows, cash from operations increased by R53.2 million and cash applied to investing activities increased by the same amount. The impact on the core earnings per share was an increase of 11c.

32. Change in accounting policy and prior year error restatements (continued)

Prior period error restatements

2. Reclassification of cost within the Statement of Profit or Loss and other comprehensive income

2.1 Reclassification of other operating cost to cost of sales

In the prior period, production costs of R46 million were incorrectly classified as other operating costs instead of included in cost of sales in the Statement of Profit and Loss. This has been corrected in the prior period comparative by reducing other operating costs by R46 million and increased cost of sales with the same amount. This was restated due to the cost relating to bringing the inventory into the place and condition ready to be sold should be classified as cost of sales. The Statements of Financial Position and Statements of Cash Flows have not been impacted.

2.2 Fair value adjustment - Biological assets

The fair value movement on the biological assets of R90.8 million was previously not disclosed as part of cost of sales but as a separate line item on the face of the Statements of Profit or Loss and other comprehensive income, below gross profit. The movement in the fair value relates to harvested trees, the increase in value due to growth and the effect of movement in assumptions. All these items are considered to be part of cost of sales as per IAS 1 and IAS 2.

2.3 Movement in credit loss allowance

In the prior year, the movement in the credit loss allowance of R2.8 million was included in other operating expenses. This has now been disclosed as a separate line item, "Movement in credit loss allowance", on the Statements of Profit or Loss and other comprehensive income in line with IAS 1. The Statements of Financial Position and Statements of Cash Flows have not been impacted.

3. Bank overdraft facility (Absa IMX facility)

In the prior year, the IMX bank facility of R38.6 million (2021: R36.9 million) was disclosed as a current liability, "Bank overdraft", on the Statements of Financial Position. This has been reclassified to Borrowings under current liabilities. This restatement did not have an impact on the Statements of Profit or Loss and other comprehensive income, but resulted in an increase in cash and cash equivalents closing balance on the Statements of Cash Flow and decrease in cash flow from financing acitivity in the Statements of Cash Flows of R1.7 million relating to the movement in the IMX facility. The IMX facility is financing in nature and forms part of borrowings, the restatement does ensures compliance with IAS7.

4. Statement of cash flow - instalment sale agreements

In the prior year an inflow from borrowings of R24.4 million was shown with a corresponding increase in property, plant and equipment purchased on the Statements of Cash Flow. In the current year this classification has been corrected and is shown as a non- cashflow movement. The basic requirement of IAS 7 is that an entity should prepare and present a Statements of Cash Flows that reports the cash flows of the entity during the period [IAS 7:10] As a general principle, only transactions that require the use of cash or cash equivalents should be included in a Statement of Cash Flows. As the purchase of property plant and equipment via installment sale agreements does not affect cash or cash equivalents these movements are not regarded as cash flow movements.

5. Incorrect disclosure of Reportable segment results in the Operating Segment note

In the prior period, the individual segment results in note 35, Operating segments, were incorrectly stated due to an arithmetic error between the reported profit or loss within the reportable segments. The total segment result was however correct.

The error impacts only one line in the disclosure as shown in the segment reporting note. This is an error in disclosure and has no impact on the primary statements.

32. Change in accounting policy and prior year error restatements (continued)

6. Investment property

Investment property consisting of residential property leased to employees at market related rentals were previously included as part of investment property instead of property, plant and equipment as required per IAS 16. The residential property has now been reclassified to property, plant and equipment as residential buildings carried at revaluation due to the category of asset being different to other buildings in the Group. The residual value of the property is equal to its revalued amount, therefore no depreciation is recognised. This restatement resulted in a decrease in investment property in 2021 of R22.1 million, an increase in property, plant and equipment of R22.1 million and a resultant retained income adjustment of R14.2 million, and revaluation reserve of R14.2 million. The impact of the restatement on the 2022 financials is a decrease in investment property of R23.9 million and an increase in buildings of R23.9 million with a R14.2 million revaluation reserve and a retained income opening balance adjustment of R14.2 million. The other comprehensive income increased with R0.1 million.

7. Biological assets

Corrections were made to the valuation model as follows:

- Log prices were changed to reflect current market prices of logs. Previously a weighted price was used. This change decreased the value by R79.5 million in 2021 and increase the value by R143 million in 2022.

- The contributory asset charge for land was increased as it did not reflect a current market related rental charge. This correction decreased the value by R90 million in 2021 and R89 million in 2022.

- Certain establishment costs were incorrectly included in the model. The model does not take replantings into account. This correction increased the value by R30 million in 2021 and R19 million in 2022.

The net impact of the corrections resulted in a 5% decrease of R139.6 million in 2021, a 3% increase of R73 million in 2022 on the biological asset value in the Statement of financial position and fair value adjustment on biological assets included in the Statement of profit or loss and other comprehensive income. Deferred tax liability decreased by R39 million in 2021 and increased by R20 million in 2022.

The restatement resulted in an increase in the 2022 financial year basic and diluted basic earnings per share of 45 cents per share and an increase in headline and diluted headline earnings per share of 45 cents per share.

8. Goodwill

During the current year it was concluded that the deferred tax liability associated with the biological asset of the forestry cash generating unit should be excluded from the carrying value of the cash generating unit as per the requirements of IAS 36 and IFRS 13. As a result of this exclusion of the carrying value of the cash generating unit exceeded the recoverable amount. As a result the goodwill of R357.6 million has been retrospectively impaired from 2021.

9. Re-measurement of interest free loan (Company only)

The Company incurred a "day one loss" as a result of granting an interest free loan to a subsidiary. This day one loss was recorded in retained earnings on transition to IFRS 9.

This amount represents the fair value of providing the subsidiary with interest-free finance, and therefore represents a capital contribution to the subsidiary which should have been capitalised to the investment in that subsidiary. The resulting adjustment of R129 million is recorded as an increase in retained earnings and an increase in the investment in the subsidiary.

Retrospective restatement due to rights offer

10. Rights offer

The Company had a rights offer where 142 857 142 ordinary shares, with a par value of R0.05 per share, were issued to qualifying shareholders based on their shareholding as at 15 December 2022 at a discounted price of R1.75. The rights offer closed on 6 January 2023.

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

32. Change in accounting policy and prior year error restatements (continued)

As a result of the issue being at a discount to the York share price, the 30 June 2022 weighted average number of ordinary shares used for the earnings per share calculations were retrospectively adjusted, proportionately for the bonus portion of the rights issue in terms of IAS 33. This resulted in a decrease in earnings and diluted earnings per share as well as headline and diluted headline earnings per share of 1 cents per share and a decrease of 2 cents per share in core earnings per share and a decrease of 1 cent per share in diluted core earnings per share. The rights issue is not restatement due to error - it is retrospective application per IAS 33.

IAS 33.64: If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorised for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The fact that per share calculations reflect such changes in the number of shares shall be disclosed. In addition, basic and diluted earnings per share of all periods presented shall be adjusted for the effects of errors and adjustments resulting from changes in accounting policies accounted for retrospectively.

32. Change in accounting policy and prior year error restatements (continued)

The table below summarises the impact of the change in the accounting policy as well as prior period restatement.

Group	2022 R'000 As Previously Stated	Change in accounting policy	Prior year restatement	2022 R'000 Restated
Statement of profit or loss and other comprehensive income				
Cost of sales	(1 346 236)	53 160	44 668	(1 248 408)
Operating expenses	(401 654)	-	43 381	(358 273)
Fair value adjustment on biological assets	(68 596)	(53 160)	121 756	-
Movement in credit loss allowance	-	-	2 758	2 758
Taxation	25 217	-	(58 935)	(33 718)
Profit for the year	29 128	-	153 628	182 756
Other comprehensive income	1 399	-	146	1 545
Statement of financial position				
Property, plant and equipment	910 355	-	23 993	934 348
Investment property	36 093	-	(23 993)	12 100
Biological asset	2 808 621	-	73 015	2 881 636
Goodwill	357 630	-	(357 630)	-
Retained income	(1 560 462)	-	318 674	(1 241 788)
Reserve	(3 243)	-	(14 344)	(17 587)
Deferred tax	(829 157)	-	(19 715)	(848 872)
Borrowings (current liability)	(83 100)	-	(38 604)	(121 704)
Bank overdraft (current liability)	(38 604)	-	38 604	-
Statement of cash flows				
Net cash from operating activities	146 672	53 160	-	199 832
Net cash applied to investing activities	(103 360)	(53 160)	24 379	(132 141)
Net cash applied to financing activities	(142 453)	-	(22 624)	(165 077)
Total cash and cash equivalents at the end of the year	(22 240)	-	38 604	16 364
Notes to the financial statements				
Basic/Diluted earnings per share (cents)	9	-	44	53
Basic/Diluted headline earnings per share (cents)	9	-	44	53
Basic core earnings per share (cents)	25	11	(2)	34
Diluted core earnings per share (cents)	24	11	(1)	34

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

32. Change in accounting policy and prior year error restatements (continued)

Segment reporting note	Processing	Warehouse	Forestry and Fleet	Agriculture	Total
Reportable segment profit/(loss) as previously stated	203 485	157 589	(127 977)	(15 863)	217 234
Reportable segment profit / (loss) after corrections in arithmetic error	203 485	38 349	(19 483)	(5 117)	217 234
Change in accounting policy	-	-	53 160	-	53 160
Reportable segment profit / (loss) as restated*	203 485	38 349	33 677	(5 117)	270 394

* The forestry segment's EBITDA increased by R53.2 million due to the change in accounting policy.

Group	2021 R'000 As Previously Stated	Change in accounting policy	Prior year restatement	2021 R'000 Restated
Statement of financial position				
Property, plant and equipment	905 645	-	22 087	927 732
Investment property	34 180	-	(22 087)	12 093
Biological asset	2 878 151	-	(139 551)	2 738 600
Goodwill	357 630	-	(357 630)	-
Retained income	(1 531 338)	-	472 305	(1 059 033)
Reserves	(2 193)	-	(14 198)	(16 391)
Deferred tax	(880 699)	-	39 074	(841 625)
Borrowings (current liabilities)	(167 461)	-	(36 850)	(204 311)
Bank overdraft (current liabilities)	(36 850)	-	36 850	-
	1 557 065	**-**	**-**	**1 557 065**

Company	2022 R'000 As Previously Stated	Change in accounting policy	Prior year restatement	2022 R'000 Restated
Investment in subsidiary	1 131 089	-	129 213	1 260 302
Retained earnings	(838 870)	-	(129 213)	(968 083)
	292 219	**-**	**-**	**292 219**

	2021 R'000 As Previously Stated	Change in accounting policy	Prior year restatement	2021 R'000 Restated
Investment in subsidiary	1 123 919	-	129 213	1 253 132
Retained earnings	(855 076)	-	(129 213)	(984 289)
	268 843	**-**	**-**	**268 843**

33. Cash generated from / (used in) operations

Figures in Rand R'000	Group 2023	Group 2022 Restated*	Company 2023	Company 2022
(Loss) / profit before taxation	(425 959)	216 475	(71 058)	(16 205)
Adjustments for non-cash items:				
Depreciation and amortisation	109 754	113 155	-	-
Losses on sale of assets and liabilities	653	2 021	-	-
Losses (gains) on exchange differences	4 137	(5 722)	-	-
Fair value losses (gains)	382 315	(90 806)	-	-
Impairments on assets	9 940	-	-	-
Impairment of trade receivables	(309)	(2 758)	-	-
Movements in provisions	592	3 750	-	-
Movement in retirement benefit liabilities	275	323	-	-
Harvesting of purchased biological assets	-	935	-	-
Share based payment expenses: equity-settled	1 150	7 170	-	-
Adjust for items which are presented separately:				
Interest income	(14 687)	(5 011)	(2)	1
Finance costs	47 109	37 484	68 557	15 690
Changes in working capital:				
(Increase) / decrease in inventories	(20 655)	(40 011)	-	-
(Increase) / decrease in trade and other receivables	(36 294)	81 238	3	(49)
Increase / (decrease) in trade and other payables	71 744	(64 017)	(1 418)	633
(Decrease) / increase in deferred income	(1 663)	1 161	-	-
	128 102	**255 387**	**(3 918)**	**70**

2023	Borrowings	Lease liabilities	Total
Balance as at 01 July 2022	419 914	32 131	452 045
Cash flow movement:			
Lease and borrowings payments	(58 561)	(9 382)	(67 943)
Non-cashflow movements:			
Loan raising fee	353	-	353
New instalment agreements entered into	31 971	-	31 971
Finance cost	-	2 400	2 400
Additions to lease liability	-	5 012	5 012
	393 677	**30 161**	**423 838**

2022	Borrowings	Lease liabilities	Total
Balance as at 01 July 2021	551 640	5 084	556 724
Cash flow movement:			
Lease and borrowings payments	(156 483)	(8 594)	(165 077)
Non-cashflow movements:			
Loan raising fee	436	-	436
New instalment agreements entered into	24 321	-	24 321
Finance cost	-	1 355	1 355
Additions to lease liability	-	34 287	34 287
	419 914	**32 132**	**452 046**

* Refer to note 32 for details on restatement.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

34. Tax paid

Balance at beginning of the year	(4 380)	(1 862)	2	-
Current tax recognised in profit or loss	(3 398)	(26 827)	-	-
Balance at end of the year	(2 756)	4 380	(2)	(2)
	(10 534)	**(24 309)**	**-**	**(2)**

35. Segment reporting

The Group has four reportable segments which are the Group's strategic divisions. Management has identified the segments based on the internal reports reviewed monthly by the Group's Chief Operating Decision-Maker (CODM). The CODM at the reporting date is senior management and the Executive Committee members. The responsibility of the CODM is to assess performance and to make resource allocation decisions related to the individual operations of the Group. The segment financial information provided to and used by the CODM forms the basis of the segment disclosure in these financial statements.

The business is considered from an operating perspective based on the products cultivated or produced and sold. The reportable segments comprise:

- **Processing plants:** The Group has aggregated two divisions. These divisions produce timber-related products and have therefore been assessed as one segment by management. The cash generating units are:
  - **Sawmilling:** Two sawmills located in close proximity to Sabie and Warburton that produce and sell a broad range of structural and industrial sawn timber products.
  - **Plywood:** A plywood plant in Sabie that manufactures and sells plywood timber products.

- **Forestry and Fleet:** The Group owns plantations in the Mpumalanga Province on which it grows pine and eucalyptus trees that are cultivated and managed on a rotational basis. The segment sells its products to its Processing segment and to external customers. Fleet Solutions owns heavy motor vehicles used to transport logs.

- **Wholesale:** The Group has five distribution centres located in Germiston, Polokwane, Gqeberha, Durban and Cape Town, that sell timber-related products from the sawmills, plywood plant and external suppliers.

- **Agricultural:** The Group owns land with avocados, citrus and macadamias orchards, a fruit packing facility and a sawmill that produces lumber and pallets in the Mpumalanga province.

The Group operates in three geographical areas, namely South Africa, countries in the Southern Africa Development Community (SADC) and non-SADC regions. Refer to the section on credit risk in note 39 for disclosure on major customers.

Performance in internal management reports is measured based on earnings before interest, taxation, depreciation and amortisation (EBITDA) and fair value adjustment on biological assets. Management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate in the industry.

The amounts included in the internal management reports are measured in a manner consistent with the financial statements.

The segment assets and liabilities are not separately disclosed as this information is not presented to the CODM. All non-current assets owned by the Group are located in South Africa.

Transactions between segments are done at arm's length.

The segment information for the year ended 30 June 2023:

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

35. Segment reporting (continued)

2023	**Processing plants**	**Wholesale**	**Forestry and Fleet**	**Agriculture**	**Total**
Revenue: external sales					
- Lumber sales	543 185	259 846	-	20 225	823 256
- Plywood sales	444 664	208 037	-	-	652 701
- Fruit and nut sales	-	-	-	14 655	14 655
- Sundry income	35 255	1 365	-	1 814	38 434
- Log sales	-	-	108 700	91	108 791
- Transport income	-	-	3 189	-	3 189
- Income from fruit packed	-	-	-	19 628	19 628
- Treating income	3 890	518	-	-	4 408
Revenue: inter-segment sales	316 733	94 050	719 479	9 279	1 139 541
	1 343 727	**563 816**	**831 368**	**65 692**	**2 804 603**
Revenue: External sales					
-South Africa	727 765	441 710	111 889	56 413	1 337 777
-Southern Africa Development Community (SADC)	170 720	28 056	-	-	198 776
-International (Non-SADC)**	128 509	-	-	-	128 509
Revenue: Inter-segment sales	316 733	94 050	719 479	9 279	1 139 541
	1 343 727	**563 816**	**831 368**	**65 692**	**2 804 603**
Material segment expenses:					
- Depreciation, amortisation and impairments	(70 343)	(9 706)	(29 544)	(2 966)	(112 559)
- Employment cost	(211 526)	(16 311)	(76 959)	(21 652)	(326 448)
- Utilities	(74 957)	(2 402)	(3 292)	(4 134)	(84 785)
- Fuel	(22 265)	(4 685)	(33 959)	(4 157)	(65 066)
- Transport	(74 779)	(10 392)	(141 037)	(1 470)	(227 678)
Reportable segment profit*	64 453	21 113	17 205	2 494	105 265
Other non-cash item:					
- Fair value adjustment to biological asset included in cost of sales	-	-	(385 779)	1 680	(384 099)
Capital expenditure	27 204	911	24 731	3 234	56 080
Material segment assets:					
Property, plant and equipment	422 249	56 339	166 410	99 987	744 985
Biological assets	-	-	2 529 202	7 063	2 536 265

* Being the EBITDA and fair value adjustments on biological assets.

** International sales refer to plywood sales to the United Kingdom, Belgium, Canada, Italy, Holland, Germany and the United States of America.

Figures in Rand R'000

35. Segment reporting (continued)

2022	Processing plants	Wholesale	Forestry and Fleet	Agriculture	Total
Revenue: external sales					
- Lumber sales	719 676	275 982	-	15 292	1 010 950
- Plywood sales	432 340	236 841	-	-	669 181
- Fruit and nut sales	-	-	-	16 645	16 645
- Sundry income	36 272	964	-	1 706	38 942
- Log sales	-	-	83 342	-	83 342
- Transport income	-	-	1 357	-	1 357
- Income from fruit packed	-	-	-	12 618	12 618
- Treating income	3 792	187	-	-	3 979
Revenue: inter-segment sales	250 190	110 572	713 305	10 746	1 084 813
	1 442 270	**624 546**	**798 004**	**57 007**	**2 921 827**

	Processing plants	Wholesale	Forestry and Fleet	Agriculture	Total
Revenue: external sales					
-South Africa	904 979	483 306	84 699	46 261	1 519 245
-Southern Africa Development Community (SADC)	194 687	30 668	-	-	225 355
-International (Non-SADC)**	92 414	-	-	-	92 414
Revenue: inter-segment sales	250 190	110 572	713 305	10 746	1 084 813
	1 442 270	**624 546**	**798 004**	**57 007**	**2 921 827**
Material segment expenses:					
- Depreciation, amortisation and impairments	(71 052)	(8 281)	(28 392)	(4 191)	(111 916)
- Employment cost	(232 494)	(18 848)	(64 207)	(19 147)	(334 696)
- Utilities	(69 872)	(2 995)	(3 389)	(3 473)	(79 729)
- Fuel	(16 395)	(3 747)	(20 452)	(2 079)	(42 673)
- Transport	(62 099)	(8 488)	(127 977)	(15 863)	(214 427)
Reportable segment profit/ (loss) - Restated***	203 485	38 349	33 677	(5 117)	270 394
Other non-cash item:					
- Fair value adjustment to biological asset included in cost of sales***	-	-	87 676	3 135	90 811
Capital expenditure	43 378	209	30 579	11 929	86 095
Material segment asset:					
Property, plant and equipment	566 612	36 692	171 473	99 723	874 500
Biological assets***	-	-	2 876 253	5 383	2 881 636

* Being EBITDA and fair value adjustments on biological assets.

** International sales refer to plywood sales to the United Kingdom, Belgium, Canada, Italy, Holland, Germany and the United States of America.

*** Refer to note 32 for details on the restatement.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

35. Segment reporting (continued)

Reconciliation of reportable segment revenue and profit				
Revenue				
Total revenue for reportable segments	2 804 603	2 921 827	-	-
Non-reporting segment revenue	1 003	1 796	-	-
Elimination of reportable inter-segment revenue	(1 139 312)	(1 084 813)	-	-
Consolidated revenue	**1 666 294**	**1 838 810**	**-**	**-**
Profit		**Restated******		
Total profit for reportable segments*	105 265	270 394	-	-
Depreciation and amortisation for reportable segments	(116 692)	(111 916)	-	-
Depreciation and amortisation and impairment for non reporting segments	(3 002)	(1 239)	-	-
Non-reporting segments profit*	4 991	896	-	-
Fair value adjustment on biological assets	(384 099)	90 811	-	-
Operating (loss)/profit	**(393 537)**	**248 946**	**-**	**-**

* Being EBITDA and fair value adjustments on biological assets

**** Refer to note 32 for details on the restatements.

Refer to note 39 where sales to the three largest customers are disclosed. Refer also to note 28, where the components of operating profit or loss are disclosed. Refer to note 32 for details on the restatement.

36. Commitments

Authorised capital expenditure

Already contracted for but not provided for				
• Property, plant and equipment	18 283	1 472	-	-
Not yet contracted for				
• Property, plant and equipment	67 758	68 077	-	-

This committed expenditure will be financed through existing cash resources, available loan facilities and funds generated internally.

Capital commitments are based on capital projects approved to date and the budget approved by the Board. Major capital projects require further approval before they commence.

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

37. Related parties

Relationships	
Subsidiaries	York Timbers Proprietary Limited
	Agentimber Proprietary Limited
	Sonrach Properties Proprietary Limited
	Global Forest Products Proprietary Limited*
	Madiba Forest Products Proprietary Limited
	Madiba Timbers Proprietary Limited
	South African Plywood Proprietary Limited*
	York Timbers Energy (RF) Proprietary Limited
	York Fleet Solutions Proprietary Limited
	York Timbers Chile Limitada
	Mbulwa Estates Proprietary Limited
	York Power (RF) Proprietary Limited
	York Carbon Proprietary Limited**
	Stadsrivier Vallei Proprietary Limited
	Nicholson and Mullin V2 Proprietary Limited
	York Timbers Zambia Proprietary Limited
Other related entities	York Timbers Community Proprietary Limited
	York Timber Staff Proprietary Limited
Directors	Refer to note 38

* The Company has a direct investment in these companies. All other companies are indirect investments.

** Non-controlling interest in the subsidiary amounts to 49% for York Carbon Proprietary Limited (equivalent to an amount of R49 (2022: R49)). Non-controlling interest is not disclosed in the Group's consolidated annual financial statements as this amount is less than one thousand Rand.

All of the companies are incorporated and domiciled in the Republic of South Africa, except for York Timbers Chile Limitada which is incorporated and domiciled in Chile, respectively. The holdings in and voting power of York Timber Holdings Limited in all subsidiaries is 100%, except in York Carbon Limited, where it is 51%.

Transactions between York Timber Holdings Limited and the respective subsidiaries, which are related parties, have been eliminated on consolidation.

Related party balances

Refer to note 8.

Related party transactions

	Group 2023	Group 2022	Company 2023	Company 2022
Recoveries received				
York Timbers Proprietary Limited	-	-	(6 404)	(6 564)
Finance cost / (investment income) from loan to group companies				
York Timbers Proprietary Limited	-	-	68 557	15 690
Underwriting fees paid to related party				
A2 Investment Partnert Proprietary Limited	4 780	-	4 780	-

The directors held 150 548 373 shares (2022: 72 884 085 shares) in York Timber Holdings Limited.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

38. Directors' emoluments

Executive

2023

	Emoluments	Other benefits*	Total
PS Barnard	490	226	716
GCD Stoltz	4 087	392	4 479
	4 577	**618**	**5 195**

2022

	Emoluments	Other benefits*	Bonus	Share option received	Total
GCD Stoltz	3 342	301	2 233	-	5 876
PP van Zyl	688	90	5 899	5 820	12 497
	4 030	**391**	**8 132**	**5 820**	**18 373**

* Other benefits relates to expense allowance and pension fund contributions.

Figures in Rand R'000

38. Directors' emoluments (continued)

Non-executive

2023

	Director's fees	Total
AW Brink	663	663
L Dhlamini	644	644
Dr AP Jammine	265	265
HM Mbanyele-Ntshinga	571	571
KM Nyanteh	710	710
N Siyotula	1 563	1 563
AJ Solomons	434	434
A van der Veen	546	546
A Zetler	470	470
	5 866	**5 866**

2022

	Director's fees	Total
AW Brink	553	553
L Dhlamini	339	339
Dr AP Jammine	586	586
HM Mbanyele-Ntshinga	506	506
DM Mncube	477	477
Dr JP Myers	722	722
KM Nyanteh	477	477
A van der Veen	252	252
A Zetler	107	107
	4 019	**4 019**

* Other benefits relates to performance related payments, expense allowance, share based payments and pension fund contributions.

Notes to the consolidated and separate annual financial statements

		Group		Company	
Figures in Rand R'000		2023	2022	2023	2022

39. Financial instruments and risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure consists of debt, which includes borrowings disclosed in note 19, lease liabilities in note 20 and cash and cash equivalents disclosed in note 14 and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing percentage.

Covenant compliance

The Group's loan agreement with Land Bank and Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited), as per note 19, are subject to covenant clauses, whereby the company is required to meet certain key financial ratios. Absa waived the right to call an event of default at year end due to the non compliance of the leverage and interest cover ratio.

Land Bank Loan covenant	**Required ratio**	**As calculated**	**Compliance (Yes / No)**
Security cover ratio	>=1.5:1	8.08	Yes
Interest cover ratio	>= 2:1	4.02	Yes
Debt-equity ratio	<= 1:1	0.13	Yes
Absa Capital Fund Loan (Stadsrivier) covenant			
Loan to value	<1	0.91	Yes
Debt to equity	<0.3	0.09	Yes
Leverage	<2.5	3.25	No
Interest cover	>3.5	2.20	No

The capital structure and gearing ratio of the group at the reporting date was as follows:

Borrowings payable within one year	19	156 302	121 704	-	-
Borrowings payable later than one year	19	237 375	298 210	-	-
Lease liabilities	20	30 161	32 132	-	-
Total borrowings		**423 838**	**452 046**	**-**	**-**
Cash and cash equivalents	14	(191 916)	(16 364)	-	-
Net borrowings		**231 922**	**435 682**	**-**	**-**
Equity		2 682 936	2 751 050	2 672 580	2 498 528
Gearing ratio		9 %	16 %	- %	- %

39. Financial instruments and risk management (continued)

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

This note presents information about the Group and Company's financial risk management framework, objectives, policies and processes for measuring and managing risk, and the Group and Company's exposure to these financial risks, and the Company's management of capital. Furthermore, quantitative disclosures are included throughout the annual financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Group and Company's executives are responsible for developing and monitoring the Group and Company's risk management policies. The Group's executives report regularly to the Board of Directors on these activities.

The Group and Company's risk management policies are established to identify and analyse the risks faced by the Group and Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and Company's activities. The Group and Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board has a Risk and Opportunity Committee, which oversees how management monitors compliance with the Group and Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and Company. The Risk and Opportunity Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures.

The Group and Company monitors its forecasted financial position on a regular basis. The Group and Company's executive meets regularly and considers cash flow projections for the following 12 months in detail, taking into consideration the impact of market conditions. The Group and Company's executive also receives reports from independent consultants and receives presentations from advisors on current and forecasted economic conditions.

The Group and Company's objectives, policies and processes for managing risks arising from financial instruments have not changed from the previous reporting period.

The Group and Company's forecasted financial risk position with respect to key financial objectives and compliance with treasury practice are regularly reported to the Board.

Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and Company's receivables from customer and investment securities.

Management has established a centralised receivables department and a credit policy. Under the credit policy, each new customer is analysed individually for creditworthiness before the Group and Company's standard payment and delivery terms and conditions are offered. The Group and Company's review includes external ratings, when available, and in some cases bank references. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board.

The utilisation of credit limits is regularly monitored. Customers that fail to meet the Group's benchmark on creditworthiness may transact with the Group only on a pre-payment basis. The Group does not require collateral in respect of trade and other receivables.

Figures in Rand R'000

39. Financial instruments and risk management (continued)

Credit guarantee insurance is purchased from Credit Guarantee Insurance Corporation of Africa Ltd (CGIC). The total credit limit guaranteed by CGIC is R100 million, with a deductible annual aggregate of R0.5 million.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Group		2023			Restated** 2022		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Other financial assets at amortised cost	9	133 005	-	133 005	114 785	-	114 785
Trade and other receivables	12	213 509	(7 243)	206 266	183 358	(7 186)	176 172
Cash and cash equivalents	14	191 916	-	191 916	16 364	-	16 364
		538 430	**(7 243)**	**531 187**	**314 507**	**(7 186)**	**307 321**

Company		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Loans to group companies	8	1 411 971	-	1 411 971	1 240 449	-	1 240 449
Trade and other receivables	12	178	(178)	-	178	(178)	-
Cash and cash equivalents	14	1	-	1	-	-	-
		1 412 150	**(178)**	**1 411 972**	**1 240 627**	**(178)**	**1 240 449**

Trade receivables comprise a widespread customer base. The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 26% (2022: 27%) of the Group’s revenue is attributable to sales transactions with three (2022: three) multi-national customers. The outstanding balance on these customers were approximately 27% (2022: 30%) of the trade receivables balance. These are customers of the processing plants and wholesale division. See below table for percentage of sale to three multi-national customers:

Customer				
A	12 %	11 %	-	-
B	6 %	7 %	-	-
C	8 %	9 %	-	-
	26 %	**27 %**	**-**	**-**

The risk rating grade of cash and cash equivalents and self insurance fund is set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

39. Financial instruments and risk management (continued)

	Credit ratings of financial institution	Net cash and cash equivalents and other financial assets at amortised cost R'000	Net cash and cash equivalents and other financial assets at amortised cost R'000
FirstRand Bank Limited	BBB-	29 342	9 717
Standard Bank	AA+	-	60
Absa Bank	AA+	89 777	(32 155)
The Hollard Insurance Company Limited (self insurance fund)	AA	133 005	114 785
		252 124	**92 407**

Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate level of committed credit facilities. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Refer to note 15.

The Group and Company's liquidity risk is a function of the funds available to cover future commitments. The Group and Company manages liquidity risk through an on-going review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are maintained and monitored.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The total facilities and guarantees available to the Group are as follows:

Absa IMX facility	150 000	150 000	-	-
Guarantees	6 000	6 000	-	-
Letters of credit	1 000	1 000	-	-
Guarantees to Eskom Holdings Limited	3 334	3 334	-	-
Forward exchange contracts	1 000	1 000	-	-
Foreign exchange settlement limit	5 000	5 000	-	-
Absa asset and vehicle finance facility	90 000	90 000	-	-
Daimler asset and vehicle finance facility	50 000	50 000	-	-
	306 334	**306 334**	**-**	**-**

The Group utilised R51.2 million (2022: R36.9 million) of the Absa asset and vehicle finance facility, R8.9 million (2022: R15.8 million) of the Daimler asset and vehicle finance facility and R72.6 million (2022: R38.6 million) of the IMX facility.

Figures in Rand R'000

39. Financial instruments and risk management (continued)

The table below analyses the Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group - 2023

		1 to 6 months	7 to 12 months	1 to 2 years	2 to 5 years	Total
Non-current liabilities						
Borrowings	19	-	-	86 222	145 687	231 909
Lease liabilities	20	-	-	10 355	13 158	23 513
Instalment sale agreements	19	-	-	22 444	19 788	42 232
Current liabilities						
Trade and other payables	23	308 273	-	-	-	308 273
Borrowings	19	116 009	43 396	-	-	159 405
Lease liabilities	20	4 986	5 312	-	-	10 298
Instalment sale agreements	19	15 934	13 542	-	-	29 476
		445 202	**62 250**	**119 021**	**178 633**	**805 106**

Group - 2022 Restated*

		Less than 1 year	1 to 2 years	2 to 5 years	Total
Non-current liabilities					
Borrowings	19	-	79 949	219 039	298 988
Lease liabilities	20	-	8 617	20 834	29 451
Instalment sale agreements	19	-	17 103	25 930	43 033
Current liabilities					
Trade and other payables	23	237 580	-	-	237 580
Borrowings	19	119 998	-	-	119 998
Lease liabilities	20	8 425	-	-	8 425
Instalment sale agreements	19	28 148	-	-	28 148
		394 151	**105 669**	**265 803**	**765 623**

* Refer to note 32 for details on the restatements.

Figures in Rand R'000

39. Financial instruments and risk management (continued)

Company - 2023

		Less than 1 year	Total
Current liabilities			
Trade and other payables	23	232	232

Company - 2022

		Less than 1 year	Total
Current liabilities			
Trade and other payables	23	60	60

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Foreign currency risk

The Group operates in three geographical segments, namely South Africa, countries within the SADC and non-SADC regions. All transactions with customers in the SADC countries are denominated in SA Rand and do not expose the Company to currency risks. Transactions with non-SADC countries are denominated in United States Dollar (USD).

The Group sells to foreign customers in USD and Euro's and collects the money in the USD and Euro's denominated bank account. Future commitments as well as recognised assets and liabilities that are denominated in a currency that is not the functional currency, expose the Group to currency risks. Most of the Group's purchases are denominated in SA Rand. However, certain engineering machinery and equipment was purchased and plywood products imported denominated in USD, Euro's and CAD was purchased during the year. This exposed the Group to changes in the foreign exchange rates. Sales denominated in foreign currency provides a natural hedge to purchases denominated in foreign currency. In the current year the Group had realised foreign exchange loss of R4.1 million (2022: gains of R5.7 million).

The Company's cash deposits are all denominated in SA Rand and USD.

		Group		Company	
Figures in Rand R'000		2023	2022	2023	2022

39. Financial instruments and risk management (continued)

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:
US Dollar exposure:

Current assets:					
Trade and other receivables	12	67	177	-	-
Cash and cash equivalents	14	1 023	539	-	-
Current liabilities:					
Trade and other payables	23	(59)	(1 917)	-	-
Net US Dollar exposure		**1 031**	**(1 201)**	**-**	**-**

Euro exposure:

Current assets:					
Trade and other receivables	12	77	-	-	-
Cash and cash equivalents	14	293	-	-	-
Current liabilities:					
Trade and other payables	23	(156)	-	-	-
Net Euro exposure		**214**	**-**	**-**	**-**

CAD exposure:

Current liabilities:					
Trade and other payables	23	(3)	-	-	-
Net CAD exposure		**(3)**	**-**	**-**	**-**

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The sensitivity analysis was calculated based on 1% higher and lower than the actual rate.

Group	2023	2023	2022	2022
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
South African Rand exposure	(238)	238	(158)	158

Interest rate risk

Interest rate risk is the risk that the Group’s financial position will be adversely affected by movements in interest rates.

The Group’s interest rate risk arises from long-term borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk, while borrowings at fixed rates expose the Group to fair value interest rate risk. The Group does not have a policy to hedge long term interest rate risk and will only make use of hedging instruments to reduce the short-term sensitivity of the Group to interest rate changes.

Sensitivity analysis of interest is disclosed in note 19.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

39. Financial instruments and risk management (continued)

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
Group		2023	2022	2023	2022
Variable rate instruments:					
Liabilities					
Borrowings	19	10.50% -12.25%	7.25% - 8.75%	393 677	419 914

Variable rate financial liabilities as a percentage of total interest bearing financial liabilities	100 %	100 %	-	-

40. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 3

Recurring fair value measurements

Assets

Investment property	Notes		**Restated***		
	4				
Investment property		13 884	12 100	-	-
Total		**13 884**	**12 100**	**-**	**-**

		Group		Company	
Figures in Rand R'000		2023	2022	2023	2022

40. Fair value information (continued)

Level 3

Recurring fair value measurements

Assets	Notes		**Restated***		
Biological assets	5				
Pine and eucalyptus trees		2 529 202	2 876 253	-	-
Unharvested fruit		7 063	5 383	-	-
Total biological assets		**2 536 265**	**2 881 636**	**-**	**-**

* Refer to note 32 for details on restatement.

41. Going concern

The audited consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The increase in interest rates and related higher interest expense continues to put pressure on the Group's covenants under both the Absa and Land Bank facility agreements.

Management have proactively engaged with both banks and received a condonement from Absa for the expected 30 September 2023 breach. Based on current forecasts and current ratio parameters, the 31 December 2023 interest and leverage covenants are expected to be breached. Absa is conducting its annual review during October 2023 where covenant ratio's will be reset. The Group expects to have sufficient funds available to settle the Absa debt, should it become payable in January 2024. However, this is unlikely based on indications from the bank.

The Land Bank facility provides a remedy to cure a breach within 20 days of notifying the bank of a potential breach. York has notified the bank of a potential breach and have applied the remedy in the compliance certificate issued to the bank, for the 30 September 2023 measurement period. The remedy cures the breach, and as such the group is not in default.

The rights issue funds are available to the Group to fund the increased external purchases as well as for liquidity. At year-end, R158 million of the funds were invested in a short-term fixed deposit and available to the group.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

42. Events after the reporting period

The Board is not aware of any material event which occured after the reporting date and up to the date of this report.

43. Earnings per share

Basic earnings per share		**Restated***		
Basic (loss) / earnings per share (cents)	(77)	53	(17)	(5)
Diluted basic (loss) / earnings per share (cents)	(77)	53	(17)	(5)

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

43. Earnings per share (continued)

The bonus element of the share-based payment did not have a dilutive effect, due to rounding, on the shares (2022: did not have a dilutive effect).

Reconciliation of (loss) / profit for the year to basic earnings				
(Loss) / profit for the year attributable to equity holders of the parent	(312 864)	182 755	(71 094)	(16 206)

* Refer to note 32 for details on restatements.

		Restated*		
Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share				
Weighted average number of ordinary shares used for basic earnings per share	320 859	320 383	331 241	331 241
Adjusted for:				
Bonus element from rights issue	23 580	23 580	23 580	23 580
Rights offer shares issued for value	59 638	-	59 638	-
	404 077	**343 963**	**414 459**	**354 821**

Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share				
Weighted average number of ordinary shares used for basic earnings per share	404 077	343 963	404 077	331 241
Adjusted for:				
Bonus element of share-based payment	762	565	762	565
	404 839	**344 528**	**404 839**	**331 806**

* Refer to note 32 for details on restatement.

	Group		Company	
Figures in Rand R'000	2023	2022	2023	2022

43. Earnings per share (continued)

Headline (loss) / earnings and diluted headline (loss) / earnings per share

		Restated*		
Headline (loss) / earnings per share (c)	(76)	53	(17)	(5)
Diluted headline (loss) / earnings per share (c)	(76)	53	(17)	(5)

The bonus element of the share-based payment did not have a diluted effect, due to rounding, on the shares (2022: did not have a dilutive effect).

Reconciliation between basic (loss) / earnings and headline (loss) / earnings				
Headline (loss) / earnings	(312 864)	182 755	(71 094)	(16 206)
Adjusted for:				
Loss on sale of assets	652	2 021	-	-
Tax on loss on sale of assets	(176)	(566)	-	-
Impairment of property, plant and equipment	9 941	-	-	-
Tax on impairment of property, plant and equipment	(2 684)	-	-	-
Fair value adjustment on investment property	(1 784)	-	-	-
Tax on fair value adjustment on investment property	482	-	-	-
Insurance payouts from loss of assets	(322)	(1 235)	-	-
Tax on insurance payouts from loss of assets	87	346	-	-
	(306 668)	**183 321**	**(71 094)**	**(16 206)**

Core (loss) / earnings per share**

Core (loss) / earnings per share (cents)	(8)	34	(17)	(5)
Diluted core (loss) / earnings per share (cents)	(8)	34	(17)	(5)

The bonus element of the share-based payment did not have a dilutive effect on the shares (2022: did not have a dilutive effect).

** The core earnings is defined as basic earnings adjusted for fair value adjustments on biological assets after taxation. This is a non-IFRS measure.

Reconciliation between basic (loss) / earnings and core (loss) / earnings		**Restated***		
Basic (loss) / earnings	(312 864)	182 755	(71 094)	(16 206)
Adjusted for:				
Fair value adjustment on biological assets	384 099	(90 811)	-	-
Tax on fair value adjustment on biological assets	(103 707)	25 427	-	-
	(32 472)	**117 371**	**(71 094)**	**(16 206)**

* Refer to note 32 for details on restatement.

44. Contingent liability

A previous provident fund of the group made a claim against a subsidiary, for the incorrect deduction of contributions from members' salaries based on the fund's rules, for a period between 2007 and 2014. York paid the full amount deducted from employees to the fund for the period in question. There was no money withheld by York. Whilst a high court ruling found in favor of the fund, York continues to contest the claim.