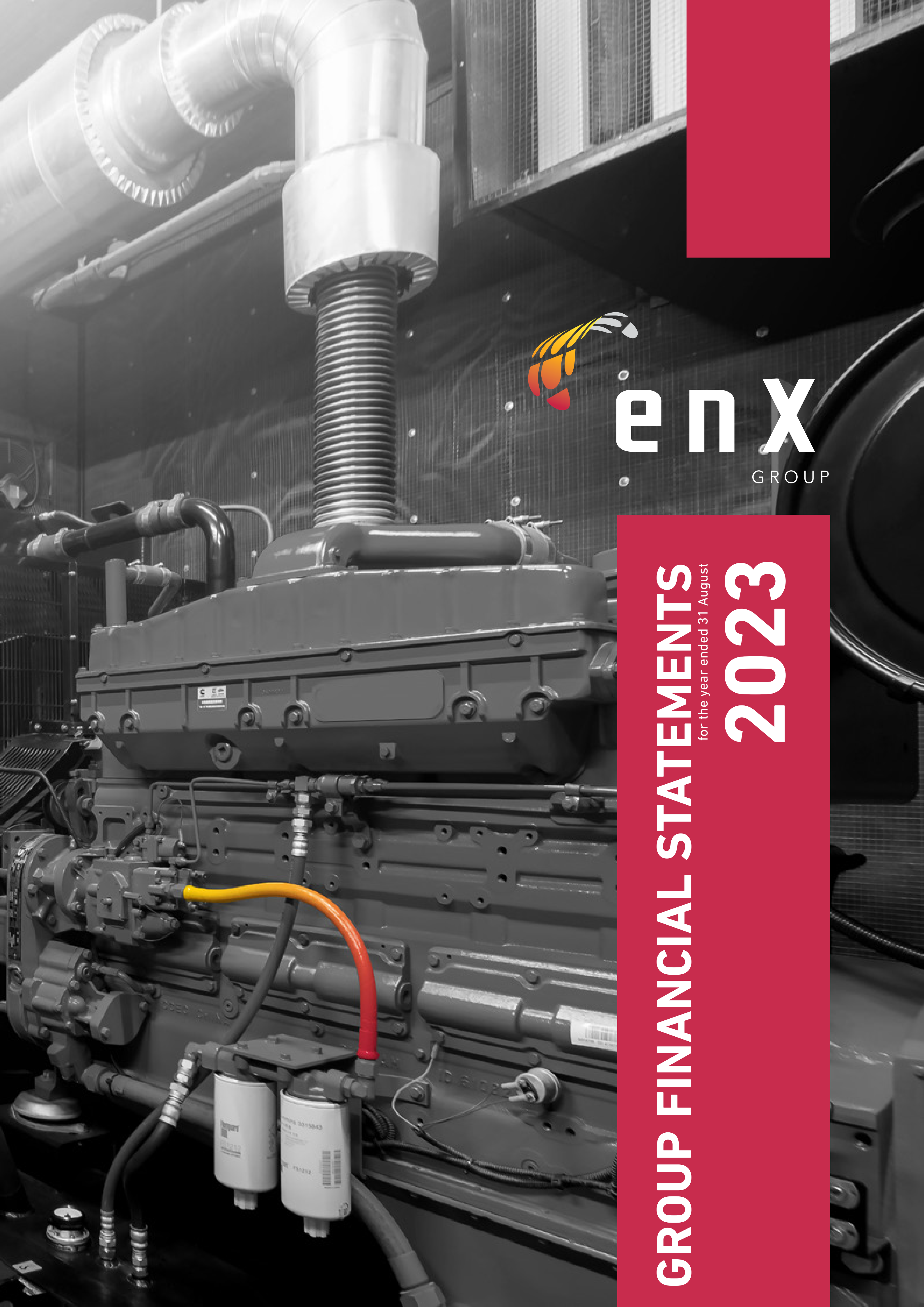

enX GROUP

GROUP FINANCIAL STATEMENTS

for the year ended 31 August

2023


AUDITED FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

For the year ended 31 August 2023

The board of directors of enX Group Limited ("the issuer" or "the company") and its consolidated subsidiaries ("the group") are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the audited consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the group and the company as at the end of the financial year, 31 August 2023, and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board, 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 (FRSC)). The independent external auditor is engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated and separate financial statements are prepared in accordance with IFRS, JSE Listings Requirements and the requirements of the Companies Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Weaknesses identified by management and directors in the systems of internal control in the prior year have been improved through enhanced systems of internal controls. The group follows a co-sourced internal audit function to ensure any identified weaknesses are appropriately addressed and that the current system of internal control is effective, and that standards and policies are adhered to.

The directors have reviewed the group's cash flow forecast for the twelve-month period ending November 2024 and in light of this review, the current financial position and the additional considerations documented in the directors' report with regards to going concern as well as note 38 in the consolidated financial statements, they are satisfied that the group has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The consolidated and separate financial statements have been audited by the group's external auditor and their report is presented on pages 3 to 5.

PREPARER OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The consolidated and separate financial statements have been prepared under the supervision of the CFO, Robert Lumb CA(SA).

The financial statements are available on the group's website www.enxgroup.co.za.

APPROVAL OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The consolidated and separate financial statements set out on pages 15 to 70 and pages 72 to 88 respectively, which have been prepared on the going concern basis, were approved by the board of directors on 6 November 2023 and were signed on its behalf by:

A Hannington
Chief Executive Officer

R Lumb
Chief Financial Officer

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

In terms of paragraph 3.84(k) of the JSE Listings Requirements, each of the directors, whose names are stated below, hereby confirm that:

- the consolidated and separate financial statements set out on pages 15 to 88, fairly present in all material respects the financial position, financial performance and cash flows of the group in terms of IFRS;
  - to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the financial statements false or misleading;
  - internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementing and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee ("ARC") and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls and have taken steps to remedy these deficiencies; and
- we are not aware of any fraud that involves directors.

A Hannington
Chief Executive Officer

R Lumb
Chief Financial Officer

COMPANY SECRETARY COMPLIANCE STATEMENT

for the year ended 31 August 2023

In my capacity as company secretary, I hereby confirm that in terms of section 88(2)(e) of the Companies Act, the company has lodged all returns required of a public company in terms of this Act for the year ended 31 August 2023 with the Registrar of Companies and that all these returns are, to the best of my knowledge and belief true, correct and up to date.

R Cloete on behalf of Acorim Proprietary Limited
Company secretary

Sandton
6 November 2023

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ENX GROUP LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of enX Group Limited (the Group and Company) set out on pages 15 to 88, which comprise the consolidated and company statement of financial position as at 31 August 2023, and the consolidated and company statement of profit or loss and other comprehensive income, consolidated and company statement of changes in equity, consolidated and company statement of cash flows and consolidated segmental analysis for the year then ended, and notes to the consolidated and company annual 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 enX Group Limited and its subsidiaries as at 31 August 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 as issued by the International Accounting Standards Board (IFRS 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Key audit matter	How the matter was addressed in the audit
Valuation of the contract liabilities and revenue resulting from vehicle maintenance plans Refer to note 1.10 Management judgement and estimates, note 17 Trade and other payables and note 19 Revenue	
Revenue recognised from the vehicle maintenance plans are assessed in terms of IFRS 15, *Revenue from Contracts with Customers* (IFRS 15). Revenue from vehicle maintenance plans is based on an actuarial calculation performed by an external party (actuarial expert) and revenue is recognised on the basis of a gross profit model over the life of the maintenance contract (plan). A number of considerations are applied in determining the future maintenance costs which include: • the class of the vehicle, • the make of the vehicle, • the age of the vehicle, • the actual costs incurred, • the expected future costs; and • the term of the contract. Based on the actuarial valuation a combination of valuation methods are applied in order to derive the best estimate of the future costs, which involved judgement as there is potential volatility in the revenue recognised as cost curves are updated. As a result of the above considerations, the valuation of contract liabilities and resulting revenue recognised from the maintenance plans was considered a key audit matter in respect of the consolidated financial statements.	We performed the following procedures in respect of contract liabilities and revenue resulting from maintenance contracts: • Obtained an in-depth understanding of the maintenance contract liabilities and the maintenance revenue business process which includes the contract calculation and valuation. • Assessed the design and implementation of controls over the valuation of the Contract Liability at year end. • Evaluated the professional qualifications, competence, capabilities and objectivity of the actuarial expert, employed by management, who valued the Group's contract liabilities through inspection of the expert's professional membership and reviewing the expert's curriculum vitae. With the assistance of our internal actuarial specialists, we: • Evaluated the key actuarial assumptions employed in management's actuarial model and assessed the appropriateness of the model used by involving a senior internal actuarial specialist to evaluate the methodology and key assumptions underpinning the actuarial model by comparing the inputs to industry data. • Agreed on a sample basis the inputs into the actuarial model against the lease contracts, invoices and other relevant supporting documentation. • Assessed the mathematical accuracy of the formulae used in the model through recalculation of the model. • Assessed the maintenance revenue, maintenance expense and gross margin on a sample basis to evaluate the existence of revenue by agreeing the maintenance revenue and expense to the underlying invoice and the gross margin journal to the actuarial valuation at year end. • Assessed the presentation and disclosure of the contract liabilities and revenue resulting from the maintenance contracts in the consolidated financial statements in accordance with IFRS 15.

INDEPENDENT AUDITOR'S REPORT (continued)

<table>
<tr><td colspan="2">Classification of Eqstra as a disposal group held for sale and discontinued operation
Refer to note 12 Disposal group held for sale and note 21 Discontinued operations. Also refer to note 3 of the separate company financial statements</td></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Eqstra operation is classified as a disposal group held for sale as at 31 August 2023 and as a discontinued operation in terms of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations (IFRS 5).
The classification of Eqstra as a disposal group held for sale and discontinued operation involves judgement given there is no legally binding sale agreement as at 31 August 2023.
Judgement is also required in measuring the disposal group held for sale at the lower of fair value less costs of disposal and it's carrying value.
IFRS 5 requires that the results of discontinued operations are presented separately from continuing operations in the statement of profit or loss and other comprehensive income. In addition, the comparative statement of profit or loss and other comprehensive income is re-presented each period on the basis of the classification of operations as discontinued or continuing operations at the reporting date.
As a result of the above considerations, classification of the Eqstra operation as a disposal group held for sale and discontinued operation was considered a key audit matter in respect of the consolidated financial statements.
For the separate company financial statements, the classification of the investment in Eqstra Equity Investments Holdings Proprietary Limited as an asset held for sale was also considered a key audit matter.</td><td>We performed the following procedures with respect to the classification of Eqstra as a disposal group held for sale and discontinued operation:
• Obtained a detailed understanding of the facts and circumstances related to the potential disposal transaction.
• Assessed the appropriateness of the classification of Eqstra as a disposal group held for sale and discontinued operation with reference to the requirements of IFRS 5.
• Assessed the reasonability of management's measurement of the disposal group held for sale (and asset held for sale in the separate company financial statements) at the lower of fair value less costs to sell and it's carrying value.
• Assessed the restatement of the comparative information presented in note1.11 to the consolidated and separate financial statements.
• Assessed the presentation and disclosure of the Eqstra operation in accordance with the requirements of IFRS 5.</td></tr>
</table>

Other matter relating to comparative information

The consolidated and separate financial statements of Group and Company at and for the years ended 31 August 2022, excluding the adjustments described in note 1.11 to the consolidated and separate financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 3 November 2022.

As part of our audit of the consolidated and separate financial statements as at and for the year then ended 31 August 2023, we audited the adjustments described in note 1.11 that were applied to restate the comparative information presented as at and for the year then ended 31 August 2022. We were not engaged to audit, review, or apply any procedures to the consolidated and separate financial statements for the years ended 31 August 2022, other than with respect to the adjustments described in note 1.11 to the consolidated and separate financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in note 1.11 are appropriate and have been properly applied.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "enX Group Limited consolidated and separate Financial Statements for the year ended 31 August 2023", which includes the Directors' Report, the Audit and Risk Committee Report and the Company Secretary Compliance Statement as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated 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 express an audit opinion or any form of assurance conclusion thereon.

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

When we read the Integrated Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of enX Group Limited for one year.

KPMG Inc.

Per J Oertli
Chartered Accountant (SA)
Registered Auditor
Director
6 November 2023

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AUDIT AND RISK COMMITTEE REPORT

For the year ended 31 August 2023

Dear shareholders

The Audit and Risk Committee (**"ARC"** or "**the committee**") has the pleasure to present an overview of the activities performed during the financial year ended 31 August 2023. ARC has reporting responsibilities to both shareholders and the board and is accountable to both.

The report and committee activities have been prepared in accordance with the requirements of the Companies Act, the King IV Report on Corporate Governance for South Africa, 2016 (**"King IV™"**) and the JSE Listings Requirements based on board approved results.

The committee is constituted as a statutory committee of the group in terms of the Companies Act. Its operations are guided by a formal, board approved, terms of reference that are in line with the Companies Act and King IV™. An annual work plan is drawn up to incorporate these obligations and progress is monitored to ensure all obligations are fulfilled. This process is supported by the Financial and risk review committees in all operating segments. These committees meet in terms of formal agendas which deal with issues arising at the operational segment level and are chaired by the group CFO. These committees provide formal feedback to ARC. The ARC acts for enX Group Limited ("the company") and its consolidated subsidiaries ("the group").

The committee members implemented findings from an independent assessment conducted during 2022. The committee is satisfied that it has fulfilled its duties as contained in its terms of reference.

In summary the ARC assists the board in its responsibilities covering the:

- Internal and external audit processes;
- risk management;
- liquidity management;
- adequacy and functioning of the group's internal controls;
- information technology governance; and
- integrity of financial reporting and related external reports.

MEMBERSHIP

During the course of the year, membership of the committee comprised solely of independent non-executive directors. The board of enX continues to believe that these members collectively possess the skills and knowledge to oversee and assess the strategies and processes developed and implemented by management to ensure that financial data is materially accurate and internal controls were effective. They are:

Member[1,2]	Date appointed/resigned	Attendance[3]
K Mokhobo (Chair)	appointed 3 January 2023	4/4
K Matthews	appointed 7 February 2023	4/4
N Simamane	appointed 15 February 2023	2/2
V Jarana	resigned 30 April 2023	3/3
L Molefe	resigned 31 January 2023	1/1
B Ngonyama	resigned 30 January 2023	0/1

1	*Full biographical details of members are available in the integrated report*
2	*Members fees are included in note 36 – Directors' and prescribed officers' remuneration*
3	*Attendance based on meetings held on 21 Oct'23, 7 Feb'23, 15 Feb'23, 10 May'23 and 3 Aug'23*

Shareholders voted in favour of these members at the previous AGM.

In addition to the committee members, the CEO and CFO, internal and external auditors, Chief Investment Officer, Chief Information Officer and relevant senior managers attend ARC meetings by invitation. The company secretary acts as secretary at these meetings.

Role and responsibilities	Execution
Compliance with Companies Act, King IV™ and JSE Listing Requirements	• performed duties which are attributed to it by the Companies Act, the JSE Listings Requirements and King IV™; • reviewed terms of reference; • confirmed board assessment of member's independence; • improved the committee's effectiveness based on recommendations from 2022 independent assessment; • reported to the board on matters concerning accounting policies, financial controls, records and reporting; and • dealt with concerns and complaints received relating to accounting practices and reporting, internal audit and internal controls. The ARC confirmed that the findings contained in the various JSE Proactive Monitoring reports, including the November 2022 issuance, thematic reviews, common findings reports, and the JSE and IASB COVID-19 letters and documents were considered when preparing the audited consolidated and separate financial statements, as well as the summarised consolidated financial statements for the year ended 31 August 2023.
Engage with independent external auditors	• nominated KPMG Inc. and Mr. J Oertili as the external audit firm and designated auditor respectively, to the shareholders for appointment as the auditors for the 2024 financial year and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor; • nominated the external auditor for each material subsidiary for appointment; • ensured there were no scope limitations and reviewed the audit effectiveness and evaluated the external auditors' internal quality control procedures; • pre-approved all non-audit services in line with the formal policy on non-audit services. Fees for non-audit services amounted to R Nil million (2022: R0.6 million); • obtained an annual confirmation from the external auditor that their independence was not impaired and the committee satisfied itself that the auditor was independent;

	• approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor (refer to note 20 for the 2023 audit fee); • satisfied itself as to the qualifications and competence of KPMG Inc. and the audit engagement partner; • obtained assurances from the external auditor that adequate accounting records were being maintained by the company and its material subsidiaries; • considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act (No. 26 of 2005); • considered any reported control weaknesses, management's response for their improvement and assessed their impact on the general control environment; • considered the tenure of the external auditor and found it to be appropriate; • practiced the highest standards of financial disclosure. The committee has satisfied itself that appropriate financial reporting procedures are in place and operating; • considered the restatement of the prior year results to amend the comparative information to account for the correction of an error in respect of the deferred tax liability arising from the initial recognition of the right to buy intangible asset at a pre-tax value. During the current reporting period the group determined that the recognition of the deferred tax liability does not comply with the initial recognition criteria of IAS 12 Income Taxes. The group assessed the guidance provided in IAS 12 in respect of the initial recognition of deferred tax liabilities and concluded that the prior year balance sheet would be restated to reverse the deferred tax liability of R22.2 million and the corresponding gross up of the intangible asset; and • considered the restatement of prior year results in line with IFRS 5 - Assets held for sale. The committee met with the designated audit partner without management present, where necessary, and was briefed throughout the year on general matters relating to auditing and accounting that may impact enX as well of matters concerning the group and the audit process. All matters of concern which were raised, have been appropriately dealt with. The committee confirmed that the external auditor has executed its audit responsibilities in accordance with International Standards on Auditing and had functioned in accordance with its mandate for the 2023 financial year. No matters of concern regarding the performance of the external auditor were noted by the committee. KPMG Inc. expressed an unqualified opinion on the financial statements for the year ended 31 August 2023. The committee satisfied itself that the appointment of the external auditor has been made in accordance with the provisions of section 22 of the JSE Listings Requirements and that all requisite information in this regard has been received to enable it to arrive at this consensus.
Engage with internal audit and assess internal controls	• reviewed the internal audit structure; • approved the internal audit plan and scope regarding their adequacy to address significant risks facing the business and subsequent changes to the plan; • reviewed and approved the internal audit charter and evaluated the independence of the internal audit function and its compliance with the charter; • considered the reports of the internal auditor on the group's systems of internal control including financial controls, strategic risk management and maintenance of effective internal control systems; • received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or the disposal thereof; • reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to significant internal audit findings; and • met separately with internal audit once this year. The internal audit function reports functionally into chair of the ARC and administratively to the CEO. The ARC is satisfied that internal audit has the appropriate qualifications, expertise and experience to fulfil its duties. The ARC did not evaluate the effectiveness of the internal audit for 2023 allowing the structure time to establish itself. Confirmed that, based on the results of the formal documented review of the design, implementation and effectiveness of the group's system of internal financial controls, as presented by internal audit, explanations given by management and discussions with external auditors on the results of the audits, no material breakdowns in the functioning of the internal financial controls were noted during the year under review.
Oversight of risk management and governance and combined assurance	• satisfied itself that the risk methodology is appropriate for the group and consistently applied throughout the group; • reviewed the risk maturity and risk appetite, noting an improved risk awareness with more focus placed on fraud risks and key financial risks; • reviewed risk registers and provided a forum for discussing business risk and control issues and to develop recommendations for consideration by the board; and • reviewed the combined assurance model and measured progress against plan. The ARC has satisfied itself that the level of unmitigated risks, both individually and in totality, are within the risk appetite of the group, and that there is sufficient assurance provided to manage risks and the control environment through both internal and external assurance providers.

AUDIT AND RISK COMMITTEE REPORT (continued)
for the year ended 31 August 2023

Integrated reporting and financial statements	The committee recommended for approval: • the consolidated and separate financial statements for the year ended 31 August 2023; • the interim results for the six months ended 28 February 2023; and • trading statements and other SENS announcements where applicable.
Assurance of financial director and finance functions expertise	• as required by the JSE Listings Requirements, the committee has satisfied itself that the CFO, Mr. Robert Lumb has the appropriate expertise and experience to fulfil his role and responsibilities; and • satisfied itself that the composition, experience and skill set of the finance function met the group's requirements.
Information and technology (IT) governance	The board mandated the committee to provide oversight over IT governance. As such, the committee oversaw the implementation and review of all relevant IT governance mandates, policies, processes and control frameworks while ensuring compliance with the standards adopted by the group. In order to assist the committee in the discharge of its duties in respect of IT governance, an IT steering committee is mandated with the executive oversight of IT governance. The steering committee ensures that the IT strategy supports the business goals and objectives as well as the sustainability objectives of the group. The steering committee is responsible for the implementation of and measurement against the IT governance framework and other related initiatives, in conjunction with the other existing oversight bodies. • monitored the governance of IT and the effectiveness of the group's information systems; • provided oversight and monitored progress made on material IT projects; • provided additional oversight where any instability has been reported on key financial platforms; • reviewed cybersecurity minimum guidelines and assessed the impact of the emerging risk landscape; • reviewed and ensured alignment of IT strategies with the operating businesses; and • obtained an understanding of the innovation or digitisation projects within the group. Based on this review the ARC found these policies to be sound.
Fraud detection and prevention oversight	• received and reviewed quarterly updates on any tip-offs received through the whistle-blowing process. Reports received and investigated did not reveal any malpractice relating to accounting practices, internal controls, internal audit function or the content of the group's financial statements.

ADEQUACY AND FUNCTIONING OF THE INTERNAL CONTROLS

The internal audit function is set up to report independently from management and has a direct reporting line to the chair of the ARC with an administrative reporting line to the CEO.

The following functions were performed and reported on:

- evaluated the effectiveness of internal controls over financial reporting and internal controls in general;
- reviewed the governance of IT within the group;
- assessed the governance of risk in line with the Combined Assurance Framework; and
- reported findings to management and the committee and monitored the remediation of all significant deficiencies reported.

To meet the group's responsibility to provide reliable financial information, the group maintains key financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal and that those transactions are properly authorised and recorded.

The ARC received feedback from management on the work performed in the current year to support the CEO and CFO sign off on internal controls, as required by paragraph 3.84(k) of the JSE Listings Requirements. This paragraph requires a statement by the CEO and CFO to confirm that internal financial controls have been put in place to ensure that material information of the group is provided to effectively prepare the group's financial statements.

The group has adopted a "Top Down and Bottom Up" approach to internal financial reporting of risks and controls whereby material reporting risks and controls at the group's reporting and those in place at underlying businesses, have been identified and documented. Internal financial reporting risks were identified and documented across key reporting processes as well as at an entity level.

The ARC is satisfied that the internal financial controls are adequate and effective to assist in compiling the audited consolidated and separate financial statements. Where deficiencies in design and operational effectiveness of the internal financial controls have been noted, they have been disclosed to the committee and external auditors, together with the necessary remedial actions instituted. The committee is satisfied that none of these deficiencies had a material effect for the purposes of the preparation and presentation of the audited consolidated and separate financial statements for the year ended 31 August 2023.

The group's management remain committed to ongoing improvements ensuring that the control environment remains sound for reliable audited consolidated and separate financial statements and safeguarding of the group's assets.

FINANCIAL REPORTING

The committee ensures that financial reporting to stakeholders fairly presents the state of affairs of the group which includes the audited consolidated and separate financial statements.

The ARC, amongst other matters:

- confirmed the going concern as the basis of preparation of the audited consolidated and separate financial statements;
- ensured that the audited consolidated and separate financial statements fairly present the financial position of the group and of the company as at the end of the financial year and the results of the operations and cash flows for the financial year;

- considered the basis on which the group and the company, was determined to be a going concern;
- considered the appropriateness of the accounting policies adopted and changes thereto;
- reviewed the external auditor's audit report and key audit matters included;
- reviewed the representation letter relating to the audited consolidated and separate financial statements, which was signed by senior management;
- considered any problems identified and reviewed any legal and tax matters that could have a significant impact on the audited consolidated and separate financial statements;
- considered accounting treatments, significant unusual transactions and accounting judgements;
- had unrestricted access to the financial information of the group and assessed whether the group has established appropriate financial reporting procedures at the group and subsidiary levels; and
- was able to satisfy itself that the group has the appropriate financial reporting procedures in terms of the JSE Listings Requirements paragraph 3.84(g).

Restatement of the prior year

During the current reporting period, the comparative information was restated as the group met the classification criteria in terms of IFRS 5 to classify enX's leasing and fleet management business, Eqstra, as a disposal group held for sale and discontinued operation, effective 31 August 2023.

Refer to note 12 – Disposal group held for sale and note 21 – Discontinued operations for additional information.

The comparative information has also been restated to correct an error relating to the deferred tax liability raised on initial recognition of the right to buy intangible asset during the year ended 31 August 2022. (Refer to note 4). During the current reporting period the group determined that the recognition of the deferred tax liability does not comply with the initial recognition criteria of IAS 12 Income Taxes. The group concluded that the prior year statement of financial position had to be restated to reverse the deferred tax liability incorrectly recognised of R22.2 million and the corresponding gross up of the intangible asset of the same amount. The restatement has no effect on the prior year earnings nor net asset value.

Refer to note 1.11 – Restatements for additional information.

KEY AUDIT MATTERS AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The ARC has considered the key audit matters as outlined in the external auditors' report. The matters have been covered in the significant areas of judgement below.

In arriving at the figures disclosed in the audited consolidated and separate financial statements, there are many areas where judgement is required. These are outlined in note 1.10–Management judgements and estimates to the audited consolidated and separate financial statements. The committee has considered the valuation of the assets and liabilities on the consolidated statement of financial position and other items that require significant judgement.

Key audit matters related to:

- Valuation of the Eqstra maintenance fund as it relates to maintenance revenue recognised; and
- the classification of Eqstra as a disposal group held for sale and discontinued operation.

In making its assessment in the above areas, the ARC questioned senior management and examined the external auditors' report in arriving at their conclusions. The ARC reviewed the disclosures, considered the procedures undertaken by the senior management and were satisfied that sufficiently robust processes were followed with regards to the judgements relating to the above items.

QUALITY OF EARNINGS

The reconciliation of attributable profits to headline earnings is outlined in note 24 – Earnings per share.

RECOMMENDATION AND APPROVAL OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The ARC has reviewed the consolidated and separate financial statements for the year ended 31 August 2023, which comply, in all material aspects, with the requirements of the Companies Act, King IV™ and IFRS. The committee evaluated the appropriateness of significant estimates and judgements as outlined in accounting policies.

Based on documents presented and recommendation to the committee, the committee supported the going concern basis of accounting and concluded that it is appropriate. The committee has therefore recommended the consolidated and separate financial statements of enX for the year ended 31 August 2023, as set out on pages 15 to 88 of the financial statements report, for approval to the board. The board has subsequently approved these financial statements, which will be available for discussion at the forthcoming AGM.

CONCLUSION

After considering the above, the ARC is of the opinion that it has appropriately addressed its responsibilities in terms of its charter, assessed internal controls and reported to stakeholders.

K Mokhobo

For and on behalf of the ARC

6 November 2023
Sandton

DIRECTORS' REPORT
for the year ended 31 August 2023

The directors present their report, which forms part of the consolidated and separate financial statements of enX for the year ended 31 August 2023.

NATURE OF BUSINESS

enX is a South African based holding company with a selected international presence in other African countries. Through its subsidiaries it operates as a diverse business in the general industrial sector. The company listed on the JSE in 2007.

The group comprises the following segments:

enX Lubricants (AG Lubricants and Zestcor)

- African Group Lubricants ("AG Lubricants") produces and markets oil lubricants and greases in South Africa and sub-Saharan Africa and is the sole distributor of ExxonMobil lubricants (excluding marine and aviation) and Quaker Houghton International's advanced fluids solutions and services (excluding metalworking).
- Zestcor, as an associate, is held 37% by the group.

enX Power

- New Way Power designs, manufacturers, installs, rents and maintains diesel generators and distributes a range of industrial engines. They also offer cleaner power through solar hybrid and grid alternatives.

enX Chemicals

- West African International ("WAG") imports, stores and distributes plastics, polymers, rubber and speciality chemicals as well as conveyor belting, steel cord and conveyer belting fabric into Southern Africa.

enX Fleet - Discontinued operation

- Eqstra Fleet Management ("Eqstra") provides a full spectrum of commercial and passenger vehicle leasing services including fleet management, outsourcing solutions, maintenance, warranty management, remarketing and vehicle tracking solutions. Included in Eqstra, is Kynite, a Software-as-a-Service (''SaaS'') solution which digitises the full spectrum of vehicle services with external customers now making use of this offering. Both Eqstra and Kynite were classified as a disposal group held for sale in terms of IFRS 5 with effect from 31 August 2023.

Over and above Eqstra, discontinued operations classified as such at the end of 31 August 2022, comprised EIE SA and Austro.

- EIE SA, provided distribution, rental and value-added services for industrial and material handling equipment in South Africa and other African countries, was classified as an asset held for sale in terms of IFRS 5 with effect from 31 August 2021 and was disposed of on 1 April 2022.

- Austro, distributed professional woodworking equipment and tooling with the provision of associated services, was classified as an asset held for sale in terms of IFRS 5 with effect from 26 February 2022 and was disposed of on 30 June 2022.

FINANCIAL PERFORMANCE

The consolidated and separate financial results for the year ended 31 August 2023 are set out in detail on pages 15 to 88.

The results for the year ended 31 August 2023 reflect continued strong performance in all our business units notwithstanding the challenging economic conditions experienced.

enX's financial position improved significantly even after taking into account cash that was returned to shareholders in the form of special distributions of R2.00 and R1.50 per enX ordinary share paid on the 20 June 2022 and 5 September 2022 respectively. Net debt to equity, including the disposal group held for sale, was 39% (2022: 30%), significantly reduced from the high gearing levels of 208% as at 31 August 2020. The net asset value per share was R13.91 (31 August 2022: R12.22).

Revenue from continuing operations increased 26% to R4.195 billion (2022: R3.331 billion) mainly supported by increased demand for power solutions and related services arising from load-shedding and higher volumes of toll blending, natural and synthetic rubber, conveyor belting, steel cord and conveyor belting fabric sales.

Operating profit from continuing operations before net finance costs, our share of profit from our associate and impairments, was R248 million (2022: R190 million), an increase of 31%. This was achieved despite once-off items in the prior year of R39 million arising from realised foreign exchange profits earned from the conversion of the Impact Handling (UK) proceeds as well as insurance proceeds arising from business interruption claims in respect of COVID-19. Profitability in the current year was negatively impacted by a charge R16 million arising from the derecognition of the Right of Use Asset and related lease obligation in AG Lubricants as a result of the group acquiring its blending and storage facilities at the end of December 2022. The current year also includes the once-off receipt of R37 million in respect of a key man insurance policy payout in WAG.

Headline earnings per share from continuing operations was 94 cents (2022: 81 cents), an increase of 16%.

DURING THE 2023 FINANCIAL YEAR

Lubricants

AG Lubricants revenue increased significantly to R1.686 billion (2022: R1.169 billion) due to higher toll blending volumes coupled with higher sales values. Operating expenses relative to turnover decreased with increasing throughput through the plant. Profitability was negatively impacted by a charge of R16 million arising from the derecognition of the Right of Use Asset and related lease obligation as a result of the blending plant being acquired by the group in December 2022. Profit before tax was R77 million (2022: R46 million), an increase of 61%.

Our share of profit from our associate, Zestcor, was R19 million (2022: R27 million), which continue to trade well despite being impacted by a material trade debt provision.

Power

New Way Power had an outstanding performance with revenue of R683 million (2022: R397 million), an increase of 72%. As a result of load-shedding, there was robust demand for generators and parts accompanied by related maintenance services. Entry into the provision of photovoltaic systems in the last quarter of 2021 together with a strong recovery in the rental of generators for both short-term events and longer-term purposes drove additional growth. Profit before tax was R101 million (2022: R10 million), a significant turnaround.

Chemicals

WAG revenue increased by 4% to R1.870 billion (2022: R1.798 billion) impacted by growth in natural and synthetic rubber, conveyor belting, steel cord and conveyor belting fabric volumes. Profit before tax was R85 million (2022: R92 million) and was positively impacted by a R37 million once-off receipt in respect of a key man insurance policy payout. Profitability was negatively impacted by foreign exchange losses of R11 million (2022: profit of R18 million).

Discontinued operation – current year

Eqstra

Shareholders are referred to the announcement released on SENS, advising that enX is in discussions regarding a divestment by the Company of its interest in Eqstra Investment Holdings Proprietary Limited ("Potential Transaction"). The Potential Transaction would constitute a category 1 transaction in terms of the JSE Listing Requirements and an affected transaction in terms of the Companies Act, 71 of 2008 and will require approval via special resolution of enX shareholders at a general meeting. During the strategic and budget review process in July 2023, management took a strategic decision to dispose of Eqstra. As at 31 August 2023, management is of the view that, based on progress to date, this transaction is likely to be executed in the next 12 months. In terms of IFRS 5, Eqstra has been reported as a disposal group held for sale and discontinued operation from 31 August 2023.

Eqstra revenue was R1.755 billion (2022: R1.772 billion excluding the once-off termination of the Clover fleet), reflecting a 1% decrease in revenue primarily due to a reduction in leasing revenue from the termination of the Clover contract in the last quarter of 2022. Leased units at the end of the year were 11,331 units (2022: 11,163 units). The net book value of leasing assets grew to R2.615 billion (2022: R2.350 billion), an increase of 11% indicative of Eqstra's good new business flow and availability of new vehicles. Revenue growth from value added products remains robust, while margins earned on the sale of used cars have remained high. Eqstra's profit before tax was R164 million (2022: R140 million), an increase of 17%.

Discontinued operations – prior year

EIE SA

Shareholders are referred to the SENS announcement dated 30 September 2021 announcing the disposal of EIE SA to CFAO Holdings South Africa. The transaction became effective on 1 April 2022. R135 million of the transaction proceeds was placed in escrow for a period of two years, in terms of the transaction agreements. Based on management's view, at the time of approving these results, no claims have been raised to date and the full amount placed in escrow has been disclosed as a short-term receivable. The amount in escrow is expected to be released on or around 31 March 2024. There is, however, no assurance that claims for breaches and warranties may not be made before the release date.

EIE SA revenue and profit before tax for the year ended 31 August 2022 was R1.229 billion and R80 million respectively. In terms of IFRS 5, EIE SA has been reported as a disposal group held for sale and discontinued operation from 31 August 2021, the date that the conditions were met to be classified as such. enX was required to cease depreciation and amortisation from that date and assess the carrying value of the of the held for sale assets relative to the transaction value. Consequently, depreciation and amortisation from 1 September 2021 to the effective date of the transaction amounting to R263 million (after tax: R189 million) was not recorded in the prior financial period. An impairment charge of R193 million was raised in the prior year to adjust the carrying value to realisable value and a loss on disposal of R13 million was incurred.

Austro

The Unaudited Interim Group Results for the six months ended 28 February 2022 announced the sale of Austro Proprietary Limited ("Austro"). In terms of IFRS 5, Austro has been reported as a disposal group held for sale and discontinued operation from 26 February 2022 to 30 June 2022.

Austro revenue from 1 September 2021 to 30 June 2022, the date of disposal, was R70 million. A loss before tax was R32 million, including the assets held for sale which were impaired by R24 million relative to the transaction value. A loss on disposal of R7 million was incurred at the effective date of the transaction.

LITIGATION

The board is not aware of any litigation that could have a material unfavourable impact on the consolidated and separate financial statements as at 31 August 2023 except for that mentioned below. No material contingent liabilities, other than group guarantees for subsidiary lending facilities exist.

New Way Power lease their premises. There has been ongoing litigation by enX against the landlord of the New Way Power premises. On 14 February 2022, enX instituted an application seeking to declare the lease to be invalid and null and void ab initio since 2009 due to the non-fulfilment of the conditions precedents as set out in the lease. An order is being sought that the landlord pays to enX the aggregate rentals and other charges paid to the Landlord plus interest on the amount from the date that they arose. The landlord is free to pursue relief in the reduction of the claim for the market related rentals.

A Share Purchase Agreement ("SPA") was signed on 3 August 2022 between enX Trading, as seller, enX Group Limited, as parent to the seller, Powerforce Holdings Proprietary Limited ("Powerforce"), as purchaser, and New Way Power and Power 02 as the target companies. The SPA was in respect of the disposal of 100% of the equity and claims of New Way Power and Power 02 for a purchase consideration of R45 million. The suspensive conditions were not fulfilled or waived on or before the long stop date of 31 December 2022 and the SPA was therefore null and void. On 27 March 2023, the purchaser initiated arbitration proceedings against the seller and tendered payment of R45 million for the acquisition of New Way Power and Power 02 and is claiming the transfer of shares in New Way Power and Power 02 to Powerforce and all sale claims, together with costs of the legal proceedings. The arbitration hearing is likely to be during March 2024.

DISTRIBUTIONS

The special distribution out of contributed tax capital of R1.50 per share was paid to enX ordinary shareholders on 5 September 2022.

On 6 November 2023, the directors declared and announced on SENS, a special distribution of R1.00 per enX share which will be implemented by way of a reduction of contributed tax capital.

STATED CAPITAL

The number of ordinary shares in issue and authorised at 31 August 2023:

	Authorised stated capital	Issued stated capital 2023	Issued stated capital 2022
Ordinary shares at no par value	**1 000 000 000**	**182 312 650**	182 312 650
Treasury shares:			
K2016224128 South Africa Proprietary Limited (forfeiture share plan as incentive for key employees, no shares had been allocated to employees at present)		**375 873**	375 873
enX Corporation Limited (following the unbundling in 2016)		**570 014**	570 014

Details of the authorised and issued share capital of the company appear in note 13 of the consolidated financial statements.

The directors do not have a general authority to issue the company's unissued shares.

DIRECTORS

The composition of the board of directors, who are all South African, during the period under review is as follows:

	Appointment/ resignation date	Nature of directorship	Sub-committees
A Hannington	3 July 2020	Executive – CEO	
R Lumb	1 March 2020	Executive – CFO	
P Baloyi	1 January 2014	Non-executive Chairman	NOM, REM, SEC
W Chapman	3 July 2020	Non-executive	NOM, REM
K Mokhobo@	3 January 2023	Lead independent non-executive	ARC
Z Matthews	3 July 2020	Independent non-executive	ARC, SEC, REM, NOM
N Simamane#	8 February 2023	Independent non-executive	ARC, SEC, REM, NOM
V Jarana	Resigned 30 April 2023	Lead independent non-executive	NOM, REM, ARC
L Molefe	Resigned 31 January 2023	Independent non-executive	ARC, SEC
B Ngonyama	Resigned 30 January 2023	Independent non-executive	ARC, REM, NOM

@ *K Mokhobo was appointed as lead independent director on 13 May 2023.*
# *N Simamane was appointed ARC member on 8 February 2023.*

The group's prescribed officers are defined as the divisional CEO's whose remuneration is disclosed in note 36.

SERVICE CONTRACTS OF EXECUTIVE DIRECTORS

Executive directors retire from their positions and from the board (as executive directors) at the age of 65. Though normal retirement age is 65 years for executive directors, the company's retirement policy makes provision to extend the working relationship beyond the normal retirement age. The executive directors are subject to a three to six calendar months' written notice under their existing employment contracts.

SIGNIFICANT RESOLUTIONS

At the company's AGM held on 15 March 2023 shareholders approved:

- an increase in non-executive directors' fees;
- financial assistance in terms of section 44 of the Companies Act; and
- financial assistance in terms of section 45 of the Companies Act.

Subsidiary companies passed special resolutions in terms of sections 44 and 45 of the Act. No other special resolutions were passed during the year that may be of significance to shareholders in their appreciation of the state of affairs of the group.

SHAREHOLDER SPREAD AND DIRECTORS' INTEREST

Details of shareholder categories are set out in Shareholders' profiles of the financial statements.

The shareholdings of the directors in the ordinary shares of the company at 31 August 2023 appear in the shareholders' profile of the financial statements.

CORPORATE GOVERNANCE

The enX board affirms its commitment to the principles and cornerstones of sound governance. These are done within the predetermined parameters of risk management and control in accordance with accepted group corporate practice.

The group's corporate practice subscribes to the Code of Good Corporate Practices and Conduct contained in King IV™. The board is satisfied with the group's application of the principles of King IV™ and the JSE Listings Requirements throughout the year under review. The corporate governance report will be included in the 2023 integrated report.

The board and management continuously review and enhance the systems of control and governance to ensure that the business is managed ethically and in line with internationally accepted standards of best practice.

Audit and risk committee

In terms of section 94(7) of the Companies Act, the committee discharged all of its delegated functions in terms of its mandate, the Companies Act and the JSE Listings Requirements.

At the next AGM shareholders will be requested to approve the appointment of the members of the ARC, as recommended by the board.

Further details on the committee's role and function can be found in the ARC report.

Social and ethics committee

In terms of section 72(4) of the Companies Act, the committee discharged all of its delegated functions in terms of its mandate, the Companies Act and the JSE Listings Requirements. At the next AGM, the chair of the committee will be available to report on the Social and ethics committee's activities.

BORROWING POWERS

In terms of the provisions of section 19 of the Companies Act, read with the MOI, the company has unlimited borrowing powers. Borrowings by the group are subject to various bank covenants.

The group's total net interest-bearing liabilities (including disposal group held for sale net interest bearing liabilities and lease liabilities) was R1.008 billion (31 August 2022: R690 million), the increase mainly arising from the growth in the leasing book in Eqstra and the R274 million distribution.

Eqstra

R287 million of the proceeds arising from vehicles disposed of as a result of the termination of the Clover contract were used to permanently reduce debt, partially settling the debt with the maturities arising in December 2022 and December 2024. The remaining debt of R336 million, maturing in December 2022, was repaid through a drawdown of Eqstra's Revolving Credit Facility ("RCF").

enX Trading

enX Trading facilities were repaid and cancelled during March 2023. This was financed by dedicated credit facilities raised in WAG, AG Lubricants and New Way Power, which were previously funded by enX Trading. Each entity now has their own maintenance covenants to comply with. A release of free cash to the group resulted from this transaction.

EXTERNAL AUDITOR

It was KPMG Inc.'s first year as external auditor of enX and its subsidiaries. The auditor's business and postal address appear on page inside back cover.

SUBSIDIARY COMPANIES

Details of principal subsidiary companies appear in Annexure A of the financial statements.

During the year the group repurchased all minority shareholding held in Omatemba Fleet Services Proprietary Limited a Namibian registered entity.

PROPERTY

The register of land and buildings is available for inspection at the company's registered office during its business hours.

GOING CONCERN

The consolidated and separate financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The consolidated statement of financial position as at 31 August 2023 reports a positive total equity balance of R2.583 billion (2022: R2.265 billion). The group shows cash outflows before financing of R85 million (inflow 2022: R1.019 billion).

The directors believe that the group and company have adequate resources to continue as a going concern for the foreseeable future. This assessment was based on available facilities and detailed future cash flow forecasts for the next 12 months. Based on this assessment it is considered appropriate to adopt the going-concern basis in preparing the consolidated and separate financial statements. The directors have satisfied themselves that the group and company are in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The board considered the solvency and liquidity of the group and the company and is satisfied that the group and company are solvent and liquid at the date of this report.

SUBSEQUENT EVENTS

TRP settlement

Shareholders are referred to the notice published by the Takeover Regulation Panel ("the Panel") on SENS on 13 April 2023 wherein it announced that the Panel has agreed to settle the Panel's investigation ("the Settlement") into certain affected transactions involving eXtract Group Limited, Zarclear Holdings Limited and African Phoenix and others ("the Offerors"). Further, a joint SENS announcement of the firm intention to make a mandatory offer for enX shares pursuant to the Settlement was announced on 11 May 2023. Shareholders were advised that African Phoenix (together with the parties acting in concert) was required to make a mandatory offer to all shareholders to purchase their shares at a price of R6.41 per share in terms of section 123 of the Companies Act, 2008 and the Takeover Regulations. The mandatory offer constituted a firm intention announcement in terms of Regulation 101 of the Takeover Regulations and was made subject to the compliance with the requisite provisions. The offer opened on 21 June 2023 and was anticipated to close on 4 August 2023. Shareholders are further referred to the SENS published on 3 August 2023 in which the directors of enX and the Offerors considered it appropriate to provide additional disclosure in an updated circular ("Amended Circular") relating to the indirect shareholdings of the directors of enX in each of African Phoenix, MCC Contracts and Peresec Prime Brokers. In the light of the Amended Circular, the Offerors extended the mandatory offer closure until 15 September 2023, on which date the offer closed. The offer was accepted in respect of 495 846 enX shares, comprising 0.27% of the issued share capital of the company.

Eqstra funding

During September 2023, management extended the debt maturity of Eqstra's two credit facilities by 24 months. The RCF debt facility set to mature in December 2023 was extended to December 2025 and the term loan of R726 million due to mature in December 2024 was extended to December 2026.

Special distribution

On 6 November 2023, the directors declared a special distribution out of contributed tax capital of R1.00 per share to enX ordinary shareholders.

Except for the above, there have been no other material events subsequent to period end that have been taken into account in the financial statements.

COMPANY SECRETARY AND REGISTERED OFFICE

The company secretary is Acorim Proprietary Limited, represented by Ms. Roxanne Cloete.

The board as a whole and the individual directors have unrestricted access to the advice and services of the company secretary, who provides guidance to the board and to the directors with regard to how their responsibilities are to be discharged.

Acorim Proprietary Limited is an independent company secretarial and corporate governance advisory service provider and is represented by Ms.Cloete. The board is satisfied with the expertise, experience, competence and qualifications of the company secretary and confirms that the relationship between the board and the company secretary remains at arm's length.

The governance report containing further details of their function, will be included in the integrated report, to be published post the release of the financial statements.

Shareholders, employees and investors are encouraged to communicate recommendations to the board, the company secretary or the CEO.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at

	Notes	31 August 2023 R'000	Restated* 31 August 2022 R'000
ASSETS			
Non-current assets		376 250	2 896 734
Property, plant, equipment and right of use assets	2	177 493	198 511
Leasing assets	3	–	2 350 086
Intangible assets	4	48 811	77 452
Investment in associate	5	114 607	118 668
Unlisted investments and other receivables	6	2 475	141 464
Deferred taxation	7	32 864	10 553
Current assets		2 146 411	2 991 923
Trade and other receivables	8	836 379	1 034 567
Inventories	9	866 725	854 188
Derivative financial instruments	10	4 763	22 139
Unlisted investments and other receivables	6	135 240	–
Taxation receivable		324	26 942
Bank and cash balances	11	302 980	1 054 087
Disposal group held for sale	12	3 049 317	–
Total assets		5 571 978	5 888 657
EQUITY AND LIABILITIES			
Capital and reserves		2 582 916	2 264 961
Stated capital	13	2 495 999	2 495 999
Other reserves	14	(714 022)	(725 200)
Accumulated profit		740 986	445 124
Equity attributable to equity holders of the parent		2 522 963	2 215 923
Non-controlling interests		59 953	49 038
Non-current liabilities		108 489	1 186 125
Interest-bearing liabilities	15	37 061	895 171
Lease liabilities	30	11 696	45 909
Cash settled and option liabilities	16	59 732	61 033
Deferred taxation	7	–	184 012
Current liabilities		1 231 936	2 437 571
Interest-bearing liabilities	15	228 216	790 837
Lease liabilities	30	4 620	12 516
Trade and other payables	17**	914 340	1 266 025
Provisions	18	47 527	62 957
Shareholder for dividend		–	273 661
Cash settled liabilities	16	11 900	–
Taxation payable		25 333	31 575
Liabilities associated with disposal group held for sale	12	1 648 637	–
Total equity and liabilities		5 571 978	5 888 657

**The comparative information has also been restated to correct an error relating to the deferred tax liability raised on initial recognition of the right to buy intangible asset during the year ended 31 August 2022 (refer to note 4.). During the current reporting period the group determined that the recognition of the deferred tax liability does not comply with the initial recognition criteria of IAS 12 Income Taxes. The group concluded that the prior year statement of financial position had to be restated to reverse the deferred tax liability incorrectly recognised and the corresponding gross up of the intangible asset. The restatement has no effect on the prior year earnings nor net asset value. Refer to note 1.11.*

***Provisions has been presented separately on the face of the statement of financial position in the current year. Previously it was grouped together with trade and other payables in note 17.*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the years ended

	Notes	31 August 2023 R'000	Restated* 31 August 2022 R'000
Continuing operations			
Revenue	19	4 194 783	3 330 535
Cost of sales	20	(3 636 394)	(2 946 120)
Gross profit		558 389	384 415
Expected credit release		6 162	1 153
Operating expenses	20	(316 825)	(195 946)
Operating profit before items listed below		247 726	189 622
Impairment of leasing assets, intangible assets and property, plant and equipment	2, 3, 4	(1 821)	(15 881)
Operating profit before net finance costs and earnings from associate		245 905	173 741
Net finance costs	22	(4 087)	(992)
Interest received		31 187	23 102
Interest expense		(35 274)	(24 094)
Share of profits from associate	5	18 509	26 655
Profit before taxation		260 327	199 404
Taxation	23	(69 482)	(51 558)
Profit after taxation		190 845	147 846
Attributable to:			
Equity holders of the parent		163 672	144 436
Non-controlling interests		27 173	3 410
Net profit after taxation		190 845	147 846
Discontinued operations			
Profit for the year from discontinued operations	21	132 190	84 904
Net profit after taxation		323 035	232 750
Attributable to:			
Equity holders of the parent		295 862	229 340
Continuing operations		163 672	144 436
Discontinued operations		132 190	84 904
Non-controlling interests		27 173	3 410
Net profit after taxation		323 035	232 750
Other comprehensive income net of taxation:			
Profit after taxation		323 035	232 750
Items that may be reclassified subsequently to profit or loss:			
– Foreign currency translation reserve	14	11 178	8 354
Total comprehensive income		334 213	241 104
Attributable to:			
Equity holders of the parent		307 040	237 694
Non-controlling interests		27 173	3 410
Total comprehensive income		334 213	241 104
Earnings per share from continuing operations			
Basic earnings per share (cents)	24	90.2	79.6
Diluted earnings per share (cents)	24	90.2	79.6
Earnings per share from discontinued operations			
Basic earnings per share (cents)	24	72.9	46.8
Diluted earnings per share (cents)	24	72.9	46.8

* *Eqstra has been classified as a disposal group held for sale and a discontinued operation. Therefore the discontinued operations for 2022 has been represented in accordance with IFRS 5 to take into account this additional discontinued operation. Refer to note 1.11.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the years ended

	Stated capital R'000	Other reserves R'000	Accumulated profit R'000	Equity attributable to equity holders of the parent R'000	Non-controlling interests R'000	Total equity R'000
Balances as at 1 September 2021	3 134 092	(733 554)	224 597	2 625 135	36 815	2 661 950
Profit for the year	–	–	229 340	229 340	3 410	232 750
Other comprehensive income for the year	–	8 354	–	8 354	–	8 354
Reclassification to non-controlling interests	–	–	(8 813)	(8 813)	8 813	–
Capital distributions	(638 093)	–	–	(638 093)	–	(638 093)
Balances as at 31 August 2022	2 495 999	(725 200)	445 124	2 215 923	49 038	2 264 961
Profit for the year	–	–	295 862	295 862	27 173	323 035
Other comprehensive income for the year	–	11 178	–	11 178	–	11 178
Repurchase of non-controlling interest	–	–	–	–	(3 671)	(3 671)
Dividends paid	–	–	–	–	(12 587)	(12 587)
Balances as at 31 August 2023	2 495 999	(714 022)	740 986	2 522 963	59 953	2 582 916

CONSOLIDATED STATEMENT OF CASH FLOWS

for the years ended

	Notes	31 August 2023 R'000	31 August 2022 R'000
Cash flows from operating activities		24 564	519 058
Cash generated from operations	25	284 150	817 919
Interest received	26	28 561	32 104
Interest paid	26	(161 149)	(204 939)
Taxation paid	27	(126 998)	(126 026)
Cash flows from investing activities		(109 263)	500 147
Additions to property, plant and equipment	2	(111 761)	(18 365)
Additions to intangible assets	4	(8 222)	(25 144)
Proceeds on disposal of property, plant and equipment	28	737	14 465
Dividend paid to non-controlling interests		(12 587)	–
Dividend received from associate	5	22 570	11 839
Net proceeds on disposal of subsidiaries	29	–	517 352
Cash flows from financing activities		(561 100)	(817 098)
Proceeds from interest-bearing liabilities	15	3 490 202	2 160 857
Repayment of interest-bearing liabilities	15	(3 766 631)	(2 568 226)
Acquisition of non-controlling interest		(2 200)	–
Repayment of lease liabilities		(8 810)	(45 297)
Capital distribution		(273 661)	(364 432)
Net (decrease)/increase in cash and cash equivalents		(645 799)	202 107
Effects of exchange rate changes on cash and cash equivalents		2 798	249
Cash and cash equivalents at beginning of year		1 054 087	851 731
Cash and cash equivalents at end of year		411 086	1 054 087
Cash and cash equivalents consist of:			
Bank and cash balances	11	302 980	1 054 087
Disposal group held for sale	12	108 106	–
		411 086	1 054 087

CONSOLIDATED SEGMENTAL ANALYSIS

for the years ended

	Power		Fleet[2]		Lubricants[3]		Chemicals[3]		Group, financing and consolidation		Total[2]	
	31 August 2023 R'000	31 August 2022 R'000	**31 August 2023 R'000**	Restated 31 August 2022 R'000	**31 August 2023 R'000**	Restated 31 August 2022 R'000	**31 August 2023 R'000**	Restated 31 August 2022 R'000	**31 August 2023 R'000**	Restated 31 August 2022 R'000	**31 August 2023 R'000**	Restated 31 August 2022 R'000
Revenue[1]	682 742	397 189	–	–	1 685 798	1 168 389	1 870 080	1 798 237	(43 837)	(33 280)	4 194 783	3 330 535
– South Africa	682 742	395 869	–	–	1 374 701	988 717	1 856 361	1 798 237	–	–	3 913 804	3 182 823
– Rest of world	–	–	–	–	293 968	162 392	–	–	–	–	293 968	162 392
– Intercompany	–	1 320	–	–	17 129	17 280	13 719	–	(43 837)	(33 280)	(12 989)	(14 680)
EBITDA	109 977	29 282	–	–	140 078	79 428	101 394	104 407	(56 220)	3 384	295 229	216 501
Depreciation and amortisation[4]	(12 455)	(15 041)	–	–	(33 878)	(18 094)	(2 936)	(2 982)	(55)	(6 643)	(49 324)	(42 760)
Earnings/(loss) before interest and taxation[5]	97 522	14 241	–	–	106 200	61 334	98 458	101 425	(56 275)	(3 259)	245 905	173 741
– South Africa	97 522	14 241	–	–	76 958	42 722	98 458	101 425	(56 275)	(3 259)	216 663	155 129
– Rest of world	–	–	–	–	29 242	18 612	–	–	–	–	29 242	18 612
Net finance costs	3 600	(3 796)	–	–	(28 978)	(15 387)	(13 892)	(9 262)	35 183	27 453	(4 087)	(992)
Interest income	4 059	309	–	–	778	513	7 416	3 195	18 934	19 085	31 187	23 102
Interest expense	(459)	(4 105)	–	–	(29 756)	(15 900)	(21 308)	(12 457)	16 249	8 368	(35 274)	(24 094)
Share of profits from associates	–	–	–	–	18 509	26 655	–	–	–	–	18 509	26 655
Profit/(loss) before taxation	101 122	10 445	–		95 731	72 602	84 566	92 163	(21 092)	24 194	260 327	199 404
Taxation	(15 943)	(268)	–		(25 712)	(14 418)	(13 065)	(25 810)	(14 762)	(11 062)	(69 482)	(51 558)
Profit/(loss) after taxation	85 179	10 177	–	–	70 019	58 184	71 501	66 353	(35 854)	13 132	190 845	147 846
Total assets	350 777	279 554	–	3 209 421	994 458	928 393	853 714	904 861	3 373 029	566 428	5 571 978	5 888 657
– Intangible assets	225	418	–	21 586	48 586	55 448	–	–	–	–	48 811	77 452
– Leasing assets	–	–	–	2 350 086	–	–	–	–	–	–	–	2 350 086
– Investment in associate	–	–	–	–	114 607	118 668	–	–	–	–	114 607	118 668
– Inventories	202 036	135 624	–	32 292	332 843	298 247	331 846	388 025	–	–	866 725	854 188
– Trade, other receivables and derivative financial assets	61 938	69 144	–	223 004	252 143	263 161	508 833	492 861	153 468	8 536	976 382	1 056 706
– Other assets	86 578	74 368	–	582 453	246 279	192 869	13 035	23 975	170 244	557 892	516 136	1 431 557
Disposal group held for sale	–	–	–	–	–	–	–	–	3 049 317	–	3 049 317	–
Total liabilities	124 150	133 106	–	1 982 814	529 206	435 968	598 283	687 344	1 737 423	384 464	2 989 062	3 623 696
– Interest-bearing liabilities and overdraft	–	5 500	–	1 465 001	100 838	786	164 438	198 989	1	15 732	265 277	1 686 008
– Trade, other payables, provisions and derivatives	117 478	125 879	–	315 447	406 990	389 251	425 777	484 518	23 522	287 548	973 767	1 602 643
– Other liabilities	6 672	1 727	–	202 366	21 378	45 931	8 068	3 837	65 263	81 184	101 381	335 045
Liabilities associated with disposal group held for sale	–	–	–	–	–	–	–	–	1 648 637	–	1 648 637	–
Capital expenditure net of proceeds	9 376	1 006	–	770 600	104 656	8 102	98	572	–	118	114 130	780 398
Number of employees	204	181	–	387	128	131	46	42	8	9	386	750
GEOGRAPHICAL SEGMENTATION												
Total assets	350 777	279 554	–	3 209 421	994 458	928 393	853 714	904 861	3 373 029	566 428	5 571 978	5 888 657
– South Africa	350 777	279 554	–	2 742 449	806 668	840 478	853 714	904 861	3 373 029	566 428	5 384 188	5 333 770
– Rest of world	–	–	–	466 972	187 790	87 915	–	–	–	–	187 790	554 887
Total liabilities	124 150	133 106	–	1 982 814	529 206	435 968	598 283	687 344	1 737 423	384 464	2 989 062	3 623 696
– South Africa	124 150	133 106	–	1 814 156	423 478	403 970	598 283	687 344	1 737 423	384 464	2 883 334	3 423 040
– Rest of world	–	–	–	168 658	105 728	31 998	–	–	–	–	105 728	200 656

Notes:

(1) In the financial year ending 31 August 2023, enX derived a substantial portion of its revenue from a single customer which accounted for 11,7% of the total revenue. The group is actively pursuing diversification in its customer base and seeking new business opportunities to mitigate the risk associated with dependency on a single customer.

(2) During the year, the group took a firm decision to dispose of Eqstra. As at 31 August 2023, management are confident that, based on progress to date, this transaction is likely to be executed in the next 12 months, and this resulted in Eqstra being recognised as a discontinued operation in 2023. Therefore the statement of profit or loss and other comprehensive income for 2022 has been restated in accordance with IFRS 5 to take into account the additional disposal. The comparative numbers in the segment have been restated and exclude Eqstra.

(3) As a result of the proposed disposal of Eqstra during the year ended 31 August 2023 (see note 12), the group has changed its internal organisation and the composition of its operating segments, which resulted in a change in reportable segments. The Petrochemicals segment has now been disclosed as the Lubricants and Chemicals segments. Accordingly, the group has restated the previously reported segment information for the year ended 31 August 2022.

(4) Total depreciation and amortisation includes depreciation disclosed as part of cost of sales.

(5) Earnings before interest and taxation include impairments of goodwill, intangible assets and property of R1.8 million (2022:R15.9 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 August 2023

1. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements are prepared in compliance with JSE Listings Requirements, IFRS and Interpretations of those standards, as issued by the International Accounting Standards Board (IASB), the financial reporting pronouncements as issued by the Financial Reporting Standards Council (FRSC) that are relevant to its operations and have been effective for the annual reporting period ending 31 August 2023 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the requirements of the South African Companies Act 71 of 2008, as amended. The financial statements were approved for issue by the board of directors on 6 November 2023 and will be tabled at the next annual general meeting of shareholders. These accounting policies are consistent with the previous year.

Accounting policies for which no choice is permitted in terms of IFRS have been included only if management concluded that the disclosure would assist users in understanding the audited consolidated and separate financial statements as a whole and considering the significance of the item discussed. Accounting policies that are not applicable from time to time have been removed but will be included if the type of transaction occurs in future or becomes material to the understanding of the audited consolidated and separate financial statements. Accounting policies that refer to "consolidated" or "group" apply equally to the consolidated financial statements and the separate financial statements of the company, where relevant.

The group presents amounts in these consolidated and separate financial statements in accordance with IFRS. Only amounts that have a relevant and material impact on the consolidated and separate financial statements have been separately disclosed. The assessment of significant or material amounts is determined by taking into account the qualitative and quantitative factors attached to each transaction or balance that is assessed.

1.1. BASIS OF PREPARATION

The consolidated and separate financial statements are prepared on the historical cost basis except for the measurement of certain financial instruments at fair value (refer to note 1.5).

1.2. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE OR RELEVANT

At the date of authorisation of the financial statements of the group and company for the year ended 31 August 2023, the following Standards and Interpretations were in issue but not yet effective:

Standards and interpretations	Annual periods beginning on or after
Issued and effective	
Amendments to IAS 16 (Property, plant and equipment amendments regarding proceeds before intended use)	1 January 2022
Amendments to IFRS 3 (Conceptual Framework amendments to Business Combinations)	1 January 2022
Amendments to IAS 37 (Onerous Contracts — Cost of Fulfilling a Contract)	1 January 2022
Issued but not yet effective	
IFRS 17 (Insurance contracts)	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 (Disclosures of Accounting Policies)	1 January 2023
Amendments to IAS 12 (Deferred tax related to assets and liabilities arising from a single transaction)	1 January 2023
Amendments to IAS 8 (Definition of accounting estimates)	1 January 2023
Amendments to IAS 12 (International Tax Reform-Pillar Two Model Rules)	1 January 2023
Amendments to IAS 1 (Non-current liabilities with covenants and classification of liabilities as current and non-current)	1 January 2024
Amendments to IFRS16 (Lease liability in a sale and leaseback)	1 January 2024
Amendments to IAS 7 and IFRS 7 (Supplier finance arrangements)	1 January 2024
IFRS S1 (General requirements for disclosure of sustainability related financial information)	1 January 2024
IFRS S2 (Climate related disclosures)	1 January 2024
Amendments to IAS21 (Lack of exchangeability)	1 January 2025
Amendments to IFRS 10 and IAS 28 (Sale or contribution of assets between an investors and its associate or joint venture)	1 January 2025

A number of new standards and interpretations are issued and effective from 1 September 2023. Management's assessment determined that the new standards and interpretations issued and effective will not have a material effect on the group's financial statements.

1.3. INTEREST IN SUBSIDIARIES

Subsidiary companies and other controlled entities

The group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The company records its investment in subsidiaries at cost less any impairment charges. These interests include any inter-group loans receivable which represent by nature a further investment in subsidiaries.

1.4. PROPERTY, PLANT, EQUIPMENT, RIGHT OF USE ASSETS AND LEASING ASSETS

Property, plant and equipment, right of use assets and leasing assets are stated at historical cost, less accumulated depreciation and impairment losses.

Property, plant and equipment and leasing assets are initially recognised at cost. Transaction costs are included in the initial measurement.

Subsequent costs are recognised to the extent that it is probable that the future economic benefits which are associated with them will flow to the entity and the cost can be measured reliably.

Items of property, plant and equipment, right of use assets and leasing assets are depreciated to their residual values, on a component basis (where applicable), on a straight-line basis over their estimated useful lives, commencing from the date they are available for use. The depreciation is calculated and charged to the statement of comprehensive income over the following periods:

Item	Average useful life
Plant and equipment	3 –10 years
Office equipment	3 – 5 years
Computer equipment	3 years
Motor vehicles	3 –10 years
Leasehold improvements	Lesser of useful life or period of lease
Buildings	Up to 20 years
Leasing assets (vehicles and forklifts)	3 – 10 years
Right of use assets	Lesser of useful life or period of lease

The average lease term in the group for right of use assets ranges from two to five years.

The residual value, is re-assessed at each year-end together with the useful life of the asset.

Carrying amounts of property, plant and equipment and leasing assets are reduced to their recoverable amounts where these are lower than the carrying amounts. The expected future cash flows attributable to such assets are considered in determining the recoverable amounts. If the recoverable amount is lower than the carrying amount, it is impaired in the statement of profit or loss and comprehensive income.

1.5. FINANCIAL INSTRUMENTS

Classification and subsequent measurement

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument based on the business model and the contractual cashflows associated with the instrument.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through OCI and fair value through profit or loss (FVTPL). Amortised cost and FVTPL are relevant to the group.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile;
- matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Trade and other receivables

Trade receivables, loans and other receivables are measured at amortised cost using the effective interest rate method and reduced by expected credit losses ("ECL"). The group has applied the simplified model determining the lifetime expected credit losses of trade receivables as there is no significant financing component. ECL have been considered in detail as part of the impairment of financial assets. Other receivables include deposits, sundry debtors, claims and recoverables.

Financial instruments are carried at amortised cost and where the effect of the time value of money is not considered to be material, discounting is not applied as the carrying value approximates the fair value.

Impairment of financial assets

An assessment is made at each reporting date whether there is any objective evidence that trade, loans and other receivables are impaired. The group applies the simplified approach to calculate the ECL of trade receivables and contract assets. The rates used in the provision matrix are based on days past due and debt written off.

For all other financial assets classified at amortised cost as well as issued loan commitments, the general approach has been applied to calculate the ECL. The ECL is calculated by considering the consequences and probabilities of possible defaults only for the next twelve months.

Trade payables and interest bearing liabilities

Trade payables and interest bearing liabilities are initially recognised at fair value and are subsequently measured at their amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost which approximates fair value. Cash and cash equivalents comprise cash balances and call deposits with available to the group upon demand.

Derivative financial assets and financial liabilities

Derivative financial assets and financial liabilities are recognised at fair value through profit or loss. These instruments are analysed between current and non-current assets and liabilities, depending on when they are expected to mature. If an instrument is expected to mature within one year from the reporting date, it is considered to be current, if the terms of an instrument is expected to mature in more than one year from the reporting date, it will be recognised as non-current.

Fair value movements are recognised immediately in the statement of comprehensive income.

Fair value calculations

Fair values for unquoted equity instruments are estimated using applicable fair value models. If a quoted bid price is not available for dated instruments, the fair value is determined using pricing models or discounted cash flow techniques. Refer to the "unlisted investments and receivables note" and the "derivative financial instruments note" for additional details.

Derecognition

A financial asset is derecognised when its contractual rights to the cash flow from the financial asset expire, or if it transfers the asset together with its contractual rights to receive the cash flows of the financial assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.6. LEASES

The group as lessor

Finance leases

Amounts due under finance leases are treated as installment credit agreements.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of these leases.

Operating leases

Income is recognised in the statement of comprehensive income over the period of the lease term on a straight line basis.

Assets leased under operating leases are included under the appropriate category of asset in the statement of financial position and are depreciated over their expected useful lives on a basis consistent with similar items of property, plant and equipment.

When a contract includes both lease and non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.

The group as lessee

The group assesses whether a contract is or contains a lease, at inception of the contract. When the group leases an asset, a 'right of use asset' is recognised for the leased item and a lease liability is recognised for any lease payments due at the lease commencement date. The right of use asset is initially measured at cost, being the present value of the lease payments payable, plus any initial direct costs incurred in entering the lease and dismantling costs, less any lease incentives received and are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are disclosed as part of property, plant and equipment. Right of use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date and are discounted using the incremental borrowing rates of the applicable group entity. Lease payments included in the lease liability include:

- fixed payments and in-substance fixed payments during the term of the lease, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- amounts expected to be payable by the lessee under residual value guarantees. Lease liabilities are disclosed as part of borrowings.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method and is remeasured when:

- there is a change in the residual value guarantee;
- there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase);
- there is a change in the lease term;
- there are modifications that are not treated as separate leases.

Any change in the lease liability as a result of these changes also results in a corresponding change in the right of use asset.

The weighted average incremental borrowing rate applied to the group's lease liabilities recognised in the statement of financial position was within the following range of 12.75% to 16.5% (2022: 9.69% to 11.44%.).

In terms of IFRS 16, the group has elected not to recognise right of use assets and liabilities for short term leases less than twelve months or when the value of the leases are low being less than R80 000.

1.7. IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If there is an indication that an asset may be impaired, its recoverable amount is estimated.

The recoverable amount is estimated annually for all goodwill and intangible assets with an indefinite useful life. The recoverable amount of an asset is calculated as the higher of its value in use or its fair value less cost to sell.

In assessing the value-in-use, the expected future cash flows from the cash generating unit ("CGU") or assets are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For impairment calculation purposes, goodwill is allocated to the CGUs expected to benefit from the business combination.

An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

Where the recoverable amount of an individual asset cannot be determined, the recoverable amount of the CGU to which the asset belongs is determined. An impairment loss on a CGU will be allocated first to goodwill and then to the other assets in the CGU unit on a proportionate basis

Any previously recognised, impairment loss is reversed if the recoverable amount of the asset increases as a result of a change in the estimate used to determine the recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. An impairment loss in respect of goodwill is not reversed.

1.8. OPERATING SEGMENTS

Operating segments have been identified using the management approach as required by IFRS 8 (Operating Segments) in terms of which segment classification is determined according to the basis on which management presents operating results to the Chief Operating Decision Makers (CODM's) which is considered to be the executive directors. The CODM's are responsible for allocating resources and assessing the performance of the operating segments. The operations have been allocated to each operating business segment based on senior management's assessment of their core operating activities, nature of the revenue streams and geographical area in which the group operates. Segment revenue reflects both sales to external parties and intragroup transactions across segments, which are eliminated under group, financing and consolidation. Segment operating assets and liabilities are only those items that can be specifically identified within a particular segment. The products and services of each of the operating segments are described in more detail in the Directors report.

The principal segments have been identified on a primary basis by business segment and on a secondary basis by significant geographical area in which the group operates. As a result of the proposed disposal of Eqstra during the year ended 31 August 2023 (see note 12), the group has changed its internal organisation and the composition of its operating segments, which resulted in a change in reportable segments. The petrochemicals segment has now been disclosed as the Lubricants and Chemicals segments. Accordingly, the group has restated the previously reported segment information for the year ended 31 August 2022. The group comprises the following segments:

- enX Lubricants ("**Lubricants**"):
  - African Group Lubricants (''AG Lubricants'') produces and markets oil lubricants and greases in South Africa and sub-Saharan Africa and is the sole distributor of ExxonMobil lubricants (excluding marine and aviation) and Quaker Houghton International's advanced fluids solutions and services (excluding metalworking).
- enX Chemicals ("**Chemicals**"):
  - West African International (''WAG'') imports, stores and distributes plastics, polymers, rubber and speciality chemicals as well as conveyor belting, steel cord and conveyer belting fabric into Southern Africa.
- enX Power ("**Power**").
  - New Way Power designs, manufacturers, installs, rents and maintains diesel generators and distributes a range of industrial engines. They also offer cleaner power through solar hybrid and grid alternatives.
- Discontinued operation - enX Fleet ("**Eqstra**");
  - Eqstra Fleet management (''Eqstra''), which previously made up the Fleet segment, provides a full spectrum of commercial and passenger vehicle leasing services including fleet management, outsourcing solutions, maintenance, warranty management, remarketing and vehicle tracking solutions. Included in Eqstra, is Kynite, a Software-as-a-Service (''SaaS'') solution which digitises the full spectrum of vehicle services, with external customers now making use of this offering. Both Eqstra and Kynite were classified as a disposal group held for sale in terms of IFRS 5 with effect from 31 August 2023.

Consistent accounting policies are adopted across the segments.

1.9. FOREIGN CURRENCIES

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates, being the functional currency. The consolidated financial statements are presented in South African Rand, which is the group and company's presentation and the company's functional currency.

Foreign currency transactions

Transactions denominated in foreign currencies are translated at the rates of exchange ruling on the transaction dates.

Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Gains or losses arising on translations are credited to, or charged against, the statement of comprehensive income.

Foreign subsidiaries

Once-off items in the statement of comprehensive income and statement of cash flows of foreign subsidiaries expressed in currencies other than the South African Rand are translated to South African Rand at the rates of exchange prevailing on the day of the transaction. All other items are translated at weighted average rates of exchange for the relevant reporting period.

Assets and liabilities of these undertakings are translated at closing rates of exchange at each reporting date. All translation exchange differences arising on the retranslation of opening net assets together with differences between income statements translated at average and closing rates are recognised as a separate component of equity i.e., the foreign currency translation reserve. For these purposes net assets include loans between group companies that form part of the net investment, for which settlement is neither planned nor likely to occur in the foreseeable future and is either denominated in the functional currency of the group or the foreign entity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange at the reporting date.

1.10. MANAGEMENT JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income or expenses. Actual results may differ from these judgements, estimates and assumptions. There are not considered to be any significant judgements which need to be made in applying the group's accounting policies or IFRS.

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. Management believes that the estimates are the most likely outcomes of future events. Management bases the estimates on historical experience and other assumptions that are reasonable under the given circumstances. Actual results may differ from the estimates under different assumptions and conditions. The accounting estimates that give rise to a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below:

Significant estimates

Certain accounting areas have been identified as involving significant estimates:

Residual values of leasing assets

Leasing assets are depreciated over their useful life taking into account residual values. The actual lives of the assets and residual values are assessed at the reporting date and may vary depending on a number of factors. In re-assessing residual values, factors such as leasing contract terms, maintenance programmes, future market conditions, the remaining life of the asset and projected disposal values are taken into account.

Impairment of assets

- Goodwill is considered for impairment at least annually;
- Property, plant and equipment and leasing assets are considered for impairment if there is any reason to believe that an impairment may be necessary. Factors taken into consideration include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of the unit. Future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current asset value and, if lower, the assets are impaired to the present value;
- Inventories are considered for the estimation in the calculation of the NRV of inventory;
- Trade and other receivables forward looking information utilised in the expected credit loss model is considered; and
- Deferred tax considers the recoverability of deferred tax assets in respect of future taxable profits.

Revenue recognition on vehicle maintenance plans

Revenue from vehicle maintenance plans is based on an actuarial calculation performed by an external party and revenue is recognised on the basis of a gross profit model over the life of the maintenance contract. Based on the actuarial valuation a combination of valuation methods are applied in order to derive the best estimate of the future costs. Consideration is given in determining future maintenance costs to the class of the vehicle, the make of the vehicle, the age of the vehicle, the actual costs incurred, the expected future costs and the term of the contract. Onerous contracts are provided for where costs are estimated to be above expected revenues. There is potential volatility in the revenue recognised in future years as cost curves are updated. This model is considered to be the most appropriate basis on which to determine maintenance revenues to be recognised.

1.11. RESTATEMENTS

Discontinued operations

During the year, the group took a strategic decision to dispose of Eqstra. As at 31 August 2023, management are confident that, based on progress to date, this transaction likely to be executed in the next 12 months, and this resulted in Eqstra being recognised as a discontinued operation in 2023. The prior year statement of profit or loss and other comprehensive income has been restated as to include Eqstra, in addition to EIE SA and Austro, which have all been recorded as assets held for sale and discontinued operations in terms of IFRS 5.

Consolidated statement of financial position

During the current reporting period the group determined that the recognition of the deferred taxation liability does not comply with the initial recognition criteria of IAS 12 Income Taxes. The group assessed the guidance provided in IAS 12 in respect of the initial recognition of deferred taxation liabilities and concluded that the prior year balance sheet had to be restated to reverse the deferred taxation liability and the corresponding gross up of the intangible asset.

The presentation has been corrected by restating each of the affected line items of the consolidated statement of financial position for the prior period. The following tables summarise the impacts on the group's consolidated statement of financial position and accompanying notes.

	31 August 2022 R'000 As reported	Adjustment	31 August 2022 R'000 As Restated
Non-current assets	**2 918 894**	(22 160)	**2 896 734**
Intangible assets (refer to note 4 below)	99 612	(22 160)	77 452
Non-current liabilities	**(1 208 285)**	22 160	**(1 186 125)**
Deferred taxation (refer to note 7 below)	(206 172)	22 160	(184 012)
Net change in equity		–	
Note 4			
Total Intangible Assets			
Cost	708 837	(22 160)	686 667
Accumulated depreciation	(609 225)	-	(609 225)
Total net carrying value	99 612	(22 160)	77 452
Movement Summary			
Carrying value at beginning of year	*33 375*	-	*33 375*
Additions	104 287	(22 160)	82 127
Amortisation for the year	(22 080)	-	(22 080)
Impairment	(11 167)	-	(11 167)
Disposals	(4 803)	-	(4 803)
Total carrying value at the end of the year	**99 612**	**(22 160)**	**77 452**
Right to buy intangible asset			
Cost	79 143	(22 160)	56 983
Accumulated depreciation	(4 076)	-	(4 076)
Right to buy asset net carrying value	75 067	(22 160)	52 907
Movement Summary			
Additions	79 143	(22 160)	56 983
Amortisation for the year	(4 076)	-	(4 076)
Right to buy carrying value at the end of the year	**75 067**	**(22 160)**	**52 907**

	31 August 2022 R'000 As reported	Adjustment	31 August 2022 R'000 As Restated
Note 7			
Deferred Taxation			
Balance consists of:			
Intangible assets	(35 218)	22 160	(13 058)
Total carrying amount	**(195 619)**	**22 160**	**(173 459)**
Movement summary			
Balance at the beginning of the year	(233 087)	-	(233 087)
Deferred tax recognised in terms of right to buy asset	(22 160)	22 160	-
Currency adjustments	53	-	53
Temporary differences for the year	77 452	-	77 452
Disposal of subsidiaries (note 29)	(4 521)	-	(4 521)
Change in tax rate	(13 356)	-	(13 356)
Balance at the end of the year	**(195 619)**	**22 160**	**(173 459)**
Disclosed as:			
Deferred taxation – non-current assets	10 553	-	10 553
Deferred taxation – non-current liabilities	(206 172)	22 160	(184 012)
	(195 619)	22 160	(173 459)

The overall prior year impact is to decrease intangible assets by R22.2 million and decrease deferred taxation liabilities by R22.2 million. The restatement did not impact the statement of profit or loss and other comprehensive income, the consolidated cash flow, the earnings nor net asset value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

2. PROPERTY, PLANT, EQUIPMENT AND RIGHT OF USE ASSETS

	Plant and equipment R'000	Motor vehicles R'000	Computer and office equipment R'000	Property and leasehold improvements R'000	Total R'000
As at 31 August 2023					
Cost	238 425	18 413	5 952	34 473	297 263
Accumulated depreciation and impairments	(83 994)	(14 376)	(5 156)	(16 244)	(119 770)
Net carrying value at 31 August 2023 of owned and right-of-use assets	154 431	4 037	796	18 229	177 493
Owned assets					
Cost	232 654	15 268	5 952	12 925	266 799
Accumulated depreciation and impairments	(82 888)	(11 482)	(5 156)	(3 855)	(103 381)
Net carrying value	149 766	3 786	796	9 070	163 418
Movement summary					
Carrying value at the beginning of the year	69 685	16 997	1 615	35 585	123 882
Additions	101 937	1 367	320	8 137	111 761
Disposals	(566)	(171)	–	(7 814)	(8 551)
Depreciation – allocated to cost of sales	(7 708)	–	–	–	(7 708)
Depreciation – included in operating expenses	(9 256)	(1 015)	(428)	(1 592)	(12 291)
Transfer from leasing assets	–	2 211	–	–	2 211
Impairments	(1 821)	–	–	–	(1 822)
Foreign currency adjustments	85	12	–	–	99
Reclassification to disposal group held for sale (note 12)	(2 590)	(15 615)	(711)	(25 246)	(44 162)
Carrying value at 31 August 2023	149 766	3 786	796	9 070	163 419
Right-of-use assets					
Cost	5 771	3 145	–	21 548	30 464
Accumulated depreciation and impairments	(1 106)	(2 894)	–	(12 389)	(16 389)
Net carrying value	4 665	251	–	9 159	14 075
Movement summary					
Carrying value at the beginning of the year	64 071	1 208	–	9 350	74 629
New leases recognised	5 771	–	–	13 704	19 475
Depreciation – included in operating expenses	(18 101)	(527)	–	(8 970)	(27 598)
Termination of leases	(47 076)	(430)	–	–	(47 506)
Reclassification to disposal group held for sale (note 12)	–	–	–	(4 925)	(4 925)
Carrying value at 31 August 2023	4 665	251	–	9 159	14 075

2. PROPERTY, PLANT, EQUIPMENT AND RIGHT OF USE ASSETS continued

	Plant and equipment R'000	Motor vehicles R'000	Computer and office equipment R'000	Property and leasehold improvements R'000	Total R'000
As at 31 August 2022					
Cost	287 713	78 671	12 054	176 833	555 271
Accumulated depreciation and impairments	(132 346)	(21 585)	(10 367)	(95 026)	(259 324)
Net carrying value at 31 August 2022 of owned and right-of-use assets	133 756	18 205	1 615	44 935	198 511
Owned assets					
Cost	189 945	36 258	11 982	53 614	291 799
Accumulated depreciation and impairments	(120 260)	(19 261)	(10 367)	(18 029)	(167 917)
Net carrying value	69 685	16 997	1 615	35 585	123 882
Movement summary					
Carrying value at the beginning of the year	79 924	13 466	992	38 271	132 653
New leases recognised	9 623	913	1 000	105	11 641
Disposals	(788)	(125)	–	(87)	(1 000)
Depreciation – allocated to cost of sales	(9 098)	(71)	–	–	(9 169)
Depreciation – included in operating expenses	(5 340)	(2 994)	(376)	(2 704)	(11 414)
Transfer from leasing assets	–	5 805	–	–	5 805
Impairments	(4 501)	–	–	–	(4 501)
Foreign currency adjustments	82	3	(1)	–	84
Disposal of subsidiary	(217)	–	–	–	(217)
Carrying value at 31 August 2022	69 685	16 997	1 615	35 585	123 882
Right-of-use assets					
Cost	76 157	3 532	–	86 347	166 036
Accumulated depreciation and impairments	(12 086)	(2 324)	–	(76 997)	(91 407)
Net carrying value	64 071	1 208	–	9 350	74 629
Movement summary					
Net book value at beginning of year	67 446	–	–	59 462	126 908
New leases recognised	790	3 532	–	2 711	7 033
Depreciation – allocated to cost of sales	–	–	–	(3 973)	(3 973)
Depreciation – included in operating expenses	(4 165)	(2 324)	–	(11 715)	(18 204)
Termination of leases	–	–	–	(37 135)	(37 135)
Carrying value at 31 August 2022	64 071	1 208	–	9 350	74 629

A register of property, plant and equipment is available for inspection at the registered office of the company.

Plant and equipment in Lubricants with a carrying value of R83.0 million, has been encumbered to secure long-term interest bearing debt (refer to note 15). Property, plant and equipment in Fleet with a carrying value of R44.2 million (2022: R16.9 million), has been encumbered to secure long-term debt held for sale (refer to note 12).

The management assumptions around useful lives and residual values are disclosed in the accounting policy notes (refer to note 1.4 Property, plant, equipment, right of use assets and leasing assets).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2023

	2023 R'000	2022 R'000
3. LEASING ASSETS		
Cost	–	3 762 307
Accumulated depreciation	–	(1 412 221)
Net carrying value	–	2 350 086
Movement summary		
Carrying value at the beginning of the year	2 350 086	2 769 789
Additions	1 128 317	746 619
Depreciation – allocated to cost of sales	(447 654)	(451 066)
Transfer to inventories	(417 981)	(700 088)
Transfer to property, plant and equipment	(2 211)	(5 805)
Foreign currency adjustments	1 679	449
Impairments	2 767	(9 559)
Disposal of subsidiaries (note 29)	–	(253)
Reclassification to disposal group held for sale (note 12)	(2 615 003)	–
Carrying value at the end of the year	–	2 350 086

Leasing assets have been fully encumbered to secure held for sale interest-bearing liabilities (refer to note 12). Leasing assets comprise primarily motor vehicles.

4. INTANGIBLE ASSETS

Intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. Assessments that the useful lives are indefinite are undertaken annually.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specification to which it relates. All other expenditure is recognised in profit or loss.

Intangible assets with finite useful lives are amortised on a straight-line basis through profit and loss over their estimated useful lives. Amortisation is disclosed as part of operating expenses.

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

None of the intangible assets recognised are internally generated.

At the end of each reporting period, or when deemed necessary, the carrying amount is compared to the recoverable amount and as such is tested for any indication of impairment. Where there is an impairment, this will be recorded in profit or loss.

	Restated* Right to buy asset R'000	Computer software R'000	Restated* Total R'000
As at 31 August 2023			
Cost	56 983	85 207	142 190
Accumulated amortisation and impairments	(10 845)	(82 534)	(93 379)
Net carrying value	**46 138**	**2 673**	**48 811**
Estimated useful life	6 years	3 - 10 years	
Movement summary			
Carrying value at the beginning of the year	52 907	24 545	77 452
Additions	–	8 222	8 222
Amortisation for the year	(6 769)	(10 488)	(17 257)
Reclassification to disposal group held for sale (note 12)	–	(19 606)	(19 606)
Carrying value at the end of the year	**46 138**	**2 673**	**48 811**

4. INTANGIBLE ASSETS continued

	Supplier and distributorship agreements – subject to amortisation R'000	Supplier and distributorship agreements – with indefinite useful lives R'000	Trademarks R'000	Restated* Right to buy asset R'000	Computer software R'000	Restated* Total R'000
As at 31 August 2022						
Cost	323 552	138 210	10 390	56 983	157 542	686 677
Accumulated amortisation and impairments	(323 552)	(138 210)	(10 390)	(4 076)	(132 997)	(609 225)
Net carrying value	–	–	–	52 907	24 545	77 452
Estimated useful life	3 – 20 years	indefinite	20 years	6 years	3 - 10 years	
Movement summary						
Carrying value at the beginning of the year	–	–	–	–	33 375	33 375
Additions	–	–	–	56 983	25 144	82 127
Amortisation for the year	–	–	–	(4 076)	(18 004)	(22 080)
Impairment	–	–	–	–	(11 167)	(11 167)
Disposals	–	–	–	–	(4 803)	(4 803)
Carrying value at the end of the year	–	–	–	52 907	24 545	77 452

* *The right to buy asset included in the current year has been recorded in respect of a supply contract entered into during the prior year. In terms of the contract, enX has an enforceable legal right and an identifiable asset in terms of IAS 38. The supply contract provided gave to economic benefits to enX in the form of reduced pricing over the six-year contract duration, which can be reliably measured based on projected purchases. The value of the supply contract has therefore been recognised in the prior year as an intangible asset. Refer to note 1.11.*

Other information

During the 2022 financial year enX introduced Abakhulu Energy Propriety Limited ("Abakhulu") as a 34% strategic shareholder in the Centlube CGU. In exchange for the 34% shareholding, enX is to receive reduced base oil pricing and supply locked in for a six-year period. As a result of the supply contract concluded between the parties, enX has an enforceable legal right and has control of the resource. Therefore, enX has the power to obtain future economic benefits and has the power to restrict access of others to those benefits. In terms of IAS 38 this right to buy asset has been designated as an intangible asset.

The supplier and distributorship agreements with indefinite useful lives relate to the Lubricants segment. These agreements provide the group with the right to distribute lubricants in South Africa and certain other African countries. These intangible assets were fully impaired in 2020 and scrapped in the current year.

Change in accounting estimate

The supply contract related to the right to buy asset was entered into effective 1 February 2022. On 31 January 2023 management performed an assessment of the appropriateness of the amortisation method applied. It was determined that the current amortisation method base on liters purchased did not appropriately reflect the consumption of economic benefits related to the asset. Therefore, the right to buy intangible asset will now be amortised on a straight-line basis over five years, being the remaining contract period. This will ensure that the full economic benefits are recognised within the contract period and that the carrying value of the intangible asset is not overstated over the remaining contract period. This change in accounting estimate has been applied prospectively from 1 February 2023.

5. INVESTMENT IN ASSOCIATE

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

Associates are accounted for using the equity method. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of profit or loss and other comprehensive income of the associate. The company records its investment in associates at cost less any impairment charges.

	2023 R'000	2022 R'000
Shares at cost	52 994	52 994
Associate investment – on acquisition: Net asset value	9 036	9 036
Associate investment – on acquisition: Goodwill	43 958	43 958
Equity accounted profit		
Share of profit from associate:		
– Prior years	65 674	50 858
– Current year	(4 061)	14 816
> Profits from associate	18 509	26 655
> Dividend received	(22 570)	(11 839)
Carrying value	114 607	118 668

On 31 May 2018, enX acquired a 37% interest in Zestcor. On acquisition an amount of R44.0 million was raised as goodwill as a result of the expected synergies. The pre-tax rate used to discount the forecast cash flows is 25.6% (2022: 23.0%). The recoverable amount of 37% of the Zestcor CGU was determined to be R192.2 million (2022: R204.8 million) on a value in use basis.

Key assumptions applied in the value in use calculations

The following assumptions were applied in the value in use calculation above:

- Asset values were based on the carrying amounts for the financial year;
- Future expected profits over five years were estimated using historical information and approved budgets;
- Revenue growth and gross margins were based on historical performance and estimated future prospects;
- Operating costs were assumed to grow in line with current inflation rates;
- Cash flows were extended into perpetuity as management has no reason to believe that the group will not continue past the budget period;
- The terminal value has been calculated by dividing the terminal year free cash flows by the pre-tax discount rate less the in-perpetuity growth rate which has been limited to CPI; and
- The recoverable amounts are compared to the carrying amounts of the CGU to determine whether goodwill impairment is required.

Change in key assumptions and conclusion

For the goodwill amount, a sensitivity analysis was performed on the discount rates and terminal growth rates. The results indicated that sufficient headroom (value in use over the carrying value) for Zestcor existed to absorb a reasonable change in either the discount rate or the terminal growth rate or a combination thereof. The directors believe that any reasonable possible change in the key assumptions on which the recoverable amount of Zestcor was determined would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2023

5. INVESTMENT IN ASSOCIATE continued

Sensitivity to discount rate and growth rate	Enterprise value* Aug 2023 R'000	Pre-tax discount rate Actual rate %	Pre-tax discount rate Break-even rate %	Terminal growth rate Actual rate %	Terminal growth rate Break-even rate %
Zestcor	192 184	25.6	25.8	5.0	4.8

* Enterprise value is determined to be the net operating assets of 37% of the CGU and the interest-bearing debt at 37%.

	Country of Incorporation	Ownership Percentage 2023 %	Ownership Percentage 2022 %	Investment carrying value 2023 R'000	Investment carrying value 2022 R'000
Zestcor	RSA	37	37	114 607	118 668

SUMMARISED FINANCIAL INFORMATION OF ZESTCOR

Summarised statement of financial position	Current assets R'000	Non-current assets R'000	Total assets R'000	Current liabilities R'000	Non-current liabilities R'000	Capital and reserves R'000	Total equity and liabilities R'000
31 August 2023							
Zestcor	634 776	458	635 234	450 723	–	184 511	635 234
31 August 2022							
Zestcor	946 008	641	946 649	747 131	–	199 518	946 649

Summarised statement of profit or loss and other comprehensive income for the year	Revenue R'000	Profit after tax R'000
2023		
Zestcor	1 466 001	50 024
2022		
Zestcor	1 500 306	72 041

6. UNLISTED INVESTMENTS AND OTHER RECEIVABLES

	2023 R'000	2022 R'000
Investments		
Unlisted investments at fair value	2 475	535
Receivables		
Other receivables	135 240	140 777
Finance lease receivables	–	152
Total carrying value	137 715	141 464
Movement summary		
Balance at the beginning of the year	141 464	851
Additions	3 455	135 240
Fair value adjustments through profit or loss	(675)	(5)
Impairments	(5 549)	–
Other movements	(140)	5 378
Transfer to disposal group held for sale (note 12)	(840)	–
Balance at the end of the year	137 715	141 464
Disclosed as:		
– Non-current assets	2 475	141 464
– Current assets	135 240	–
	137 715	141 464

Included in other receivables are proceeds of R135.2 million which is held in escrow as collateral for any proven warranty and indemnity (W&I) claims that may arise out of the Subscription Agreement concluded between CFAO Holdings South Africa and various enX entities, regarding the disposal of EIE SA. Any amounts that are not applied to settle W&I claims will be released to enX on 31 March 2024. Interest earned on the escrow balance is for the benefit of enX. Interest earned is accounted for as part of finance income.

The proceeds receivable are held at fair value through profit and loss. As at 31 August 2023, no evidence of any W&I claims existed and no claims have been received to date. The amount in escrow is expected to be released on or before 31 March 2024 if no W&I claims are received.

Fair value hierarchy disclosures

Valuation methodology

Level 1 – Valuations with reference to quoted prices in an active market:

Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis. There are no level 1 financial instruments in the current year.

Level 2 – Valuations based on observable and unobservable inputs include:

Financial instruments valued using inputs other than quoted prices as described above for level 1 but which are observable for the asset or liability, either directly or indirectly, such as a quoted price for similar assets or liabilities in an active market; a quoted price for identical or similar assets or liabilities in inactive markets; a valuation model using observable inputs; and a valuation model using inputs derived from/corroborated by observable market data.

The market value of all forward exchange contracts at year-end was calculated by comparing the forward exchange contract rates to the equivalent year-end market foreign exchange rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2023

6. UNLISTED INVESTMENTS AND RECEIVABLES continued

Level 3 – Valuations based on unobservable inputs include:

The unlisted investments are level 3 financial instruments. Level 3 instruments are valued using various business-related inputs which are not based on observable market data.

Unlisted investments are valued based on operational performance of the entities which is considered to be appropriate taking into account that the investments are insignificant to the group. Refer to note 16 for detail on the fait value measurement of the cash settled and option liabilities.

The table below shows the group's financial assets and liabilities that are recognised and subsequently measured at fair value, analysed by valuation technique.

31 August 2023	Level 2 R'000	Level 3 R'000	Fair value R'000
Financial assets			
Unlisted investments and loans	–	2 475	2 475
Designated as fair value through profit and loss			
– Derivative financial assets (note 10)	4 763	–	4 763
– Proceeds receivable	–	135 240	135 240
	4 763	137 715	142 478
Financial liabilities			
Designated as fair value through profit and loss			
– Cash settled liability relating to the SAR schemes (note 16)	14 649	–	14 649
– Option liability - Abakhulu (note 16)	56 983	–	56 983
	71 632	–	71 632
31 August 2022			
Financial assets			
Unlisted investments and loans	–	535	535
Designated as fair value through profit and loss			
– Derivative financial assets (note 10)	22 139	–	22 139
– Proceeds receivable	–	135 240	135 240
	22 139	135 775	157 914
Financial liabilities			
Designated as fair value through profit and loss			
– Cash settled liability relating to the SAR schemes (note 16)	4 050	–	4 050
– Option liability - Abakhulu (note 16)	56 983	–	56 983
	61 033	–	61 033

Type	Valuation Technique	Significant unobservable inputs	Inputs and fair value measurement
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and the present value calculations based on high credit quality yield curves in the respective currencies.	There is an element of unobservable inputs as the rates offered by the lenders are impacted by the lenders perceived risk of each entity.	Not applicable.
Proceeds receivable	Proceeds receivable of R135.2 million adjusted for any proven W&I claims at reporting date.	There is an element of unobservable inputs as the W&I claims are subject to the agreement concluded between CFAO Holdings South Africa and various enX entities.	Not applicable.

7. DEFERRED TAXATION

Deferred taxation is calculated at the taxation rates enacted or substantively enacted at reporting date and are expected to apply when the related deferred taxation asset is realised or deferred liability is settled and is charged or credited in the statement of profit or loss and comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is also dealt with in equity.

Deferred taxation is raised on all temporary differences, other than the initial recognition of goodwill, and of assets or liabilities in transactions other than business combinations which at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred taxation assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entities in the group is able to and intend to settle their current tax assets and liabilities on a net basis.

	2023 R'000	Restated* 2022 R'000
The balance consists of:		
Property, plant and equipment and right of use assets	(1 258)	(12 671)
Leasing assets	–	(226 009)
Intangible assets	(30)	(13 058)
Inventories	862	(1 705)
Trade and other receivables	1 955	9 348
Trade, other payables and provisions	24 112	69 061
Other	6 206	(375)
Tax losses	1 017	1 950
Total carrying amount	32 864	(173 459)
Movement summary		
Balance at the beginning of the year	(173 459)	(233 087)
Foreign currency adjustments	253	53
Temporary differences for the year	35 223	77 452
Disposal of subsidiary (note 28)	–	(4 521)
Reclassification to disposal group held for sale (note 12)	171 355	–
Change in tax rate	(508)	(13 356)
Balance at the end of the year	32 864	(173 459)
Disclosed as:		
Deferred taxation – non-current assets	32 864	10 553
Deferred taxation – non-current liabilities	–	(184 012)
	32 864	(173 459)
Tax losses		
Total taxation losses available for set off against future profits	77 741	368 923
Taxation losses not recognised due to unpredictability of future taxable income	73 974	361 960
Taxation losses recognised available for set off against future profits	3 767	6 963
Deferred tax assets recognised in respect of such taxation losses	1 017	1 950

* *The comparative information has also been restated to correct an error relating to the deferred tax liability raised on initial recognition of the right to buy intangible asset during the year ended 31 August 2022 (refer to note 4.). During the current reporting period the group determined that the recognition of the deferred tax liability does not comply with the initial recognition criteria of IAS 12 Income Taxes. The group concluded that the prior year statement of financial position had to be restated to reverse the deferred tax liability incorrectly recognised and the corresponding gross up of the intangible asset. The restatement has no effect on the prior year earnings nor net asset value. Refer to note 1.11.*

7. DEFERRED TAXATION continued

Deferred taxation assets are raised only to the extent that it is probable that future taxable income will be available against which the deferred taxation asset can be used. A deferred taxation asset of R1.0 million (2022: R2.0 million) was raised based on tax losses available for set-off against future taxable income. None of the tax losses expire. Management has projected future taxable income for those businesses which have available tax losses based on budgets approved by the board of directors. The budgets forecast limited growth in a conservative model and the period over which tax losses can be recovered has been limited to five years. The group remains confident of its ability to generate future taxable income and thus judgement is applied with regard to the timing of the utilisation of the deferred taxation assets.

During the current year deferred tax assets of R15.5 million related to assessed losses were not recognised.

8. TRADE AND OTHER RECEIVABLES

	2023 R'000	2022 R'000
Gross trade receivables	790 111	945 699
Impairment allowance raised against trade receivables	(12 449)	(56 762)
Net trade receivables	777 662	888 937
Prepayments	21 402	19 404
Value added taxation	15 493	40 647
Finance lease receivables	–	149
Sundry debtors, claims, recoverable and other receivables	20 842	84 246
Deposits	980	1 184
Total carrying amount	836 379	1 034 567
Amounts included in disposal group held for sale (note 12).	212 709	–

There is a cession and pledge of the gross trade receivables of R672.2 million (2022: R887.0 million) as collateral against the banking facilities. Refer to note 15.

Trade receivables are stated at amortised cost less impairment allowances which is considered to approximate their fair value due to their short-term maturity. Refer to note 34.

	2023 R'000	2022 R'000
Movement in impairment allowance raised against receivables		
Balance at the beginning of the year	56 762	46 390
Impairment allowance (released)/raised during the year	(13 754)	21 863
Impairment allowance utilised during the year	(20 389)	(9 153)
Disposal of subsidiary (note 28)	–	(2 338)
Reclassification to disposal group held for sale (note 12)	(10 170)	–
Balance at the end of the year	12 449	56 762

Basis of raising impairment allowances against receivables

The recoverability of trade and other receivables is continuously reviewed on an individual customer basis. Credit limits are continuously monitored through payment history checks and industry information.

An assessment is made at each reporting date whether there is any objective evidence that trade and other receivables are impaired. The group applies the simplified approach to calculate the expected credit loss ("ECL") of trade receivables. The rates used in the ECL provision matrix are based on days past due and historic debt written off. Further information regarding credit risk and credit risk management is detailed in note 34.

The considerations taken into account in determining whether there are any adjustments required for future information with regards to the ECL include the expected rate of inflation as well as the expected future economic conditions of the markets impacting the debtors book.

	2023 R'000	2022 R'000
Related credit exposure and enhancements		
Maximum exposure to credit losses of trade and other receivables after impairment allowances raised	799 484	974 367
Credit risk mitigated through:		
Credit Insurance	(471 582)	(393 517)
Residual exposure	327 902	580 850

9. INVENTORIES

Inventory comprises raw materials, finished goods, generators, vehicles and work-in-progress.

Inventories are stated at the lower of cost and net realisable value. Cost is determined as follows:

Generators and vehicles	Specific cost
Raw materials, consumables, work-in-progress and finished goods	Weighted average cost

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Work-in-progress includes production costs and overheads directly attributable to the production of goods.

Allowances are made for inventory that is slow-moving and/or obsolete. The provision for inventory obsolescence is based on a physical count and inspection of stock items which is performed at least annually and takes into account the age, condition and usage rates of the inventory. Any inventory that is physically identified as damaged is written off when identified.

The amount of any write-down of inventories to net realisable value and all losses of inventories are charged to the statement of profit or loss and comprehensive income in the period the write-down or loss is incurred. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as an increase in the amount of inventories through the statement of profit or loss and comprehensive income in the period in which the reversal occurs. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

	2023 R'000	2022 R'000
Generators	160 692	126 337
Used vehicles	–	16 088
Finished goods	504 862	470 952
Work in progress	53 403	33 606
Consumables	–	22 070
Goods in transit	190 461	216 736
Gross inventories	909 418	885 789
Impairment allowance raised against inventories	(42 693)	(31 601)
Total carrying amount	866 725	854 188
Amounts included in disposal group held for sale (note 12)	42 087	–
Movement in impairment allowance raised against inventories		
Balance at the beginning of the year	31 601	28 726
Impairment provisions raised during the year	37 058	5 687
Impairment provisions utilised during the year	(15 473)	(2 812)
Reclassification to disposal group held for sale	(10 493)	–
Balance at the end of the year	42 693	31 601
Inventories are valued at the lower of cost and net realisable value.		
Inventories carried at net realisable value included above	8 570	1 291
Inventories up to a maximum amount of R664.7 million (2022: R696.0 million) have been encumbered to secure borrowing facilities (refer to note 15).		
Amounts recognised as an expense in the year	3 573 529	3 561 358

	2023 R'000	2022 R'000
10. DERIVATIVE FINANCIAL INSTRUMENTS		
ASSETS		
Forward exchange contracts, at fair value through profit or loss	4 763	22 139
	4 763	22 139

These financial instruments are level 2 financial instruments – valuations based on observable and unobservable inputs. The net market value of all forward exchange contracts at year-end was calculated by comparing the forward exchange contract rates to the equivalent year-end market foreign exchange rates. Refer to note 6 for fair value disclosure.

	2023 R'000	2022 R'000
11. BANK AND CASH BALANCES		
Cash on hand	186	351
Bank accounts	302 794	969 736
Restricted cash	–	84 000
	302 980	1 054 087
Amounts included in held for sale (note 12)	108 106	–
Bank and cash balances – current assets	302 980	1 054 087
Total group cash and cash equivalents	411 086	1 054 087

The group's cash and cash equivalents relate to short-term deposits placed with banks with strong credit ratings to mitigate credit loss risk.

In the prior year restricted cash of R84 million was held against a bank guarantee with Rand Merchant Bank and was paid in December 2022 as consideration for the property, comprising of blending and storage facilities of Lubricants, acquired by the group in the current year.

12. DISPOSAL GROUP HELD FOR SALE

Disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before classification as held for sale, the measurement of all assets and liabilities in a disposal group is brought up-to-date in accordance with the accounting standard applicable to each line item. Then, on initial classification as held for sale disposal groups are recognised at the lower of their previous carrying amount and the fair value less costs to sell.

Loans to or from group companies that have been classified as held for sale are eliminated on consolidation. Property, plant and equipment, leasing assets and intangible assets are not depreciated or amortised once classified as held for sale.

Shareholders are referred to the SENS announcement dated 13 June 2023 advising that enX is in discussions regarding a divestment by the company of its interest in Eqstra Investment Holdings Proprietary Limited ("Potential Transaction"). The Potential Transaction would constitute a category 1 transaction in terms of the JSE Listing Requirements and an effected transaction in terms of Companies Act, 71 of 2008 and will require the approval via special resolution of enX shareholders in a general meeting. During the strategic and budget process in July 2023 management took a strategic decision to dispose of Eqstra. As at 31 August 2023, management are confident that, based on progress to date, this transaction is likely to be executed in the next 12 months. Eqstra has accordingly been reported as a disposal group held for sale from 31 August 2023 and as a discontinued operation.

Key judgement and estimate

Despite significant progress in negotiation for the sale to a credible buyer, no binding sales agreement has been entered into with the buyer as at 31 August 2023. The disposal has been measured at the lower of fair value less cost to sell and the carrying amount. The fair value less cost to sell of disposal proceeds exceeded its carrying amount and no fair value adjustment was required.

	2023 R'000	2022 R'000
Assets		
Property, plant and equipment	49 087	–
Leasing assets	2 615 003	–
Intangible assets	19 606	–
Other investments and loans	840	–
Deferred taxation	874	–
Trade and other receivables	212 709	–
Inventories	42 087	–
Taxation receivable	1 005	–
Bank and cash balances	108 106	–
Total assets	3 049 317	–
Liabilities		
Interest-bearing liabilities	1 144 302	–
Lease liabilities	5 238	–
Deferred taxation	172 229	–
Trade and other payables	271 911	–
Provisions	51 104	–
Taxation payable	3 853	–
Total liabilities	1 648 637	–
Net disposal group held for sale	1 400 680	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2023

	2023 R'000	2022 R'000
13. STATED CAPITAL		
Authorised shares		
1 000 000 000 (2022: 1 000 000 000) ordinary shares of no par value		
Issued shares		
182 312 650 (2022: 182 312 650) ordinary shares of no par value	2 512 474	2 512 474
Balance at beginning of year	2 495 999	3 134 092
Capital distribution	–	(638 093)
Balance at end of year	2 495 999	2 495 999
Shares in issue	2 512 474	2 512 474
Treasury shares	(16 475)	(16 475)

The capital distributions were implemented by way of a reduction of contributed tax capital as defined in the Income Tax Act No. 58 of 1962 (as amended). Distributions from contributed tax capital are not dividends and do not attract withholding taxes in South Africa.

During the prior year, the group declared a second special capital distribution of 150.00 cents per enX share which was paid on 5 September 2022. In addition, the group paid a special capital distribution of 200.00 cents per enX share on 20 June 2023 following the divestment of EIE SA and Impact Handling (UK).

The group has elected in terms of IAS7.34 to disclose all payments of capital distributions and dividends as part of cash flows from financing activities.

Treasury shares

enX Corporation Limited, a wholly-owned subsidiary in the group, currently owns 570 014 (2023:R9.89 million, 2022: R9.89 million) ordinary shares which are held as treasury shares.

K2016224128 (South Africa) Proprietary Limited, a direct wholly-owned subsidiary, acting as the escrow agent, currently owns 375 873 shares, (2023:R6.59 million, 2022: R6.59 million) in terms of the enX Forfeitable Share Plan Scheme, unchanged from the prior year. These shares were not allocated to employees.

	2023 R'000	2022 R'000
14. OTHER RESERVES		
Foreign currency translation reserve	22 541	11 363
Valuation reserve	(736 563)	(736 563)
	(714 022)	(725 200)
Movement summary		
Balance at the beginning of the year	(725 200)	(733 554)
Foreign currency translation reserve – through other comprehensive income	11 178	8 354
Balance at the end of the year	(714 022)	(725 200)

The valuation reserve relates to fair value adjustments that were recognised in 2017 to ensure that the eXtract shares were valued at the closing JSE share price at 31 August 2017 and the loans receivable and preference shares in the MCC division of eXtract were fair valued on the basis of the estimated cash flows expected to be received from the restructure agreement with eXtract. These fair value adjustments were recognised through the statement of profit or loss and subsequently reclassified from retained earnings to other reserves.

	2023 R'000	2022 R'000

15. INTEREST-BEARING LIABILITIES

	2023 R'000	2022 R'000
Long-term in nature	43 061	901 271
– Secured loans	37 061	895 171
– Unsecured loans	6 000	6 100
Short-term in nature		
– Secured short-term loans and call borrowings	222 216	784 737
Total borrowings	265 277	1 686 008
Disclosed as:		
Non-current liabilities	37 061	895 171
Current liabilities	228 216	790 837
Total borrowings	265 277	1 686 008
Reconciliation of movement in interest-bearing liabilities		
Opening balance at beginning of year	1 686 008	2 059 627
Debt relating to disposal group held for sale at 1 September 2021	–	1 560 095
Repayments of facilities during the year	(3 766 631)	(2 568 226)
Proceeds from facilities during the year	3 490 202	2 160 857
Disposal of subsidiaries (note 29)	–	(1 526 345)
Reclassification to disposal group held for sale (note 12)	(1 144 302)	–
Closing balance at the end of the year	265 277	1 686 008

Interest rate analysis	**2023 Effective rates %**	**2023 Analysis of debt R'000**	2022 Effective rates %	2022 Analysis of debt R'000
Variable linked				
– Secured loans	11.69%	37 061	7.45% - 9.23%	895 171
– Unsecured loans	12.75%	6 000	10.00%	6 100
– Unsecured short-term loans and call borrowings	11.69% - 12.68%	222 216	8.40% - 10.10%	784 737
		265 277		1 686 008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

15. INTEREST BEARING LIABILITIES continued

	2028 and onwards Rm	2027 Rm	2026 Rm	2025 Rm	2024 Rm	Total Rm
Summary of interest-bearing borrowings by year of redemption or repayment						
31 August 2023						
South Africa	3 206	5 470	10 076	18 309	228 216	265 277
Total	3 206	5 470	10 076	18 309	228 216	265 277

	2027 and onwards Rm	2026 Rm	2025 Rm	2024 Rm	2023 Rm	Total Rm
31 August 2022						
South Africa	–	–	895 171	–	790 837	1 686 008
Total	–	–	895 171	–	790 837	1 686 008

The undiscounted disclosure of the future contractual cash flows has been disclosed in note 34.

	2023 Debt secured Rm	**2023** Net book value of assets encumbered Rm	2022 Debt secured R'000	2022 Net book value of assets encumbered R'000
Details of encumbered assets as follows:				
Plant and equipment, trade receivables and inventories	259 277	1 419 938	194 909	1 328 088
Plant and equipment, inventory, trade receivables and leasing assets	–	–	1 485 000	2 622 248
Total	259 277	1 419 938	1 679 909	3 950 336

	2023 R'000	2022 R'000
Borrowing facilities		
In terms of the MOI the borrowing powers of the company are unlimited.		
Total facilities established	464 000	2 260 000
Less: Total borrowings	(265 277)	(1 686 008)
Unutilised borrowing facilities	198 723	573 992

The group complied with all financial covenants during the current and prior year.

Details of securities provided to the funders are presented in notes 2, 3, 8 and 9.

16. CASH SETTLED AND OPTION LIABILITIES

16.1 Cash settled share-based payment plan

The share appreciation rights plan is accounted for as a cash-settled share-based payment plan. The plan is recognised at the fair value of the obligations due, in the statement of financial position, over the vesting period up to and including settlement date with a corresponding charge to the statement of profit or loss and comprehensive income. The liability is re-measured at each reporting date, using the Black-Scholes model to reflect the revised value of the notional enX shares at reporting date, adjusted for changes in assumptions including management's estimate of the number of notional enX shares that will ultimately vest. Changes in the fair value are recognised through the statement of profit or loss and comprehensive income.

Management participation in share-related incentive plan

In order to align the interests of management with those of shareholders, share-related incentives were awarded to certain key members of the management team. These incentives entitle the recipients to a cash settlement upon vesting, the quantum of which is to be referenced off any appreciation in the company's share price in excess of the strike price over the vesting period in respect of a notional holding of 4 832 597 (2022: 3 035 930) enX shares. These share-related incentives were granted at various strike prices and vesting dates. Each allocated share scheme vests after 3 years from issuance, allowing participants an additional 2 years to exercise from vesting date.

Share appreciation rights (SAR) schemes

	# of SAR's	**Date of issue**	**Vesting period**	**IFRS 2 classification**
enX Group Limited	1 336 554	Sep 2022	3 years	Cash settled
enX Group Limited	1 699 376	Sep 2021	3 years	Cash settled
enX Group Limited	1 796 667	May 2021	3 years	Cash settled

Valuation assumptions at reporting date	2023 scheme	2022 scheme	2021 scheme
Expected volatility (%)	70.18	70.18	70.18
Adjusted issue price of share appreciation rights*	R6.13	R2.32	R2.07

	SAR 2023 # of shares	SAR 2022 # of shares
IFRS 2 share-related incentive options		
Outstanding at beginning of period	**3 035 930**	3 498 678
Granted during period	**1 796 667**	1 699 376
Expired during period	**–**	(2 162 124)
Outstanding at end of period	**4 832 597**	3 035 930

**Net of capital distributions made*

Share-related incentives are valued using a Black-Scholes model. The 30-day volume weighted average price ("VWAP") of the enX share as at 31 August 2023 and a risk-free rate of 10,25% (2022:6,88%) were used to value the cash settled liability at year-end.

The cash settled liability relating to the SAR schemes is a level 2 fair value item in terms of fair value hierarchy. There were no transfers between level 1 and level 2 of the fair value hierarchy.

The expected volatility was determined using volatility of enX since in September 2022. In June 2022 and September 2022 enX declared a special distribution of 200.00 cents and 150.00 cents per enX share respectively. As the distribution was implemented by way of a reduction of contributed tax capital, this resulted in a reduction in the issuance price of 350.00 cents for issuances prior to the distributions being made.

The expected forfeiture rate was determined by estimating the probability of participating individuals still being in the employment of enX and the probability of meeting the non-market vesting conditions relating to profitability targets over the vesting period at vesting date.

The calculation of the share-based payment expense requires management to exercise a degree of judgement.

16. CASH SETTLED LIABILITIES continued

16.2 Option liability - Abakhulu

	Date of issue	Period to expire from date of issue	Classification
enX Group Limited	30 June 2023	No expiry date	Cash settled

	2023 R'000	2022 R'000
Arising from the Abakhulu transaction		
– Option liability - Abakhulu	56 983	56 983

In the prior year enX introduced Abakhulu as a 34% strategic shareholder in Centlube Proprietary Limited ("Centlube"). In exchange for the 34% shareholding enX will receive reduced base oil pricing together with a supply lock-in for a six-year period. In terms of this transaction the group has recognised a right to buy asset (refer to note 4) as well as a option liability.

The purchase price for the 34% shareholding and right, but not the obligation, to acquire R57 million of the receivable due by Centlube to enX Trading, is R57 million. The consideration concluded a six-year supply agreement with Zestcor, which incorporates pre-agreed US Dollar pricing support for each ton of base oil purchased by Centlube and AG Lubricants over this period. As the agreement is in place for the next 4.5 years it is highly unlikely the option will be exercised during this time and therefore it is considered to be a non-current liability. None of the trigger events have taken place or are expected to take place in the next 12 months.

The right, but not the obligation, to acquire R57 million of the receivable due by Centlube to enX Trading may be exercised on the occurrence of the following events; disposal by enX Trading of all or part of its interest in Centlube; disposal of the underlying business and/or assets of Centlube; a disposal by Abakhulu of all or part of its interest in Centlube; an application for business rescue or liquidation; or a repayment of all or part of the receivable.

The value of the receivable to which the option liability relates will at all times remain R57 million, unless it is impaired. There is currently no ECL allowance raised against this balance. The likelihood that the right that Abakhulu has will be exercised is considered to be highly probable. There is no leverage built into Abakhulu's right to acquire the receivable as the purchase consideration has already been paid, only legal ownership has not yet passed. Accordingly, no discounting was required for the purposes of valuing the Option liability. Therefore, the full value of enX's contractual obligation to deliver the receivable to Abakhulu, should their rights be exercised, has been recognised.

The directors consider the carrying amount of the cash settled and option liabilities to approximate its fair value.

	Valuation 2023 R'000	Valuation 2022 R'000
Cash settled and option liabilities valuation		
Balance at the beginning of the year	61 033	1 179
Recognition of Abakhulu option liability	–	56 983
SAR charge recognised during the year	10 599	2 871
Balance at the end of the year	71 632	61 033
Split between:		
– Cash settled liability	14 649	4 050
– Option liability - Abakhulu	56 983	56 983
	71 632	61 033
Disclosed as:		
– Non-current assets	59 732	61 033
– Current assets	11 900	–
	71 632	61 033

17. TRADE OTHER AND PAYABLES

	2023 R'000	2022 R'000
Trade payables	804 511	924 504
Accruals	14 342	74 896
Value added taxation	1 539	4 097
Employee-related accruals	39 628	72 491
Contract liabilities	30 089	126 211
Sundry and other payables	24 231	63 826
	914 340	1 266 025
Amounts included in liabilities associated with disposal group held for sale (note 12).	271 911	–

The average credit period is between 30 and 60 days. No interest is charged on trade payables for the first 1 to 60 days from the date of invoice. Terms with significant suppliers average 90 to 120 days.

The group has financial risk policies in place to ensure that all payables are paid within the credit time frame (refer to note 34).

	2023 R'000	2022 R'000
Contract liability		
Balance at the beginning of the year	126 211	133 170
Release/(utilisation) of contract liability net of income received in advance for the year	24 614	(6 972)
Foreign currency adjustment	239	13
Reclassification to disposal group held for sale	(120 975)	–
Balance at the end of the year	30 089	126 211

There have been no significant changes to the contract liability balance other than those noted above.

Revenue from contract liabilities related to fleet is based on actuarial calculations performed by an external party and revenue is recognised accordance with the group accounting policies set out in note 1.10 "Management judgements and estimates" under revenue recognition on vehicle maintenance plans.

18. PROVISIONS

	2023 R'000	2022 R'000
Provisions		
Provisions consists primarily of royalty provisions payable to suppliers and rebate provisions payable to customers, which have limited estimation uncertainty, and are likely to be settled within a 12-month period following year-end.		
Balance at the beginning of the year	62 957	76 973
Provision raised during the year	41 845	42 151
Provision utilised during the year	(6 163)	(56 167)
Foreign currency adjustment	(8)	–
Reclassification to disposal group held for sale	(51 104)	–
Balance at the end of the year	47 527	62 957

A provision is recognised when the group has a present legal or constructive obligation as a result of past events for which it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions, by their nature, are obligations of uncertain timing and amount. The group uses historical experience and current economic conditions when assessing the estimated amounts and timing of the provisions to be raised. Specific uncertainties regarding the provisions recognised include the eventual costs to be incurred with respect of rebate obligations and final value and timing of when rebate settlements are agreed to by the counterparties.

Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

19. REVENUE

Revenue comprises the net invoiced amount of goods supplied excluding value-added tax.

Lubricants and Chemicals

Sale of goods and consumables

Revenue from the sale of goods and consumables includes the sale of lubricants, rubber, polyethylene, polystyrene and other chemical products. On delivery the customer, control has passed and the revenue can be recognised at that point in time. The transaction price is based on the cost of the inventory sold increased by a margin.

Power

Sale of goods

Revenue comprises the invoiced amount of goods supplied and services rendered to customers. Revenue from the sale of capital goods includes the sale of generators and engines. The performance obligation is satisfied when the goods are delivered to the customer. On delivery to the customer, control has passed and the revenue can be recognised at that point in time. The transaction price is based on the cost of the goods sold increased by a margin.

Generator service and maintenance

Revenue from generator service and maintenance is recognised based on the services rendered and the performance obligations that need to be met including the maintenance services to be provided to the customer as requested by the customer. The transaction price is based on the rate per hour for labour to perform such maintenance.

Leasing rentals

Revenue from generator rentals is recognised over the period of the agreement to the extent of the value of the generator provided.

The performance obligations that need to be met include the provision of generators to the customer over the agreed contract period and the administration of the contract during the contract period.

The leasing of the generator is performed over time; therefore, the revenue is recognised over time. The revenue recognised is based on the monthly rental which is based on the asset value, for the period of the contract, using the contractual interest rate, and applying a residual value.

Discontinued Operations (Fleet)

Sale of used goods

Revenue from the sale of used goods primarily relates to the sale of used vehicles. The performance obligation is satisfied when the vehicles are delivered to the customer. On delivery to the customer, control has passed and the revenue can be recognised at that point in time. The transaction price is based on the cost of the goods sold increased by a margin.

Leasing rentals

Revenue from leasing rentals is recognised overtime as the customer consumes the product.

The consideration recognised monthly is based on a fixed monthly amount for the financing of the vehicle over the contract term and a fixed monthly amount for the admin fees. The admin fees are for clerical performance within the month of billing and therefore the admin fee is recognised at a point in time. The admin fee is a separately billed component and is easily determined. The monthly rental of the vehicle is based on the asset value, the contract interest rate, and a residual value.

Maintenance revenue

Revenue from vehicle maintenance plans is recognised over the period of the maintenance plan to the extent of the value of parts and services provided.

The performance obligations that need to be met in line with the vehicle maintenance plan include the provision of maintenance services to the customer over the agreed contract period and the administration of the contract during the contract period.

The provision of the vehicle services are performed over time, therefore the revenue is recognised over time as the customer consumes the benefit of the maintenance based on the input method using the terms of the agreement and the expected costs associated with the maintenance. As a result of the fact that lease arrangements span periods up to 60 months, an actuarial valuation process is employed to determine the extent of the maintenance revenues to be recognised each year. The admin fees are billed upfront for initiation of the contract and therefore recognised at point in time.

19. REVENUE continued

Value added products

Revenue for value added product services are based on master agreements in place with customers and revenues are recognised as the services are provided.

The performance obligations that need to be met in order to recognise the revenue is the provision of the value added product services to the customer over the contract period.

The billing of value added products is determined by the cost being rebilled with a margin. The admin fee is a separately billed component and is easily determined based on the clerical activities performed within the month.

Discontinued operations (EIE SA)

New and pre-owned revenue

Revenue comprises the net invoiced amount of goods supplied excluding value-added tax. Revenue from the sale of goods includes the sale of new and pre-owned forklifts.

The performance obligation is satisfied when the goods are delivered to the customer. When the goods have been delivered to the customer, the control has passed, and the revenue is recognised at that point in time. The transaction price is based on the cost of the goods sold increased by a margin.

Leasing revenue

Revenue from leasing assets is recognised over the period of the contract to the extent of the value of the forklift provided.

The performance obligation that needs to be met is the provision of a forklift to the customer over the lease period.

The leasing of the forklifts is performed over time; therefore, the revenue is recognised over time. The consideration recognised monthly is based on a agreed contract, with either a fixed or fluctuating interest rate. The monthly rental of the forklift is based on the asset value, over the period of the contract, using the contract interest rate, down to a residual value and is therefore easily determined.

Maintenance revenue

Revenue from maintenance contracts is recognised over the period of the maintenance contract in line with the value of the contract.

The performance obligation that needs to be met in line with the maintenance contract includes the provision of maintenance services to the customer as stipulated in the contract, over the contract period. Due to the nature of these agreements there is limited judgement required to determine the revenue recognised.

Revenue recognised from the vehicle maintenance plans are assessed in terms of IFRS 15.

Service revenue

The provision of services is performed over time; therefore, the revenue is recognised over time as the customer consumes the benefit of the services provided.

The performance obligation that needs to be met is the provision services to the customer as stipulated in the service contract, over the contract period. The nature of these agreements is short term and therefore there is limited judgement required to determine the revenue recognised.

Parts revenue

Revenue comprises the net invoiced amount of parts supplied excluding value-added tax.

The performance obligation required to recognise the revenue from the sale of parts is the supply or delivery of the parts to the customer. When the parts have been delivered or supplied to the customer, the control has passed, and the revenue can be recognised at that point in time.

Discontinued operations (Austro)

Sale of goods and consumables

Revenue from the sale of goods and consumables includes the sale of various wood equipment products and parts. The inventory needs to be delivered to the customer in order for the performance obligation to be met and the revenue recognised. The transaction price is based on the cost of the inventory sold increased by a margin.

19. REVENUE continued

	2023 R'000	Restated* 2022 R'000
Revenue recognised at a point in time		
Sale of capital goods	491 569	663 002
– South Africa	491 569	663 002
– Rest of world	–	–
Sale of goods and consumables	3 554 823	3 081 303
– South Africa	3 260 855	2 918 911
– Rest of world	293 968	162 392
Sale of used goods	474 929	889 111
– South Africa	442 900	870 492
– Rest of world	32 029	18 619
Total revenue recognised at a point in time	4 521 321	4 633 416
Revenue recognised over time		
Leasing rentals	856 263	1 373 644
– South Africa	776 103	1 300 800
– Rest of world	80 160	72 844
Maintenance and service revenue	380 681	696 897
– South Africa	345 835	666 130
– Rest of world	34 846	30 767
Value added products	176 642	138 148
– South Africa	168 778	130 938
– Rest of world	7 864	7 210
Other revenue	15 223	13 545
– South Africa	7 179	12 082
– Rest of world	8 044	1 463
Total revenue recognised over time	1 428 809	2 222 234
Total revenue	5 950 130	6 855 650
Revenue by segment		
Equipment	682 742	1 696 379
– Continuing	682 742	397 189
– Discontinued	–	1 299 190
Fleet - discontinued	1 755 347	2 225 925
Lubricants	1 685 798	1 168 389
Chemicals	1 870 080	1 798 237
Group, financing and consolidation	(43 837)	(33 280)
Total revenue	5 950 130	6 855 650
Continuing operations	4 194 783	3 330 535
– South Africa	3 900 815	3 168 143
– Rest of world	293 968	162 392
Discontinued operations	1 755 347	3 525 115
– South Africa	1 600 450	3 395 674
– Rest of world	154 897	129 441

* *Eqstra has been classified as a disposal group held for sale and a discontinued operation. Therefore the discontinued operations for 2022 has been represented in accordance with IFRS 5 to take into account this additional discontinued operation.*

20. OPERATING PROFIT

	2023 R'000	Restated* 2022 R'000
Operating profit before net finance costs and earnings from associate is stated after taking the following into account:		
Net expenses include:		
Cost of sales	4 517 465	4 765 953
Depreciation	455 362	460 235
Cost of inventory	3 965 550	4 126 808
Staff costs: COS	21 862	151 460
Other	74 691	27 450
Staff costs: operating expenses	406 218	506 902
Depreciation	64 854	64 840
Other operating expenses	430 247	740 468
	5 418 784	6 078 163
Continuing operations (before impairments)	3 951 301	3 140 913
Discontinued operations (before impairments)	1 467 483	2 937 250
Total impairments	–	216 155
Net expenses including impairments	5 418 784	6 294 318
Continuing operations	3 951 301	3 140 913
Discontinued operations	1 467 483	3 153 405
Operating profit is stated after taking the following items into account:		
Foreign exchange differences		
Unrealised forex differences	5 323	6 837
Realised forex differences	(23 014)	(25 182)
Fair value measurement of forward exchange contract	12 258	(22 421)
	(5 433)	(40 766)
Continuing operations	(5 842)	(48 596)
Discontinued operations	409	7 830
Operating lease and rental charges (short term and low value leases)		
Premises	9 594	14 269
Computer and office equipment	378	16 392
	9 972	30 661
Continuing operations	7 931	5 251
Discontinued operations	2 041	25 410
Profit on sale of non-current assets		
Loss/(profit) on disposal of property, plant and equipment	7 814	(4 228)
Continuing operations	7 950	872
Discontinued operations	(136)	(5 100)

20. OPERATING PROFIT continued

	2023 R'000	Restated* 2022 R'000
Other		
Net expected credit loss	33 072	(11 729)
Expected credit loss on financial assets	34 142	3 702
Bad debts written off	(1 070)	(15 431)
Restructuring and transaction costs	10 022	4 262
Retrenchment costs	2 174	2 836
Consulting fees	8 862	23 151
Audit fees – audit services	12 828	11 184
Audit fees – other services	–	638
Services from other auditors	–	82
Share-based payment charge	–	2 871
Employee costs		
Executive directors and prescribed officers (note 36)	43 470	42 377
Non-executive directors (note 36)	3 676	3 906
Other staff	359 072	589 161
	406 218	635 444
Continuing operations	204 956	178 093
Discontinued operations	201 262	457 351
Defined contribution retirement plan costs (included in staff costs) – provident fund	18 693	33 989
Defined contribution retirement plan costs (included in staff costs) – pension fund	8 870	9 604
Discontinued operations	(19 799)	(37 611)
Continuing operations	7 764	5 982

Defined contribution plan

All contributions on behalf of employees are charged to the statement of profit or loss and other comprehensive income as they are made.

The group has no liability toward any pension or provident fund apart from normal recurring monthly contributions deducted from the employees to be paid to the relevant funds.

	2023 R'000	Restated* 2022 R'000
Depreciation and amortisation included in other operating expenses		
Intangible asset amortisation	17 257	22 080
Property, plant and equipment depreciation	47 597	42 760
Depreciation and amortisation	64 854	64 840
Continuing operations	49 324	19 301
Discontinued operations	15 530	45 539

* *Eqstra has been classified as a disposal group held for sale and a discontinued operation. Therefore the discontinued operations for 2022 has been represented in accordance with IFRS 5 to take into account this additional discontinued operation.*

21. DISCONTINUED OPERATIONS

	Eqstra 2023 R'000	Total 2023 R'000	Eqstra 2022 R'000	EIE SA 2022 R'000	Austro 2022 R'000	Restated* Total 2022 R'000
Consolidated discontinued statement of profit or loss and comprehensive income						
Revenue	1 755 347	1 755 347	2 225 925	1 229 192	69 998	3 525 115
Cost of sales	(881 071)	(881 071)	(1 115 583)	(656 872)	(47 378)	(1 819 833)
Gross profit	874 276	874 276	1 110 342	572 320	22 620	1 705 282
Expected credit losses	26 910	26 910	(15 413)	5 350	(2 819)	(12 882)
Operating expenses	(613 322)	(613 322)	(839 837)	(235 940)	(28 758)	(1 104 535)
Operating profit before the items mentioned below	287 864	287 864	255 092	341 730	(8 957)	587 865
Impairment of goodwill, intangibles and PPE	2 767	2 767	(9 559)	–	–	(9 559)
Impairment of held for sale assets	–	–	–	(192 642)	(23 513)	(216 155)
Profit on purchase of investment	1 471	1 471	–	–	–	–
Operating profit/(loss) before net finance costs	292 102	292 102	245 533	149 088	(32 470)	362 151
Net finance costs	(115 283)	(115 283)	(103 755)	(68 867)	501	(172 121)
Interest received	10 592	10 592	8 347	136	519	9 002
Interest expense	(125 875)	(125 875)	(112 102)	(69 003)	(18)	(181 123)
Net profit/(loss) before tax	176 819	176 819	141 778	80 221	(31 969)	190 030
Attributable taxation expense	(44 629)	(44 629)	(15 532)	(71 594)	2 364	(84 762)
Loss on disposal of discontinued operation	–	–	–	(13 445)	(6 919)	(20 364)
Attributable taxation expense	–	–	–	–	–	–
Net profit/(loss) after taxation from discontinued operations	132 190	132 190	126 246	(4 818)	(36 524)	84 904
Cash flows from discontinued operations						
Net cash flows from operating activities		(123 107)				(60 876)
Net cash flow from investing activities		(6 019)				(9 475)
Net cash flow from financing activities		(254 708)				(318 654)
Net cash outflow		(383 834)				(389 005)

* *Eqstra has been classified as a disposal group held for sale and a discontinued operation. Therefore the discontinued operations for 2022 has been represented in accordance with IFRS 5 to take into account this additional discontinued operation.*

An operation is classified as discontinued at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. In order for an operation to be distinguishable in order to be classified as held for sale the operations should represent a separate major line of business or geographic area of operations.

When an operation is classified as a discontinued operation a single amount comprising the total of the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the disposal group constituting the discontinued operation shall be disclosed on the statement of profit or loss and other comprehensive income. In addition, the statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative year.

Shareholders are referred to the SENS announcement dated 13 June 2023 advising that enX is in discussions regarding a divestment by the Company of its interest in Eqstra Investment Holdings Proprietary Limited ("Potential Transaction"). During the strategic and budget process in July 2023 management took a strategic decision to dispose of Eqstra. As at 31 August 2023, management are confident that, based on progress to date, this transaction likely to be executed in the next 12 months. Therefore effective 31 August 2023 Eqstra has been recognised as a discontinued operation in 2023.

In 2021, the group entered into an agreement with CFAO South Africa to divest its ownership in EIE SA. In 2022, the group also entered into an agreement with Highest Mountain to divest its ownership in Austro. This resulted in EIE SA and Austro being recognised as an disposal group held for sale and a discontinued operation in terms of IFRS 5 effective from 31 August 2021 and 26 February 2022 respectively and the divestment of both companies was effective before the end of 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2023

	2023 R'000	Restated* 2022 R'000
22. NET FINANCE COSTS		
Borrowing costs are recognised as an expense charged to the statement of profit or loss and other comprehensive income in the period in which they are incurred, except to the extent in which interest paid meets the criteria for capitalisation against a qualifying asset, in which case it is capitalised as part of the cost of the asset.		
Interest received		
Interest received on funds and deposits with banks	34 918	29 060
Other	6 861	3 044
	41 779	32 104
Interest expense		
Interest to banks	147 530	191 445
Interest on lease liability	5 508	6 611
Other	8 111	7 161
	161 149	205 217
Net finance costs	119 370	173 113
Continuing operations	4 087	992
Discontinued operations	115 283	172 121

* *Eqstra has been classified as a disposal group held for sale and a discontinued operation. Therefore the discontinued operations for 2022 has been represented in accordance with IFRS 5 to take into account this additional discontinued operation.*

23. TAXATION

	2023 R'000	Restated* 2022 R'000
Current taxation		
The charge for current taxation is based on the results for the year adjusted for items which are tax exempt or are not tax deductible. Taxation is calculated using rates that have been enacted or substantively enacted at the statement of financial position date. To the extent that the current taxation is unpaid, a liability is recognised and if a refund is due at the year-end, an asset is raised.		
South African normal taxation		
Current year	110 090	136 019
Prior year	22 636	(3 388)
South African deferred taxation		
Current year	(20 420)	2 017
Prior year	(10 786)	(7 865)
	101 520	126 783
Foreign normal taxation		
Current year	25 071	10 119
Prior year	(8 463)	–
Foreign deferred taxation		
Current year	(4 976)	(696)
Prior year	959	114
	12 591	9 537
Total current and deferred taxation	114 111	136 320
Discontinued operations	44 629	84 762
Discontinued operations normal taxation	58 761	13 740
Discontinued operations deferred taxation	(14 132)	71 022
Continuing operations	69 482	51 558
Reconciliation of rate of taxation		
Accounting profit before taxation	437 146	389 434
Taxation at South African normal taxation rate (27%, 2022:28%)	118 029	109 041
Tax effect of adjustments to taxable income		
Permanent differences:		
– Utilisation of assessed losses	(27 221)	(27 206)
– Change in tax rate	–	(13 356)
– Impairment of disposal group held for sale not deductible	–	60 523
– Legal and professional fees of a capital nature	3 123	1 948
– Other non-deductible expenses	13 319	4 183
– Other non-taxable income	(9 981)	(25)
– Foreign tax rate differences	1 203	(262)
– Prior year taxation	4 346	11 139
– Deferred tax assets not recognised	15 473	–
– Derecognition of deferred tax assets	–	(2 819)
– Profit on purchase of investment	(397)	–
– Foreign currency adjustment	1 214	618
– Share of profit from associates	(4 997)	(7 464)
Taxation per statement of profit or loss and comprehensive income	114 111	136 320

* *Eqstra has been classified as a disposal group held for sale and a discontinued operation. Therefore the discontinued operations for 2022 has been represented in accordance with IFRS 5 to take into account this additional discontinued operation.*

24. EARNINGS PER SHARE

		2023 R'000	Restated* 2022 R'000
TOTAL			
Basic earnings share	Cents	163.1	126.5
Diluted earnings per share	Cents	163.1	126.5
Headline earnings per share	Cents	164.3	265.3
CONTINUING OPERATIONS			
Basic earnings per share	Cents	90.2	79.6
Diluted earnings per share	Cents	90.2	79.6
Headline earnings per share	Cents	94.2	81.3
DISCONTINUED OPERATIONS			
Basic earnings per share	Cents	72.9	46.8
Diluted earnings per share	Cents	72.9	46.8
Headline earnings per share	Cents	70.1	184.0
The calculation of earnings per ordinary share for the group is based on the following:			
– Earnings attributable to the equity holders of the parent		295 862	229 340
– Headline earnings		297 911	481 130
– Weighted average number of shares in issue	Number	181 366 763	181 366 763
– Weighted average diluted number of shares in issue	Number	181 366 763	181 366 763
– Number of shares in issue at year-end	Number	182 312 650	182 312 650
Reconciliation of headline earnings:			
Profit for the year attributable to equity holders of the parent		295 862	229 340
Adjusted for:			
Loss/(profit) on disposal of property, plant and equipment		7 814	(4 229)
Impairment of intangible assets and property, plant and equipment		(946)	25 440
Impairment of held for sale assets		–	216 155
Loss on disposal of subsidiary		–	20 364
Profit on purchase of investment		(1 471)	–
Taxation effect thereon		(3 348)	(5 939)
Headline earnings attributable to ordinary shareholders		297 911	481 130
Reconciliation of headline earnings - continuing operations:			
Profit for the year attributable to equity holders of the parent		163 672	144 436
Adjusted for:			
Loss/(profit) on disposal of property, plant and equipment		7 950	(11 646)
Impairment of intangible assets and property, plant and equipment		1 821	15 881
Taxation effect thereon		(2 638)	(1 186)
Headline earnings attributable to ordinary shareholders		170 805	147 485

24. EARNINGS PER SHARE continued

	2023 R'000	Restated* 2022 R'000
Reconciliation of headline earnings - discontinued operations:		
Profit for the year attributable to equity holders of the parent	132 190	84 904
Adjusted for:		
Profit/(loss) on disposal of property, plant and equipment	(136)	7 417
(Reversal)/impairment of intangible assets and PPE	(2 767)	9 559
Impairment of held for sale assets	–	216 155
Loss on disposal of subsidiary	–	20 364
Profit on purchase of investment	(1 471)	–
Taxation effect thereon	(710)	(4 753)
Headline earnings attributable to ordinary shareholders	127 106	333 646

* *Eqstra has been classified as a disposal group held for sale and a discontinued operation. Therefore the discontinued operations for 2022 has been represented in accordance with IFRS 5 to take into account this additional discontinued operation.*

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of enX by the weighted average number of ordinary shares in issue during the year, net of treasury shares.

Headline earnings per share

The presentation of headline earnings per share is mandated under the JSE listing requirements and is calculated in accordance with circular 2023/01 as issued by SAICA.

No instruments that could dilute basic earnings per share are held at the end of the financial year as the FSP scheme has been settled and no new scheme shares have been issued.

25. CASH GENERATED FROM OPERATIONS

	2023 R'000	2022 R'000
Profit before taxation	437 146	389 434
Adjusted for:		
– Interest received	(41 779)	(32 104)
– Interest expense	161 149	205 217
– (Reversal)/Impairment of intangible assets and property	(945)	25 440
– Impairment of disposal group held for sale	–	216 155
– Adjustment for unrealised forex and fair value gain	20 490	(15 579)
– Depreciation and amortisation	512 478	515 906
– Loss/(profit) on disposal of property, plant and equipment	7 814	(4 228)
– Share of profits of associate	(18 509)	(26 655)
– Cash settled share based payment expense	10 599	2 058
– Write off of debt	19 952	13 841
– Provision movements	45 004	46 958
– Profit on disposal of non-controlling interest	(1 471)	–
– Transaction costs paid on disposal of subsidiary	–	(5 725)
Cash generated from operations before working capital movements	1 151 928	1 330 718
Changes in working capital	(867 778)	(512 799)
Decrease in inventories	359 223	486 467
Increase in trade and other receivables	(9 623)	(252 876)
(Decrease)/increase in trade and other payables	(89 061)	348 692
Acquisition of leasing assets	(1 128 317)	(1 095 082)
	284 150	817 919

26. INTEREST PAID

	2023 R'000	2022 R'000
Interest paid		
Total interest expense (refer to note 22)	(161 149)	(205 217)
Interest accrual	–	278
Total interest paid (in cash)	(161 149)	(204 939)
Interest received		
Total interest received (refer to note 22)	41 779	32 104
Interest accrual	(13 218)	–
Total interest received (in cash)	28 561	32 104
Total net interest paid (in cash)	(132 588)	(172 835)

27. TAXATION PAID

	2023 R'000	2022 R'000
Net taxation payable at beginning of year	(4 633)	(12 160)
Current tax charged to profit or loss	(149 334)	(142 750)
Foreign currency adjustment	(888)	2 234
Disposal of subsidiary	–	8 661
Other non-cash movements	–	13 356
Net taxation payable at end of year	27 857	4 633
	(126 998)	(126 026)

28. PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	2023 R'000	2022 R'000
Book value of assets disposed	8 551	10 237
Profit on disposal of property, plant and equipment	(7 814)	4 228
Proceeds on disposal of property, plant and equipment	737	14 465

29. DISPOSAL OF SUBSIDIARIES

The group disposed of its interest in EIE SA and Austro on the 1 April 2022 and 30 June 2022 respectively.

The net assets of EIE SA and Austro at the date of disposal were as follows:

	EIE SA 2022 R'000	Austro 2022 R'000	Total 2022 R'000
Property, plant and equipment	217 824	217	218 041
Leasing assets	2 217 139	253	2 217 392
Intangible assets	264	–	264
Inventories	561 426	–	561 426
Deferred taxation	(202 509)	4 494	(198 015)
Trade and other receivables	280 029	19 852	299 881
Taxation receivable	(8 661)	–	(8 661)
Bank and cash balances	13 015	10 592	23 607
Interest-bearing liabilities	(1 526 345)	–	(1 526 345)
Lease liabilities	(44 727)	–	(44 727)
Trade, other payables and provisions	(492 755)	(4 447)	(497 202)
Derivative financial instruments	(29 973)	–	(29 973)
Attributable goodwill	–	–	–
Net assets disposed of	984 727	30 961	1 015 688
Total consideration	676 199	–	676 199
Satisfied by:			
Cash and cash equivalents	676 199	–	676 199
Less contingent consideration	(135 240)	–	(135 240)
Net cash inflow arising on disposal	540 959	–	540 959
Consideration received in cash and cash equivalents	540 959	–	540 959
Less: cash and cash equivalents disposed of	(13 015)	(10 592)	(23 607)
	527 944	(10 592)	517 352

The impact of EIE SA and Austro on the group's results in the prior year is disclosed in note 21. The profit on disposal is included in the profit for the year from discontinued operations (see note 21).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2023

30. LEASE LIABILITIES

	2023 R'000	2022 R'000
Leases: payable		
Premises	10 535	57 025
Vehicles	5 781	1 400
	16 316	58 425
These commitments relate to the following periods:		
Due within 1 year	5 480	15 807
Due within 2 years	8 126	20 857
Due within 3 years	4 345	15 242
Due within 4 years	871	14 521
Thereafter	282	15 246
	19 104	81 673
Less: Unearned interest	(2 788)	(23 248)
Lease liabilities – IFRS 16	16 316	58 425
Disclosed as:		
Non-current liabilities	13 624	65 866
Current liabilities	5 480	15 807
	19 104	81 673
Movement summary		
Opening balance	58 425	123 999
Lease terminated	(33 569)	(34 210)
Interest expense	5 508	4 483
Repayments	(8 810)	(35 847)
Reclassification to liabilities associated with disposal group held for sale (note 12)	(5 238)	–
Closing balance of lease liabilities	16 316	58 425
Disclosed as:		
Non-current liabilities	11 696	45 909
Current liabilities	4 620	12 516
	16 316	58 425

The maturity profile of the lease commitments is detailed above and in note 34.

The value of the short term and low value lease commitments that were not recognised in terms of IFRS 16 amount to R7.9 million (2022: R4.7 million), these commitments are due within one year.

No contingent rental is payable. No restrictions are imposed by lease agreements concerning dividends, additional debt and further leasing. Average annual escalation ranges between 4% and 10%.

30. LEASE LIABILITIES continued

Operating leases: lessor

The minimum future lease payments receivable under non-cancellable operating leases are as follows:

31 August 2023	More than five years R'000	One to five years R'000	Less than one year R'000	Total R'000
Vehicles	–	–	–	–
	–	–	–	–
31 August 2022				
Vehicles	16 213	747 277	596 111	1 359 601
	16 213	747 277	596 111	1 359 601

31. RETIREMENT BENEFITS

Defined contribution plan

All contributions on behalf of employees are charged to the statement of profit or loss and other comprehensive income as they are made.

The group has no liability toward any pension or provident fund apart from normal recurring monthly contributions deducted from the employees to be paid to the relevant funds. Contributions to defined benefit plans are detailed in note 20.

32. CONTINGENT LIABILITIES AND GUARANTEES

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and its existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measure with sufficient reliability.

Powerforce v New Way Power and PO2 Litigation

In March 2023, Powerforce Holdings Proprietary Limited (''Powerforce'') initiated arbitration proceedings against New Way Power and PO2 Proprietary Limited (''PO2''), two subsidiaries in the group, claiming the transfer of the group's share in New Way Power ("New Way") and PO2 to Powerforce for R45 million together with all sales claims and the costs of the legal proceedings. enX claims that the suspensive conditions included in the Share Purchase Agreement (''SPA'') of 3 August 2022 were not met or waived on or before the long stop date and the SPA was therefore null and void. The arbitration hearing is likely to be held in March 2024.

There are no other contingent liabilities at 31 August 2023 (2022: nil).

Guarantees

On 13 February 2017 shareholders approved financial assistance in the form of a R15 million enX indemnity to the shareholders of Capleverage Propriety Limited ("Capleverage"). Capleverage, via its wholly owned subsidiary Samvenice Proprietary Limited, is a shareholder of enX Group Limited. In addition PC Baloyi , who is a director of enX Group Limited, is a shareholder of Capleverage. At the AGM in January 2021 shareholders approved the extension of the indemnity until 31 August 2025 for and against any claim by the IDC under the Capleverage shareholders guarantee in relation to its obligations of Samvenice. Capleverage is a related party. As at 31 August 2023 and at the date of this report the Capleverage shareholders had not called the enX indemnity accordingly it remains a contingent liability as at 31 August 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2023

33. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION

	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS*		LOANS AND RECEIVABLES AT AMORTISED COST		FINANCIAL LIABILITIES AT AMORTISED COST OR FAIR VALUE*		NON-FINANCIAL INSTRUMENTS		EQUITY		TOTAL	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000	**2023 R'000**	2022 R'000	**2023 R'000**	2022 R'000	**2023 R'000**	2022 R'000	**2023 R'000**	2022 R'000
Non-current assets	2 475	135 775	–	5 689	–	–	373 775	2 755 270	–	–	376 250	2 896 734
Property, plant, equipment and right of use assets	–	–	–	–	–	–	177 493	198 511	–	–	177 493	198 511
Leasing assets	–	–	–	–	–	–	–	2 350 086	–	–	–	2 350 086
Other intangible assets	–	–	–	–	–	–	48 811	77 452	–	–	48 811	77 452
Unlisted investments and receivables	2 475	135 775	–	5 689	–	–	–	–	–	–	2 475	141 464
Investment in associate	–	–	–	–	–	–	114 607	118 668	–	–	114 607	118 668
Deferred taxation	–	–	–	–	–	–	32 864	10 553	–	–	32 864	10 553
Current assets	140 003	22 139	1 102 464	2 027 419	–	–	903 944	942 365	–	–	2 146 411	2 991 923
Inventories	–	–	–	–	–	–	866 725	854 188	–	–	866 725	854 188
Trade and other receivables	–	–	799 484	973 332	–	–	36 895	61 235	–	–	836 379	1 034 567
Derivative financial instruments	4 763	22 139	–	–	–	–	–	–	–	–	4 763	22 139
Unlisted investments and receivables	135 240	–	–	–	–	–	–	–	–	–	135 240	–
Taxation receivable	–	–	–	–	–	–	324	26 942	–	–	324	26 942
Bank and cash balances	–	–	302 980	1 054 087	–	–	–	–	–	–	302 980	1 054 087
Disposal group held for sale	–	–	–	–	–	–	3 049 317	–	–	–	3 049 317	–
Total assets	142 478	157 914	1 102 464	2 033 108	–	–	4 327 036	3 697 635	–	–	5 571 978	5 888 657
Capital and reserves	–	–	–	–	–	–	–	–	2 582 916	2 264 961	2 582 916	2 264 961
Stated capital	–	–	–	–	–	–	–	–	2 495 999	2 495 999	2 495 999	2 495 999
Other reserves	–	–	–	–	–	–	–	–	(714 022)	(725 200)	(714 022)	(725 200)
Accumulated profits	–	–	–	–	–	–	–	–	740 986	445 124	740 986	445 124
Equity attributable to owners of the parent	–	–	–	–	–	–	–	–	2 522 963	2 215 923	2 522 963	2 215 923
Non-controlling interests	–	–	–	–	–	–	–	–	59 953	49 038	59 953	49 038
Non-current liabilities	–	–	–	–	108 489	1 002 113	–	184 012	–	–	108 489	1 186 125
Interest-bearing liabilities	–	–	–	–	37 061	895 171	–	–	–	–	37 061	895 171
Lease liabilities	–	–	–	–	11 696	45 909	–	–	–	–	11 696	45 909
Cash settled and option liabilities	–	–	–	–	59 732	61 033	–	–	–	–	59 732	61 033
Deferred taxation	–	–	–	–	–	–	–	184 012	–	–	–	184 012
Current liabilities	–	–	–	–	1 103 567	2 191 555	128 369	246 016	–	–	1 231 936	2 437 571
Interest-bearing liabilities	–	–	–	–	228 216	790 837	–	–	–	–	228 216	790 837
Lease liabilities	–	–	–	–	4 620	12 516	–	–	–	–	4 620	12 516
Trade and other payables	–	–	–	–	858 831	1 114 541	55 509	151 484	–	–	914 340	1 266 025
Provisions	–	–	–	–	–	–	47 527	62 957			47 527	62 957
Shareholder for dividend	–	–	–	–	–	273 661	–	–	–	–	–	273 661
Cash settled and option liabilities	–	–	–	–	11 900	–	–	–	–	–	11 900	–
Taxation payable	–	–	–	–	–	–	25 333	31 575	–	–	25 333	31 575
Liabilities associated with disposal group held for sale	–	–	–	–	–	–	1 648 637	–	–	–	1 648 637	–
Total equity and liabilities	–	–	–	–	1 212 056	3 193 668	1 777 006	430 028	2 582 916	2 264 961	5 571 978	5 888 657

* *Financial liabilities at fair value comprise only of cash settled and option liabilities, all other financial liabilities are held at amortised cost.*

34. FINANCIAL RISK MANAGEMENT

Interest rate risk management

The group held surplus cash at times throughout the year. The significance of this surplus cash to the group's statement of financial position exposes the group to interest rate risk.

This interest rate risk is managed through commercial banking facilities by the group's executive directors. At year-end, cash was invested with two large commercial banks. The investment of surplus funds is reviewed from time to time.

Currently borrowings which attract interest at prime or JIBAR linked rates. The South African Reserve Banks has indicated their initial preference for the adoption of the South African Rand Overnight Index Average ("ZARONIA") to replace JIBAR however, there is still uncertainty surrounding the timing and manner in which the transition would occur. The impact on the financial instruments may not be estimable at this stage given the uncertainty.

At year-end, borrowings were held with five large commercial banks. The group's interest rate profile consists of floating rate loans and bank balances which expose the group to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

	2023 R'000	2022 R'000
Financial assets		
Financial assets which attract no interest	811 619	1 136 935
Loans and bank deposits which attract interest at South African money market rates	438 220	1 189 327
	1 249 839	2 326 262
Financial liabilities		
Financial liabilities which attract no interest	930 463	1 449 235
Borrowings which attract interest at prime or JIBAR linked rates	281 593	1 744 433
	1 212 056	3 193 668
Interest rate sensitivity analysis		
Financial assets		
Loans granted and bank deposits linked to South African money market rates		
Carrying value at statement of financial position date	438 220	1 189 327
Reasonable possible change in interest rate (%)	1	1
Pre-tax statement of profit or loss and comprehensive income impact	4 382	11 893
Financial liabilities		
Financing received and banking facilities linked to South African prime or JIBAR rates		
Carrying value at statement of financial position date	281 593	1 744 433
Reasonable possible change in interest rate (%)	1	1
Pre-tax statement of profit or loss and comprehensive income impact	2 816	17 444

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2023

34. FINANCIAL RISK MANAGEMENT continued

Credit risk management

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the group.

A customer is considered to be in default when the amount based on customer credit terms is due but is unpaid. The group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Trade accounts receivable consist of a large widespread customer base. Group companies regularly monitor the financial position of their customers. The granting of credit is controlled by application and account limits.

The group's cash and cash equivalents, short-term deposits and other receivables (note 6) are placed with major banks with strong credit ratings.

The carrying amounts of financial assets included in the consolidated statement of financial position represent the group's maximum exposure to credit risk in relation to these assets. This includes trade receivables, proceeds receivable, other receivables and cash and cash equivalents.

Financial assets that are past due but not impaired relate mainly to a number of customers for whom there is no recent history of default and default is not expected in the foreseeable future.

	2023 R'000	2022 R'000
Performing financial assets	**1 156 111**	2 159 876
Financial assets that are non-performing/ in default		
Non-performing /doubtful	**87 575**	38 693
In default	**5 527**	22 476
	93 102	61 169
Financial assets that are impaired		
Carrying amount	**13 075**	161 979
Allowance for impairment	**(12 449)**	(56 762)
	626	105 217
Total credit exposure	**1 249 839**	2 326 262

The group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past due amounts	Life-time ECL
Non-performing	Amount is more than 30 days past due and/or there has been a significant increase in credit risk since initial recognition	Life-time ECL
In default	Amount is more than 90 days past due or there is evidence indicating the asset is credit impaired	Life-time ECL
Fully impaired	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off

The table below details the credit quality of the group's financial assets as well as maximum exposure to credit risk:

Receivables	**Expecting loss model**	**Gross amount**	**Loss allowance**	**Net carrying amount**
Trade and other receivables – August 2023	**Lifetime ECL simplified approach**	790 111	(12 449)	777 662
Trade and other receivables – August 2022	Lifetime ECL simplified approach	945 699	(56 762)	888 937

34. FINANCIAL RISK MANAGEMENT continued

Credit risk management (continued)

To mitigate credit risk the group holds collateral and has credit insurance on certain trade receivables. For trade receivables the group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime expected credit losses. The group determines the expected losses on these assets by using a provision matrix, estimated based on historical credit loss experience based on past due status of the financial assets, adjusted as appropriate to reflect current condition and estimates of future economic conditions. The expected credit loss based on past due status in terms of the provision matrix is detailed below.

	Total	Current	30 Days	60 Days	90 Days	120 Days	150 Days or more
31 August 2023							
Expected credit loss rate	–	–	0.1%	0.2%	0.4%	0.8%	77.9%
Total trade receivable balance	790 111	424 368	297 699	42 447	5 787	4 319	15 490
Total provision raised	(12 449)	–	(210)	(104)	(25)	(36)	(12 073)
Net balance	777 662	424 368	297 489	42 343	5 762	4 283	3 417
31 August 2022							
Expected credit loss rate	–	1.7%	3.8%	3.8%	4.7%	15.6%	91.4%
Total trade receivable balance	945 699	530 553	256 130	69 828	40 047	14 954	34 188
Total provision raised	(56 762)	(8 960)	(9 653)	(2 661)	(1 894)	(2 339)	(31 257)
Net balance	888 937	521 593	246 477	67 167	38 153	12 615	2 931

Liquidity risk management

Liquidity risk is the risk that the group will be unable to meet a financial commitment when it falls due. This risk is minimised through the holding of cash balances and banking facilities.

In addition, cash forecasts are monitored so that the cash needs of the group are managed according to its requirements.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the groups' short, medium and long-term funding, including derivative financial instruments.

The following tables detail the group's remaining contractual maturity for its financial liabilities based on the expected repayment profile.

The tables have been prepared based on the undiscounted cash flows of financial liabilities and are based on the earliest date on which the group can be expected to pay. The group has adequate commitment facilities to meet the liquidity needs.

The tables include both interest and principal cash flows (contractual cash flows).

		Contractual cash flows			
	Carrying amount R'000	Within one year R'000	Two to five years R'000	Longer than five years R'000	Total R'000
31 August 2023					
Interest-bearing liabilities	265 277	269 457	136 266	–	405 723
Lease liabilities	16 316	5 480	13 624	–	19 104
Trade and other payables	858 831	858 831	–	–	858 831
	1 140 424	1 133 768	149 890	–	1 283 658
31 August 2022					
Interest-bearing liabilities	1 686 008	925 751	1 066 314	–	1 992 065
Lease liabilities	58 425	15 807	65 866	–	81 673
Trade and other payables	1 114 541	1 114 541	–	–	1 114 541
	2 858 974	2 056 099	1 132 180	–	3 188 279

34. FINANCIAL RISK MANAGEMENT continued

Foreign exchange currency risk

The group is exposed to foreign exchange risk. This risk is managed by covering material inventory orders with foreign exchange contracts.

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from exposure in the operations due to trading transactions in currencies other than the functional currency. Foreign currency imports within the group are managed using forward exchange contracts.

The following significant exchange rates applied during the year:

	Average rate		Spot rate at year end	
	2023	2022	**2023**	2022
Rand: US Dollar	**17.99**	15.57	**18.88**	17.11
Rand: Euro	**19.14**	17.10	**20.47**	17.22
Foreign exchange sensitivity analysis				
Financial liabilities				
Net trade payables exposed to foreign currency risk				
Carrying value of liability at statement of financial position date (R'000)	**(55 095)**	(76 252)		
Reasonable possible change in exchange rates (%)	**10**	10		
Pre-tax statement of profit or loss and comprehensive income gain (R'000)	**(5 510)**	(7 625)		

Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern and provide optimal returns for shareholders through maintaining an optimal capitalisation.

The group defines capital as equity funding provided by shareholders and debt funding from external parties.

Shareholder funding comprises permanent paid up capital, revenue reserves and other reserves, being revaluation reserves (if any) and foreign currency translation reserves. The board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

The board of directors monitors the cost of capital, which the group defines as the weighted average cost of capital, taking into account the group's internally calculated cost of equity and cost of debt. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound equity position.

The group's debt capacity and optimal gearing levels are determined by its cash flow profile and are measured through applicable ratios such as net debt to EBITDA, gearing and interest cover. To maintain or adjust the capital structure, in the absence of significant investment opportunities, the group may pay distributions. The board has over a three year period implemented a strategy of cash business procuring stand-alone unguaranteed credit facilities. This strategy was fully implemented and finalised this year.

There were no changes in the group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

35. RELATED PARTY INFORMATION

The group defines key management personnel as the directors of enX and those individuals with significant influence over financial and operating decisions of the group, (the prescribed officers).

J Doherty, a previous director of WAG and a current shareholder of enX, has a loan to WAI. In addition to this, additional funds were introduced into the business by separate legal entity, West African Ventures of which J Doherty is a director.

W Chapman is director and shareholder of both enX and Peresec Propriety Limited ("Peresec"), the premise occupied by enX is leased on a month to month basis from Peresec.

A list of subsidiaries is disclosed separately in Annexure A. On consolidation, intercompany transactions between group entities are eliminated.

	2023 R'000	2022 R'000
Related party balances		
Loan accounts – owing to related parties		
J Doherty	(2 000)	(3 100)
West African Ventures	(4 000)	(3 000)
	(6 000)	(6 100)
Trade payables – owing to related parties		
Zestcor	111 986	157 488
	111 986	157 488
Related party transactions		
Interest paid to related parties		
J Doherty	240	345
West African Ventures	471	179
Zestcor	3 319	2 923
	4 030	3 447
Management/administration fees received from related parties		
Zestcor	2 074	1 994
Abakhulu	1 500	875
	3 574	2 869
Purchases from related parties		
Zestcor	484 582	400 799
	484 582	400 799
Rent paid to related parties		
Peresec	984	877
	984	877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

36. DIRECTOR AND PRESCRIBED OFFICER EMOLUMENTS

Directors of enX Group Limited

Directors' emoluments, including direct and indirect benefits for the period ending 31 August 2023 are as follows:

Directors*	Director fees R'000	Salary R'000	Incentives# R'000	Retirement contributions R'000	Other benefits R'000	Total R'000
2023						
Paid by enX and subsidiaries						
Executive directors						
A Hannington (a)	–	3 822	3 822	–	–	7 644
R Lumb (b)	–	2 960	2 883	391	253	6 487
Non-executive directors						
P Baloyi	1 013	–	–	–	–	1 013
L Molefe (c)	223	–	–	–	–	223
B Ngonyama (d)	81	–	–	–	–	81
K Matthews	608	–	–	–	–	608
W Chapman	419	–	–	–	–	419
V Jarana (e)	389	–	–	–	–	389
K Mokhobo (f)	568	–	–	–	–	568
N Simamane (g)	375	–	–	–	–	375
	3 676	6 782	6 705	391	253	17 807

Prescribed officers

Divisional CEOs	Salary R'000	Incentives# R'000	Retirement contributions R'000	Other benefits R'000	Total R'000
2023					
Paid by enX and subsidiaries					
J Carr	3 744	5 127	804	821	10 496
B Hean (h)	2 049	-	330	947	3 326
G Rosettenstein (i)	2 577	1 940	374	96	4 987
M Kerwan	3 179	2 480	–	100	5 759
C Silver	2 664	2 100	–	6	4 770
	14 213	11 647	1 508	1 970	29 338

(a) At the date of reporting a total of 1 637 908 shares had been issued to A Hannington as a long-term SAR's incentives, the intrinsic value of these shares is R4.9 million at this date. None of the long-term incentives in issue have vested in the current year. For details on the SAR's in issue refer to note 16.

(b) At the date of reporting a total of 1 126 318 shares had been issued to R Lumb as a long-term SAR's incentives, the intrinsic value of these shares is R3.4 million at this date. None of the long-term incentives in issue have vested in the current year. For details on the SAR's in issue refer to note 16.

(c) Resigned as non-executive director effective 31 January 2023

(d) Resigned as non-executive director effective 30 January 2023

(e) Resigned as non-executive director effective 30 April 2023

(f) Appointed as non-executive director effective 3 January 2023

(g) Appointed as non-executive director effective 8 February 2023

(h) Passed away on 14 March 2023

(i) Appointed CEO – WAG effective 15 March 2023

* *Refer the "Shareholders' profiles" for disclosure of directors shares in group on page 90.*

Incentives included above are the actual incentives earned based on the current year results, these incentives were approved by the board in October 2023.

36. DIRECTOR AND PRESCRIBED OFFICER EMOLUMENTS continued

Directors	Director fees R'000	Salary R'000	Incentives R'000	Retirement contributions R'000	Other benefits R'000	Total R'000
2022						
Paid by enX and subsidiaries						
Executive directors						
A Hannington	–	3 640	3 640	–	–	7 280
R Lumb	–	2 817	2 746	443	173	6 179
Non-executive directors						
P Baloyi	982	–	–	–	–	982
L Molefe	664	–	–	–	–	664
B Ngonyama	713	–	–	–	–	713
K Matthews	366	–	–	–	–	366
W Chapman	394	–	–	–	–	394
V Jarana	787	–	–	–	–	787
	3 906	6 457	6 386	443	173	17 365

Prescribed officers

Divisional CEOs	Salary R'000	Incentives R'000	Retirement contributions R'000	Other benefits R'000	Total R'000
2022					
Paid by enX and subsidiaries					
J Carr	4 050	4 836	809	707	10 402
B Hean	3 576	3 480	–	–	7 056
M Kerwan	2 985	2 399	–	14	5 398
D Viljoen (a)	2 027	–	–	23	2 050
C Silver (b)	2 096	–	–	8	2 104
O Mabandla (c)	1 908	–	–	–	1 908
	16 642	10 715	809	752	28 918

(a) Resigned effective 31 January 2021
(b) Appointed as divisional CEO effective 1 December 2021
(c) Resigned as an executive director effective 8 June 2022

37. CHANGE IN AUDITORS

Change in Auditors:

During the financial year ended 31 August 2023, the company underwent a change in its external auditors. Deloitte & Touche (''Deloitte'') served as the previous auditors.

New Auditor:

The company engaged KPMG Inc ("KPMG") as its new external auditor, effective 15 February 2023.

Reason for Change:

The change in auditors was voluntary and was due to a mutual agreement with Deloitte to accept their position of not being available for reappointment as enX's independent external auditors for the year ending 31 August 2023.

Auditor's Report:

KPMG has provided an auditor's report, expressing their opinion on the consolidated and separate financial statements for the current financial year.

Approval:

The change in auditors was approved by the company's board of directors on 15 February 2023 and by the shareholders at the AGM held on 15 March 2023.

38. GOING CONCERN

Funding and liquidity

When managing its cash and banking resources, the group's objectives are to safeguard its ability to continue as a going concern and to create long-term value for stakeholders. The board has reviewed and approved the group and company forecasts prepared by management and the solvency and liquidity positions. The result indicated that the group remains a going concern. The projections assumed that the group would remain a going concern over the next 12 months.

While the increase in base oil and chemical input prices, as well as disruption in global supply chains has increased net working capital requirements, liquidity in all our businesses remains robust.

Based on our assessment of the prospects and cash flows for each business as at the date of signing we believe that the credit facilities and surplus cash we have in place provides sufficient liquidity for the businesses to continue trading and support growth for the foreseeable future.

39. SUBSEQUENT DATE EVENTS

Eqstra funding

During September 2023, management extended the debt maturity on two of Eqstra's credit facilities out by 24 months. The nearest debt facility, the RCF, of R566 million to mature on 31 December 2023 was extended to 31 December 2025 and the term loan of R726 million due to mature on 31 December 2024 was extended to 31 December 2026.

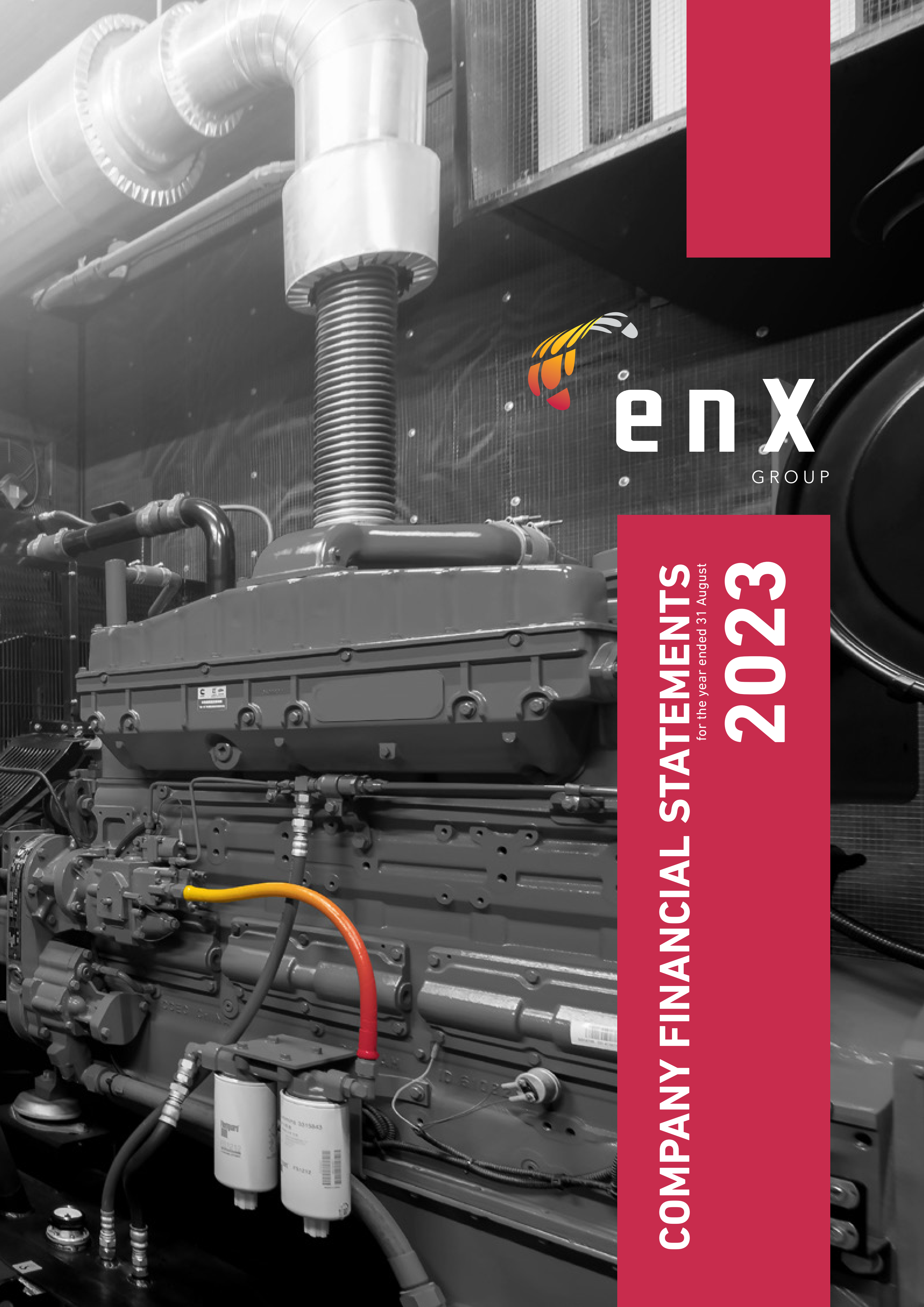
TRP settlement

Shareholders are referred to the notice published by the Takeover Regulation Panel (''the Panel'') on SENS on 13 April 2023 wherein it announced that the Panel has agreed to settle the Panel's investigation (''the Settlement'') into certain affected transactions involving eXtract Group Limited, Zarclear Holdings Limited and African Phoenix and others (''the Offerors''). Further, a joint SENS announcement of the firm intention to make a mandatory offer for enX shares pursuant to the Settlement was announced on 11 May 2023. Shareholders were advised that African Phoenix (together with the parties acting in concert) was required to make a mandatory offer to all shareholders to purchase their shares at a price of R6.41 per share in terms of section 123 of the Companies Act, 2008 and the Takeover Regulations. The mandatory offer constituted a firm intention announcement in terms of Regulation 101 of the Takeover Regulations and was made subject to the compliance with the requisite provisions. The offer opened on 21 June 2023 and was anticipated to close on 4 August 2023. Shareholders are further referred to the SENS published on 3 August 2023 in which the directors of enX and the Offerors considered it appropriate to provide additional disclosure in an updated circular (''Amended Circular'') relating to the indirect shareholdings of the directors of enX in each of African Phoenix, MCC Contracts and Peresec Prime Brokers. In the light of the Amended Circular, the Offerors extended the mandatory offer closure until 15 September 2023, on which date the offer closed. The offer was accepted in respect of 495 846 enX shares, comprising 0.27% of the issued share capital of the company.

Special Distribution

On 6 November 2023, the directors declared a special distribution out of contributed tax capital of R1.00 per share to enX ordinary shareholders.

Apart from the above, there have been no other material events subsequent to year-end.



enX GROUP

COMPANY FINANCIAL STATEMENTS 2023

for the year ended 31 August

COMPANY STATEMENT OF FINANCIAL POSITION

as at

	Notes	31 August 2023 R'000	31 August 2022 R'000
ASSETS			
Non-current assets		1 469 167	2 497 352
Property, plant and equipment	2	94	1 006
Investment in subsidiaries	3	686 907	1 775 428
Proceeds receivable	6	–	135 240
Loans to group companies	5	782 166	585 678
Current assets		234 609	277 288
Trade and other receivables	4	19 116	10 698
Proceeds receivable	6	135 240	–
Bank and cash balances	7	80 253	266 590
Asset held for sale	3	1 088 521	–
Total assets		2 792 297	2 774 640
Total shareholders' interests		2 740 857	2 489 161
Stated capital	8	2 513 612	2 513 612
Other reserves		(773 654)	(773 654)
Accumulated profit		1 000 899	749 203
Current liabilities		51 440	285 479
Loans from group companies	5	47 766	7 480
Shareholder for dividend		–	273 661
Other payables	9	1 022	827
Taxation payable		2 652	3 511
Total equity and liabilities		2 792 297	2 774 640

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the years ended

	Notes	31 August 2023 R'000	31 August 2022 R'000
Revenue	10	236 181	1 407 383
Other income		–	480 284
Operating expenses		(6 498)	(13 399)
Operating profit	11	229 683	1 874 268
Net finance income	12	30 339	17 903
Interest income		30 541	17 903
Interest expense		(202)	–
Profit before taxation		260 022	1 892 171
Taxation	13	(8 326)	(5 607)
Profit for the year		251 696	1 886 564
Other comprehensive income		–	–
Total comprehensive income for the year		251 696	1 886 564

COMPANY STATEMENT OF CHANGES IN EQUITY

for the years ended

	Stated capital R'000	Other Reserves R'000	Accumulated profit R'000	Total equity R'000
Balances as at 1 September 2021	3 151 707	(773 654)	(1 137 361)	1 240 692
Total comprehensive income for the year	–	–	1 886 564	1 886 564
Capital distribution	(638 095)	–	–	(638 095)
Balances as at 31 August 2022	2 513 612	(773 654)	749 203	2 489 161
Total comprehensive income for the year	–	–	251 696	251 696
Balances as at 31 August 2023	2 513 612	(773 654)	1 000 899	2 740 857

COMPANY STATEMENT OF CASH FLOWS

for the years ended

	Notes	31 August 2023 R'000	31 August 2021 R'000
Cash flows from operating activities		243 526	358 044
Cash generated/(utilised) from operations	14	407	(4 730)
Dividend received	17	235 183	350 000
Interest received	15	17 323	15 493
Interest paid		(202)	–
Taxation paid	16	(9 185)	(2 719)
Cash flows from investing activities		(156 202)	271 351
Cash movements in loans to group companies	5	(196 488)	(269 890)
Cash movements in loans from group companies	5	40 286	–
Additions of property, plant and equipment		–	(118)
Proceeds on disposal of subsidiary	18	–	541 359
Cash flows from financing activities		(273 661)	(364 434)
Capital distribution		(273 661)	(364 434)
Net movement in cash and cash equivalents		(186 337)	264 961
Cash and cash equivalents at beginning of year		266 590	1 629
Cash and cash equivalents at end of year		80 253	266 590

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the years ended

1. ACCOUNTING POLICIES

The company has adopted the accounting policies as outlined in the audited consolidated financial statements. Please refer to note 1 of the consolidated financial statements.

2. PROPERTY, PLANT AND EQUIPMENT

	Computer and office equipment R'000	Leasehold improvements R'000	Total R'000
As at 31 August 2023			
Cost	896	256	1 152
Accumulated depreciation	(802)	(256)	(1 058)
Net carrying value	94	–	94
Movement summary			
Carrying value at the beginning of the year	151	855	1 006
Impairments	–	(765)	(765)
Depreciation	(57)	(90)	(147)
Carrying value at the end of the year	94	–	94
As at 31 August 2022			
Cost	896	1 282	2 178
Accumulated depreciation	(745)	(427)	(1 172)
Net carrying value	151	855	1 006
Movement summary			
Carrying value at the beginning of the year	109	963	1 072
Additions	118	–	118
Depreciation	(76)	(108)	(184)
Carrying value at the end of the year	151	855	1 006

3. INVESTMENT IN SUBSIDIARIES

	Country of incorporation/ principal place of business	Nature	Ownership percentage		Shares at cost	
			2023	2022	**2023**	2022
			%	%	**R'000**	R'000
enX Trading Investments Proprietary Limited	RSA	Investment Holding	**100**	100	**516 077**	516 077
enX Leasing Investments Proprietary Limited	RSA	Investment Holding	**100**	100	**170 830**	170 830
K2016224128 (South Africa) Proprietary Limited	RSA	Share scheme entity	**100**	100	****	****
Eqstra Investment Holdings Proprietary Limited	RSA	Investment Holding	**100**	100	**1 088 521**	1 088 521
Total investment in subsidiaries					**1 775 428**	1 775 428
Non-current assets					**686 907**	1 775 428
Asset held for sale					**1 088 521**	–

Shareholders are referred to the SENS announcement dated 13 June 2023 advising that enX is in discussions regarding a divestment by the Company of its interest in Eqstra Investment Holdings Proprietary Limited ("Potential Transaction"). The Potential Transaction would constitute a category 1 transaction in terms of the JSE Listing Requirements and an effected transaction in terms of Companies Act, 71 of 2008 and will require the approval via special resolution of enX shareholders in general meeting. During the strategic and budget process in July 2023 management took a strategic decision to dispose of Eqstra. As at 31 August 2023, management are confident that, based on progress to date, this transaction is likely to be executed in the next 12 months. In terms of IFRS5, Eqstra has been reported as an asset held for sale and discontinued operation from 31 August 2023. Therefore management believe that the Eqstra corporate transaction is highly probable with the intent to realise the value of the entity through the sale of the business and as such the investment in Eqstra Investment Holdings has been classified as held for sale from 31 August 2023. Refer to note 12 and note 21 of the consolidated financial statements for full details on the disposal group held for sale and discontinued operations.

***** Amount less than R1 000*

Other information

The carrying amounts of subsidiaries are shown net of any impairment losses.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

	2023 R'000	2022 R'000
4. TRADE AND OTHER RECEIVABLES		
Gross trade receivables	639	4 210
Prepayments	4 606	6 178
Value added tax	646	303
Sundry debtors	13 225	7
	19 116	10 698

Basis of raising impairment allowances against receivables

Gross trade receivables are continuously reviewed for impairment on an individual basis. Credit limits are continuously monitored through payment history checks and industry information.

The company has applied the simplified model determining the lifetime expected credit losses as there is no significant financing component. Expected credit loss ("ECL") has been considered in detail as part of the impairment of trade and other receivables.

	2023 R'000	2022 R'000
5. LOANS WITH GROUP COMPANIES		
K2016224128 (South Africa) Proprietary Limited	6 665	6 664
enX Trading Investments Proprietary Limited	175 494	303 294
enX Leasing Investments Proprietary Limited	–	5 713
enX Corporation Limited	600 007	270 007
enX Leasing Investments Proprietary Limited	(45 967)	(5 681)
Eqstra Transformation Trust	(1 799)	(1 799)
	734 400	578 198
Disclosed as:		
Non-current assets	782 166	585 678
Current liabilities	(47 766)	(7 480)
	734 400	578 198
Movement schedule		
Loans to group companies		
Opening balance	585 678	313 379
Interest capitalised	–	2 410
Assets transferred (non-cash)	–	(1)
Closing	(782 166)	(585 678)
Net cash movement	(196 488)	(269 890)
Loans from group companies		
Opening balance	(7 480)	(854 463)
Assets transferred (non-cash)	–	1
Dividend paid	–	846 982
Closing balance	47 766	7 480
Net cash movement	40 286	–

The loan amounts are unsecured, interest free, with no fixed terms of repayment and are payable on demand, however the directors do not have the intention to recall the loans in the next 12 months.

Loans receivable are payable on demand and there are no fixed repayment terms. As the company can demand payment on these loans with as little as one days notice the expected credit loss on these loans is considered to be immaterial. There is one interest bearing loan with enX Corporation Limited granted in April 2023 with a balance of R330.0 million at reporting date, interest is charged at 11.45%.

An assessment is made at each reporting date whether there is any objective evidence that loans with group companies are impaired. The company applies the simplified approach to calculate the expected credit loss ("ECL") of loans with group companies. Consideration is given to the equity and profitability of the underlying group companies when assessing the risk of expected credit losses. Management assessed the recoverability of the loans and concluded that no ECL allowance is required as the loans can be recovered if needed.

	2023 R'000	2022 R'000
6. PROCEEDS RECEIVABLE		
Proceeds receivable	135 240	135 240
	135 240	135 240
Non-current assets	–	135 240
Current assets	135 240	–

Proceeds receivable relates to contingent consideration of R135 million which is held in escrow as collateral for any proven warranty and indemnity (W&I) claims that may arise out of the Subscription Agreement concluded between CFAO Holdings South Africa Proprietary and various enX entities, regarding the disposal of EIE Group Proprietary Limited. Any amounts that are not applied to settle W&I claims will be released to enX on 31 March 2024. Interest earned on the escrow balances are for the benefit of enX. As at 31 August 2023 no evidence of any W&I claims existed and no claims have been received to date. The amount in escrow is expected to be released on or before 31 March 2024 if no W&I claims are received.

Fair value hierarchy disclosures

Valuation methodology

Level 3 – Valuations based on unobservable inputs include:

The unlisted investments are level 3 financial instruments. Level 3 instruments are valued using various business-related inputs which are not based on observable market data. Unlisted investments are valued based on operational performance of the entities which is considered to be appropriate taking into account that the investments are insignificant to the group. Refer to note 16 for detail on the fait value measurement of the cash settled and option liabilities.

The table below shows the group's financial assets and liabilities that are recognised and subsequently measured at fair value, analysed by valuation technique.

31 August 2023	**Level 3 R'000**	**Fair value R'000**
Financial assets		
loss		
– Proceeds receivable	135 240	135 240
	135 240	135 240
31 August 2022		
Financial assets		
loss		
– Proceeds receivable	135 240	135 240
	135 240	135 240

Type	**Valuation Technique**	**Significant unobservable inputs**
Proceeds receivable	Proceeds receivable of R135.2 million adjusted for any proven W&I claims at reporting date.	There is an element of unobservable inputs as the W&I claims are subject to the agreement concluded between CFAO Holdings South Africa and various enX entities.

	2023 R'000	2022 R'000
7. BANK AND CASH		
Bank accounts	80 253	266 590
	80 253	266 590

Cash is held by banks that have strong credit ratings which are considered to mitigate the expected credit loss risk.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

	2023 R'000	2022 R'000
8. STATED CAPITAL		
Authorised		
shares of no par value		
Issued		
shares	2 513 612	2 513 612
Balance at beginning of year	2 513 612	3 151 707
Capital distribution	–	(638 095)
Balance at end of year	2 513 612	2 513 612
9. OTHER PAYABLES		
Employee-related accruals	830	827
Trade payables	192	–
	1 022	827

The company has financial risk policies in place to ensure that all payables are paid in accordance with the contractual terms.

	2023 R'000	2022 R'000
10. REVENUE		
Management fee income	998	4 086
Dividends received	235 183	1 403 297
	236 181	1 407 383

The company generates revenue through investments in subsidiaries. Therefore, dividends received are considered revenue in nature.

	2023 R'000	2022 R'000
11. OPERATING PROFIT		
is stated after taking the following items into account:		
Other income		
Insurance claim received	–	10 000
Profit on disposal of subsidiary	–	470 284
Other expenses		
Depreciation on property, plant and equipment	(147)	(184)
Transaction costs	(993)	(1 038)
Employee costs		
Directors remuneration paid by the company	(3 676)	(4 002)

	2023 R'000	2022 R'000
12. NET FINANCE INCOME		
Interest income		
Interest received on funds and deposits with banks	17 339	15 493
Interest received from group companies	13 202	2 410
	30 541	17 903
Interest expense		
Interest paid to banks	202	–
	202	–
Net finance income	30 339	17 903
13. TAXATION		
South African normal taxation		
Current year	7 273	5 607
Prior year	1 053	–
	8 326	5 607
Reconciliation of rate of taxation		
Profit before taxation	260 022	1 892 171
Taxation at South African normal taxation rate (27%; 2022:28%)	70 206	529 808
Tax effect of adjustments to taxable income		
Permanent differences		
– Profit on disposal of subsidiary	–	(131 680)
– Inter-company dividend received	(63 499)	(392 923)
– Legal and professional fees of a capital nature	268	291
– Prior year	1 053	–
– Other non–deductible expenses	298	111
Taxation per statement of comprehensive income	8 326	5 607
14. CASH GENERATED/(UTILISED) FROM OPERATIONS		
Profit before taxation	260 022	1 892 171
Adjusted for:		
– Interest received	(30 541)	(17 903)
– Interest paid	202	–
– Profit on disposal	–	(470 284)
– Depreciation	147	184
– Impairment of PPE	765	–
– Dividend received	(235 183)	(1 403 297)
Cash (utilised)/generated from operations before working capital movements	(4 588)	871
Changes in working capital	4 995	(5 601)
Increase in trade and other receivables	4 800	(5 830)
Increase in trade and other payables	195	229
	407	(4 730)

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

	2023 R'000	2022 R'000
15. INTEREST RECEIVED		
Interest received		
Total interest received (refer note 12)	30 541	17 903
Interest capitalised from group companies	–	(2 410)
Interest accrual	(13 218)	–
Total interest received (in cash)	17 323	15 493
Interest paid		
Total interest paid (refer to note 12)	(202)	–
Total interest paid (in cash)	(202)	–
Total net interest received (in cash)	17 121	15 493
16. TAXATION PAID		
Balance payable at beginning of year	(3 511)	(623)
Charged to the statement of profit or loss and other comprehensive income	(8 326)	(5 607)
Balance payable at end of year	2 652	3 511
	(9 185)	(2 719)
17. DIVIDEND RECEIVED		
Total dividend received	235 183	1 403 297
Settled through inter-company loans and investments	–	(1 053 297)
Paid in cash	235 183	350 000
18. PROCEEDS ON DISPOSAL OF SUBSIDIARY		
Total proceeds	–	676 599
Less contingent consideration	–	(135 240)
Net cash inflow arising on disposal	–	541 359

Refer to note 29 in the consolidated financial statements.

19. DIRECTORS' EMOLUMENTS

Refer to note 36 in the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

20. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION

	Financial assets at fair value through profit or loss		Loans and receivables at amortised cost		Financial liabilities at amortised cost		Non-financial instruments		Equity		Total	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000	**2023 R'000**	2022 R'000	**2023 R'000**	2022 R'000	**2023 R'000**	2022 R'000	**2023 R'000**	2022 R'000
ASSETS												
Non-current assets	–	135 240	782 166	585 678	–	–	687 001	1 776 434	–	–	1 469 167	2 497 352
Property, plant and equipment	–	–	–	–	–	–	94	1 006	–	–	94	1 006
Investment in subsidiaries	–	–	–	–	–	–	686 907	1 775 428	–	–	686 907	1 775 428
Proceeds receivable	–	135 240	–	–	–	–	–	–	–	–	–	135 240
Loans with group companies	–	–	782 166	585 678	–	–	–	–	–	–	782 166	585 678
Current assets	135 240	–	94 117	270 800	–	–	5 252	6 488	–	–	234 609	277 288
Trade and other receivables	–	–	13 864	4 210	–	–	5 252	6 488	–	–	19 116	10 698
Proceeds receivable	135 240	–	–	–	–	–	–	–	–	–	135 240	–
Bank and cash balances	–	–	80 253	266 590	–	–	–	–	–	–	80 253	266 590
Assets held for sale							1 088 521				1 088 521	
Total assets	135 240	135 240	876 283	856 478	–	–	1 780 774	1 782 922	–	–	2 792 297	2 774 640
EQUITY AND LIABILITIES												
Capital and reserves	–	–	–	–	–	–	–	–	2 740 857	2 489 161	2 740 857	2 489 161
Stated capital	–	–	–	–	–	–	–	–	2 513 612	2 513 612	2 513 612	2 513 612
Other reserves	–	–	–	–	–	–	–	–	(773 654)	(773 654)	(773 654)	(773 654)
Accumulated profits	–	–	–	–	–	–	–	–	1 000 899	749 203	1 000 899	749 203
Current liabilities	–	–	–	–	48 788	281 968	2 652	3 511	–	–	51 440	285 479
Loans with group companies	–	–	–	–	47 766	7 480	–	–	–	–	47 766	7 480
Shareholder for dividend	–	–	–	–	–	273 661	–	–	–	–	–	273 661
Trade and other payables	–	–	–	–	1 022	827	–	–	–	–	1 022	827
Taxation payable	–	–	–	–	–	–	2 652	3 511	–	–	2 652	3 511
Total equity and liabilities	–	–	–	–	48 788	281 968	2 652	3 511	2 740 857	2 489 161	2 792 297	2 774 640

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

	2023 R'000	2022 R'000
21. FINANCIAL RISK MANAGEMENT		
Interest rate risk management		
The company held surplus cash at times throughout the year. The significance of this surplus cash to the company's statement of financial position can expose the company to interest rate risk.		
This interest rate risk is managed through commercial banking facilities by the company's executive directors.		
The company's interest rate profile consists of floating rate loans and bank balances which expose the company to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:		
Financial assets		
Financial assets at no interest	796 030	589 888
Bank balances and deposits linked to South African money market rates	80 253	266 590
	876 283	856 478
Financial liabilities		
Financial liabilities at no interest	–	281 141
	–	281 141
Interest rate sensitivity analysis		
Financial assets		
Bank balances and deposits linked to South African money market rates		
Carrying value at statement of financial position date	80 253	266 590
Reasonable possible change (%)	1	1
Pre-tax statement of comprehensive income impact	803	2 666

Credit risk management

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the company.

The company's cash and cash equivalents and short-term deposits are placed with major banks with strong credit ratings.

The carrying amounts of financial assets included in the statement of financial position represent the company's maximum exposure to credit risk in relation to these assets.

Liquidity risk management

Liquidity risk is the risk that the company will be unable to meet a financial commitment when it falls due. This risk is minimised through the holding of cash balances and banking facilities.

In addition, cash forecasts are monitored so that the cash needs of the company are managed according to its requirements.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding.

The following tables detail the company's remaining contractual maturity for its financial liabilities based on the expected repayment profile.

The tables have been prepared based on the undiscounted cash flows of financial liabilities and are based on the earliest date on which the company can be expected to pay.

21. FINANCIAL RISK MANAGEMENT *(continued)*

The tables include both interest and principal cash flows.

	Contractual cash flows				
	No terms R'000	Within 1 year R'000	2 – 5 years R'000	5 years R'000	Total R'000
Company					
2023					
Assets					
Loans to group companies	782 166	–	–	–	782 166
Liabilities					
Loans from group companies	(47 766)	–	–	–	(47 766)
Trade and other payables	–	(1 022)	–	–	(1 022)
	734 400	(1 022)	–	–	733 378
2022					
Assets					
Loans to group companies	585 678	–	–	–	585 678
Liabilities					
Loans from group companies	(7 480)	–	–	–	(7 480)
Shareholder for dividend	–	(273 661)	–	–	(273 661)
Trade and other payables	–	(827)	–	–	(827)
	578 198	(274 488)	–	–	303 710

22. RELATED PARTY INFORMATION

	2023 R'000	2022 R'000
Related party balances		
Loan accounts – owing (to)/by group companies		
For group loans please refer to note 5.		
Related party transactions		
Interest received from group companies		
enX Trading Investments Proprietary Limited	–	2 410
Eqstra Corporation Limited	13 202	–
	13 202	2 410
Management/administration fees received from group companies		
enX Leasing Investments Proprietary Limited	998	4 086
	998	4 086
Dividends received		
Eqstra Investment Holdings Proprietary Limited	235 183	1 403 297
	235 183	1 403 297

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

23. SUBSEQUENT DATE EVENTS

Refer to note 39 in the consolidated financial statements.

Apart from the above, there have been no material events subsequent to year-end that have not been taken into account in the financial statements.

24. GOING CONCERN

When managing its cash and banking resources, the company's objectives are to safeguard its ability to continue as a going concern and to create long-term value for stakeholders. Based on our assessment of the prospects and cash flows at the date of signing we believe that the surplus cash and receivables we have in place provides sufficient liquidity for the businesses to continue as a going concern in the foreseeable future. In addition, the majority of loans with group companies relate to subsidiaries in which the company holds investments. The loans are held at carrying values that the board expects to recover should these subsidiaries be disposed of or in the ordinary course of business as a going concern. The company is expected to be able to settle any current liabilities as they become due. Accordingly, the company is considered to be a going concern.

ANNEXURE A – INTEREST IN PRINCIPAL SUBSIDIARIES

for the year ended 31 August 2023

The following relates to enX Group Limited's direct interest in its significant subsidiaries:

Company	Nature of business	Place of incorporation	Interest owned directly or indirectly	Ordinary shares in issue	Book value of interest – Shares 2023 R'000	Shares 2022 R'000	Loans 2023 R'000	Loans 2022 R'000
SUBSIDIARIES AND GROUP LOANS								
Shares held directly								
enX Trading Investments Proprietary Limited	Corporate	South Africa	100%	150 000	**516 077**	516 077	**235 875**	136 806
Eqstra Investment Holdings Proprietary Limited	Corporate	South Africa	100%	10 100	**1 088 521**	1 088 521	**(47 278)**	(40 000)
enX Leasing Investments Proprietary Limited	Corporate	South Africa	100%	118	**170 830**	170 830	**(152 721)**	(70 843)
K2016224128 (South Africa) Proprietary Limited	Fleet	South Africa	100%	100	**	**	**6 664**	6 663
Shares held indirectly								
enX Corporation Limited	Fleet	South Africa	100%	1 088 226	**574 235**	574 235	**576 579**	323 243
New Way Power Proprietary Limited	Power	South Africa	100%	100	**219 120**	219 120	**18 377**	4 613
West African International Proprietary Limited	Chemicals	South Africa	100%	200 000	**192 436**	192 436	**(144 886)**	96 770
Centlube Proprietary Limited	Lubricants	South Africa	66%	100 000	**59 317**	59 317	**(40 875)**	40 762
Centlube Holdings Proprietary Limited	Lubricants	South Africa	100%	100 000	**	**	**9**	9
African Group Lubricants Proprietary Limited	Lubricants	South Africa	66%	200 000	**59 317**	59 317	**40 875**	82 238
Eqstra NH Equipment Proprietary Limited	Fleet	South Africa	100%	6	**380 576**	380 576	**(240 615)**	(191 772)
PowerO[2] Proprietary Limited	Power	South Africa	100%	300	**	**	**(18 377)**	887
Other subsidiaries	Various				**6 243**	6 243	**–**	–

** *Amount less than R1 000*

ANNEXURE A – INTEREST IN PRINCIPAL SUBSIDIARIES (continued)

for the year ended 31 August 2023

	2023 R'000	2022 R'000
RESULTS OF SUBSIDIARIES		
The aggregate profits and losses of subsidiaries included in investments, after taxation attributable to the company are:		
– Profits	450 580	323 487
– Losses	(154 718)	(94 147)

Company	Place of incorporation	Non-controlling share		Profit/(loss) allocated to non-controlling interest		Accumulated earnings from non-controlling interest	
		2023 %	2022 %	2023 R'000	2022 R'000	2023 R'000	2022 R'000
NON-CONTROLLING INTEREST							
Amasondo Proprietary Limited	South Africa	40%	40%	7 065	988	28 637	22 998
Eqstra PVPS Proprietary Limited	Lesotho	20%	20%	–	–	3 998	16 585
Omathemba Fleet Services Proprietary Limited*	Namibia	0%	30%	3 300	725	–	376
Centlube Proprietary Limited	South Africa	34%	34%	16 808	1 697	27 318	10 510
				27 173	3 410	59 953	50 469

* *During the current year enX repurchased the 30% non-controlling interest in Omathemba Fleet Services Proprietary Limited, Omathemba Fleet Services Proprietary Limited is 100% owned by enX as at 31 August 2023.*

SHAREHOLDERS' PROFILES

	Number of shares
Issued ordinary shares on 1 September 2022	182 312 650
Issued during the year	–
Issued ordinary shares as at 31 August 2023	182 312 650
Shares held in treasury by subsidiary companies	(945 887)
Issued ordinary shares, net of treasury shares, at 31 August 2023	181 366 763
Weighted average number of shares in issue, net of treasury shares, at 31 August 2023	181 366 763

Public/non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders	13	0.6	92 014 106	50.3
Directors, prescribed officers and managers of the group	11	0.5	51 822 521	28.3
Beneficial shareholders holding more than 10% (excl. shares indirectly held by directors)	2	0.1	40 191 585	22.0
Public shareholders	2 273	99.4	90 298 544	49.7
	2 286	100.0	182 312 650	100.0
Shareholder spread				
1 – 1 000 shares	1 866	81.6	220 253	0.1
1 001 – 10 000 shares	237	10.4	881 661	0.5
10 001 – 100 000 shares	105	4.6	4 356 125	2.4
100 001 – 1 000 000 shares	54	2.4	20 416 412	11.2
1 000 001 shares and above	24	1.0	156 438 199	85.6
	2 286	100.0	182 312 650	100.0
Beneficial shareholders holding 5% or more				
MCC Contracts			61 305 634	33.6
PSG			19 482 634	10.7
Samvenice Trading			12 785 271	7.0
Fund managers holding 5% or more				
PSG Asset Management			19 515 634	10.7
M&G Investments			11 335 363	6.2
Geographical spread				
South Africa			172 623 372	94.7
Mauritius			4 296 105	2.4
Australia			2 159 297	1.2
Switzerland			2 148 052	1.2
Other foreign			1 085 824	0.5
			182 312 650	100.0
Distribution of shareholders				
Private companies			109 408 807	60.0
Collective investment schemes			48 040 242	26.4
Retail shareholders			11 356 816	6.2
Managed and hedge funds			7 885 322	4.3
Trusts			2 581 936	1.4
Stockbrokers, nominees and custodians			2 216 690	1.2
Other			822 837	0.5
			182 312 650	100.0

SHAREHOLDERS' PROFILES (continued)

Directors' ordinary shareholding*

	Direct beneficial shareholding	Indirect beneficial shareholding	Total shareholding	% shareholding
Balance 31 August 2022	91 224	50 018 880	50 110 104	27.5
W Chapman@	–	29 402 057	29 402 057	16.1
P Baloyi#	–	9 629 694	9 629 694	5.3
A Hannington+	–	10 987 129	10 987 129	6.0
R Lumb	91 224	–	91 224	0.1
Movement during 2023	–	(44 919)	(44 919)	–
W Chapman@	–	29 367 641	29 367 641	16.1
P Baloyi#	–	9 669 213	9 669 213	5.3
A Hannington+	–	10 937 107	10 937 107	6.0
R Lumb	91 224	–	91 224	0.1
Balance 31 August 2023	91 224	49 973 961	50 065 185	27.5

The following changes to directors' interest took place since year-end to date of publication as part of the mandatory offer, as announced to shareholders on 20 June 2023. The offer closed on 15 September 2023. No share dealings took place other than offers accepted as part of the mandatory offer.

Movement during 2023	–	1 543	1 543	–
W Chapman@	–	29 369 002	29 369 002	16.1
P Baloyi#	–	9 669 395	9 669 395	5.3
A Hannington+	–	10 937 107	10 937 107	6.0
R Lumb	91 224	–	91 224	0.1
Balance 6 November 2023	91 224	49 975 504	50 066 728	27.5

PC Baloyi holds shares indirectly by virtue of a 45% shareholding in CapLeverage, 2,74% (2022:2.7%) indirect shareholding in MCC and 5,55% (2022:5.48%) in African Phoenix.

@ *W Chapman indirectly holds shares by virtue of a 42,61% (2022:42,84%) indirect shareholding in MCC and 39,78% (2022:40.94%) in African Phoenix.*

+ *A Hannington indirectly holds shares by virtue of a 17.9% indirect shareholding in MCC.*

* *The table detailing the directors' ordinary shareholding above has been audited.*

SHAREHOLDERS' PROFILES (continued)

Shareholders' information

Listing and other information

The principal market for enX is the JSE Limited and shares trade through the STRATE system. Closing JSE share prices are published in most national and regional South African newspapers under the General Industries sector. The share prices are also available during the day on the enX website.

Shareholder communication

Shareholders can obtain updated announcements and general information regarding enX throughout the year on enX's website: www.enxgroup.co.za.

Shareholders wishing to view the annual or interim reports in electronic rather that paper form can access it on the enX website.

Computershare is the transfer secretary of enX. All general enquiries and correspondence concerning shareholders should be directed to the secretaries. Shareholders must notify Computershare promptly of any change of address.

Full details of how shareholders can obtain information regarding their own shareholding on the internet are provided on the Computershare's website (www.computershare.com).

Stock exchange performance	**31 August 2023**	31 August 2022
Number of shares in issue	**182 312 650**	182 312 650
Number of shares traded	**25 629 358**	15 120 076
Value of shares traded (R)	**176 062 933**	91 743 897
Market price (cents per share)		
Closing price at 31 August	**745**	640
Highest closing market price	**800**	900
Lowest closing market price	**461**	551
Market capitalisation	**1 358 229 243**	1 166 800 960

Integrated annual reports

Should you wish to receive a printed copy of enX's 2023 integrated annual report, please request same from the contact persons listed at the end of this report, or from the company's website or from info@enxgroup.co.za.

GLOSSARY OF TERMS

ENTITIES 1

enX or the company	enX Group Limited, registration number 2001/029771/06, a JSE listed entity
enX Group or the group	enX Group Limited and all its subsidiary companies, comprising three segments: • enX Power • enX Lubricants • enX Chemicals
enX Power or Power	A segment within enX, which distributes, rents, leases and provides value add services to generators and • New Way Power (New Power Proprietary Limited, a wholly-owned subsidiary of enX Trading), and • PowerO2 (PowerO2 Proprietary Limited, a wholly-owned subsidiary of enX Trading)
enX Lubricants or	A segment within enX, previously reported in enX Petrochemicals segment, which distributes lubricants, • AGL (Afriacn Group Lubricants Proprietary Limited, a wholly-owned subsidiary of enX Trading, • Centlube (Centlube Proprietary Limited, a wholly-owned subsidiary of enX Trading) and • Zestcor (Zestcor Eleven Proprietary Limited, a 37% associate of enX)
enX Chemicals or Chemicals	A segment within enX, previously reported in enX Petrochemicals segment, which distributes plastics polymer and natural rubber comprising: • WAG (West African International Proprietary Limited and West African International, a subsidiary of enX Trading) • WAG Chem (WAG Chemicals Proprietary Limited, a subsidiary of enX Trading)
Discontinued operations - enX Fleet or Eqstra	A segment within enX, which provides passenger and commercial vehicle fleet management solutions, leasing and value add services comprise: • Eqstra (Eqstra Fleet Management and Logistics business, including enX Corporation Limited a wholly-owned subsidiary of Eqstra Investments) and • Kynite (Kynite Solutions (Pty) Ltd, a wholly-owned subsidiary of Eqstra Investments)
Abakulu	Abakulu Energy Proprietary Limited, a 34% shareholder of Centlube
enX Investments	enX Investments Holdings Proprietary Limited, a wholly-owned subsidiary of enX Group
enX Trading	enX Trading Proprietary Limited, wholly-owned subsidiary of enX Group

PREVIOUS SUBSIDIARIES

Discontinued operations – prior year	Operations classified as assets held for sale as discontinued operations in terms of IFRS 5: • Austro and • EIE SA
Austro	Austro Proprietary Limited, a previous wholly-owned subsidiary, sold effective 30 June 2022
EIE SA	Eqstra Industrial Equipment business, including wholly-owned subsidiaries Saficon Industrial Equipment Proprietary Limited, 600SA Proprietary Limited, EIE Group Proprietary Limited sold effective 1 April 2022
Impact Handling (UK)	Impact Fork Trucks LLC, registered in the UK and sold effective 14 June 2021

REGULATORY

B-BBEE	Broad-Based Black Economic Empowerment
Companies Act	the Companies Act, 2008 (Act No. 71 of 2008), as amended, or any law that may replace it wholly or in part, from time to time
the Income Tax Act	the Income Tax Act, 1962 (Act No. 58 of 1962), as amended, or any law that may replace it wholly or in part, from time to time
JSE Listings Requirements	the listings requirements of the JSE Limited
King IV™	King IV Reporting on Corporate Governance for South Africa, 2016
TRP	Takeover Regulation Panel, as established in terms of section 196 of the Companies Act No 71 of 2008 (the Act) as a juristic person.
VAT	Value added tax of SA, charged on taxable supplies made. VAT is charged at either the standard rate (currently 15% or zero rate 0%).

ACCOUNTING STANDARDS AND REGULATORS

IAS 12	IAS 12 – Income taxes
IAS 28	IAS 28 – Investments in Associates and Joint Ventures
IAS 34	IAS 34 – Interim Financial Reporting
IAS 16	IAS 16 – Property, Plant and Equipment
IAS 36	IAS 36 – Impairment of Assets
IAS 37	IAS 37 – Provisions, Contingent Liabilities and Contingent Assets
IFRS 3	IFRS 3 – Business Combinations
IFRS 5	IFRS 5 – Assets held for sale
IFRS 9	IFRS 9 – Financial Instruments
IFRS 16	IFRS 16 – Leases
IFRS	International Financial Reporting Standards
IRBA	Independent Regulatory Board for Auditors
ISA	International Standard on Auditing
IASB	International Accounting Standards Board
FRSC	Financial Reporting Standards Council
SAICA	The South African Institute of Chartered Accountants

DEFINED TERMS

AFS	Annual financial statements
AGM	Annual general meeting
ARC	Audit and risk committee of enX
MOI	Memorandum of Incorporation
the board	The board of directors of enX Group Limited
the directors	The appointed directors of enX Group Limited board in terms of the requirements of the Companies Act
significance	Significance is determined by referring to qualitative and quantitative factors. Qualitative factors include providing the users of the summarised audited consolidated AFS with relevant information that assists with their decision-making process. These include both the nature of the transactions together with the contributions to amounts reported. Quantitative factors measure the transactions with reference to the group's internal materiality threshold of 5% of annual profit before tax
Assessment of control	An assessment of control is performed annually for each entity within the group, including those acquired during the financial year. In performing this assessment, senior management determines whether or not the group has control over the entity based on whether the group has the practical ability to direct the significant activities unilaterally. The following factors are considered during the assessment: The ability of the group to unilaterally appoint the majority of board members of the entity; • Composition of the entity's board and board appointees of the group; • Any contractual or legal rights conferred upon the group by the entity or any other shareholder of the entity to direct its activities; and • The group's shareholding in the investee relative to external shareholders
CGUs	Cash-generating units
Operating assets	Operating assets are all assets less loans receivable, taxation assets, cash resources and assets classified as held-for-sale
Operating liabilities	Operating liabilities are all liabilities less all interest-bearing debt, and taxation liabilities
Net working capital	Net working capital includes inventories, trade and other receivables, derivative instruments, less provisions, trade and other payables
Interest-bearing borrowings	Interest-bearing borrowings include interest-bearing debt excluding Lease liabilities
Debt	Debt includes interest-bearing borrowings and lease liabilities less cash resources
Net debt	Includes total interest-bearing debt (excluding the lease liabilities in terms of IFRS 16) less cash resources
Net capital expenditure	Net capital expenditure includes expansion and net replacement expenditure of property, plant and equipment, leasing assets and intangible assets

GLOSSARY OF TERMS (continued)

DEFINED TERMS (continued)

Net operating expenses	Net operating expenses include operational income and expenditures such as cost of sales, total employee costs, operating leases and other operational costs or income. Other operational costs or income include auditor's remuneration, profit on termination of lease contracts, impairment of right-of-use assets, remeasurement of contingent consideration, and other items
EBIT	Earnings before interest and taxation
EBITDA	Earnings before interest, taxation, depreciation, amortisation and share of results from associates
Depreciation, amortisation and impairments, net of recoupments	Depreciation and amortisation includes depreciation and amortisation of property, plant, equipment, intangible assets, right-of-use assets and leasing assets. Impairments include impairments on property, plant, equipment, investment properties and intangible assets. Recoupments include profit or losses on the sale of property, plant, equipment and intangible assets
NCI	Non-controlling investment or investment in minority
Operating profit before capital items and net foreign exchange gains	Operating profit is the earnings before capital items, net foreign exchange adjustments for items that do not qualify for cash flow hedge accounting including non-hedged items, net finance costs and taxation
Other capital costs	Other capital costs are items of income and expenditure relating to the: • Impairment of goodwill and investments in associates and joint ventures; and • Profit or loss on the sale of investments in subsidiaries and associates and other businesses
Operating margin (%)	Operating profit before capital items and net foreign exchange adjustments divided by revenue
ECL	Expected credit losses
FVTPL	Fair value through profit or loss
CPI	Consumer price index
PBT	Profit before tax (PBT) accounts for all the profits enX generates, whether through continuing operations or non-operating activities. It's also known as "earnings before tax (EBT)" or "pre-tax profit."
ROE	Return on equity (ROE) is a measure of financial performance calculated by dividing by net income by shareholders' equity. Shareholders' equity is equal to enX's total assets minus total debt. ROE is considered the return on net assets
HEPS	Headline earnings include earnings based on operational, trading, and capital investment activities achieved during the year, excluding: - profits or losses associated with the sale or termination of discontinued operations, fixed assets or related businesses or - from any permanent devaluation or write-off of their values - net of the tax effect on above Divided by the number of shares in issue less treasury shares
NAV	Net asset value (NAV) per share is the equity attributable to the owners of enX divided by the total ordinary shares in issue, net of treasury shares
Return on invested capital or ROIC (%)	The return divided by invested capital. The return is the aggregate of a post-tax operating profit for the last 12 months. Post-tax operating profit is calculated as: • Operating profit before capital items and net foreign exchange adjustments • Less share of results from associates which already includes the impact of tax • Add share of results from associates Invested capital is a 12-month average of the monthly total equity plus debt
Weighted average cost of capital or WACC (%)	The weighted average cost of capital is the 12-month average of the monthly calculated weighted average cost of capital. The monthly weighted average cost of capital is calculated by multiplying the cost of each invested capital component by its proportionate share of invested capital and then aggregating the results. The cost of debt and equity is determined with reference to the prevailing SA rates
PPE	Property, plant and equipment
the previous year or the prior year or FY2022	The year ended 31 August 2022

DEFINED TERMS (continued)

the year or the year under	The year ended 31 August 2023
KPMG Inc.	KPMG Services Proprietary Limited, a South African company is a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee and is the independent external auditors of enX group from 15 March 2023
LTI	Long-term incentive
R'000	South African rands, where the values in financial statements have been rounded off to the nearest thousand rand
SA	Republic of South Africa
SADC	Southern Africa Development Community region
SENS	News dissemination service of the JSE
SARS	South African Revenue Services
SARs	Share appreciation rights are conditional rights to receive shares equal to the difference between the enX
STI	Short-term incentive
VAPs	Value added products

ADMINISTRATION

NAME AND REGISTRATION NUMBER
enX Group Limited
Registration number: 2001/029771/06
JSE share code: ENX
ISIN: ZAE000222253

REGISTERED OFFICE AND BUSINESS ADDRESS
9th Floor, Katherine Towers, 1 Park Lane, Sandton
PostNet Suite X86, Private Bag X7, Aston Manor, 1630
Tel: +27 10 013 2703

SPONSOR
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Tel: x+27 (0) 11 721 6125

EXTERNAL AUDITORS
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Private Bag X9, Parkview, 2122
Tel:+27 (0)11 647 7111

TRANSFER SECRETARIES
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
South Africa
Private Bag X9000, Saxonwold, 2132
Tel: +27 11 370 5000

DATE OF INCORPORATION
12 December 2001

DATE OF LISTING
1 February 2007

TIP-OFFS ETHICS LINE
Free call: +27 800 212677
Free fax: +27 800 007788
Email: enx@tip-offs.com

EXECUTIVE DIRECTORS
AJ Hannington (CEO)
RA Lumb (CFO)

NON-EXECUTIVE DIRECTORS
PC Baloyi (Chairman)
WH Chapman
RD Mokhobo* (Lead)
ZK Matthews*
NV Simamane*

** Independent*

AUDIT AND RISK COMMITTEE
RD Mokhobo* (Chair)
NV Simamane*
ZK Matthews*

REMUNERATION AND NOMINATION COMMITTEE
WH Chapman (Chair Remuneration)
PC Baloyi (Chair Nomination)
ZK Matthews*
NV Simamane*

SOCIAL AND ETHICS COMMITTEE
NV Simamane* (Chair)
PC Baloyi
ZK Matthews*

DIVISIONAL EXECUTIVES
JV Carr (Eqstra)
G Rosettenstein (WAG)
C Silver (New Way Power)
M Kerwan (AG Lubricants)

COMPANY SECRETARY
Acorim Proprietary Limited, represented by Roxanne Cloete

WEBSITE
www.enxgroup.co.za