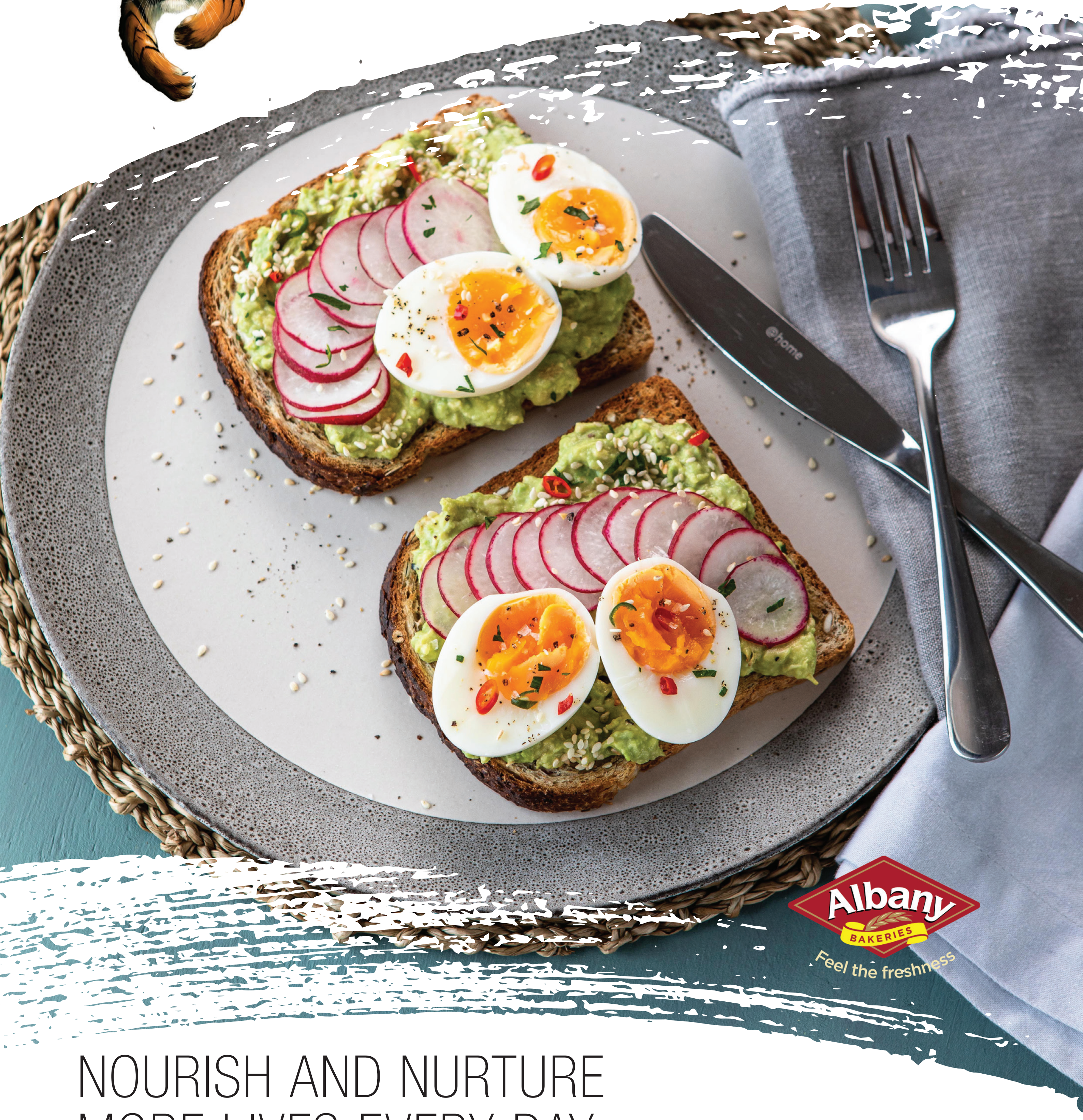
TIGER BRANDS

ANNUAL FINANCIAL STATEMENTS 2023



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Contents

TIGER BRANDS' 2023 INTEGRATED REPORTING SUITE

Our 2023 integrated reporting process comprises the following reports:

INTEGRATED ANNUAL REPORT 2023

Provides a succinct review of our strategy and business model, operating context, operational performance and governance. Aimed primarily at existing and potential investors, lenders and other creditors, it is written for use by all parties who have an interest in Tiger Brands' long-term performance.

ANNUAL FINANCIAL STATEMENTS 2023

Comprehensive review of our group and company financial results, with audited financial statements, prepared in accordance with IFRS accounting standards.

SUSTAINABILITY REPORT 2023

Reviews our performance in managing our most significant impacts on people, society and the environment (impact materiality), and in addressing the significant sustainability-related risks and opportunities that could reasonably be expected to affect cash flows, access to finance, or cost of capital over the short, medium or long term (financial materiality).

These reports are all available at **www.tigerbrands.co.za**

Preparation of annual financial statements

The preparation of the consolidated and separate annual financial statements for the year ended 30 September 2023, which appear on pages 1 to 96 has been supervised by Deepa Sita CA(SA), chief financial officer of Tiger Brands Limited.

Directors' approval

The financial statements for the year ended 30 September 2023, which appear on pages 1 to 96 and are in agreement with the financial records at that date, were approved by the board of directors on 30 November 2023 and signed on its behalf by:

G J Fraser-Moleketi

Geraldine Fraser-Moleketi
Chairman
30 November 2023

Tjaart Kruger
Chief executive officer

Responsibility for annual financial statements

The directors of Tiger Brands Limited are responsible for the integrity of the annual financial statements of the company, consolidated subsidiaries, associates and the objectivity of other information presented in the integrated annual report. The fulfilment of this responsibility is discharged through the establishment and maintenance of sound management and accounting systems, an organisational structure which provides for delegation of authority and establishes clear responsibility, together with the constant communication and review of the operations' performance measured against approved plans and budgets.

Management and employees operate in terms of a code of ethics approved by the board. The code requires compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business.

The annual financial statements, prepared in terms of International Financial Reporting Standards (IFRS) and Companies Act of South Africa are audited by our external auditors in conformity with International Standards on Auditing.

An audit committee of the board of directors, composed entirely of independent non-executive directors, meets periodically with our internal and external auditors as well as management to discuss internal financial controls and auditing and financial reporting matters. The auditors have unrestricted access to management, financial records as well as the audit committee.

The directors have no reason to believe that the group's operations will not continue as going concerns in the year ahead, other than where closures or discontinuations are anticipated, in which case provision is made to reduce the carrying cost of the relevant assets to net realisable value. Thus we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Certificate by company secretary

Certified in terms of section 88(2)(e) that the company has filed required returns and notices in terms of the Companies Act of South Africa, and that all such returns and notices appear to be true, correct and up to date.

Kgosi Monaisa
Company secretary
30 November 2023

Declaration by chief executive officer (CEO) and chief financial officer (CFO)

The CEO and the CFO, hereby confirm that:

(a) the consolidated and separate annual financial statements, set out on pages 10 to 96, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS and Companies Act of South Africa;
(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken the necessary steps to remedy the deficiencies; and
(f) we are not aware of any fraud involving directors.

Deepa Sita

Deepa Sita
Chief financial officer

Tjaart Kruger
Chief executive officer

Audit committee report

The fundamental role of an audit committee is to assist the board in fulfilling its oversight responsibilities in areas of financial reporting, internal control systems and internal and external audit functions. The committee considers and evaluates the combined assurance framework and the assurance plans to ensure satisfactory coverage of risks that support the control environment.

This report is provided by the audit committee appointed for the 2023 financial year.

The committee is constituted as a statutory committee of Tiger Brands in respect of its duties in terms of Section 94(7) of the Companies Act of South Africa.

The committee's activities are guided by a detailed charter informed by the Companies Act and King IV™* and the JSE Listings Requirements, which is reviewed and approved by the board annually.

The committee has executed its duties and responsibilities for the group's financial reporting practices, internal control environment and external auditing for the review period in line with its approved charter.

COMPOSITION

The committee comprises four independent non-executive directors, and its chairman is not the chairman of the board. Members and attendance are detailed in the integrated annual report.

Biographical details of members and fees are noted in the remuneration report of the integrated annual report.

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EXTERNAL AUDIT

The committee, among other matters:

- Recommended Deloitte & Touche to shareholders for appointment as the external auditor, with Martin Bierman as the designated auditor, for the financial year ended 30 September 2023. It ensured that the appointment complied with all applicable legal and regulatory requirements, and that the auditor and designated auditor are accredited by the JSE Limited
- Approved the external audit engagement letter, plan and budgeted audit fees. Fees paid to the auditor are detailed in note 5 of the group financial statements
- Reviewed the audit results, evaluated the effectiveness of the auditor and its independence, and evaluated the external auditor's internal quality-control procedures
- Considered the reports of the external auditor on the group's systems of internal control and financial controls
- Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved all non-audit services in line with the group's audit and non-audit services policy
- Considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, No. 26 of 2005, and determined that there were none
- Reviewed JSE accreditation documentation for both the external audit firm and designated auditor

INDEPENDENCE OF THE EXTERNAL AUDITOR

The audit committee is satisfied that Deloitte & Touche is independent of the group after considering the following factors:

- Representations by Deloitte & Touche to the committee
- The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company and group
- Obtained an annual written statement from the auditor that its independence was not impaired. The auditor's independence was not impaired by any consultancy, advisory or any other work undertaken
- The auditors met, in all material respects, the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies

Non-audit fees

The committee annually reviews and approves the list of non-audit services which the auditors are permitted to perform in line with the company's audit and non-audit services policy. There is a pre-approval process where all non-audit service engagements above a certain threshold must be approved by the group chief financial officer, and pre-approved by the chairman of the committee. If a higher threshold is to be applied it has to be approved by the entire committee. Bi-annually, the cumulative spend for the year to date is presented to the committee to keep track of the non-audit spend and the nature of services. The 2023 non-audit fees were 3,7% of the audit fees. This is below the group's policy threshold of 5% of the audit fees, which is in place for non-audit services.

FINANCIAL STATEMENTS

For the financial statements, the committee:

- Confirmed the going-concern assessment as the basis of preparing interim and annual financial statements
- Reviewed cash flow forecasts and determined that the capital and debt facilities of the group are adequate
- Examined and reviewed the interim and annual financial statements, as well as related SENS announcements for recommendation to the board for approval
- Ensured that the annual financial statements fairly present the financial position of the company and group at the end of the financial year
- Considered and reviewed accounting treatments and disclosures of significant transactions
- Considered accounting judgements and the appropriateness of accounting policies adopted and any changes
- Reviewed the external auditor's audit report, including the key audit matters identified by the external auditors which are included in the Tiger Brands Limited annual financial statements. The committee considered the key audit matters as reported by the external auditors

Audit committee report continued

and satisfied itself with management's treatment and responses thereof

- Reviewed the representation letter from management in connection with audit of the consolidated and separate financial statements of the group
- Considered any issues identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements
- Met separately with management and external auditors to review and discuss the annual financial statements, the audit process and findings
- Reviewed the restatements included in the annual financial statements and ensured JSE compliance around these

INTERNAL CONTROLS AND INTERNAL AUDIT

For internal controls and internal audit, the committee:

- Reviewed and approved the internal audit charter and annual audit plan, including the annual budget, and evaluated the independence
- Assessed the effectiveness and performance of the internal audit function and compliance with its charter
- Considered reports of the internal auditor on the group's systems of internal control and the enterprise risk management framework and processes
- Received assurance that an adequate and effective system of internal control and risk management is being maintained
- Reviewed significant issues raised and assessed reports by internal and forensic audit functions and the adequacy of corrective action taken
- Assessed the performance and the arrangements of the internal audit function and found it to be in conformance to the International Standards for the Professional Practice of Internal Auditing as issued by the Institute of Internal Auditors (IIA). In addition, the committee is satisfied that the internal audit function is independently and appropriately resourced
- Reviewed the JSE control attestation to support the CEO and CFO
- Reviewed the report by internal audit on its assessment of the effectiveness of the internal controls and risk management, in accordance with King IV™
- Reviewed ethics and whistle blowing reports to ensure appropriate actions are being implemented

The committee confirms it has no reason to believe there were any material breakdowns in the design and operating effectiveness of internal financial controls during the year that have not been addressed or are not being addressed by management.

In terms of risk management, information technology and sustainability, the committee:

- Reviewed and assessed the risk management framework and practices for effective risk management
- Reviewed and assessed the information technology environment and the cyber security plan and found it to be effective and adequate
- Considered the reporting of the quarterly risk and sustainability meetings
- Received the necessary assurances from management that material disclosures are reliable and do not conflict with financial information

For legal and regulatory requirements, the committee:

- Reviewed and assessed the adequacy and effectiveness of the group's procedures to ensure compliance with legal and regulatory requirements
- Executed all duties as detailed in paragraph 3.84(g) of the JSE Listings Requirements
- Reviewed the JSE proactive monitoring reports and considered findings and recommendations for the group financial statements and integrated annual report
- Considered reports provided by management, the internal auditor and external auditor on compliance with legal and regulatory requirements

COMBINED ASSURANCE

There is an enterprise-wide system of internal control and risk management in all key operations to manage and mitigate risks. The combined assurance approach is integrated with the risk management process to assess assurance activities across the various lines of defence.

The committee considered and evaluated the combined assurance framework and the assurance plans to ensure satisfactory coverage of risks that support the control environment.

CHIEF FINANCIAL OFFICER EXPERTISE AND EXPERIENCE

The committee considered the expertise, resources and experience of the chief financial officer, Deepa Sita, and concluded that this was appropriate.

In addition, the committee is satisfied with:

- The expertise, effectiveness, capabilities and adequacy of resources with required capabilities in the finance function
- The experience, effectiveness, expertise and continuous professional development of senior members of the finance function

Biographical details appear in the integrated annual report.

COMPANY SECRETARY

The board is satisfied that Advocate Kgosi Monaisa has the necessary skills, experience and qualifications to discharge his duties.

All directors have unlimited access to the services of the company secretary, who is responsible for ensuring compliance with corporate governance and statutory requirements are adhered to and complied with.

The company secretary also ensures the proper administration of proceedings and matters relating to the board, as well as the shareholders, in line with applicable legislation. He is responsible for director training and induction, as well as the annual board evaluation.

The committee confirms that the company secretary maintains an arm's length relationship with the board and directors, taking into account that the company secretary is neither a director of the company nor related to any directors.

ANNUAL FINANCIAL STATEMENTS

Following its review of the consolidated and separate annual financial statements of Tiger Brands Limited for the year ended 30 September 2023, the committee believes that, in all material respects, these comply with the relevant provisions of the Companies Act and IFRS and fairly present the annual financial statements of the company and group for the year ended 30 September 2023. The committee has also satisfied itself on the integrity of the integrated annual report and sustainability report for the year ended 30 September 2023.

Having achieved its objectives, the audit committee recommended the annual financial statements and integrated report for approval by the board. The board has since approved the annual financial statements and integrated report 2023, which will be open for discussion at the upcoming annual general meeting.

On behalf of the committee

Donald Wilson
Chairman – audit committee
30 November 2023

Independent auditor's report

To the Shareholders of Tiger Brands Limited

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

OPINION

We have audited the consolidated and separate annual financial statements of Tiger Brands Limited (the Group and Company) set out on pages 10 to 92, which comprise the consolidated and separate income statements and the consolidated and separate statements of comprehensive income for the year ended 30 September 2023, the consolidated and separate statements of financial position as at 30 September 2023, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate annual financial position of Tiger Brands Limited and its subsidiaries as at 30 September 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

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 annual 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 annual financial statements in South Africa.

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

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate annual financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not identified any key audit matters relating to the separate annual financial statements.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><th colspan="2">Revenue recognition – variable consideration for Growth Rebates Accrued</th></tr>
<tr><td>As described in the accounting policy notes and reflected in notes 2 and 25 to the group annual financial statements, revenue is measured at the fair value of the consideration received or receivable excluding normal discounts, rebates, settlement discounts and promotional allowances (rebates and incentives), which are earned by customers on the group's sales.

The growth rebates agreed with customers include various terms that impact the amount of the rebates that are ultimately paid. There is judgement and estimation applied by the entity arising from actual growth achieved by the customer and consideration of exceptional circumstances impacting the ability to meet the criteria set which results in an amendment to the final rebates to be agreed and settled.

The volume of data used in determining the appropriate contractual rebates is significant and is used in a separate tool which is customised and subject to manual inputs of the key terms used to determine the growth rebates. The determination of the growth rebates to be accrued for payment after year end is therefore considered a key audit matter.</td><td>In evaluating the determination of the growth rebates accrual at year-end and the estimations and judgements applied to year-end adjustments, we performed various audit procedures including the following:
› We considered the application of IFRS 15 and IAS 37 recognition and measurement requirements to the methodology used by the group to determine and account for the growth rebates;
› We assessed the controls over the determination and accounting for the rebates which included, amongst others:
– Design and implementation of controls over the interface between the general ledger system and the customised tool used to determine the rebates based on applying the growth rebates terms agreed between the entity and the customer;
– Design and implementation of controls over the accuracy of inputs (such as customer rebate terms) used to determine the actual rebates earned under the agreed terms; and
– Design and implementation of controls over the estimation and judgement applied in determining year-end adjustments.
› For a sample of customers subject to growth rebates, we performed the following:
– Tested the reconciliation of net invoice sales data between the general ledger system and the customised tool;
– Agreed the terms per the signed contract between the entity and the customer to the terms used in the entity's calculation;
– Recalculated the expected annual actual rebates earned based on the application of the contractual trade terms and using the relevant net invoice sales data;
– Assessed the application of judgement made in the estimation of year-end adjustments determined to be granted to the customer with reference to appropriate evidence and broad market conditions;
– Performed retrospective testing on the prior years' growth rebates accrual to determine whether the amount accrued was paid to or settled for the relevant customer.
– We assessed whether the growth rebates were appropriately recorded as a contra revenue adjustment according to the requirements of IFRS 15; and
– We determined whether the computation of the rebates after year-end adjustments as approved by the Chief Financial Officer agreed to the amount recorded as an accrual in the general ledger.

Our evidence obtained indicated that the growth rebates were appropriately accrued for at year-end and offset against revenue.</td></tr>
</table>

OTHER MATTER

The consolidated and separate annual financial statements of the Group and Company for the year ended 30 September 2022, excluding the adjustments described in note 36 to the consolidated and separate annual financial statements, were audited by another auditor who expressed an unmodified opinion on those statements on 1 December 2022.

As part of our audit of the consolidated and separate financial statements as at 30 September 2023 and for the year then ended, we audited the adjustments described in note 36 that were applied to restate the comparative information presented as at 30 September 2022 and for the year then ended. We were not engaged to audit, review, or apply any procedures to the consolidated and separate annual financial statements for the years ended 30 September 2022, other than with respect to the adjustments described in note 36 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 36 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 "Tiger Brands Limited Annual Financial Statements", which includes other information included on the contents page and page 1, the Audit committee report on pages 2 to 5, the Statutory information on page 9 and the other information on pages 93 to 100. Additional other information includes the Integrated Annual Report 2023 and the Sustainability Report 2023.

The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

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

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

Independent auditor's report continued

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

DocuSigned by:
Deloitte & Touche.
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Deloitte & Touche
Registered Auditor
Per: Martin Bierman
Partner
30 November 2023

5 Magwa Crescent
Waterfall City
Waterfall
Johannesburg

Statutory information

For the year ended 30 September 2023

AUTHORISED AND ISSUED SHARE CAPITAL

Details of authorised and issued share capital are set out in note 22 of the annual financial statements and in the statements of changes in equity on pages 13 and 14.

SUBSIDIARIES, ASSOCIATES AND INVESTMENTS

Financial information concerning the principal subsidiaries, associates and investments of Tiger Brands Limited are set out in notes 16 and 35 of the annual financial statements.

DIVIDENDS

Details of dividends declared and paid during the year are outlined in note 12 to the annual financial statements.

MAJOR SHAREHOLDERS

Details of the registered and beneficial shareholders of the company are outlined on page 99 of the annual financial statements.

DIRECTORS

The following movements in the directorate were recorded:

Appointments

1 April 2023	Sam Sithole
1 November 2023	Tjaart Kruger

Resignations

10 October 2023	Cora Fernandez
31 October 2023	Noel Doyle
31 December 2023	Deepa Sita

The names of the directors who presently hold office are set out in the integrated annual report.

The register of interests of directors in shares of the company is available to the members on request.

Details of the directors' shareholding (direct and indirect beneficial) are reflected as follows:

	2023		2022	
Name of director	Direct number of shares	Indirect number of shares	Direct number of shares	Indirect number of shares
NP Doyle*	**22 775**	**–**	12 775	–
S Sithole*	**–**	**6 269 000**	–	–

* *Cumulative number of shares held indirectly by Value Capital Partners*

There were no changes to the direct and indirect beneficial interests of directors at 30 September 2023.

PENSION ASSET AND POST-RETIREMENT MEDICAL AID OBLIGATIONS

Details in respect of the pension asset and post-retirement medical aid obligations of the group are set out in notes 30 and 31 of the annual financial statements.

INSURANCE AND RISK MANAGEMENT

The group's practice regarding insurance includes an annual assessment, in conjunction with the group's insurance brokers, of the risk exposure relative to assets and possible liabilities arising from business transactions. In addition, the group's insurance programme is monitored by the risk and sustainability committee.

All risks are considered to be adequately covered, except political risks in the case of which as much cover as is reasonably available has been arranged. Self-insurance programmes are in operation covering primary levels of risk at a cost more advantageous than open-market premiums. Regular risk management audits are conducted by the group's risk management consultants, whereby improvement areas are identified and resultant action plans implemented accordingly. Assets are insured at current replacement values.

Income statements

For the year ended 30 September 2023

(R'million)	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Total revenue	2	**37 388,5**	34 028,9	**1 983,6**	4 132,5
Total cost of sales	3	**(27 048,2)**	(23 713,1)		
Gross profit		**10 340,3**	10 315,8	**1 983,6**	4 132,5
Sales and distribution expenses		**(4 702,0)**	(4 350,3)		
Marketing expenses		**(969,1)**	(906,9)		
Other operating expenses		**(1 777,9)**	(1 834,2)	**(25,8)**	(22,0)
Sundry income	4	**167,9**	218,8	**5,5**	4,0
Expected credit loss reversed/(raised)		**59,0**	(12,5)	**–**	21,0
Operating income before impairments and non-operational items	5	**3 118,2**	3 430,7	**1 963,3**	4 135,5
Impairments and fair value losses	7	**(43,2)**	(15,9)	**(271,2)**	(101,9)
Operating income after impairments		**3 075,0**	3 414,8	**1 692,1**	4 033,6
Non-operational items	8	**33,0**	28,3	**–**	–
Profit including non-operational items		**3 108,0**	3 443,1	**1 692,1**	4 033,6
Finance costs	9.1	**(267,9)**	(89,1)	**(0,1)**	–
Finance income	9.2	**29,9**	14,2	**60,0**	43,0
Foreign exchange (loss)/profit	9.3	**(33,6)**	45,7	**(34,7)**	(3,6)
Investment income		**18,0**	22,7	**–**	–
Income from associated companies	16.2	**696,6**	478,0		
Profit before taxation		**3 551,0**	3 914,6	**1 717,3**	4 073,0
Taxation	10	**(817,1)**	(1 019,5)	**(13,9)**	(24,0)
Profit for the year		**2 733,9**	2 895,1	**1 703,4**	4 049,0
Attributable to:					
Owners of the parent		**2 697,2**	2 864,5	**1 703,4**	4 049,0
Non-controlling interest		**36,7**	30,6		
		2 733,9	2 895,1	**1 703,4**	4 049,0
Basic earnings per ordinary share (cents)		**1 724,7**	1 762,2		
Diluted basic earnings per ordinary share (cents)		**1 700,0**	1 737,7		

Refer to note 11 for further details on headline earnings per share.

Statements of comprehensive income

For the year ended 30 September 2023

(R'million)	Notes	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Profit for the year		**2 733,9**	2 895,1	**1 703,4**	4 049,0
Other comprehensive income/(loss), net of tax		**412,0**	(92,8)	**(1,0)**	(0,1)
Foreign currency translation (FCTR) adjustments[1]		**83,1**	14,8	**–**	–
Share of associates' other comprehensive income/(loss) and FCTR[1]		**227,0**	(90,8)	**–**	–
Net gain/(loss) on cash flow hedges[1]		**4,1**	(18,8)	**–**	–
Net gain/(loss) on FVOCI* financial assets[1]		**80,6**	(55,4)	**(1,0)**	(0,1)
Remeasurement raised in terms of IAS 19R[2]		**48,2**	63,0	**–**	–
Tax effect	24	**(31,0)**	(5,6)	**–**	–
Total comprehensive income for the year, net of tax		**3 145,9**	2 802,3	**1 702,4**	4 048,9
Attributable to:					
Owners of the parent		**3 086,8**	2 774,0	**1 702,4**	4 048,9
Non-controlling interests		**59,1**	28,3		
		3 145,9	2 802,3	**1 702,4**	4 048,9

* *FVOCI – Fair value through other comprehensive income*

[1] *Items that may be subsequently reclassified to profit or loss, including the related tax effects, with the exception of R26,9 million loss (2022: R0,1 million loss) relating to the share of associates' other comprehensive loss and fair value losses on equity instruments measured at FVOCI*

[2] *Includes a net actuarial gain of R58,0 million (2022: R59,0 million gain) and unrecognised loss due to asset ceiling of R9,8 million (2022: R4,0 million gain)*

Statements of financial positions

As at 30 September 2023

(R'million)	Notes	GROUP 2023	GROUP 2022 Restated#	GROUP 2021 Restated#	COMPANY 2023	COMPANY 2022 Restated#	COMPANY 2021 Restated#
ASSETS							
Non-current assets							
Property, plant and equipment	13	**6 101,6**	5 817,2	5 571,7			
Goodwill	14	**1 651,2**	1 645,2	1 645,7			
Intangible assets	14	**1 409,9**	1 397,2	1 394,5			
Interest in subsidiary companies	35				**4 091,3**	4 085,5	2 993,5
Amounts owed by subsidiaries	34				**2 627,4**	2 594,7	2 944,1
Investments		**3 707,8**	2 987,4	3 046,8	**1 931,6**	1 973,0	1 827,8
Investments in associated companies	16	**3 092,0**	2 421,2	2 400,7	**97,1**	97,1	97,1
Other investments	17	**561,5**	515,8	601,8	**1 833,5**	1 874,8	1 729,6
Loans	18	**54,3**	50,4	44,3	**1,0**	1,1	1,1
Deferred taxation asset	19	**44,2**	34,3	33,6			
Current assets		**12 921,9**	12 195,9	11 198,0	**360,6**	476,3	273,9
Inventories	20	**7 503,6**	7 124,4	5 741,1			
Trade and other receivables	21	**4 642,4**	3 955,6	3 295,1	**6,7**	3,1	1,0
Amounts owed by subsidiaries	34				**–**	85,0	51,6
Cash and cash equivalents		**775,9**	1 115,9	2 161,8	**353,9**	388,2	221,3
Total assets		**25 836,6**	24 077,2	22 890,3	**9 010,9**	9 129,5	8 039,3
EQUITY AND LIABILITIES							
Issued capital and reserves		**17 103,7**	15 608,9	15 613,4	**8 955,6**	9 002,0	7 947,3
Ordinary share capital and share premium	22	**18,0**	18,0	142,0	**18,0**	18,0	142,0
Non-distributable reserves		**2 956,0**	2 158,0	2 188,7	**2 938,2**	2 939,2	2 939,3
Accumulated profits		**15 785,5**	14 867,6	14 776,7	**5 574,4**	5 429,4	4 256,9
Tiger Brands Limited shares held by subsidiary	23	**(718,0)**	(718,0)	(718,0)			
Tiger Brands Limited shares held by empowerment entities	23	**(1 464,1)**	(1 469,3)	(1 475,5)			
Share-based payment reserve	29	**526,3**	752,6	699,5	**425,0**	615,4	609,1
Non-controlling interests		**200,5**	142,3	147,4	**–**	–	–
Total equity		**17 304,2**	15 751,2	15 760,8	**8 955,6**	9 002,0	7 947,3
Non-current liabilities		**1 771,7**	890,1	1 145,9	**5,0**	5,0	5,2
Deferred taxation liability	19	**322,7**	240,7	183,1	**5,0**	5,0	5,2
Post-retirement medical aid obligations	31	**238,0**	322,9	563,8			
Long-term borrowings	27	**1 211,0**	326,5	399,0			
Current liabilities		**6 760,7**	7 435,9	5 983,6	**50,3**	122,5	86,8
Trade and other payables	25	**5 335,3**	5 677,7	5 131,5	**39,2**	52,6	37,9
Employee-related accruals	26	**434,7**	464,4	527,1			
Taxation		**107,0**	126,6	156,7	**1,7**	–	–
Short-term borrowings	27	**883,7**	1 167,2	168,3			
Amounts owed to subsidiaries	34				**9,4**	69,9	48,9
Total equity and liabilities		**25 836,6**	24 077,2	22 890,3	**9 010,9**	9 129,5	8 039,3

Refer to note 36 for details on restatements

Statement of changes in equity

For the year ended 30 September 2023

(R'million)	Share capital and premium	Non-distributable reserves: Non-distributable reserves	Non-distributable reserves: Other capital reserves	Non-distributable reserves: FVOCI financial assets	Accumulated profits	Share-based payment reserve	Total attributable to owners of the parent
COMPANY							
Balance at 1 October 2021	142,0	2 918,6	19,3	1,4	4 256,9	609,1	7 947,3
Profit for the year	–	–	–	–	4 049,0	–	4 049,0
Other comprehensive loss for the year	–	–	–	(0,1)	–	–	(0,1)
Total comprehensive (loss)/income	–	–	–	(0,1)	4 049,0	–	4 048,9
Share-based payment	–	–	–	–	–	6,3	6,3
Dividends on ordinary shares (refer note 12.1)	–	–	–	–	(1 547,4)	–	(1 547,4)
Share buy-back transaction[1]	(124,0)	–	–	–	(1 329,1)	–	(1 453,1)
Balance at 30 September 2022	18,0	2 918,6	19,3	1,3	5 429,4	615,4	9 002,0
Profit for the year	**–**	**–**	**–**	**–**	**1 703,4**	**–**	**1 703,4**
Other comprehensive loss for the year	**–**	**–**	**–**	**(1,0)**	**–**	**–**	**(1,0)**
Total comprehensive (loss)/income	**–**	**–**	**–**	**(1,0)**	**1 703,4**	**–**	**1 702,4**
Transfers between reserves	**–**	**–**	**–**	**–**	**196,2**	**(196,2)**	**–**
Share-based payment	**–**	**–**	**–**	**–**	**–**	**5,8**	**5,8**
Dividends on ordinary shares (refer note 12.1)	**–**	**–**	**–**	**–**	**(1 754,6)**	**–**	**(1 754,6)**
Balance at 30 September 2023	**18,0**	**2 918,6**	**19,3**	**0,3**	**5 574,4**	**425,0**	**8 955,6**
Notes	22					29	

[1] *During the year ended 30 September 2022, the group embarked on a share buy-back scheme, in which 9 490 946 of the listed Tiger Brands shares were repurchased at an average price of R152,62 per share. These shares were cancelled and reverted back to authorised status. The shares were issued at an original par value of R0,1 per share*

Statement of changes in equity continued

For the year ended 30 September 2023

(R'million)	Share capital and premium	Non-distributable reserves: Share of net earnings of associates	Other capital reserves	Cash flow hedge reserve	FVOCI financial assets	Foreign currency translation reserve
GROUP						
Balance at 1 October 2021 – Restated#	142,0	2 471,3	(3,9)	12,1	44,0	(334,8)
Profit for the year	–	–	–	–	–	–
Other comprehensive (loss)/income for the year	–	–	–	(14,3)	(48,7)	(73,7)
Total comprehensive (loss)/income	–	–	–	(14,3)	(48,7)	(73,7)
Transfers between reserves	–	106,0	–	–	–	–
Share-based payment[1]	–	–	–	–	–	–
Dividends on ordinary shares (refer note 12.1)	–	–	–	–	–	–
Total dividends	–	–	–	–	–	–
Less: Dividends on empowerment shares	–	–	–	–	–	–
Sale of empowerment shares[2]	–	–	–	–	–	–
Share buy-back transaction[3]	(124,0)	–	–	–	–	–
Balance at 30 September 2022 – Restated#	**18,0**	**2 577,3**	**(3,9)**	**(2,2)**	**(4,7)**	**(408,5)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**
Other comprehensive income for the year	**–**	**–**	**–**	**1,0**	**65,5**	**287,7**
Total comprehensive income	**–**	**–**	**–**	**1,0**	**65,5**	**287,7**
Transfers between reserves	**–**	**443,8**	**–**	**–**	**–**	**–**
Share-based payment[1]	**–**	**–**	**–**	**–**	**–**	**–**
Dividends on ordinary shares (refer note 12.1)	**–**	**–**	**–**	**–**	**–**	**–**
Total dividends	**–**	**–**	**–**	**–**	**–**	**–**
Less: Dividends on empowerment shares	**–**	**–**	**–**	**–**	**–**	**–**
Sale of empowerment shares[2]	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 30 September 2023	**18,0**	**3 021,1**	**(3,9)**	**(1,2)**	**60,8**	**(120,8)**
Notes	22	16				

 # Refer to note 36 for details on restatements
[1] Included in the movement of the share-based payment are options exercised amounting to R38,0 million (2022: R1,0 million)
[2] Relates to the exercising of options vested post the December 2014 lock-in period in terms of the Black Managers Participation Right scheme (BMT I). In the current year, R5,2 million (2022: R6,2 million) related to BMT I
[3] During the year ended 30 September 2022, the group embarked on a share buy-back programme, in which 9 490 946 of the listed Tiger Brands shares were repurchased at an average price of R152,62 per share. The shares were issued at an original par value of R0,1 per share

Accumulated profits	Shares held by subsidiary and empowerment entities	Share-based payment reserve	Total attributable to owners of the parent	Non-controlling interests	Total equity
14 776,7	(2 193,5)	699,5	15 613,4	147,4	15 760,8
2 864,5	–	–	2 864,5	30,6	2 895,1
46,2	–	–	(90,5)	(2,3)	(92,8)
2 910,7	–	–	2 774,0	28,3	2 802,3
(106,5)	–	0,5	–	–	–
–	–	52,6	52,6	–	52,6
(1 384,2)	–	–	(1 384,2)	(33,4)	(1 417,6)
(1 497,1)	–	–	(1 497,1)	(33,4)	(1 530,5)
112,9	–	–	112,9	–	112,9
–	6,2	–	6,2	–	6,2
(1 329,1)	–	–	(1 453,1)	–	(1 453,1)
14 867,6	**(2 187,3)**	**752,6**	**15 608,9**	**142,3**	**15 751,2**
2 697,2	**–**	**–**	**2 697,2**	**36,7**	**2 733,9**
35,4	**–**	**–**	**389,6**	**22,4**	**412,0**
2 732,6	**–**	**–**	**3 086,8**	**59,1**	**3 145,9**
(251,8)	**–**	**(192,0)**	**–**	**–**	**–**
–	**–**	**(34,3)**	**(34,3)**	**–**	**(34,3)**
(1 562,9)	**–**	**–**	**(1 562,9)**	**(0,9)**	**(1 563,8)**
(1 695,3)	**–**	**–**	**(1 695,3)**	**(0,9)**	**(1 696,2)**
132,4	**–**	**–**	**132,4**	**–**	**132,4**
–	**5,2**	**–**	**5,2**	**–**	**5,2**
15 785,5	**(2 182,1)**	**526,3**	**17 103,7**	**200,5**	**17 304,2**
	23	29			

Statements of cash flows

For the year ended 30 September 2023

(R'million)	Notes	GROUP 2023	GROUP 2022 Restated#	COMPANY 2023	COMPANY 2022
Cash operating profit/(loss)	A	**4 264,5**	4 271,0	**66,5**	(7,1)
Working capital changes	B	**(1 561,3)**	(1 587,2)	**11,9**	20,6
Cash generated from operations		**2 703,2**	2 683,8	**78,4**	13,5
Finance income and income from investments received		**47,9**	44,7	**26,9**	21,7
Finance costs paid		**(256,2)**	(105,8)		
Dividends received from associated companies and subsidiaries		**247,1**	372,0	**1 658,8**	2 633,7
Taxation paid	C	**(808,0)**	(961,5)	**(11,8)**	(23,2)
Cash available from operations		**1 934,0**	2 033,2	**1 752,3**	2 645,7
Dividends paid	D	**(1 563,8)**	(1 386,4)	**(1 754,6)**	(1 547,4)
Net cash inflow/(outflow) from operating activities		**370,2**	646,8	**(2,3)**	1 098,3
Purchase of property, plant and equipment	E	**(1 212,6)**	(1 004,0)		
Loans advanced	18	**–**	(19,0)		
Proceeds on disposal of property, plant and equipment		**26,8**	3,1		
Proceeds on loans to subsidiaries and other loans				**–**	496,6
Funds held in escrow		**39,2**	(46,2)		
Purchase of investments		**–**	(5,4)		
Proceeds on disposal of investments		**2,6**	2,4	**2,6**	2,0
Insurance proceeds on property, plant and equipment relating to civil unrest		**–**	28,3		
Net cash (outflow)/inflow from investing activities		**(1 144,0)**	(1 040,8)	**2,6**	498,6
Net cash (outflow)/inflow before financing activities		**(773,8)**	(394,0)	**0,3**	1 596,9
Repayment of principal portion of lease liabilities	27.1	**(203,4)**	(178,6)		
Black Managers Trust (BMT) shares exercised		**4,1**	5,0		
Shares exercised relating to equity-settled scheme		**(38,0)**	(1,0)		
Repurchase of shares		**–**	(1 453,1)	**–**	(1 453,1)
Long-term borrowings raised	27.2	**1 002,1**	–		
Short-term borrowings raised	27.3	**1 103,9**	972,8		
Short-term borrowings paid	27.3	**(1 380,0)**	–		
Net cash inflow/(outflow) from financing activities		**488,7**	(654,9)	**–**	(1 453,1)
Net (decrease)/increase in cash and cash equivalents		**(285,1)**	(1 048,9)	**0,3**	143,8
Effect of exchange rate changes on cash and cash equivalents		**(40,3)**	90,7	**(34,6)**	23,1
Reclassification of cash and cash equivalents to other receivables	21.1	**(14,6)**	(87,7)		
Cash and cash equivalents at beginning of the year	F	**1 115,9**	2 161,8	**388,2**	221,3
Cash and cash equivalents at end of the year	G	**775,9**	1 115,9	**353,9**	388,2

Refer to note 36 for details on restatements

Notes to the statements of cash flows

For the year ended 30 September 2023

(R'million)	Notes	GROUP 2023	GROUP 2022 Restated#	COMPANY 2023	COMPANY 2022
A Cash operating profit/(loss)					
Operating profit before impairment and non-operational items					
– Continuing operations		**3 118,2**	3 430,7	**1 963,3**	4 135,5
Adjusted for:					
Depreciation	13	**892,6**	810,1		
Expected credit losses		**(59,0)**	12,5	**–**	(21,0)
Share-based payment expenses	29	**13,4**	55,8		
Amortisation	14.1	**57,8**	50,7		
Loss on disposal/write-offs of property, plant and equipment	5	**8,8**	3,7		
Loss on disposal of investment	5	**–**	0,3	**–**	0,3
Dividends received from associate companies and subsidiaries				**(1 896,8)**	(4 121,2)
Other provisions charged to operating profit		**176,7**	–		
Post-retirement medical aid and pension fund obligations		**13,0**	78,7		
Restructuring and related costs		**94,6**	(7,8)		
Impact of prior year product recall		**(6,0)**	16,4		
Loss on IFRS 16 adjustments		**(0,5)**	–		
Early settlement of lease liability		**(7,6)**	2,8		
Post-retirement medical aid buy-out	31	**(52,8)**	(182,9)		
Other non-cash items		**15,3**	–	**–**	(0,7)
Cash operating profit/(loss)		**4 264,5**	4 271,0	**66,5**	(7,1)
B Working capital changes					
Increase in inventories		**(344,8)**	(1 375,8)		
(Increase)/decrease in trade and other receivables		**(505,3)**	(637,6)	**86,8**	21,0
(Decrease)/increase in trade and other payables		**(711,2)**	426,2	**(74,9)**	(0,4)
Working capital changes		**(1 561,3)**	(1 587,2)	**11,9**	20,6
C Taxation paid					
Amounts (payable)/receivable at beginning of year, net		**(115,7)**	(110,5)	**0,4**	1,0
Income statement charge					
– Continuing operations	10	**(817,1)**	(1 019,5)	**(13,9)**	(24,0)
Deferred tax	19	**46,3**	51,3	**–**	0,2
Exchange rate difference and other non-cash items		**(6,3)**	1,5		–
Amounts payable/(receivable) at end of year, net		**84,8**	115,7	**1,7**	(0,4)
Taxation paid		**(808,0)**	(961,5)	**(11,8)**	(23,2)
D Dividends paid					
Per statement of changes in equity		**(1 562,9)**	(1 384,2)	**(1 754,6)**	(1 547,4)
Dividends paid to outside shareholders		**(0,9)**	(2,2)	**–**	–
Total dividends paid		**(1 563,8)**	(1 386,4)	**(1 754,6)**	(1 547,4)
E Purchase of property, plant and equipment					
Replacement		**(767,0)**	(482,8)		
Expansion		**(445,6)**	(521,2)		
		(1 212,6)	(1 004,0)		
F Cash and cash equivalents at beginning of the year					
Cash resources		**1 115,9**	2 161,8	**388,2**	221,3
Short-term borrowings regarded as cash and cash equivalents		**–**	–	**–**	–
		1 115,9	2 161,8	**388,2**	221,3
G Cash and cash equivalents at end of the year					
Cash resources		**732,3**	1 072,3	**353,9**	388,2
Cash relating to venture capital initiatives*		**43,6**	43,6	**–**	–
		775,9	1 115,9	**353,9**	388,2

Refer to note 36 for details on restatements

* *The Tiger Brands Venture Capital Fund was launched with the aim of driving growth for Tiger Brands by investing in innovative businesses based in sub-Saharan Africa that offer healthier eating options in line with emerging consumer trends in health and nutrition, snackification and economical food options*

Notes to the financial statements

1 GENERAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGEMENTS

Corporate information

The financial statements of Tiger Brands Limited (the company) and the Tiger Brands group (the group) for the year ended 30 September 2023 were authorised for issue in accordance with a resolution of the directors on 30 November 2023. Tiger Brands Limited is incorporated and domiciled in South Africa, where the shares are publicly traded.

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IFRIC Interpretations (IFRS Interpretations Committee), the Companies Act of South Africa, JSE Listings Requirements and the SAICA Financial Guides, as issued by the Accounting Practices Committee, and the Financial Pronouncements, as issued by the Financial Reporting Standards Council.

Basis of preparation

The consolidated and separate annual financial statements have been prepared on the historical cost basis and the going-concern basis, except for items measured at fair value as indicated below.

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set in each of the respective notes. Any accounting policies that are general in nature and are applicable to more than one specific note have been disclosed below.

Accounting policies, which are useful to users, especially where particular accounting policies are based on judgement regarding choices within International Financial Reporting Standards (IFRS), have been disclosed. 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 financial statements as a whole, taking into account the materiality of the item being discussed. Accounting policies which are not applicable from time to time have been removed, but will be included if the type of transaction occurs in future.

AP Represents accounting policy

AJ Represents accounting judgement

Materiality

In preparation of the financial statements, the group has assessed the materiality for each item on the statement of profit or loss, statement of comprehensive income, and statement of financial position.
In assessing the materiality of the group, quantitative and qualitative factors were taken into account.
Materiality was determined at 5% of profit including non-operational items.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries (as well as structured entities controlled by the group or company). All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full-on consolidation. The financial statements of the subsidiaries are prepared for the same reporting period using consistent accounting policies. Where the financial year end of a subsidiary is not coterminous with that of the group, or the accounting policies adopted by the subsidiary differ from the group's accounting policies, the financial statements of the subsidiary are adjusted in accordance with the group's accounting policies and year end.

In assessing control (direct or de facto control), the following is considered:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect the amount of the investor's returns

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest, even if that results in a deficit balance.

Foreign currencies

Foreign currency transactions

The consolidated financial statements are presented in South African rand, which is the company's functional and presentation currency. Each foreign entity in the group determines its own functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

1 GENERAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGEMENTS continued

Foreign currencies continued

Translation of foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date. Exchange differences are taken to profit or loss, except for differences arising on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to other comprehensive income, in the consolidated financial statements, until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to such exchange differences are also accounted for in other comprehensive income.

If non-monetary items measured in a foreign currency are carried at historical cost, the exchange rate used is the rate applicable at the initial transaction date. If they are carried at fair value, the rate used is the rate at the date when the fair value was determined. The gain or loss arising on re-translation of non-monetary items is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income, or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Foreign operations

At the reporting date, the assets and liabilities of the foreign operations are translated into the presentation currency of the group (rand) at the exchange rate ruling at the reporting date. The income statement is translated at the weighted average exchange rate for the year. Exchange differences are taken directly to a separate component of other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the income statement.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and are translated at the closing rate.

Provisions

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

Financial instruments

Financial instruments are initially recognised when the group becomes a party to the contract. The group has adopted trade date accounting for "regular way" purchases or sales of financial assets. The trade date is the date that the group commits to purchase or sell an asset.

Financial instruments are initially measured at fair value plus transaction costs, except that transaction costs in respect of financial instruments classified at fair value through profit or loss are expensed immediately. Transaction costs are the incremental costs that are directly attributable to the acquisition of a financial instrument, i.e. those costs that would not have been incurred had the instrument not been acquired.

Classification

The group's classification of financial assets and financial liabilities are as follows:

Description asset/liability	Classification
Other investments	Financial instruments at fair value through other comprehensive income (OCI) and fair value through profit or loss (FVTPL)
Derivatives	Financial instruments at fair value through profit or loss
Loans	Amortised cost/FVTPL*
Loans to subsidiaries	Amortised cost
Trade and other receivables	Amortised cost
Cash and cash equivalents	Amortised cost
Loans payable and borrowings	Financial liabilities at amortised cost
Trade and other payables	Financial liabilities at amortised cost
Loans from subsidiaries	Financial liabilities at amortised cost

* *Loans to some empowerment entities in the company are non-recourse in nature. The loan and the investment in the company are the only source of finance in these entities. As such, the loans fail "solely payments of principal and interest (SPPI)" and have been classified as FVTPL under IFRS 9*

Notes to the financial statements continued

1 GENERAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGEMENTS continued

Financial instruments continued

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Day-one gain or loss

A day-one gain or loss arises when the transaction price of a financial asset differs from the fair market value on the date of acquisition. The day-one gain or loss is recognised in profit or loss to the extent that there is a change in a factor (including time) that market participants would take into account when pricing the financial asset, or based on a valuation technique that uses observable market data.

The group manages its financial assets in order to generate cash flows primarily from collecting contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets designated at fair value through OCI, with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss
- Financial assets at amortised cost

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the group. The group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost include trade receivables, cash and cash equivalents, and loans.

Upon initial recognition, the group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition on equity under IAS 32 *Financial instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading (derivatives) and non-recourse loans to empowerment entities. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

1 GENERAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGEMENTS continued

Financial instruments continued

Financial assets continued

Financial assets designated at fair value through OCI (equity instruments)

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value, with net changes in fair value recognised in the statement of profit or loss.

Financial liabilities at amortised cost

After initial recognition, liabilities that are not carried at fair value through profit or loss are measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Fair value

The fair value of listed investments is the quoted market bid price at the close of business on the reporting date. For unlisted investments, the fair value is determined using appropriate valuation techniques.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Such techniques include using recent arm's length market transactions, reference to the current market value of similar instruments, discounted cash flow analysis and option-pricing models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 33.

Derecognition of financial assets and financial liabilities

Financial assets or parts thereof are derecognised when:

- The right to receive the cash flows has expired
- The right to receive the cash flows is retained, but an obligation to pay them to a third party under a "pass-through" arrangement is assumed
- The group transfers the right to receive the cash flows, and also transfers either all the risks and rewards or control over the asset

Financial liabilities are derecognised when the obligation is discharged, cancelled or expired.

Value-added tax

Revenues, expenses and assets are recognised net the amount of value-added tax, except:

- Where the value-added tax incurred on a purchase of assets, or services is not recoverable from the taxation authority, in which case the value-added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables that are stated with the amount of value-added tax included

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Significant accounting judgements and estimates

Judgements

In the process of applying the group's accounting policies, management has made the following judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements.

Net investment in foreign operations

Certain loans with the group's foreign investments are designated as part of the group's net investment as they are not expected to be repaid in the foreseeable future. This results in the foreign exchange differences on the portion of the loans that are viewed as "capital contributed" being recorded in equity under the "foreign currency translation reserve" as required per IAS 21 *The effects of changes in foreign exchange rates*, as opposed to being recognised in the statement of profit or loss. This designation is re-assessed on an annual basis.

Consolidation of structured entities

The structured entities established in terms of the B-BBEE transaction implemented in October 2005 and October 2009 have been consolidated in the group results with the exception of The Tiger Foundation Trust, Thusani Trust and Dipuno ESD Foundation SPV (RF) Proprietary Limited (Dipuno). These entities are not consolidated as the board comprises primarily of independent trustees who are appointed to make all necessary decisions in terms of beneficiaries, funding, and other matters. There are no significant residual risks associated with the group's involvement in unconsolidated structured entities, except for the related-party loan to Dipuno detailed in note 18.

For the entities that are consolidated, the substance of the relationship between the company and these entities has been assessed and the decision was made that they are controlled entities, mainly due to the fact that they have been formed to carry out specific objectives and that they will operate in terms of the predetermined activities as set out in IFRS 12.

Notes to the financial statements continued

1 GENERAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGEMENTS continued

Significant accounting judgements and estimates continued

Judgements continued

Detailed disclosures of non-controlling interests

The group does not have subsidiaries that have a material non-controlling interest in the context of the group, and accordingly detailed non-controlling interest disclosure is not required in the current year in terms of IFRS 12 *Disclosure of interests in other entities*. In determining whether or not any non-controlling interests are material, the group considered the share of the individual non-controlling interests in the consolidated net assets of the group. In addition, the total non-controlling interest is below 10% of the group's consolidated net assets, and hence considered not to be material to the group.

Transfers from non-distributable reserves relating to the share of net earnings of associates to retained earnings

The group has adopted the accounting policy whereby equity-accounted earnings of disposed associates are reclassified to retained earnings, on the effective disposal date of the associate. (Refer note 36.3.)

Carrying value of investment in associate

Judgement has been applied in testing investments in associates for impairment. Impairments are not reversed unless there has been an evident change in circumstances since the recognition of the impairment.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment assessment of goodwill, tangible and intangible assets

Goodwill and indefinite life intangible assets are tested for impairment annually, or more frequently if there is an indicator of impairment. Tangible assets and finite life intangible assets are tested when there is an indicator of impairment. When identifying impairment indicators, management considers the impact of changes in competitors, technological obsolescence, discontinuance of products, market changes, legal changes, operating environments, and other circumstances that could indicate that impairment exists. This requires management to make significant judgements concerning the existence of impairment indicators, identification of cash-generating units, and estimates of projected cash flows and fair value less costs of disposal.

The group applies the impairment assessment to its cash-generating units. Management's analysis of cash-generating units involves an assessment of a group of assets' ability to independently generate cash inflows and involves analysing the extent to which different products make use of the same assets.

The calculation of the recoverable amount requires the use of estimates and assumptions concerning the future cash flows, which are inherently uncertain and could change over time. Recoverable amount is calculated using the discounted cash flow valuation method when determining value in use. Key assumptions on which management has based its determination of recoverable amount include the weighted average cost of capital, projected revenues, and gross margins. In addition, changes in economic factors, such as discount rates, could also impact this calculation. Further details are given in note 15.

Residual values and useful lives of tangible and intangible assets are assessed on an annual basis. Estimates and judgements in this regard are based on historical experience and expectations of the manner in which assets are to be used, together with expected proceeds likely to be realised when assets are disposed of at the end of their useful lives. Such expectations could change over time and therefore impact both depreciation charges and carrying values of tangible and intangible assets in the future. Further details are given in notes 13 and 14.

Provisions

Best estimates, being the amount that the group would rationally pay to settle the obligation, are recognised as provisions at the reporting date. Risks, uncertainties and future events, such as changes in law and technology, are taken into account by management in determining the best estimates. Where the effect of discounting is material, provisions are discounted. The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability, all of which require management estimation.

The establishment and review of the provisions require significant judgement by management as to whether or not a reliable estimate can be made of the amount of the obligation.

1 GENERAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGEMENTS continued

Significant accounting judgements and estimates continued

Estimates and assumptions continued

Provisions continued

The group is required to record provisions for legal or constructive contingencies when the contingency probability of occurring and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is, however, unpredictable and actual costs incurred could differ materially from those estimated at the reporting date. Further details are given in note 32.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, with the exception of the following standards that became effective for the group from 1 October 2022, and did not have a material impact on the group:

- Deferred tax related on assets and liabilities arising from a single transaction – amendments to IAS 12
- Definition of accounting estimates – amendments to IAS 8
- Disclosure of accounting policies – amendments to IAS 1 and IFRS *Practice statement 2*
- Classification of liabilities as current or non-current – amendments to IAS 1
- Lease liability in a sale and leaseback – amended to IFRS 16
- IFRS 17 *Insurance contracts*

Standards and interpretations not yet effective

The group has not applied the following applicable IFRS and IFRIC interpretations that have been issued but are not yet effective and will be adopted by the group as and when they become effective.

Standard	Effective date*	Impact
Amendment to IFRS 16 *Lease liability in a sale and leaseback*	1 January 2024	The amendments are not expected to have a material impact on the group
Amendments to IAS 7 and IFRS 7 *Supplier finance arrangements*	1 January 2024	The amendments are not expected to have a material impact on the group
Amendments to IAS 21 *Lack of exchangeability*	1 January 2025	The amendments are not expected to have a material impact on the group
Amendments to IAS 1 *Non-current liabilities with covenants*	1 January 2025	The amendments are not expected to have a material impact on the group

* *Effective for annual periods beginning on or after the specified date*

Notes to the financial statements continued

2 REVENUE (GROUP)

AP

Revenue comprises sale of goods. Revenue is measured at the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods, net of value-added tax and internal revenue, which is eliminated on consolidation. Normal discounts, volume rebates, and settlement discounts are treated as variable consideration that is estimated upfront and adjusted for in the transaction price accordingly. Payments to customers, such as promotional allowances and rebates, are deducted from revenue. If such a payment relates to a period covering more than one financial year, the payment is recognised as a contract asset and is utilised over the related period of transferring control over goods sold to the customer.

Returns and refunds are accepted from customers based on individual trade term agreements.

Sale of goods

Revenue from the sale of goods is recognised when the transfer of control has passed to the buyer when the performance obligation is satisfied. For domestic and international operations, the performance obligation is generally satisfied upon delivery of goods, and for export operations, the performance obligation is generally satisfied upon shipment of goods.

Financing components on sales with a payment term of 12 months or less from the transfer of control over goods until payment date (or vice versa) are not adjusted for the time value of money as allowed by the practical expedient explained in IFRS 15.63.

With regard to unsatisfied performance obligations, the group applied the practical expedient, relinquishing disclosure for contracts with a duration of one year or less.

Rights of return

The group applies judgements based on historical data and quality control data as well as current data to determine potential returns. The group then applies these judgements to adjust the revenue for possible returns. A refund liability is recognised for the goods that are expected to be returned (i.e. the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

AJ

IFRS 15 *Revenue from contracts with customers*

The group has certain customers that may receive cash-based incentives or credits, which are accounted for as variable consideration. The estimation of variable consideration is measured on an expected value method based on past history and operational, supply and customer market share metrics. This relates to returns, refunds, and similar obligations. Judgement is applied in establishing whether or not a payment to a customer is to be deducted from revenue versus a payment for a distinct good or service bought by assessing the average trade spend against the outstanding invoice.

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
2 REVENUE (GROUP) continued				
Revenue from contracts with customers constitutes the sale of manufactured goods in the fast-moving consumer goods (FMCG) sector, including Food, Home, Personal Care and Baby Care products throughout South Africa and selected other countries.				
2.1 Revenue from the sale of goods comprises:				
Sale of goods inside of South Africa	**32 537,0**	29 767,8		
Sale of goods outside of South Africa	**4 851,5**	4 261,1		
	37 388,5	34 028,9		
Refer to the segmental analysis on page 91 for details of the segmental split.				
2.2 Revenue by major customer				
Customer 1	**7 857,9**	6 353,4		
Customer 2	**4 754,5**	4 248,9		
Customer 3	**3 271,6**	3 239,9		
Customer 4	**2 116,7**	2 317,7		
Customer 5	**1 892,6**	1 619,1		
All other customers	**17 495,2**	16 249,9		
	37 388,5	34 028,9		
Customers 1 to 5 relate to sale of goods within South Africa.				
2.3 Revenue (company)				
Dividend income:				
– From subsidiary companies and associate companies			**1 663,9**	2 724,5
– From subsidiary company in specie			**–**	1 184,5
– From B-BBEE empowerment entities			**318,7**	214,7
– From other investments			**1,0**	8,8
			1 983,6	4 132,5

Notes to the financial statements continued

3 COST OF SALES

AP

Cost of sales primarily comprises the cost of goods sold and measures the "direct cost" incurred in the production of goods. These costs include variable costs involved in the manufacturing of products, such as raw materials and labour, and fixed costs such as factory overheads. It also includes unallocated production overheads and abnormal amounts of production costs of inventories.

	GROUP		COMPANY	
(R'million)	2023	2022	2023	2022
Cost of sales comprises:				
Raw material costs	**21 478,1**	18 548,0		
Production costs	**5 570,1**	5 165,1		
	27 048,2	23 713,1		

4 SUNDRY INCOME

	GROUP		COMPANY	
(R'million)	2023	2022	2023	2022
Insurance proceeds from business interruption	**86,7**	–		
Insurance proceeds from civil unrest	**50,0**	137,5		
Insurance proceeds from product recall	**–**	52,2		
Other*	**31,2**	29,1	**5,5**	4,0
	167,9	218,8	**5,5**	4,0

* *Other includes proceeds from scrapping, damaged goods, rentals and insurance proceeds*

5 OPERATING INCOME BEFORE IMPAIRMENTS AND NON-OPERATIONAL ITEMS

AP

Operating income before impairments and non-operational items are disclosed to provide an additional basis on which to measure the group's performance.

	GROUP		COMPANY	
(R'million)	2023	2022	2023	2022
Operating income has been determined after charging/ (crediting):				
External auditors' remuneration	**30,5**	25,9		
– Audit fees	**29,4**	25,3		
– Other fees and expenses	**1,1**	0,6		
Internal auditors' remuneration	**13,6**	12,6		
Lease charges*	**26,2**	98,6		
– On land and buildings	**9,4**	30,6		
– On plant, equipment and vehicles	**16,8**	68,0		
Loss on disposal of plant, equipment and vehicles	**8,8**	3,7		
Loss on disposal of investment	**–**	0,3		
Research, development and related expenditure	**80,0**	66,6		
IFRS 2 charges (refer note 29)	**13,4**	55,8		
– Cash settled	**5,6**	1,7		
– Equity settled, including B-BBEE-related IFRS 2 charges	**7,8**	54,1		
Staff costs	**3 873,9**	3 735,8		
Employer's contribution to retirement funding (refer note 30)	**217,7**	255,5		
Employer's contribution to medical aid	**89,6**	86,2		
Foreign exchange profit	**(19,4)**	(39,5)		
Rental and fee income	**(4,6)**	(4,1)		

* *Leases consists of variable lease payments and payments in respect of low value assets*

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
6 DIRECTORS' EMOLUMENTS				
Executive directors				
– Salaries and bonuses	**26,3**	15,8		
– Retirement, medical, and other benefits	**2,1**	2,0		
Non-executive directors				
– Fees	**15,3**	12,2	**15,3**	12,2
Total directors' emoluments	**43,7**	30,0	**15,3**	12,2
Less: Paid by subsidiaries	**(28,4)**	(17,8)	**–**	–
Emoluments paid by company	**15,3**	12,2	**15,3**	12,2

For further details, refer to Annexure 1.

7 IMPAIRMENTS AND FAIR VALUE LOSSES

AP

Impairment of non-financial assets

The group assesses tangible and intangible assets, excluding goodwill, development assets not yet available for use, and indefinite life intangible assets at each reporting date for an indication that an asset may be impaired. If such an indication exists, the recoverable amount is estimated as the higher of the fair value less cost of disposal and the value in use. If the carrying value exceeds the recoverable amount, the asset is impaired and is written down to the recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the group estimates the asset's or cash-generating unit's recoverable amount.

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Impairment of property, plant and equipment (refer note 15)	**(50,9)**	(12,9)		
Impairment of investment in subsidiary companies (refer note 15)			**–**	(98,9)
Fair value loss on Foundation SPV receivable* (refer note 33.8)			**(245,1)**	–
Fair value loss on Thusani II receivable* (refer note 33.8)			**(33,8)**	–
Fair value gain/(loss) on unlisted investment through P&L	**7,7**	(3,0)	**7,7**	(3,0)
Impairments and fair value losses before taxation	**(43,2)**	(15,9)	**(271,2)**	(101,9)
Income tax	**13,7**	3,6	**–**	–
Attributable to shareholders of Tiger Brands Limited	**(29,5)**	(12,3)	**(271,2)**	(101,9)

* *As a result of the decline in the net asset value of Thusani Empowerment Investment Holdings No II Proprietary Limited (Thusani II) and Tiger Brands Foundation SPV Proprietary Limited (Tiger Brands Foundation) due to the devaluation of the listed investments, the respective receivables in Thusani II and Foundation SPV were written down in the current financial year*

Notes to the financial statements continued

8 NON-OPERATIONAL ITEMS

AP

Non-operational items are items of income and expenditure that are not directly attributable to normal operations, and where their size or nature are such, that additional disclosure is considered appropriate.

	GROUP		COMPANY	
(R'million)	2023	2022	2023	2022
Profit on disposal of property, plant, equipment and vehicles	33,0	–		
Insurance proceeds on civil unrest	–	28,3		
Non-operational items before taxation	33,0	28,3		
Income tax	(5,0)	(7,9)		
Attributable to shareholders of Tiger Brands Limited	28,0	20,4		

9 NET (FINANCE COSTS)/FINANCE INCOME

AP

Dividend income

Dividend income is recognised when the group's right to receive payment is established. Non-resident shareholders' taxation is provided in respect of foreign dividends receivable, where applicable.

Interest received

For all financial instruments measured at amortised cost, interest received or expensed is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest received is included in finance income in the income statement.

		GROUP		COMPANY	
	(R'million)	2023	2022	2023	2022
9.1	**Finance costs**	(267,9)	(89,1)	(0,1)	–
	Bank and other short-term borrowings	(220,9)	(44,2)		
	Other – financial liabilities	(44,8)	(44,8)		
	Other – non-financial liabilities	(2,2)	(0,1)	(0,1)	–
9.2	**Finance income**	29,9	14,2	60,0	43,0
	From subsidiary companies			32,8	20,3
	From cash and cash equivalents	29,9	14,2	27,2	22,7
9.3	**Foreign exchange (loss)/profit**	(33,6)	45,7	(34,7)	(3,6)
	(Loss)/profit on cash balances and loans of a funding nature	(33,6)	45,7	(34,7)	(3,6)
	Net (finance costs)/finance income	(271,6)	(29,2)	25,2	39,4

10 TAXATION

AP

The income tax expense represents the sum of current tax payable (both current and deferred).

Normal tax – current

The normal tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statements because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. Normal tax may include under or overprovisions relating to prior year taxation. The group's liability for normal tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Normal tax relating to items recognised outside profit or loss is recognised outside profit or loss. Normal tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Normal tax – deferred

Deferred tax is calculated on the liability method.

Dividends withholding tax

A dividend withholding tax of 20% is withheld on behalf of the taxation authority on dividend distributions, where applicable. The net amount payable to the taxation authority is included as part of trade and other payables at the time a dividend is declared.

		GROUP		COMPANY	
	(R'million)	2023	2022	2023	2022
	Income tax				
10.1	**South African current taxation**	**(627,4)**	(836,4)	**(7,8)**	(12,8)
	Withholding and foreign taxes	**(101,4)**	(126,7)	**(3,9)**	(11,3)
		(728,8)	(963,1)	**(11,7)**	(24,1)
	Deferred taxation – temporary differences	**(80,0)**	(64,5)	**–**	–
	Deferred taxation – tax rate adjustments	**–**	8,3	**–**	0,2
		(808,8)	(1 019,3)	**(11,7)**	(23,9)
	Adjustments in respect of previous years				
	– Current taxation	**(3,9)**	2,8	**(2,2)**	(0,1)
	– Deferred taxation	**(3,6)**	1,3	**–**	–
		(816,3)	(1 015,2)	**(13,9)**	(24,0)
	Taxation on impairments, fair value losses and non-operational items				
	– Current	**(38,1)**	(7,9)	**–**	–
	– Deferred	**37,3**	3,6	**–**	–
		(817,1)	(1 019,5)	**(13,9)**	(24,0)
10.2	**The reconciliation of the effective rate of taxation with the statutory taxation rate is as follows:**	**%**	%	**%**	%
	Taxation for the year as a percentage of income before taxation	**23,5**	26,0	**0,7**	0,6
	Impairment of goodwill and intangibles	**0,1**	–	**–**	–
	Tax rate adjustment	**–**	0,2	**–**	–
	Dividend income	**0,1**	0,2	**26,9**	28,4
	Expenses and provisions not allowed for taxation[1]	**(0,8)**	(0,7)	**(0,4)**	(0,9)
	Additional investment allowances	**0,4**	(0,4)	**–**	–
	Adjustments in respect of previous years	**(0,2)**	0,1	**(0,1)**	–
	Withholding taxes	**(0,7)**	(0,6)	**(0,2)**	(0,3)
	Income from associates	**4,9**	3,4	**–**	–
	Effect of differing rates of foreign taxes	**(0,4)**	(0,2)	**–**	–
	Other sundry adjustments[2]	**0,1**	–	**0,1**	0,2
	Rate of South African company taxation	**27,0**	28,0	**27,0**	28,0
	Tax effect of current year losses available to reduce future taxable income	**–**	–	**–**	–

[1] *Consists of legal fees, industrial investment allowance provision, and expenses related to dividend income*
[2] *Includes impairments of receivables and investments*

Notes to the financial statements continued

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
10 TAXATION continued				
10.3 Reconciliation of movement on deferred taxation				
Movement recognised in the income statement for the year				
Current year charge	**(80,0)**	(64,5)		
Tax rate adjustment	**–**	8,3	**–**	0,2
Adjustments in respect of previous years	**(3,6)**	1,3		
Deferred tax on impairments and non-operational items	**37,3**	3,6		
	(46,3)	(51,3)	**–**	0,2

	GROUP 2023	GROUP 2022
11 CALCULATION OF WEIGHTED AVERAGE NUMBER OF SHARES AND HEADLINE EARNINGS PER SHARE		
11.1 Weighted average number of shares in issue	**156 390 363**	162 552 439
– Opening balance of number of ordinary shares	**170 001 222**	179 492 168
– Weighted number of shares held for B-BBEE deal	**(13 610 859)**	(13 676 994)
– Weighted number of ordinary shares repurchased	**–**	(3 262 735)
11.2 Diluted weighted average number of shares in issue	**158 661 854**	164 844 665
– Weighted average number of shares in issue – per 11.1 above	**156 390 363**	162 552 439
– Dilutive number of shares	**2 271 491**	2 292 226
11.3 Headline earnings (R'million)	**2 712,8**	2 767,3
11.4 Headline earnings per share		
Headline earnings per ordinary share (cents)	**1 734,7**	1 702,4
Diluted headline earnings per ordinary share (cents)	**1 709,8**	1 678,7

11.5 Reconciliation between profit for the year and headline earnings

(R'million)	Gross	Taxation	Non-controlling interest	Net
2023				
Profit attributable to shareholders of the parent				**2 697,2**
Adjusted for:				
Impairment of property, plant and equipment	**50,9**	**(13,7)**	**–**	**37,2**
Profit on disposal of property, plant and equipment	**(24,2)**	**2,6**	**–**	**(21,6)**
Headline earnings for the year	**26,7**	**(11,1)**	**–**	**2 712,8**

There was no headline earning adjustments for associates during the current year.

(R'million)	Gross	Taxation	Non-controlling interest	Net
2022				
Profit attributable to shareholders of the parent				2 864,5
Adjusted for:				
Impairment of property, plant and equipment	12,9	(3,6)	–	9,3
Loss on disposal of property, plant and equipment	3,7	(1,0)	–	2,7
Insurance proceeds on property, plant and equipment	(28,3)	7,9	–	(20,4)
Headline earnings adjustment – associate				
– Profit on disposal of investment	(100,7)	12,2	–	(88,5)
– Profit on disposal of property, plant and equipment	(0,4)	0,1	–	(0,3)
Headline earnings for the year	(112,8)	15,6	–	2 767,3

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
12 DIVIDENDS				
12.1 Dividends on ordinary shares – paid	**1 562,9**	1 384,2	**1 754,6**	1 547,4
Dividend by Empowerment Trusts	**41,3**	34,9		
Dividend No 153 of 506 cents per share		838,6		960,1
Dividend No 154 of 320 cents per share		510,7		587,3
Dividend No 155 of 653 cents per share	**1 021,1**		**1 177,6**	
Dividend No 156 of 320 cents per share	**500,5**		**577,0**	
12.2 Dividends per ordinary share (cents)	**991**	973	**991**	973
Dividend No 154 – paid		320		320
Dividend No 155 – paid		653		653
Dividend No 156 – paid	**320**		**320**	
Dividend No 157 – declared December 2023	**671**		**671**	

13 PROPERTY, PLANT AND EQUIPMENT

AP

Property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Expenditure incurred on major inspection and overhaul, or to replace an item, is accounted for as separate components if the recognition criteria are met.

Depreciation is calculated on a straight-line basis, on the difference between the cost and residual value of an asset, over its useful life. Depreciation starts when the asset is available for use. An asset's residual value, useful life, and depreciation method are reviewed at least at each financial year end. Any adjustments are accounted for prospectively.

The following useful lives have been estimated:

Freehold land and buildings	
Freehold land	Not depreciated
Freehold buildings	
– general purpose	40 years
– specialised	20 – 50 years
Leasehold land and building	Shorter of the lease term or useful life
Plant, vehicles and equipment	
Vehicles and computer equipment	3 – 5 years
Plant and equipment	5 – 20 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the financial statements continued

13 PROPERTY, PLANT AND EQUIPMENT continued

13.1 Movement of the group property, plant and equipment

(R'million)	Freehold land and buildings	Leasehold land and buildings	Plant, vehicles and equipment	Right-of-use assets*	Total
GROUP					
2023					
Carrying value at beginning of the year					
Cost	2 198,6	10,8	9 175,3	731,9	12 116,6
Accumulated depreciation and impairment	(859,9)	(10,4)	(5 166,2)	(262,9)	(6 299,4)
Net balance at beginning of year	1 338,7	0,4	4 009,1	469,0	5 817,2
Current year movements – cost					
Additions	274,9	5,1	872,5	87,3	1 239,8
Disposals/write-offs	(12,4)	(0,4)	(392,1)	–	(404,9)
Lease terminations	–	–	–	(67,4)	(67,4)
Transfer between asset classes	52,0	–	(52,0)	–	–
Lease modifications**	–	–	–	(1,3)	(1,3)
Exchange rate adjustments	1,9	–	92,4	1,3	95,6
Cost movements for current year	316,4	4,7	520,8	19,9	861,8
Current year movements – accumulated depreciation and impairment					
Depreciation	(74,5)	(2,1)	(617,0)	(199,0)	(892,6)
Impairment (refer note 15)	(16,2)	–	(34,7)	–	(50,9)
Disposals/write-offs	11,6	0,4	357,3	–	369,3
Lease terminations	–	–	–	60,3	60,3
Transfer between asset classes	2,6	–	(2,6)	–	–
Exchange rate adjustments	–	–	(62,2)	(1,3)	(63,5)
Accumulated depreciation and impairment movement for current year	(76,5)	(1,7)	(359,2)	(140,0)	(577,4)
Carrying value at end of the year					
Cost	2 515,0	15,5	9 696,1	751,8	12 978,4
Accumulated depreciation and impairment	(936,4)	(12,1)	(5 525,4)	(402,9)	(6 876,8)
Net balance at end of the year	1 578,6	3,4	4 170,7	348,9	6 101,6

* *Refer note 13.3 for detailed breakdown of right-of-use assets*
** *Relates to modifications to leases due to changes in terms or rate*

13 PROPERTY, PLANT AND EQUIPMENT continued

13.1 Movement of the group property, plant and equipment continued

(R'million)	Freehold land and buildings	Leasehold land and buildings	Plant, vehicles and equipment	Right-of-use assets*	Total
GROUP					
2022 – Restated#					
Carrying value at beginning of the year					
Cost	2 104,2	10,8	8 529,8	714,3	11 359,1
Accumulated depreciation and impairment	(788,3)	(10,4)	(4 799,6)	(189,1)	(5 787,4)
Net balance at beginning of year	1 315,9	0,4	3 730,2	525,2	5 571,7
Current year movements – cost					
Additions	97,8	–	852,0	110,5	1 060,3
Disposals/write-offs	(3,3)	–	(201,2)	–	(204,5)
Lease terminations	–	–	–	(116,9)	(116,9)
Lease modifications**	–	–	–	24,1	24,1
Exchange rate adjustments	(0,1)	–	(5,3)	(0,1)	(5,5)
Cost movements for current year	94,4	–	645,5	17,6	757,5
Current year movements – accumulated depreciation and impairment					
Depreciation	(73,3)	–	(553,2)	(183,6)	(810,1)
Impairment (refer note 15)	(0,5)	–	(12,4)	–	(12,9)
Disposals/write-offs	2,2	–	195,5	–	197,7
Lease terminations	–	–	–	109,7	109,7
Exchange rate adjustments	–	–	3,5	0,1	3,6
Accumulated depreciation and impairment movement for current year	(71,6)	–	(366,6)	(73,8)	(512,0)
Carrying value at end of the year					
Cost	2 198,6	10,8	9 175,3	731,9	12 116,6
Accumulated depreciation and impairment	(859,9)	(10,4)	(5 166,2)	(262,9)	(6 299,4)
Net balance at end of the year	1 338,7	0,4	4 009,1	469,0	5 817,2

* *Refer 13.3 for detailed breakdown of right-of-use asset*
** *Relates to modifications to leases due to changes in terms or rate*
\# *Refer to note 36 for details on restatements*

13.2 No borrowing costs were capitalised during the current year (2022: Rnil million).

A full list of title deeds are available at the registered office for inspection.

Notes to the financial statements continued

13 PROPERTY, PLANT AND EQUIPMENT continued

13.3 Right-of-use assets

AP

The group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and building	2 – 10 years
Vehicles	1 – 8 years
All other leases	2 – 5 years

If ownership of the leased asset transfers to the group at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are subject to impairment.

The group also has certain leases with lease terms of 12 months or less and leases of various vehicles and equipment with low value. The group applies the “short-term lease” and “lease of low-value assets” recognition exemptions for these leases.

Right-of-use assets are disclosed in the property, plant and equipment line in the statements of financial position.

The group has lease contracts for various items of property, vehicles and information technology equipment used in its operations. The property leases have lease terms between two to 10 years, vehicles between one to eight years, and all other leases are between one to five years. The group’s obligations under its leases are secured by the lessor’s title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

(R’million)	Land and buildings	Vehicles	Information technology	Total
GROUP				
2023				
Carrying value at beginning of the year				
Cost	450,3	242,5	39,1	731,9
Accumulated depreciation and impairment	(166,3)	(71,4)	(25,2)	(262,9)
Net balance at beginning of the year	284,0	171,1	13,9	469,0
Current year movements – cost				
Additions	10,2	77,1	–	87,3
Lease terminations	(13,8)	(53,6)	–	(67,4)
Lease modifications*	10,7	(12,6)	0,6	(1,3)
Exchange rate adjustments	–	1,3	–	1,3
Cost movements for current year	7,1	12,2	0,6	19,9
Current year movements – accumulated depreciation and impairment				
Depreciation	(129,9)	(59,4)	(9,7)	(199,0)
Lease terminations	8,4	51,9	–	60,3
Reclassification to intangible assets	–	–	–	–
Exchange rate adjustments	–	(1,3)	–	(1,3)
Accumulated depreciation and impairment movement for current year	(121,5)	(8,8)	(9,7)	(140,0)
Carrying value at end of the year				
Cost	457,4	254,7	39,7	751,8
Accumulated depreciation and impairment	(287,8)	(80,2)	(34,9)	(402,9)
Net balance at end of year	169,6	174,5	4,8	348,9

* *Relates to modifications to leases due to changes in terms, rates and exchange rates*

13 PROPERTY, PLANT AND EQUIPMENT continued

13.4 Right-of-use assets continued

(R'million)	Land and buildings	Vehicles	Information technology	Plant and equipment	Total
GROUP					
2022					
Carrying value at beginning of the year					
Cost	430,7	213,4	37,0	33,2	714,3
Accumulated depreciation and impairment	(65,2)	(75,8)	(16,7)	(31,4)	(189,1)
Net balance at beginning of the year	365,5	137,6	20,3	1,8	525,2
Current year movements – cost					
Additions	37,6	72,9	–	–	110,5
Lease terminations	(31,8)	(51,9)	–	(33,2)	(116,9)
Lease modifications*	13,8	8,2	2,1	–	24,1
Exchange rate adjustments	–	(0,1)	–	–	(0,1)
Cost movements for current year	19,6	29,1	2,1	(33,2)	17,6
Current year movements – accumulated depreciation and impairment					
Depreciation	(126,5)	(48,6)	(8,5)	–	(183,6)
Lease terminations	25,4	52,9	–	31,4	109,7
Exchange rate adjustments	–	0,1	–	–	0,1
Accumulated depreciation and impairment movement for current year	(101,1)	4,4	(8,5)	31,4	(73,8)
Carrying value at end of the year					
Cost	450,3	242,5	39,1	–	731,9
Accumulated depreciation and impairment	(166,3)	(71,4)	(25,2)	–	(262,9)
Net balance at end of year	284,0	171,1	13,9	–	469,0

Relates to modifications to leases due changes in terms, rates and exchange rates

Notes to the financial statements continued

14 GOODWILL AND INTANGIBLE ASSETS

AP

Goodwill

Goodwill is initially measured at cost being the excess of the consideration transferred over the group's share of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference in profit or loss is recognised as a "gain on bargain purchase". Goodwill relating to subsidiaries is recognised as an asset and is subsequently measured at cost less accumulated impairment losses.

Goodwill is reviewed annually for impairment, or more frequently if there is an indicator of impairment. Goodwill is allocated to cash-generating units expected to benefit from the synergies of the combination. When the recoverable amount of a cash-generating unit is less than its carrying amount, an impairment loss is recognised in profit or loss.

The impairment loss is allocated first to any goodwill assigned to the unit, and then to other assets of the unit pro rata on the basis of their carrying values. Impairment losses recognised for goodwill cannot be reversed in subsequent periods.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Unless internally generated costs meet the criteria for development costs eligible for capitalisation in terms of IAS 38 (refer to research and development costs accounting policy), all internally generated intangible assets are expensed as incurred.

The useful lives of intangible assets are either finite or indefinite.

Intangible assets with finite lives are amortised over their useful life and assessed for impairment when there is an indication that the asset may be impaired.

The amortisation period and method are reviewed at each financial year end. Changes in the expected useful life or pattern of consumption of future benefits are accounted for prospectively.

The following useful lives have been estimated:

Trademarks and other	1 – 20 years
Customer lists	5 – 15 years
Software	3 – 5 years

Research and development costs

Research costs, being the investigation undertaken with the prospect of gaining new knowledge and understanding, are recognised as an expense in profit or loss as they are incurred.

Development costs arise on the application of research findings to plan or design for the production of new or substantially improved materials, products or services, before the start of commercial production. Development costs are only capitalised when the group can demonstrate the technical feasibility of completing the project, its intention and ability to complete the project and use or sell the materials, products or services flowing from the project, how the project will generate future economic benefits, the availability of sufficient resources and the ability to measure reliably the expenditure during development. Otherwise development costs are recognised as an expense in profit or loss.

During the period of development, the asset is tested annually for impairment. Following the initial recognition of the development costs, the asset is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when development is complete. The development costs are amortised over the period of expected future sales.

Derecognition of intangible assets

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

14 GOODWILL AND INTANGIBLE ASSETS continued

14.1 Movement of group goodwill and intangible assets

(R'million)	Goodwill	Intangible assets: Trademarks and licence agreements	Intangible assets: Customer lists	Intangible assets: Software	Total
GROUP					
2023					
Carrying value at beginning of the year					
Cost	**2 556,6**	**1 759,5**	**542,3**	**388,6**	**5 247,0**
Accumulated amortisation and impairment	**(911,4)**	**(507,5)**	**(540,3)**	**(245,4)**	**(2 204,6)**
Net balance at beginning of the year	**1 645,2**	**1 252,0**	**2,0**	**143,2**	**3 042,4**
Current year movements – cost					
Additions	**–**	**–**	**–**	**60,1**	**60,1**
Disposals	**–**	**–**	**–**	**(11,1)**	**(11,1)**
Exchange rate adjustments	**6,0**	**9,7**	**–**	**(0,7)**	**15,0**
Cost movements for the current year	**6,0**	**9,7**	**–**	**48,3**	**64,0**
Current year movements – accumulated amortisation and impairment					
Amortisation	**–**	**(7,6)**	**(0,6)**	**(49,6)**	**(57,8)**
Disposals	**–**	**–**	**–**	**11,1**	**11,1**
Exchange rate adjustments	**–**	**–**	**–**	**1,4**	**1,4**
Accumulated amortisation and impairment movement for the current year	**–**	**(7,6)**	**(0,6)**	**(37,1)**	**(45,3)**
Carrying value at end of the year					
Cost	**2 562,6**	**1 769,2**	**542,3**	**436,9**	**5 311,0**
Accumulated amortisation and impairment	**(911,4)**	**(515,1)**	**(540,9)**	**(282,5)**	**(2 249,9)**
Net balance at end of the year	**1 651,2**	**1 254,1**	**1,4**	**154,4**	**3 061,1**
2022 – Restated#					
Carrying value at beginning of the year					
Cost	2 557,1	1 760,3	542,3	334,4	5 194,1
Accumulated amortisation and impairment	(911,4)	(500,0)	(539,7)	(202,8)	(2 153,9)
Net balance at beginning of the year	1 645,7	1 260,3	2,6	131,6	3 040,2
Current year movements – cost					
Addition	–	–	–	54,2	54,2
Exchange rate adjustments	(0,5)	(0,8)	–	–	(1,3)
Cost movements for the current year	(0,5)	(0,8)	–	54,2	52,9
Current year movements – accumulated amortisation and impairment					
Amortisation	–	(7,5)	(0,6)	(42,6)	(50,7)
Accumulated amortisation and impairment movement for the current year	–	(7,5)	(0,6)	(42,6)	(50,7)
Carrying value at end of the year					
Cost	2 556,6	1 759,5	542,3	388,6	5 247,0
Accumulated amortisation and impairment	(911,4)	(507,5)	(540,3)	(245,4)	(2 204,6)
Net balance at end of the year	1 645,2	1 252,0	2,0	143,2	3 042,4

Refer to note 36 for details on restatements

Trademarks comprise of well-established, growing brands. The brand portfolios are considered to have indefinite useful lives and are therefore not amortised, with the exception of trademarks with a carrying value of R42,6 million (2022: R41,1 million) which are viewed with a definite useful life and thus amortised.

Notes to the financial statements continued

14 GOODWILL AND INTANGIBLE ASSETS continued

14.2 The carrying value is allocated to cash-generating units as follows:

(R'million)	Goodwill 2023	Goodwill 2022 Restated#	Indefinite useful life intangible assets 2023	Indefinite useful life intangible assets 2022 Restated#
GROUP				
Exports and International	**802,5**	796,5	**53,3**	53,3
Beverages	**580,5**	580,5	**194,6**	194,6
Snacks and treats	**–**	–	**119,6**	119,6
Groceries	**72,3**	72,3	**725,0**	725,0
HPCB	**195,9**	195,9	**120,4**	120,4
	1 651,2	1 645,2	**1 212,9**	1 212,9

Refer to note 36 for details on restatements

15 IMPAIRMENT TESTING OF NON-FINANCIAL ASSETS

AP

In assessing value-in-use, the estimated future cash flows are discounted to their present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, the fair value is determined in terms of IFRS 13.

This is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

If there is an indication of impairment, or at least annually, all indefinite life intangible assets and goodwill are assessed for impairment unless stated otherwise. Goodwill acquired through business combinations, trademarks, licence agreements and customer lists has been allocated to cash-generating units to facilitate this assessment.

The key assumptions disclosed below are based on management's past experience and expectations. Based on this experience and the well-established brands the group owns, management considers forecast cash flow periods of five years to be appropriate.

15.1 Methods and assumptions

The group applies a discounted cash flow methodology (value-in-use) to assess goodwill and certain indefinite life intangible assets for impairment. Where this results in a value lower than the carrying amount, the higher of this value or the fair value less costs of disposal is used. Consistent with the prior year, all recoverable amounts were based on the value in use. This methodology entails a calculation of the present value of future cash flows generated by applicable cash-generating units over a period of five years and incorporates a terminal growth rate.

These cash flows have been based on the approved budget for the 2024 financial year which includes assumptions on profit before interest and tax, depreciation, working capital movements, capital maintenance expenditure, an appropriate discount rate and a terminal growth rate. The terminal growth rate used is 5,0% (2022: 5,0%); however, it is dependent on the industry and maturity of the cash-generating unit.

15 IMPAIRMENT TESTING OF NON-FINANCIAL ASSETS continued

15.2 Discount rates

The group has calculated a weighted average cost of capital (WACC) that is utilised as a basis for performing the value-in-use calculation. In cases where the cash-generating unit is deemed to be of greater risk than the group as a whole, a risk premium has been included within the discount rate applied. The discount rate utilised for the purposes of the impairment testing was between 14,1% for South African entities and 18,1% for the international component of Davita (2022: 13,6% and 18,0% respectively). A pre-tax discount rate for purpose of the impairment testing would be between 17,3% and 23,2% (2022: 16,9% and 22,8%).

15.3 Growth rates

In determining the growth rate, consideration is given to the growth potential of the respective cash-generating unit. As part of this assessment, a prudent outlook is adopted that mirrors an inflationary increase in line with the consumer price index and real growth expected within the specific market. Based on these factors, the nominal price growth rates applied for the purposes of the impairment testing range between 5% and 10%. Volume growth assumptions are based on management's best estimates of known strategies and future plans to grow the business.

15.4 Specific impairments in the current year

The table below reflects the details of the respective impairments for the year, with the comparatives noted.

	GROUP	
(R'million)	**2023**	**2022**
Exports and International – property, plant and equipment[1]	**(33,6)**	(12,5)
Domestic operations – property, plant and equipment[2]	**(17,3)**	(0,4)
Total	**(50,9)**	(12,9)

	COMPANY	
(R'million)	**2023**	**2022**
Other – interest in subsidiaries[3]	**–**	(98,9)
Total	**–**	(98,9)

[1] *Relates to the impairment of property, plant and equipment in Davita of R0,6 million (2022: R9,0 million) and R33,0 million in the Deciduous Fruit business (LAF) (2022: R3,5 million). The recoverable amounts of these assets are considered to be zero*

[2] *Relates to impairment of property, plant and equipment in the Bakeries and Groceries divisions of R14,1 million and R3,2 million, respectively*

[3] *In the prior year, R48,9 million was impaired in company in relation to Tiger Brands PID No.1 Proprietary Limited, and R50,0 million in relation to Langeberg Holdings Limited*

The impairments recognised in the current year are a result of the annual impairment assessment performed on property, plant and equipment, goodwill, indefinite useful life intangible assets and investments.

15.5 Changes in key assumptions

The determined value in use of each cash-generating unit is sensitive to the discount rate. No reasonably probable change in any of the above key valuation assumptions would cause the carrying amount of cash-generating units to materially exceed their recoverable amounts.

Notes to the financial statements continued

16 INVESTMENTS IN ASSOCIATED COMPANIES

AP

An associate is an entity over which the group has significant influence through participation in the financial and operating policy decisions. The entity is neither a subsidiary nor a joint arrangement.

Associates are accounted for using the equity method of accounting in the consolidated financial statements. Goodwill relating to an associate is included in the carrying amount of the investment and is not tested separately for impairment.

The income statement reflects the group's share of the associate's profit or loss. However, an associate's losses in excess of the group's interest are not recognised. Where an associate recognises an entry directly in other comprehensive income, the group in turn recognises its share in the consolidated other comprehensive income. Profits or losses resulting from transactions between the group and associates are eliminated to the extent of the interest in the underlying associate.

After application of the equity method, each investment is assessed for indicators of impairment. If applicable, the impairment is calculated as the difference between the current carrying value and the higher of its value in use or fair value less cost of disposal. Impairment losses are recognised in profit or loss.

Associate investments have been shown at historical cost, plus the share of accumulated earnings less dividends received, adjusted for translation gains/losses.

Where an associate's reporting date differs from the group's, the associate prepares financial statements at the same date as the group. If this is impracticable, financial statements are used where the date difference is no more than one month, in particular for Empresas Carozzi. Adjustments are made for significant transactions between the relevant dates. Where the associate's accounting policies differ from those of the group, appropriate adjustments are made to conform to the accounting policies.

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The conclusion regarding control or significant influence relating to associates is reassessed on an annual basis. In performing this assessment, the directors determine whether or not the group has control over the respective investee based on whether the group has the practical ability to direct the significant activities unilaterally. Any material transactions conducted by the associated companies which could change "significant influence" to "control" or a reduction in "significant influence" to an investment are considered in this assessment.

In making this assessment, the following factors are considered:
- The group's shareholding in the investee relative to other investors
- The relative size of and concentration of other shareholders
- The inability of the group to unilaterally appoint the majority of board members of the investee
- The absence of related key management between the group and the investee
- Composition of the investee's board and board appointees of the group
- The lack of any contractual or legal rights conferred upon the group by the investee or any other shareholder of the investee to direct its activities

Detailed disclosures of investment in associates

The group does have associate interests that are, in aggregate, material in the context of the group and accordingly detailed disclosure requirements in terms of IFRS 12 *Disclosure of interests in other entities* is assessed on an annual basis. In determining whether or not any individual associate is material, the group considers a combination of the share of the individual associate interest in the consolidated profits, other comprehensive income, headline earnings as well as total assets of the group. If any of these contributions exceed 5%, it is concluded as individually material.

				Percentage holding			
	Principal place of business	Currency	Year end	2023 (%)	2022 (%)	Nature of business	Listed/ unlisted
National Foods Holdings Limited	Zimbabwe	US dollar (2022: Zimbabwean dollar)	June	**37,4**	37,4	Food processing	Listed
Empresas Carozzi	Chile	Chilean peso	December	**24,4**	24,4	Food processing	Unlisted
Herbivore Earthfoods Proprietary Limited	South Africa	South African rand	February	**15,0**	15,0	Food processing	Unlisted

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
16 INVESTMENTS IN ASSOCIATED COMPANIES continued				
16.1 Reconciliation of carrying value				
Listed, at cost	**97,1**	97,1	**97,1**	97,1
Unlisted, at cost less amounts written off	**590,2**	590,2		
Share of accumulated other comprehensive income since acquisition	**(616,4)**	(687,8)		
Share of accumulated profits since acquisition	**3 021,1**	2 421,7		
	3 092,0	2 421,2	**97,1**	97,1
The trading results of the associate companies whose results are equity-accounted in the consolidated financial statements as follows:				
Revenue (100%)	**42 213,1**	27 463,2		
Profit for the year (100%)	**2 625,8**	1 706,9		

16.2 Reconciliation of associates income

(R'million)	Empresas Carozzi	National Foods Holdings Limited	Other*	Total
Income attributable to ordinary shareholders of Tiger Brands	**526,1**	**170,6**	**(0,1)**	**696,6**
Less: Total dividends	**(206,3)**	**(46,5)**	**–**	**(252,8)**
Total share of associated companies' income less dividends received	**319,8**	**124,1**	**(0,1)**	**443,8**
2022				
Equity-accounted earnings	337,7	114,1	(0,2)	451,6
Interest and dividends received previously impaired	–	26,4	–	26,4
Income attributable to ordinary shareholders of Tiger Brands	337,7	140,5	(0,2)	478,0
Less: Total dividends	(338,5)	(7,1)	–	(345,6)
Total share of associated companies' income less dividends received	(0,8)	133,4	(0,2)	132,4

* *Other includes Herbivore Earthfoods Proprietary Limited which is equity-accounted in terms of IAS 28. This associate was the first acquisition by the Tiger Brands Venture Capital Fund*

16.3 Summarised statements of financial position of all associates

The aggregate statement of financial position of all associates are summarised as follows (100%):

(R'million)	GROUP 2023	GROUP 2022
Property, plant and equipment	**14 208,1**	12 130,7
Goodwill and intangible assets	**4 603,5**	3 756,7
Investments	**437,3**	15,9
Deferred taxation	**305,4**	254,7
Current assets	**13 518,3**	13 400,3
Total assets	**33 072,6**	29 558,3
Long-term liabilities	**(7 401,1)**	(7 456,7)
Deferred taxation	**(2 478,3)**	(2 290,1)
Current liabilities	**(8 284,2)**	(7 829,6)
Total shareholders' funds	**14 909,0**	11 981,9

Notes to the financial statements continued

16 INVESTMENTS IN ASSOCIATED COMPANIES continued

16.4 The assessment criteria, as noted in the accounting policies, are performed annually. Empresas Carozzi and National Foods Holdings Limited have met the assessment criteria to be classified as a material associate in the current year and thus further disclosure is provided below.

	Empresas Carozzi		National Foods Holdings Limited	
(R'million)	2023	2022	2023	2022
Summarised statement of comprehensive income				
Revenue	**34 739,9**	22 688,7	**7 461,7**	4 767,7
Profit after taxation	**2 160,5**	1 382,2	**466,4**	326,3
Attributable to outside shareholders	**2 160,5**	1 382,2	**466,4**	326,3
Other comprehensive income, net of taxation	**315,1**	489,9	**–**	–
Total comprehensive income for the year	**2 475,6**	1 872,1	**466,4**	326,3
Attributable to outside shareholders	**2 475,6**	1 872,1	**466,4**	326,3
Dividends received from associate	**206,3**	338,5	**46,5**	7,1
Summarised statement of financial position				
Non-current assets	**18 395,1**	15 644,0	**1 151,8**	511,2
Current assets	**12 016,0**	11 804,5	**1 489,6**	1 586,7
Non-current liabilities	**(9 838,6)**	(9 653,7)	**(29,2)**	(92,0)
Current liabilities	**(7 141,1)**	(6 860,3)	**(1 131,5)**	(968,4)
Net asset value	**13 431,4**	10 934,5	**1 480,7**	1 037,6
Reconciliation of the summarised financial information presented to the carrying value of investment in associate				
Tiger Brands' share of net asset value (NAV)	**3 274,6**	2 665,8	**553,8**	388,0
Share of NAV acquired at nil value at acquisition	**(267,3)**	(190,5)	**–**	–
Impairment at acquisition	**(192,0)**	(192,0)	**–**	–
Effects of hyperinflation	**–**	–	**(282,1)**	(255,3)
Carrying value of associate	**2 815,3**	2 283,3	**271,7**	132,7

16.5 National Foods Holdings Limited (NFH)

Accounting for investment in associate

The group has a 37,4% investment in National Foods Holdings Limited (NFH), an associate company incorporated in Zimbabwe, which operates throughout Zimbabwe.

The prior year, equity-accounted earnings for NFH were in accordance with the provisions of IAS 29 *Hyperinflationary economies* (IAS 29).

NFH delisted from the Zimbabwean Stock Exchange (ZWSE) and listed on the Victoria Falls Stock Exchange (VFEX) in January 2022. The functional currency of this associate therefore changed from Zimbabwean dollar (ZWD) to United States dollar (USD). The treatment of the translation of NFH associate earnings is consistent with IAS 21. In consideration of the indicators in IAS 21.10, NFH determined that, with the new financing activities, the future currency change of issued capital and equity accounts, and the change in the currency in which cash and cash equivalents are retained, were relevant factors indicating that the ZWD will not be the currency to reflect the principal economic environment in which the company will generate and expend its cash. Accordingly, in accordance with IAS 21.36, the NFH determined that the USD is the new functional currency that will most appropriately reflect the underlying relevant transactions, events and conditions.

This change in functional currency was accounted for prospectively from the date of the change by translating all items of the NFH financial statements into the new functional currency, using the exchange rates at the date of the change. The change in the presentation currency of NFH was accounted for as a change in accounting policy and applied retrospectively, as if the new presentation currency had always been the presentation currency of the NFH consolidated financial statements. All of the resulting exchange differences have been recognised in equity under the reserve for exchange differences in translation.

Exchange rates applied in translating the results of investment in associate

The results and net asset value of NFH have been translated into the group's presentation currency at the closing exchange rate, in accordance with hyperinflationary provisions of IAS 21 *The effects of changes in foreign exchange rates*.

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022 Restated#
17 OTHER INVESTMENTS*				
Listed, at fair value[1]	**332,6**	253,5	**11,1**	12,1
Unlisted, at fair value	**17,1**	12,0	**17,1**	12,0
Employer-controlled reserve invested by one pension fund on behalf of Tiger Brands Limited				
– Defined benefit (refer note 30)	**8,7**	8,0		
BEE Phase II empowerment entities' preference shares			**1 805,3**	1 850,7
Funds in escrow[2]	**203,1**	242,3		
	561,5	515,8	**1 833,5**	1 874,8

[1] *Listed investments comprise Oceana Limited, Adcock Ingram Holdings Limited, Spar Limited and JSE Limited (company-listed investments include JSE Limited only)*
[2] *Funds in escrow is the portion of proceeds arising from the disposal of the value-added meat products (VAMP) business held in escrow in terms of the sales contracts. The proceeds will be released once the terms and conditions of sales contracts have been completely fulfilled*
Refer to note 36 for details on restatements
* *Refer to note 33.8 for fair value disclosures*

All investments are measured at FVTOCI, except for the investment in subsidiary companies in terms of IFRS 2, which is measured at FVTPL.

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022 Restated#
18 LOANS				
Loans to empowerment entities				
Dipuno*	**47,2**	43,4		
Other**	**7,1**	7,0	**1,0**	1,1
	54,3	50,4	**1,0**	1,1

* *This relates to the long-term portion of the loan to Dipuno. During the current year, no additional amount (2022: R19,0 million) was advanced as a loan to Dipuno. A day-one fair value loss of R9,4 million and an impairment of R6,5 million were recognised in the prior year*
** *Included in other is a loan of R6,0 million (2022: R5,9 million) provided as part of the Tiger Brands Enterprise Development programme*
# *Refer to note 36 for details on restatements*

19 DEFERRED TAXATION

AP

Deferred tax liabilities are recognised for taxable temporary differences, except:
- Where the "initial recognition exception" applies
- In respect of outside temporary differences relating to investments in subsidiaries

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, where it is probable that the asset will be utilised in the foreseeable future, except:
- Where the "initial recognition exception" applies
- In respect of outside temporary differences relating to investment in subsidiaries

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognised deferred tax assets are re-assessed at each reporting date and recognised to the extent it has become probable that future taxable profit will allow the asset to be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction, either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the financial statements continued

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
19 DEFERRED TAXATION continued				
19.1 Reconciliation of deferred taxation				
Balance at beginning of year	**(206,4)**	(149,5)	**(5,0)**	(5,2)
Adjustment in respect of currency losses taken directly to other comprehensive income	**(3,1)**	4,5		
Fair value adjustments – investments	**(15,1)**	6,7		
IAS 19 adjustments taken to other comprehensive income	**(12,8)**	(16,8)		
Exchange rate translation reserve	**5,2**	–		
Income statement movement (refer note 10)	**(46,3)**	(51,3)	**–**	0,2
Balance at end of the year	**(278,5)**	(206,4)	**(5,0)**	(5,0)
19.2 Analysis of deferred taxation				
Property, plant and equipment	**(542,4)**	(527,4)		
Liability in respect of intangibles raised on acquisition of businesses	**(127,9)**	(127,9)		
Retirement fund surpluses	**(13,5)**	(12,7)		
Fair value adjustments – investments	**(22,5)**	(7,4)		
Prepayments	**(3,9)**	(4,1)		
Provisions	**450,8**	516,1		
Income received in advance	**14,1**	3,3		
Revaluation of loans	**7,8**	11,2		
Other temporary differences*	**(41,0)**	(57,5)	**(5,0)**	(5,0)
	(278,5)	(206,4)	**(5,0)**	(5,0)
Disclosed on the statement of financial position as follows:				
Deferred tax asset	**44,2**	34,3		
Deferred tax liability	**(322,7)**	(240,7)	**(5,0)**	(5,0)

* *Other temporary differences mainly comprise tax provisions in respect of section 12I special investment allowances on qualifying capital projects*

20 INVENTORIES

AP

Inventories are stated at the lower of cost or net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: Purchase cost on a first-in, first-out basis
- Finished goods and work-in-progress: Cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Consumables are written down with regard to their age, condition, and utility. Costs of inventories include the transfer from other comprehensive income of gains and losses on qualifying cash flow hedges in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business less estimated completion and selling costs.

Obsolete, redundant, and slow-moving items are identified on a regular basis and are written down to their estimated net realisable values. The amount of the write-down is recognised in cost of sales in the year in which it occurs.

	GROUP		COMPANY	
(R'million)	**2023**	**Restated 2022#**	**2023**	**2022**
Raw materials	**2 992,2**	2 579,1		
Partially processed goods (WIP)	**73,6**	75,4		
Finished goods and merchandise	**4 252,1**	4 257,9		
Consumable stores and minor spares	**166,6**	167,1		
Other	**19,1**	44,9		
Inventory value, net of provisions	**7 503,6**	7 124,4		
Inventories carried at net realisable value included in total inventories	**17,4**	19,1		
Inventories written down and recognised in cost of sales as an expense	**216,3**	134,1		
Inventory provision deducted in arriving at total inventories net of provisions	**276,9**	331,7		
Inventory provision deducted in arriving at total inventories net of provisions as a result of the product recall	**363,4**	313,2		
Inventories written down and recognised in cost of sales as an expense as a result of the product recall	**4,7**	4,9		

Refer to note 36 for details on restatements

Notes to the financial statements continued

21 TRADE AND OTHER RECEIVABLES

AP

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory less any expected costs to recover the goods and any potential decreases in value. The group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

Impairment of financial assets

The group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the group applies a simplified approach to calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In terms of inter-company amounts and investments, the group evaluates potential impairments based on the net asset value of the subsidiary company and its liquidity.

The group considers a financial asset in default when contractual payments are 60 days past due the standard credit terms, which are 30 days to 45 days, and the repayment profile of customers. Eighty-five percent of all customers have payment terms of 30 days or less. Sixty days past due is considered to be an appropriate indicator of default on the group's financial assets when considered against the group's customer base, the trading terms for which are predominantly 30 days. This is also informed by the group's extensive experience with its customer base. However, in certain cases, the group may also consider a financial asset to be in default when internal or external information indicates that the group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Factors taken into consideration would include external market and economic outlook reports, observable trends, and cyclicality.

In terms of inter-company amounts, the group evaluates potential impairments based on the nature of the entity and its liquidity and solvency position. Even with the consideration of forward-looking information relevant to the industries and environment in which the group companies operate, the credit risk relating to these entities is very low and no/limited provisioning is required. No further IFRS 7/ECL disclosure is provided in this regard.

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
21 TRADE AND OTHER RECEIVABLES continued				
21.1 Analysis of trade and other receivables				
Trade receivables	**3 947,8**	3 455,3		
Derivative assets	**8,9**	16,5		
VAT receivable	**147,1**	104,2		
Sundry receivables*	**245,9**	149,0	**43,7**	39,7
Prepayments	**196,3**	208,2	**0,1**	0,1
Garnishee order**	**102,3**	87,7		
Pension fund contribution holiday (refer note 30)	**41,4**	38,9		
Tax receivable	**22,2**	10,9	**–**	0,4
Rebates receivable	**1,2**	12,4		
Total gross receivables	**4 713,1**	4 083,1	**43,8**	40,2
Expected credit loss	**(70,7)**	(127,5)	**(37,1)**	(37,1)
Total net receivables	**4 642,4**	3 955,6	**6,7**	3,1
Trade receivables, which generally have 30 to 60-day terms, are non-interest-bearing and are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.				
21.2 Expected credit loss#				
Balance at beginning of the year	**(127,5)**	(124,2)	**(37,1)**	(58,1)
Utilised during the year	**–**	2,7	**–**	–
Reversed during the year	**68,3**	0,7	**–**	21,0
Raised during the year	**(9,3)**	(6,7)	**–**	–
Effect of translation	**(2,2)**	–	**–**	–
Balance at end of the year*	**(70,7)**	(127,5)	**(37,1)**	(37,1)

* *The ECL on sundry receivables is considered to be immaterial due to the low level of credit losses experienced in relation to the balance*

** *A garnishee order was served against the Chococam subsidiary, resulting in several of Chococam's bank accounts being blocked. The amounts seized were reclassified to other receivables and not disclosed as cash and cash equivalents on the basis that the cash is not readily available*

\# *The ECL results in the recognition of a loss allowance before the credit loss is incurred. Factors that are considered accounts for current conditions along with reasonable and supportable forward-looking information that is not time-consuming or costly to obtain. The company has adopted the "simplified approach" in determining the ECL*

Notes to the financial statements continued

21 TRADE AND OTHER RECEIVABLES continued

21.2 Expected credit loss* continued

Considering that IFRS 9 does not provide an explicit guide or any specific requirements, we have opted to use a provision matrix approach to calculate the ECL. This involves allocating individual trade debtors into groups that share similar credit risk characteristics.

Customers' risk ratings were determined by applying the following criteria:
- Historical data spanning three years, which includes payment history and behavioural trends
- Economic environment that has a significant impact on each customer
- Geographical location of the customer

Low-risk receivables are considered as fully performing receivables where customers are in compliance with their credit terms. This is supported by Tiger Brands' assessment of the financial soundness of the customer, customer trading patterns, and their credit rating.

Medium-risk receivables are those performing receivables where there has been an increase in their credit risk since the time the credit was granted. These receivables are further classified into the following categories and allocated a risk rating, which is then used to calculate the expected future credit loss:
- Medium-risk 1 customers are those customers with whom the group has had a lengthy period of trading history, customers who mostly maintain their accounts within terms – with one or two exceptions – and where the ratings agencies provide the customer with a reasonable score
- Medium-risk 2 customers are those customers between medium-risk 1 rating and medium-risk 3 rating. Judgement is applied in the evaluation of the triggers, resulting in a drop from a medium-risk 1 rating to a medium-risk 2 rating, which would mainly be as a result of a decline in trading history with the customer and scores from the ratings agencies
- Medium-risk 3 customers are those customers that are viewed as risky due to limited trading history with the customer, long overdue amounts outstanding, customers who consistently pay late, or where the rating agencies give the customer a poor credit score

These risk ratings are reviewed bi-annually and adjusted accordingly.

The percentage ECL provision for receivables classified as medium-risk 3 is impacted due to a change in mix between customers for whom the group enjoys trade credit insurance and those where the group is fully exposed and thus had to raise higher ECL provisions. A higher proportion of performing receivables are covered through trade credit insurance with external parties, resulting in a lower provision overall.

The percentage used to calculate the ECL for each risk segment was determined by:
- Past three years' specific impairment provisions
- Past three years' specific bad debts written off
- Past three years' trade credit insurance claims ratios
- Management's forward-looking analysis of the FMCG environment
- An unbiased approach that involves evaluating a range of possible outcomes based on current economic trends

The company makes use of selective trade credit insurance. For those debtors that are not insured, the full carrying value of the outstanding debt was included in the calculation of the ECL. For those debtors that are insured, only the uninsured portion of the debt was included in the calculation of the ECL. Once all internal measures to collect contractual cash flows have been exhausted, the group will engage the assistance of a debt collection agency in an attempt to secure payment. Twice a year, an assessment of the outstanding amounts owed by the customer, together with detailed information from the debt collection agency, is undertaken and the decision made as to whether collection efforts should continue or be suspended. The timing of this decision is uncertain, as it will depend on the facts and merits of the collection efforts, and is based on the cost versus benefit of continuing the collection effort.

A process of identifying specific impairments is included in the total impairment provision. Management will raise a specific impairment provision when all internal and/or pre-legal efforts to collect overdue debt have been exhausted.

21 TRADE AND OTHER RECEIVABLES continued

21.2 Expected credit loss* continued

(R'million)	Performing receivables: Low risk	Performing receivables: Medium-risk level 1	Performing receivables: Medium-risk level 2	Performing receivables: Medium-risk level 3	Defaulted receivables*	Total
2023						
As at 30 September 2023	**2 692,5**	**359,2**	**408,4**	**355,1**	**132,6**	**3 947,8**
Expected credit loss*	**–**	**(16,7)**	**(4,3)**	**(6,9)**	**(42,8)**	**(70,7)**
Expected credit loss rate	**–**	**(4,6%)**	**(1,1%)**	**(1,9%)**	**(32,3%)**	**(1,8%)**
Net amount	**2 692,5**	**342,5**	**404,1**	**348,2**	**89,8**	**3 877,1**
2022						
As at 30 September 2022	2 153,9	326,7	533,8	421,0	19,9	3 455,3
Expected credit loss*	–	(13,4)	(10,7)	(83,5)	(19,9)	(127,5)
Expected credit loss rate	–	(4,1%)	(2,0%)	(19,8%)	(100,0%)	(3,7%)
Net amount	2 153,9	313,3	523,1	337,5	–	3 327,8

* *The substantial increase in defaulted receivables relative to the prior year relates to the reclassification of medium-risk performing receivables to defaulted receivables. In addition, the insurance cover has been reassessed resulting in a 32,3% expected credit loss rate in the current year*

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
21.3 Past due analysis				
As at 30 September, the ageing of trade receivables was as follows:				
Not past due*	**3 512,5**	3 290,9		
Past due:				
Current to 60 days	**326,3**	81,9		
61 to 90 days	**32,8**	25,2		
91 to 180 days	**25,6**	26,3		
>180 days	**50,6**	31,0		
Total	**3 947,8**	3 455,3		
As at 30 September, the ageing of all other receivables, excluding tax receivable and prepayments, was as follows:				
Not past due	**360,0**	217,4	**6,5**	1,3
Past due:				
Current to 60 days	**6,6**	137,4	**0,1**	1,4
61 to 90 days	**4,4**	6,8	**–**	–
91 to 180 days	**8,3**	3,7	**–**	–
>180 days	**167,5**	43,4	**37,1**	37,0
Total	**546,8**	408,7	**43,7**	39,7

* *Debtors that are neither past due nor impaired are made up of customers with high credit ratings and with a sound payment history*

Notes to the financial statements continued

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
21 TRADE AND OTHER RECEIVABLES continued				
21.4 Trade receivable analysis				
Industry spread of trade receivables:				
Retail	**1 991,5**	2 093,2		
Wholesale/distributors	**1 208,0**	654,4		
Export	**657,8**	565,4		
Other	**90,5**	142,3		
Total	**3 947,8**	3 455,3		
Geographical spread of trade receivables:				
South Africa	**3 138,5**	2 863,4		
Rest of Africa	**652,5**	439,5		
Europe	**97,9**	46,1		
Rest of the world	**58,9**	106,3		
Total	**3 947,8**	3 455,3		
21.5 Collateral held				
Collateral held	**23,0**	23,8		
Collateral held represents hawker deposits that may be applied against accounts that are in default.				
22 SHARE CAPITAL				
22.1 Authorised share capital				
250 000 000 (2022: 250 000 000) ordinary shares of 10 cents each				
22.2 Issued share capital	**18,0**	18,0	**18,0**	18,0
180 327 980 (2022: 180 327 980) ordinary shares of 10 cents each	**18,0**	18,0	**18,0**	18,0
22.3 Number of ordinary shares in issue outside the group				
Number of ordinary shares issued	**180 327 980**	180 327 980	**180 327 980**	180 327 980
Less: Treasury shares	**(10 326 758)**	(10 326 758)	**(10 326 758)**	(10 326 758)
Number of ordinary shares in issue	**170 001 222**	170 001 222	**170 001 222**	170 001 222
Less: Empowerment entities shares	**(13 586 779)**	(13 632 362)	**(13 586 779)**	(13 632 362)
Number of ordinary shares issued outside the group	**156 414 443**	156 368 860	**156 414 443**	156 368 860
The movement of ordinary shares during the current year was as follows:				
Beginning of the year	**180 327 980**	189 818 926	**180 327 980**	189 818 926
Shares issued				
Less: Shares repurchased*	**–**	(9 490 946)	**–**	(9 490 946)
End of the year	**180 327 980**	180 327 980	**180 327 980**	180 327 980
22.4 Share premium	**–**	–	**–**	–
Balance at beginning of year	**–**	123,0	**–**	123,0
Less: Shares repurchased*	**–**	(123,0)	**–**	(123,0)
	18,0	18,0	**18,0**	18,0

* *During the prior year, the group embarked on a share buy-back programme of which 9 490 946 of the Tiger Brands shares were repurchased at an average price of R152,62. The shares were issued at an original par value of R0,1 per share. The par value is recognised against the issued share capital, with the remaining amount against the share premium available, and thereafter in the accumulated profits equity reserve*

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
23 UNISSUED SHARES	**69 672 020**	69 672 020	**69 672 020**	69 672 020

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Treasury shares

Shares in Tiger Brands Limited held by the group are classified within total equity as treasury shares. The shares acquired by the Black Managers Trust I are accounted for as treasury shares in line with the consolidation requirement for special-purpose entities. Treasury shares are treated as a deduction from the issued and weighted average number of shares for earnings per share and headline earnings per share purposes, and the cost price of the shares is reflected as a separate component of capital and reserves in the statement of financial position. Dividends received on treasury shares are eliminated on consolidation. No gain or loss is recognised in the income statement on the purchase, sale, issue, or cancellation of treasury shares. Consideration received or paid in respect of treasury shares is recognised in equity.

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
23.1 Tiger Brands Limited shares held by subsidiary 10 326 758 (2022: 10 326 758) shares are held as treasury stock	**(718,0)**	(718,0)		
23.2 Tiger Brands Limited shares held by empowerment entities 13 586 779 (2022: 13 632 362) shares are owned by empowerment entities	**(1 464,1)**	(1 469,3)		

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
24 TAX EFFECT OF OTHER COMPREHENSIVE INCOME				
The tax effect of the items reflected in the statement of comprehensive income is as follows:				
Net (loss)/gain on cash flow hedges	**(3,1)**	4,5		
Net (loss)/gain FVOCI financial assets	**(15,1)**	6,7		
Remeasurement raised in terms of IAS 19R	**(12,8)**	(16,8)		
	(31,0)	(5,6)		

25 TRADE AND OTHER PAYABLES

(R'million)	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Trade payables	**2 790,7**	3 364,2		
Derivatives	**–**	19,8		
Rebates and incentives accruals*	**899,5**	902,7		
Accruals	**1 235,2**	1 141,6		
VAT payable	**151,3**	14,0		
Other creditors	**255,9**	232,9	**39,2**	52,6
Defined benefit pension fund liability (refer to note 30)	**2,7**	2,5		
	5 335,3	5 677,7	**39,2**	52,6

* *During the year, R5,6 billion (2022: R4,6 billion) was raised and R5,6 billion (2022: R4,6 billion) was settled*

Trade payables are non-interest-bearing and are normally settled within 30 to 45-day terms.

Notes to the financial statements continued

(R'million)	GROUP 2023	GROUP 2022
26 EMPLOYEE-RELATED ACCRUALS		
Leave pay	**249,5**	244,2
Employee-related benefits	**62,7**	184,4
Restructuring accruals	**99,5**	17,0
Share-based payments	**22,8**	17,1
Other employee-related accruals	**0,2**	1,7
	434,7	464,4

27 BORROWINGS

AP

Group as a lessee

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset. The group's lease liabilities are included in borrowings (note 27). Accretion of interest has been included under finance costs for bank and other short-term borrowings (note 9).

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

AJ

IFRS 16 *Leases*

Where the terms and conditions of the contract have not been clearly defined in relation to renewal options, a significant judgement has been made in order to determine the lease term for specific classes of assets. Based on past practices, the lease terms were adjusted to align with these expectations of management by using historic business unit trends. The group used information supplied by the lessors where there are leases with no specific judgements. On extensions of leases, the group assumed the lease terms to a similar rental.

The lease liability was measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate (IBR). The IBR is the rate of interest that the group would have to pay to borrow over a similar term, with similar security, to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The group estimates the IBR using observable inputs (such as market rates) when available, and is required to make certain entity-specific estimates.

In terms of the group's delegation of authority, the group's borrowings are subject to specific approval processes. Any secured and unsecured loans are all at floating rates, unless otherwise stated.

27 BORROWINGS

27.1 Lease liability

(R'million)	GROUP 2023	GROUP 2022
Current year movements in relation to leases are as follows:		
Opening balance (1 October)	**520,9**	567,3
Additions, terminations and lease modifications	**78,3**	132,2
Accretion of interest	**37,2**	37,9
Payments	**(240,6)**	(216,5)
	395,8	520,9

The group utilised an IBR between 5,2% and 11,8% (2022: 5,2% and 9,8%) for the different classes of assets identified.

Leases liabilities relate to right-of-use assets with a book value of R348,9 million (2022: R469,0 million) as per note 13.3.

The maturity analysis of lease liabilities is disclosed in note 33.4.

27.2 Long-term borrowings*

	2023	2022
Opening balance	**–**	–
Draw-down on facility*	**1 002,1**	300,0
Repayment of facility	**–**	(300,0)
Closing balance	**1 002,1**	–
Long-term portion of lease liability	**208,9**	326,5
Total long-term borrowings	**1 211,0**	326,5

27.3 Short-term borrowings

	2023	2022
Opening balance	**972,8**	–
Repayment of facilities	**(1 380,0)**	–
Draw-down on facilities**	**1 103,9**	972,8
Closing balance	**696,7**	972,8
Short-term portion of lease liability	**187,0**	194,4
Total short-term borrowings	**883,7**	1 167,2

* *This relates to a revolving credit facility (RCF) that has a 13-month notice period. The facility is denominated in South African rand and advanced at a weighted average interest rate of 9,04% (2022: 5,25%). The required covenant benchmarks agreed with lenders include (1) achieving a leverage ratio (net interest-bearing debt to earnings before interest, income tax, depreciation and amortisation (EBITDA)), and (2) achieving an interest cover ratio (EBITDA divided by gross interest expense). At 30 September 2023, the covenants achieved were well within the required covenant benchmarks*

** *This relates to the utilisation of the general banking borrowing facilities with the group's banking partners. The facilities are denominated in South African rand and advanced at a weighted average interest rate of 8,34% (2022: 5,22%)*

28 GROUP COMMITMENTS

28.1 Approved capital expenditure, which will be financed from normal operating cash flows and utilisation of existing borrowing facilities, is as follows:

	2023	2022
Contracted	**570,0**	403,2
Not contracted	**1 045,8**	1 212,0
	1 615,8	1 615,2

28.2 The capital commitments noted above include various capital efficiency and expansion projects.

28.3 Commitments in respect of inventories

In terms of its normal business practice, certain group operations have entered into commitments to purchase certain agricultural inputs over their respective seasons.

28.4 Commitments in respect of transport

The group maintains long-term contracts, including certain minimum payments, with various transport companies for the distribution of its products.

Notes to the financial statements continued

29 SHARE-BASED PAYMENT

AP

Certain employees (including senior executives) of the group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions) or instruments classified as cash-settled transactions.

Equity-settled and cash-settled share options

Equity-settled transactions

Under the scheme, executives and selected managers of Tiger Brands Limited and its subsidiaries are offered, on an annual basis, a weighted combination of share appreciation rights, performance shares, and restricted shares. All these components are accounted for as equity-settled, share-based payments in addition to the Black Managers Participation Right scheme.

Shares awarded to employees in terms of the rules of the Tiger Brands long-term incentive plan (LTIP) are measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a modified version of the Black-Schöles model or Monte Carlo simulation.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The income statement charge for a period represents the movement in the cumulative expense at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where an equity-settled award is cancelled (other than forfeiture), it is treated as if it had vested on the date of cancellation, and any unrecognised expenses are recognised immediately. If a new award is substituted and designated as a replacement for the cancelled award, the cancelled and new awards are treated as if they were a modification of the original award, as described above.

The dilutive effect of outstanding equity-settled options is reflected as additional share dilution in the computation of earnings and headline earnings per share.

Cash-settled transactions

The cost of cash-settled transactions such as the general employee share option plan portion is measured initially at fair value at the grant date using a modified version of the Black-Schöles model, taking into account the terms and conditions upon which the instruments were granted (see note 5). This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss.

Accounting for BEE transactions

Where equity instruments are issued to a black economic empowerment (BEE) party at less than fair value, the instruments are accounted for as share-based payments in terms of the stated accounting policy.

A restriction on the BEE party to transfer the equity instrument subsequent to its vesting is not treated as a vesting condition, but is factored into the fair value determination of the instrument.

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Fair value of share allocations

In calculating the amount to be expensed as a share-based payment, the group was required to calculate the fair value of the equity instruments granted to participants. This fair value was calculated by applying a valuation model that is in itself judgemental and takes into account certain inherently uncertain assumptions (detailed on pages 55 to 59).

The share-based payment reserve can be reconciled as follows:

	GROUP	
(R'million)	**2023**	**2022**
Opening balance	**752,6**	699,5
Expense	**7,8**	54,1
Exercises	**(42,1)**	(1,5)
Transferred (to)/from retained earnings*	**(192,0)**	0,5
Closing balance	**526,3**	752,6

* *The increase is due to the deregistration of the Black Managers Trust 2 (BMT 2) during the year, resulting in a transfer of the remaining share-based payment reserves relating to this scheme to retained earnings.*

29 SHARE-BASED PAYMENT continued

The total expense recognised for employee services received during the year ended 30 September 2023 is R13,4 million (2022: R55,8 million), reconciled as follows:

	GROUP	
(R'million)	2023	2022
Share appreciation rights (1)	(42,6)	(38,3)
Performance shares (2)	4,6	49,5
Restricted shares option transactions	40,0	36,6
BMT 1 scheme	5,8	6,3
Cash-settled, share-based payments	5,6	1,7
Total expense recognised for employee services	13,4	55,8

Detailed disclosure of each scheme and the respective assumptions and valuation inputs have been included below.

The information noted below summarises all key assumptions, valuation inputs, and key disclosures relating to the Tiger Brands share-based payment plans.

29.1 General employee share option plan

Executives and managers of the company and its subsidiaries are offered a weighted combination of:

- Allocations of share appreciation rights (last allocation to employees – 5 June 2019)
- Conditional awards of full-value performance shares
- Grants of full-value restricted shares

The scheme is regarded as an equity-settled share option scheme.

Share appreciation rights (1)

Allocations of share appreciation rights (Sars) were made to qualifying executive management and other senior managers. Sars vests in three equal tranches on the third, fourth and fifth anniversaries of the date of allocation. The vesting of each tranche is subject to the achievement of performance conditions. The vesting of allocations prior to December 2018 is subject to the company's HEPS performance, measured against CPI and the growth in GDP (real HEPS growth). For allocations made in December 2018 and thereafter, vesting is subject to real HEPS growth (weighted at 50%) and the performance of the company's ROIC against its WACC (weighted at 50%). Vested Sars must be exercised on or before the sixth anniversary of the date of allocation. The last allocation of Sars was made in June 2019.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share appreciation rights during the year.

	Number	WAEP (rand)	Number	WAEP (rand)
	2023		2022	
Outstanding at beginning of the year	555 713	278,7	1 160 794	292,1
Forfeited during the year	(361 900)	323,1	(605 081)	306,3
Outstanding at end of the year	193 813	254,2	555 713	278,7
Exercisable at end of the year	–	–	–	–
Weighted average remaining contractual life (years)		0,3 years		1,9 years
Weighted average fair value of options granted in respect of Oceana unbundling (per option)		0,98		3,2
Range of exercise prices outstanding at end of the year (per option)		R218,9 to R254,7		R218,9 to R385,3

Options were valued using a modified Black-Schöles model, taking into account the dividend cover, expected exercise pattern, and volatility of the Tiger Brands share price.

Notes to the financial statements continued

29 SHARE-BASED PAYMENT continued

29.1 General employee share option plan continued

Share appreciation rights (1) continued

The following inputs were used:

Date of grant	Open options	Revised strike price of option due to the unbundling of Oceana (rand)	Original strike price of option (rand)	Expiry date	Market price of the underlying stock at grant date (rand)	Expected volatility of the stock over the remaining life of the option (%)	Expected dividend yield (%)
06/12/2018	191 045	254,8	274,1	06/12/2023	271,0	27,1	3,0
02/01/2019	934	249,7	268,6	02/01/2024	264,1	27,0	3,0
05/06/2019	1 834	218,9	218,9	05/06/2024	217,6	27,3	3,3

Volatilities are based on the historical volatility of the Tiger Brands share price matching the remaining life of each option.

Performance shares (2)

Annual awards of performance vesting shares (PVS) are made to executive management, senior management and middle management. PVS vest on the third anniversary of the date of award. Vesting is subject to the performance of the company's HEPS, measured against CPI and the growth in GDP (50% weighting), and the performance of the company's ROIC against its WACC (50% weighting).

The following table illustrates the number of, and movements in, performance shares during the year.

	Number 2023	Number 2022
Outstanding at beginning of the year	**1 133 229**	886 046
Granted during the year	**525 800**	438 918
Forfeited during the year	**(500 779)**	(191 735)
Outstanding at end of the year	**1 158 250**	1 133 229
Weighted average remaining contractual life (years)	**1,4 years**	1,5 years
Weighted average fair value of options granted (per option)	**142,5**	161,0

Options were valued using the Binomial Lattice model that allows for the options to be exercised at different points between vesting date and expiry date of the options. Binomial Lattice models are commonly used to value options and employee share options in particular.

The following inputs were used:

Date of grant	Open options	Expiry date	Market price of the underlying stock at grant date (rand)	Expected volatility of the stock over the remaining life of the option (%)	Expected dividend yield (%)
04/12/2020	311 207	04/12/2023	204,2	33,3	3,8
01/03/2021	2 588	01/03/2024	205,4	33,1	3,6
03/12/2021	234 046	03/12/2024	187,3	29,5	3,4
15/12/2021	122 040	15/12/2024	176,5	29,7	3,4
01/07/2022	3 049	01/07/2025	141,3	29,8	3,8
19/12/2022	462 790	19/12/2025	209,5	30,9	4,3
01/01/2023	22 530	01/01/2026	216,6	30,9	4,4

Volatilities are based on the historical volatility of the Tiger Brands share price matching the remaining life of each option.

29 SHARE-BASED PAYMENT continued

29.1 General employee share option plan continued

Restricted shares

On an annual basis, subject to remuneration committee approval, executives, senior management and key talent may receive a grant of restricted shares. On vesting, options may be settled in cash or shares on the third anniversary of the grant date.

The following table illustrates the number of, and movements in, restricted shares during the year.

	Number	
	2023	**2022**
Outstanding at beginning of the year	**868 789**	591 410
Granted during the year	**329 685**	451 695
Forfeited during the year	**(135 601)**	(170 349)
Exercised during the year	**(215 742)**	(3 967)
Outstanding at end of the year	**847 131**	868 789
Exercisable at end of the year	**–**	–
Weighted average remaining contractual life (years)	**1,5 years**	1,6 years
Weighted average fair value of options granted (per option)	**142,4**	160,2

Options were valued using the Binomial Lattice model that allows for the options to be exercised at different points between vesting date and expiry date of the options. Binomial Lattice models are commonly used to value options and employee share options in particular.

The following inputs were used:

Date of grant	Open options	Expiry date	Market price of the underlying stock at grant date (rand)	Expected volatility of the stock over the remaining life of the option (%)	Expected dividend yield (%)
04/12/2020	168 797	04/12/2023	204,2	33,3	3,8
01/03/2021	2 588	01/03/2024	205,4	33,1	3,6
01/06/2021	23 532	01/06/2024	223,8	32,2	3,4
03/12/2021	200 830	03/12/2024	187,3	29,5	3,4
15/12/2021	160 480	15/12/2024	176,5	29,7	3,4
01/07/2022	3 049	01/07/2025	141,3	29,8	3,8
19/12/2022	238 625	19/12/2025	209,5	30,9	4,3
13/06/2023	49 230	13/06/2026	157,5	27,3	4,9

Notes to the financial statements continued

29 SHARE-BASED PAYMENT continued

29.2 Black Managers Participation Right scheme (equity-settled)

In terms of the BEE transaction implemented on 17 October 2005, 4 381 831 Tiger Brands shares were acquired by the Tiger Brands Black Managers Trusts.

The allocation of vested rights entitles beneficiaries to receive Tiger Brands shares (after making capital contributions to the Black Managers Trusts) at any time after the lock-in period. In respect of options allocated on or before 31 July 2010, the lock-in period ends on 31 December 2014. In respect of allocations made after 31 July 2010, the lock-in date will be the latter of 31 December 2014 or, in respect of one-third of the allocations, three years after allocation, the next third, four years, and the last third, five years after allocation. These vested rights are non-transferable.

After the lock-in date, the beneficiaries may exercise their vested rights, in which event the beneficiary may:

- Instruct trustees to sell all of their shares and distribute the proceeds to them, net of the funds required to pay the capital contributions, taxation (including employees' tax) costs, and expenses
- Instruct the trustees to sell sufficient shares to fund the capital contributions, pay the taxation (including employee's tax) costs, and expenses
- Distribute to them the remaining shares to which they are entitled
- Fund the capital contributions, taxation (including employees' tax) costs, and expenses themselves and receive the shares to which they are entitled

The expense recognised for employee services received during the year to 30 September 2023 is R5,8 million (2022: R6,3 million).

The following table illustrates the number of, and movements in, share participation rights during the year.

	Number	
	2023	**2022**
Outstanding at beginning of the year	**703 195**	734 835
Granted during the year	**–**	68 000
Forfeited during the year	**(33 467)**	(33 170)
Shares sold	**(43 469)**	(66 470)
Outstanding at end of the year	**626 259**	703 195
Exercisable at end of the year	**491 296**	503 690
Weighted average remaining contractual life (years)	**1,0**	2,0
Weighted average fair value of options granted during the year (per option)	**–**	R 128,0
Notional average exercise price (per option)	**–**	R 250,8

Participation rights were valued using the Monte Carlo simulation approach to estimate the average, optimal pay-off of the participation rights using 10 000 permutations. The pay-off of each random path was based on the projected Tiger Brands share price, outstanding debt projections, and optimal early exercise conditions.

Volatility is measured as the annualised standard deviation of the daily price changes in the underlying share under the assumption that the share price is log normally distributed. Historical daily share price data was used to estimate the expected volatility.

29 SHARE-BASED PAYMENT continued

29.2 Black Managers Participation Right scheme (equity-settled) continued

The following inputs were used:

Date of grant	Open options*	Initial strike price of participation rights (rand)	Expiry date	Market price of the underlying stock at grant date (rand)	Expected volatility of the stock over the remaining life of the participation right (%)	Expected dividend yield of the stock over the remaining life of the participation right (%)
31/01/2014	16 867	85,8	30/09/2027	266,0	25,3	3,8
31/07/2014	25 634	85,9	30/09/2027	308,8	25,3	3,8
31/01/2015	5 000	81,9	30/09/2027	394,2	25,3	3,8
31/07/2015	3 333	82,5	30/09/2027	284,9	25,3	3,8
31/01/2016	22 000	79,0	30/09/2027	291,0	25,3	3,8
31/07/2017	60 048	74,5	31/07/2023	399,5	24,1	3,8
31/01/2018	5 570	70,6	31/01/2024	461,0	24,6	2,9
31/07/2018	6 000	69,6	31/07/2024	350,0	26,0	3,2
31/01/2019	15 504	66,0	30/09/2024	276,2	26,4	3,1
31/07/2019	2 500	58,1	30/09/2024	222,9	26,5	2,8
31/07/2020	9 333	56,5	30/09/2024	176,3	29,6	5,2
31/08/2020	18 220	56,5	30/09/2024	172,4	29,3	5,2
31/01/2021	27 000	52,5	30/09/2024	199,3	29,1	4,0
31/07/2021	14 000	50,7	30/09/2024	193,0	29,2	2,5
31/01/2022	27 000	47,7	30/09/2024	164,5	27,8	4,8
31/07/2022	28 000	45,3	30/09/2024	164,5	28,3	5,9

* *Variance on open options to outstanding balance at the end of the year relate to pre-2014 open options*

The risk-free interest rate was obtained from constructed ZAR swap curves on the valuation dates using key inputs, being South African money market rates and swap rates as published by Bloomberg.

Notes to the financial statements continued

30 PENSION ASSET

AP

A liability is recognised when an employee has rendered services for benefits to be paid in the future, and an expense when the entity consumes the economic benefit arising from the service provided by the employee.

In respect to defined contribution plans, the contribution paid by the company is recognised as an expense.

In respect to defined benefit plans, the company's contributions are based on the recommendations of independent actuaries, and the liability is measured using the projected unit credit method.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position, with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment
- The date that the group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation under "cost of sales", "administration expenses" and "selling and distribution expenses" in consolidated statement of profit or loss (by function):
- Service costs comprising current service costs, past service costs, gains, and losses on curtailments and non-routine settlements
- Net interest expense or income

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Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates, and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

	GROUP	
(R'million)	**2023**	**2022**
Movement in the net asset recognised in the statement of financial position		
Balance at beginning of the year	**44,4**	117,9
Contributions paid	**216,5**	263,3
Employer surplus transferred*	**–**	(81,3)
Other movements (net expense in note 5)	**(217,7)**	(255,5)
Interest cost	**(26,0)**	(23,4)
Current service cost	**(221,9)**	(267,8)
Interest on plan assets	**31,4**	37,1
Interest on limit	**(1,2)**	(1,4)
Remeasurements recognised in other comprehensive income	**4,2**	–
Net actuarial gain/(loss) in terms of IAS 19R	**14,0**	(4,0)
Unrecognised (loss)/gain due to paragraph 65 limit in terms of IAS 19R	**(9,8)**	4,0
Balance at end of the year	**47,4**	44,4
The net asset is included in the statement of financial position as follows:		
Other investments – refer note 17	**8,7**	8,0
Pension fund contributions holiday – refer note 21	**41,4**	38,9
Defined pension fund liability – refer note 25	**(2,7)**	(2,5)
	47,4	44,4

* *Relates to the contribution holiday taken by the company in the Tiger Brands DC Pension Fund and the Tiger Brands Management Provident Fund, which was funded from the employer surplus accounts in 2022*

Detailed disclosure and the respective assumptions and valuation inputs have been included on page 62.

30 PENSION ASSET continued

This information noted below summarises all key assumptions, valuation inputs and key disclosures relating to Tiger Brands.

The company and its subsidiaries contribute to retirement plans that cover all employees. The retirement plans are either defined benefit plans or defined contribution plans, and are funded. The assets of the funds are held in independent trustee administered funds, administered in terms of the Pension Funds Act 24 of 1956, as amended. In terms of the Pension Funds Act, certain of the retirement funds are exempt from actuarial valuation. Those funds not exempt from valuation must, in terms of the Pension Funds Act, be valued at least every three years. For purposes of production of these disclosures, and in order to comply with the requirements of IAS 19, valuations have been performed by independent actuaries using the projected unit credit method. Where valuations were not possible due to the limited availability of complete data, roll-forward projections of prior completed actuarial valuations were used, taking account of actual subsequent experience.

Within the company's group of subsidiaries, there are a total of 15 retirement plans, two of which are defined benefit pension funds, one is a defined contribution pension fund, and 10 are defined contribution provident funds. There are a further two insurance schemes into which the company and its subsidiaries contribute. Certain companies within the group sponsor external death, funeral, and disability benefit insurance policies. These insurance costs have been allowed for in the disclosures provided. All of the funds above are funded, with one exception.

The actual return-on-plan assets for the period 1 October 2022 to 30 September 2023 was R20,3 million (2022: R17,5 million). This compares with the expected return for the same period of R31,4 million (2022: R37,1 million).

The value of contributions expected to be paid by group companies for the year ending 30 September 2024 amounts to R235,7 million (2023 actual: R216,5 million).

As at 30 September 2023, there were no properties occupied by, or other assets used by, group companies that formed part of the fair value of plan assets (2022: Rnil).

During the current year, there was a transfer out of employer surplus, totalling Rnil (2022: R81,3 million).

As at 30 September 2023, the percentage of the fair value of plan assets in respect of defined benefit arrangements invested in Tiger Brands Limited shares amounted to 0% (2022: 0%).

Major categories of plan assets in respect of defined benefit arrangements as at 30 September are shown in the table below:

	GROUP	
(%)	**2023**	**2022**
Bonds	**44,6**	49,5
Cash	**55,4**	50,5
	100,0	100,0

	GROUP	
(R'million)	**2023**	**2022**
Balance at end of the year		
Present value of defined benefit obligations	**(242,1)**	(247,7)
Fair value of plan assets in respect of defined benefit obligations	**312,4**	303,9
Funded status of defined benefit plans	**70,3**	56,2
Unrecognised due to paragraph 65 limit	**(22,9)**	(11,8)
Asset at reporting date	**47,4**	44,4

The disclosure of the funded status is for accounting purposes only, and does not necessarily indicate any assets available to the company or its subsidiaries. Once a surplus apportionment exercise is completed and approved by the Registrar of Pension Funds in terms of the provisions of the Pension Funds Second Amendment Act, 2001, only at that stage would it be appropriate for the company or its subsidiaries to recognise any assets in respect of the retirement funds to the extent that they have apportioned such assets. The surplus apportionment schemes for the Tiger Brands Defined Benefit Pension Fund and the Beacon Products Staff Pension Fund were approved by the Registrar in 2008. The surplus apportionment scheme for the ICS Pension Fund was approved in 2011. Where appropriate, the surplus apportioned to the company has been recognised on the balance sheet. This legislation is not applicable to arrangements not registered in terms of the Pension Funds Act, such as special purpose entities established for purposes of providing disability benefits.

Notes to the financial statements continued

30 PENSION ASSET continued

Key assumptions, valuation inputs, and key disclosures

	GROUP	
	2023	**2022**
Actuarial assumptions		
The principal actuarial assumptions used for accounting purposes were:		
Discount rate		
Tiger Brands Defined Benefit Pension Fund	**Full yield curve**	Full yield curve
Nestlé Pension Fund	**14,0%**	11,9%
Tiger PRDBS Provident Fund	**9,2%**	6,9%
Future salary increases		
Tiger Brands Defined Benefit Pension Fund	**1% above inflation + merit scale**	1% above inflation + merit scale
Nestlé Pension Fund	**9,30% + merit scale**	7,80% + merit scale
Defined Contribution Funds	**7,9%**	7,0%
ICS Pension Fund, Tiger Oats Benefit Foundation, and Tiger PRDBS Provident Fund	**5,4%**	6,9%
Pension increase allowance		
Tiger Brands Defined Benefit Pension Fund	**100% of inflation**	100% of inflation
Nestlé Pension Fund	**80% of inflation**	80% of inflation
Post-retirement discount rate		
Tiger Brands Defined Benefit Pension Fund	**3,0%**	3,0%
Nestlé Pension Fund	**3,0%**	3,0%

30 PENSION ASSET continued

Key assumptions, valuation inputs, and key disclosures continued

(R'million)	GROUP 2023	GROUP 2022
Reconciliation of the defined benefit obligation		
Defined benefit obligation at beginning of the year	**(247,6)**	(244,2)
Current service cost	**(7,3)**	(6,0)
Member contributions	**(0,6)**	(0,5)
Interest cost	**(26,0)**	(23,4)
Actuarial gain	**25,1**	15,5
Benefits paid	**10,1**	7,8
Administrative expenses	**3,9**	3,0
Risk premiums (Group Life and Permanent Health)	**0,3**	0,2
Defined benefit obligation at end of the year	**(242,1)**	(247,6)
Reconciliation of fair value of plan assets		
Assets at fair market value at beginning of the year	**303,8**	376,5
Interest on plan assets	**31,4**	36,9
Contributions	**2,5**	2,3
Risk premiums (Group Life and Permanent Health)	**(0,3)**	(0,2)
Benefits paid	**(10,1)**	(7,8)
Employer surplus transferred	**–**	(81,3)
Administrative expenses	**(3,9)**	(3,0)
Actuarial loss	**(11,0)**	(19,6)
Assets at fair market value at end of the year	**312,4**	303,8
Reconciliation of asset ceiling		
Unrecognised due to paragraph 65 limit	**(22,9)**	(11,8)
Asset ceiling at end of the year	**(22,9)**	(11,8)
Asset balance at end of the year	**47,4**	44,4

* *Employer surplus transferred resulting in the closure of the schemes*

The risks faced by the group as a result of pension obligations can be summarised as follows:

- **Inflation:** The risk that future CPI inflation is higher than expected and uncontrolled
- **Longevity:** The risk that pensioners live longer than expected and thus their pension benefit is payable for longer than expected
- **Open-ended, long-term liability:** The risk that the liability may be volatile in the future and uncertain
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment liability may increase the liability for the company
- **Future changes in the tax environment:** The risk that changes in the tax legislation governing employee benefits may increase the liability for the company
- **Administration:** Administration of this liability poses a burden to the company

Notes to the financial statements continued

30 PENSION ASSET continued

Sensitivity analysis

The sensitivity analysis has been prepared for the Tiger Brands Defined Benefit Pension Fund and the Nestlé Pension Fund. The liabilities of the Tiger Brands PRDBS Provident Fund are not sensitive to changes in either the discount rate or the inflation rate.

	Balance 2023	+1%	-1%
Discount rate			
Defined benefit obligation (R'million)	(239,4)	(231,6)	(244,9)
Change (%)		(3,3%)	2,3%
Inflation rate			
Defined benefit obligation (R'million)	(239,4)	(247,4)	(233,0)
Change (%)		3,3%	(2,7%)

31 POST-RETIREMENT MEDICAL AID OBLIGATIONS

AP

The group provides post-retirement healthcare benefits to certain of its retirees based on the qualifying employee remaining in service up to retirement age in the form of a defined benefit medical plan. The expected costs of these benefits are accrued over the period of employment, using the projected unit credit method. Valuations are based on assumptions, which include employee turnover, mortality rates, discount rate based on current bond yields of appropriate terms, healthcare inflation costs, and rates of increase in salary costs. Valuations of these obligations are carried out by independent qualified actuaries.

Actuarial gains or losses are recognised in the same manner as those of defined benefit pension obligations noted in the previous accounting policy.

	GROUP	
(R'million)	2023	2022
Balance at end of the year		
Present value of obligations	238,0	322,9
Liability at reporting date	238,0	322,9
Movement in the liability recognised in the statement of financial position		
Balance at beginning of the year	322,9	563,8
Contributions paid	(28,8)	(37,2)
Buy-out[1]	(52,8)	(182,9)
Other expenses included in staff costs	40,7	42,2
Current service cost	1,4	1,5
Interest cost	39,3	40,7
Actuarial gain released in terms of IAS 19R	(44,0)	(63,0)
Balance at end of the year	238,0	322,9

[1] *Represents the buy-out of 75 members in the current year and 272 members in the prior year*

The employer's estimate of contributions expected to be paid for the 2024 financial year is R23,4 million (2023: R30,6 million).

31 POST-RETIREMENT MEDICAL AID OBLIGATIONS continued

Detailed disclosure and the respective assumptions and valuation inputs have been included below.

This information noted below summarises all key assumptions, valuation inputs, and key disclosures relating to Tiger Brands.

The company and its subsidiaries operate post-employment medical benefit schemes that cover certain of their employees and retirees. This practice has since been stopped for new employees. The liabilities are valued annually using the projected unit credit method. The latest actuarial valuation was performed on 30 September 2023.

	GROUP	
	2023	**2022**
The principal actuarial assumptions used for accounting purposes were:		
Discount rate	**12,1%**	11,7%
Medical inflation	**7,9%**	8,3%
Future salary increases	**6,9%**	7,8%
Post-retirement mortality tables	**PA(90) ultimate rated down 2 years plus 1% improvement p.a. from 2006**	PA(90) ultimate rated down 2 years plus 1% improvement p.a. from 2006

The risks faced by the group as a result of the post-retirement medical aid obligation can be summarised as follows:

- **Inflation:** The risk that future CPI inflation and healthcare cost inflation are higher than expected and uncontrolled
- **Longevity:** The risk that pensioners live longer than expected and thus their healthcare benefit is payable for longer than expected
- **Open-ended, long-term liability:** The risk that the liability may be volatile and uncertain in the future
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment liability may increase the liability for Tiger Brands
- **Future changes in the tax environment:** The risk that changes in the tax legislation governing employee benefits may increase the liability for Tiger Brands
- **Perceived inequality between current employees:** The risk of dissatisfaction among current employees who are not eligible for a post-employment healthcare subsidy
- **Administration:** Administration of this liability poses a burden to Tiger Brands
- **Future National Health Insurance (NHI):** The risk that the liability could be impacted due to the implementation of NHI and its impact on medical schemes
- **Enforcement of eligibility criteria and rules:** The risk that eligibility criteria and rules are not strictly or consistently enforced

Notes to the financial statements continued

31 POST-RETIREMENT MEDICAL AID OBLIGATIONS continued

	Base case	Medical inflation		Base case	Medical inflation	
	2023			2022		
Sensitivity analysis*						
Key assumption	**7,9%**	**(1,0%)**	**1,0%**	6,8%	(1,0%)	1,0%
Accrued liability 30 September (R'million)	**238,0**	**219,3**	**259,4**	322,9	299,3	350,2
% change		**(7,9)**	**9,0**		(7,3)	8,4
Current service cost plus interest cost (R'million)	**28,4**	**26,0**	**31,2**	37,2	34,3	40,6
% change		**(8,5)**	**9,9**		(7,9)	9,2

	Base case	Discount rate		Base case	Discount rate	
	2023			2022		
Key assumption	**12,1%**	**(1,0%)**	**1,0%**	11,7%	(1,0%)	1,0%
Present value of obligations 30 September (R'million)	**238,0**	**258,2**	**220,5**	322,9	351,9	298,2
% change		**8,5**	**(7,3)**		9,0	(7,7)

	Base case	Expected retirement age		Base case	Expected retirement age	
	2023			2022		
Key assumption	**60/63/65 years**	**1 year younger**	**1 year older**	60/63/65 years	1 year younger	1 year older
Present value of obligations 30 September (R'million)	**238,0**	**239,6**	**236,1**	322,9	324,4	321,0
% change		**0,7**	**(0,8)**		0,5	(0,6)

* *The sensitivity analysis relates to the total liability for the year*

The duration of the liability at 30 September 2023 is 9,1 years (2022: 9,3 years).

32 GUARANTEES AND CONTINGENT LIABILITIES

	GROUP	
(R'million)	**2023**	**2022**
Guarantees (unutilised)	**35,3**	35,3

Cross guarantees exist amongst the company and the subsidiaries of the group relating to the banking facilities.

Guarantees exist against the company for the obligations of certain subsidiaries amounting to R15,3 million at 30 September 2023 (2022: R3,5 million).

32 GUARANTEES AND CONTINGENT LIABILITIES continued

AP

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognised as assets, but are disclosed. There were no contingent assets identified during the current year (2022: none).

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Alternatively, it may be a present obligation that arises from past events but is not recognised because an outflow of economic benefits to settle the obligation is not probable, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities unless they are acquired as part of a business combination, but are disclosed.

Contingent liabilities

The class action against the company arising from the outbreak of listeriosis was certified by the High Court (Gauteng Local Division, Johannesburg) on 3 December 2018. Summons was issued against Tiger Brands on 16 April 2019. The company filed its plea on 8 August 2019.

Pursuant to subpoenas issued on behalf of the company, in June 2020, the High Court ruled in favour of the company, compelling various third parties, including the National Institute for Communicable Diseases (NICD), the South African Bureau of Standards (SABS), two accredited national laboratories, and select meat producers to provide epidemiological information required for the class action lawsuit.

All of the third parties (except the SABS) who appealed the High Court ruling in September 2020 were granted leave to appeal to the Supreme Court of Appeal (SCA). The appeal was heard on 5 November 2021. On 4 February 2022, the SCA handed down its judgment in which it overturned the earlier ruling of the High Court, thus reversing the order compelling the third parties to provide epidemiological information required for the class action lawsuit.

Since the decision of the SCA, the parties have continued with pre-trial preparations, including discovery in terms of the Rules of Court, in order to get the matter ready for trial.

As previously confirmed, the company has product liability insurance cover appropriate for a group of its size. Coverage is subject to the terms and limits of the policy. Our insurers have advised that the product liability policy does not include cover for exemplary, punitive damages should such an award be made by the court, and hence, should such an award be made (or for constitutional damages), the product liability policy will not cover that portion of the award that relates to damages that are not compensatory in nature. The company has reserved its rights in this regard.

Notes to the financial statements continued

33 FINANCIAL INSTRUMENTS

AP

Hedge accounting

At the inception of a hedge relationship, the group formally designates and documents the hedge relationship to which the group wishes to apply hedge accounting as per IAS 39 and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Fair value hedges

Fair value hedges cover the exposure to changes in the fair value of a recognised asset or liability, or an unrecognised firm commitment (except for foreign currency risk). Foreign currency risk of an unrecognised firm commitment is accounted for as a cash flow hedge.

The gain or loss on the hedged item adjusts the carrying amount of the hedged item and is recognised immediately in profit or loss. The gain or loss from remeasuring the hedging instrument at fair value is also recognised in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the change in the fair value of the firm commitment is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The change in the fair value of the hedging instrument is also recognised in profit or loss in the "Operating income/(loss) before impairments and non-operational items" line in the income statement.

The group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated, or exercised, the hedge no longer meets the criteria for hedge accounting, or the group revokes the designation.

Cash flow hedges

Cash flow hedges cover the exposure to variability in cash flows that are attributable to a particular risk associated with:
- A recognised asset or liability
- A highly probable forecast transaction
- The foreign currency risk in an unrecognised firm commitment

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income, while any ineffective portion is recognised in profit or loss.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged income or financial asset or liability is recognised or when the forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amount deferred in other comprehensive income is transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its designation is revoked, amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to profit or loss.

Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for similarly to cash flow hedges. On consolidation, gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income, while any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss.

The group's objective in using financial instruments is to reduce the uncertainty over future cash flows arising principally as a result of commodity price, currency, and interest rate fluctuations. The use of derivatives for the hedging of firm commitments against commodity price, foreign currency, and interest rate exposures is permitted in accordance with group policies, which have been approved by the board of directors. Where significant finance is taken out, this is approved at board meetings.

The foreign exchange contracts outstanding at year end are market-to-market at the prevailing closing spot rate.

The group finances its operations through a combination of retained surpluses, bank borrowings and long-term loans.

The group borrows short-term funds with fixed or floating rates of interest through a subsidiary company, Tiger Consumer Brands Limited.

The main risks arising from the group's financial instruments are, in order of priority, procurement risk, foreign currency risk, interest rate risk, liquidity risk and credit risk, as detailed in the following notes.

33 FINANCIAL INSTRUMENTS continued

33.1 Procurement risk (commodity price risk)

Commodity price risk arises from the group being subjected to raw material price fluctuations caused by supply conditions, weather, economic conditions and other factors. The strategic raw materials acquired by the group include wheat, maize, rice, oats and sorghum.

The group uses commodity futures and options contracts or other derivative instruments to reduce the volatility of commodity input prices of strategic raw materials. These derivative contracts are only taken out to match an underlying physical requirement for the raw material. The group does not write naked derivative contracts.

The group has developed a comprehensive risk management process to facilitate, control and monitor these risks. The procurement of raw materials takes place in terms of specific mandates given by the executive management. Position statements are prepared on a monthly basis and these are monitored by management and compared to the mandates.

The board has approved and monitors this risk management process, inclusive of documented treasury policies, counterparty limits, controlling and reporting structures.

At year end, the exposure to derivative contracts relating to strategic raw materials is as follows:

	Derivative contracts expiring within 0 to 3 months		Derivative contracts expiring within 3 to 6 months
(R'million)	Unrealised (profit)/loss at 30 September	Hedged value	Hedged value
GROUP			
2023			
Maize and wheat			
Options	**(0,4)**	**–**	**–**
Futures	**–**	**137,5**	**–**
2022			
Maize and wheat			
Options	(1,1)	–	11,2
Futures	(2,3)	(42,0)	–

Commodity price sensitivity is not applicable to the company.

Foreign currency risk

The group enters into various types of foreign exchange contracts as part of the management of its foreign exchange exposures arising from its current and anticipated business activities. A hedge ratio of 100% is used for normal foreign exchange transactions and a portfolio approach with varying hedge ratios is used for the foreign exchange export and specific raw materials foreign exchange import strategies.

As the group operates in various countries and undertakes transactions denominated in foreign currencies, exposures to foreign currency fluctuations arise. Exchange rate exposures on transactions are managed within approved policy and strategy parameters, utilising forward exchange contracts or other derivative financial instruments in conjunction with external consultants who provide financial services to group companies as well as contributing to the management of the financial risks relating to the group's operations.

The group does not hold foreign exchange contracts in respect of foreign borrowings, as its intention is to repay these from its foreign income stream or subsequent divestment of its interest in the operation. Foreign exchange differences relating to investments, net of their related borrowings, are reported as translation differences in the group's net other comprehensive income until the disposal of the net investment, at which time exchange differences are recycled through profit or loss.

Forward exchange contracts are entered into to cover import exposures and export exposures, on an individual currency basis. The fair value is determined using the applicable foreign exchange spot rates at 30 September 2023.

Notes to the financial statements continued

33 FINANCIAL INSTRUMENTS continued

33.2 Foreign currency risk continued

The exposure and concentration of foreign currency risk are included in the table below.

(R'million)	South African rand	US dollar	Nigerian naira	Central African franc	Other*	Total
GROUP						
2023						
Financial assets						
Other investments	**552,8**	**–**	**–**	**–**	**–**	**552,8**
Loans	**54,3**	**–**	**–**	**–**	**–**	**54,3**
Trade and other receivables	**3 970,0**	**117,5**	**–**	**100,8**	**47,1**	**4 235,4**
Cash and cash equivalents	**601,3**	**55,7**	**107,1**	**1,7**	**10,1**	**775,9**
Financial liabilities						
Borrowings	**(2 094,4)**	**–**	**–**	**(0,3)**	**–**	**(2 094,7)**
Trade and other payables	**(4 906,4)**	**(204,1)**	**–**	**(46,7)**	**(24,1)**	**(5 181,3)**
2022^						
Financial assets						
Other investments	507,8	–	–	–	–	507,8
Loans	50,4	–	–	–	–	50,4
Trade and other receivables	3 335,6	102,3	–	71,5	84,0	3 593,4
Cash and cash equivalents	380,5	269,9	170,3	274,6	20,6	1 115,9
Financial liabilities						
Borrowings	(1 493,0)	–	–	(0,7)	–	(1 493,7)
Trade and other payables	(5 293,7)	(331,6)	–	–	(35,9)	(5 661,2)
COMPANY						
2023						
Financial assets						
Amounts owed by subsidiaries	**2 627,4**	**–**	**–**	**–**	**–**	**2 627,4**
Other investments	**1 833,5**	**–**	**–**	**–**	**–**	**1 833,5**
Loans	**1,0**	**–**	**–**	**–**	**–**	**1,0**
Trade and other receivables	**6,7**	**–**	**–**	**–**	**–**	**6,7**
Cash and cash equivalents	**245,6**	**0,4**	**107,1**	**–**	**0,8**	**353,9**
Financial liabilities						
Amounts owed to subsidiaries	**(9,4)**	**–**	**–**	**–**	**–**	**(9,4)**
Trade and other payables	**(39,2)**	**–**	**–**	**–**	**–**	**(39,2)**
2022^						
Financial assets						
Amounts owed by subsidiaries	2 679,7	–	–	–	–	2 679,7
Other investments	1 874,8	–	–	–	–	1 874,8
Loans	1,1	–	–	–	–	1,1
Trade and other receivables	1,2	1,5	–	–	–	2,7
Cash and cash equivalents	28,5	186,1	170,3	–	3,3	388,2
Financial liabilities						
Amounts owed to subsidiaries	(69,9)	–	–	–	–	(69,9)
Trade and other payables	(52,6)	–	–	–	–	(52,6)

* *Other includes the Australian dollar, Canadian dollar, Japanese yen, Swiss franc, New Zealand dollar, Pound sterling and Euro*

^ *The above tables have been enhanced to reflect key trading currencies. The comparative information has been amended to align with that of the current financial year*

33 FINANCIAL INSTRUMENTS continued

33.2 Foreign currency risk continued

The following spot rates were used to translate financial instruments denominated in foreign currency:

	Assets	Liabilities	Average	Assets	Liabilities	Average
	2023			2022		
GROUP						
US dollar	**18,82**	**18,84**	**18,83**	17,98	17,98	17,98
Pound sterling	**23,00**	**23,02**	**23,01**	20,01	20,03	20,02
Euro	**19,91**	**19,94**	**19,93**	17,57	17,58	17,58

Cash flow hedges

At 30 September 2023, the group had foreign exchange contracts outstanding, designated as hedges of future purchases, from suppliers outside South Africa, for which the group has firm commitments or highly likely forecast transactions.

	Foreign currency (millions)	Average rate	Rand (millions)	Foreign currency (millions)	Average rate	Rand (millions)
	2023			2022		
GROUP						
Foreign currency purchased						
US dollar	**21,8**	**18,96**	**412,5**	39,8	17,40	693,1
Pound sterling	**4,9**	**24,26**	**117,7**	3,3	20,14	67,1
Euro	**6,1**	**20,53**	**124,3**	9,7	18,03	174,7
Japanese yen	**40,7**	**0,13**	**5,3**	126,1	0,12	15,6
Foreign currency sold						
US dollar	**33,8**	**18,99**	**642,0**	34,7	16,62	576,9
Pound sterling	**1,7**	**24,40**	**41,1**	2,4	21,20	50,6
Euro	**5,9**	**21,52**	**127,3**	8,7	18,28	158,3
Canadian dollar	**2,9**	**14,56**	**42,4**	1,4	13,22	19,1
Australian dollar	**4,9**	**12,84**	**62,8**	6,9	11,79	81,0
Nigerian naira*	**4 468,9**	**0,02**	**89,6**	4 304,6	0,03	136,4
Unhedged foreign currency monetary assets						
US dollar	**1,5**	**18,82**	**28,4**	2,8	17,98	51,2
Pound sterling	**–**	**–**	**–**	–	–	–
Euro	**–**	**–**	**–**	–	–	–
Other currencies	**–**	**–**	**–**	–	–	–
Unhedged foreign currency monetary liabilities						
US dollar	**–**	**–**	**–**	–	–	–
Euro	**–**	**–**	**–**	–	–	–
Other currencies	**–**	**–**	**–**	–	–	–
COMPANY						
Foreign currency sold						
US dollar	**5,3**	**16,91**	**89,6**	9,0	15,09	136,4
Nigerian naira*	**4 468,9**	**0,02**	**89,6**	4 304,6	0,03	136,4

* *Synthetic forward option*

The terms of the forward currency contracts have been negotiated to match the terms of the commitments within regulatory constraints.

The cash flow hedge of expected future purchases was assessed to be effective and an unrealised loss of R5,4 million (2022: unrealised loss of R56,8 million) relating to the hedging instrument was included in other comprehensive income.

Notes to the financial statements continued

33 FINANCIAL INSTRUMENTS continued

33.2 Foreign currency risk continued

Cash flow hedges continued

Timing of cash flows relating to foreign currency is as follows:

Foreign currency purchased (in millions)	1 to 6 months
GROUP	
US dollar	**22,1**
Pound sterling	**4,8**
Euro	**6,1**
Japanese yen	**40,7**

These are expected to affect the income statement in the following year.

During the year, R0,9 million was raised (2022: R5,9 million released) from other comprehensive income and included in the carrying amount of the non-financial asset or liability (highly probable forecast transactions).

There are no forecast transactions for which hedge accounting was previously used but is no longer expected to occur.

Ineffective hedges to the value of R6,7 million (2022: R8,4 million) have been recognised in profit or loss.

Ineffective hedges were as a result of:
- Non-market-related currency rates
- Extreme volatility in the foreign exchange market
- Temporary non-alignment between interest rate changes and forward rates

The cash flow hedge of expected future sales was assessed to be effective and an unrealised profit of R4 million (2022: unrealised profit R17,0 million) relating to the hedging instrument was included in other comprehensive income.

Timing of cash flows relating to foreign currency is as follows:

Group

Foreign currency sold (in millions)	1 to 6 months	7 to 12 months
GROUP		
US dollar	**8,9**	**25,2**
Pound sterling	**0,6**	**1,3**
Euro	**1,7**	**5,0**
Canadian dollar	**0,3**	**2,6**
Australian dollar	**1,8**	**3,1**
Nigerian naira	**4 468,9**	**–**
COMPANY		
US dollar	**5,3**	**–**
Nigerian naira	**4 468,9**	**–**

These are expected to affect the income statement in the following year.

During the year, R1,3 million (2022: R6,2 million) was released from other comprehensive income and included in the carrying amount of the non-financial asset or liability (highly probable forecast transactions).

There are no forecast transactions for which hedge accounting was previously used but is no longer expected to occur.

Ineffective hedges to the value of R5 million (2022: R0,8 million) have been recognised in profit or loss.

Ineffective hedges were as a result of:
- Non-market-related currency rates
- Extreme volatility in the foreign exchange market
- Temporary non-alignment between interest rate changes and forward rates

33 FINANCIAL INSTRUMENTS continued

33.2 Foreign currency risk continued

Foreign currency sensitivity

The following table details the group's and company's sensitivity to a 10% weakening/strengthening in the ZAR against the respective foreign currencies.

The sensitivity analysis includes only material outstanding foreign currency denominated monetary items as detailed in the table above, and adjusts their translation at the reporting date for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other comprehensive income where the ZAR weakens against the relevant currency.

(R'million)	Other comprehensive income 2023	Other comprehensive income 2022^	Profit or loss 2023	Profit or loss 2022^	Equity 2023	Equity 2022^
GROUP						
USD + 10%	**34,0**	52,3	**(56,9)**	13,4	**(16,8)**	47,3
USD – 10%	**(34,0)**	(52,3)	**56,9**	(13,4)	**16,8**	(47,3)
Pound sterling + 10%	**5,9**	2,4	**1,6**	0,8	**5,4**	2,3
Pound sterling – 10%	**(5,9)**	(2,4)	**(1,6)**	(0,8)	**(5,4)**	(2,3)
EUR + 10%	**(3,3)**	1,3	**2,9**	0,3	**(0,2)**	1,2
EUR – 10%	**3,3**	(1,3)	**(2,9)**	(0,3)	**0,2**	(1,2)
Other + 10%	**0,7**	(3,5)	**(19,7)**	8,9	**(13,9)**	3,9
Other – 10%	**(0,7)**	3,5	**19,7**	(8,9)	**13,9**	(3,9)
Total + 10%	**37,2**	52,5	**(72,1)**	23,3	**(25,5)**	54,6
Total – 10%	**(37,2)**	(52,5)	**72,1**	(23,3)	**25,5**	(54,6)
COMPANY						
USD + 10%	**–**	–	**(9,0)**	36,0	**(6,5)**	25,9
USD – 10%	**–**	–	**9,0**	(36,0)	**6,5**	(25,9)
Other + 10%	**–**	–	**10,0**	8,6	**(7,3)**	6,2
Other – 10%	**–**	–	**(10,0)**	(8,6)	**7,3**	(6,2)
Total + 10%	**–**	–	**(19,0)**	44,6	**(13,9)**	32,1
Total – 10%	**–**	–	**19,0**	(44,6)	**13,9**	(32,1)

^ *Disclosure in the above tables has been enhanced to adequately reflect the foreign currency sensitivities, resulting in an amendment to the comparative information*

Forex currency sensitivity on associates

The following table details the group's sensitivity to a 5% weakening/strengthening in the ZAR against the Chilean peso, a 5% weakening/strengthening in the ZAR against the US dollar, and a 20% weakening/strengthening in the ZAR against the Zimbabwean dollar.

(R'million)	Other comprehensive income 2023	Other comprehensive income 2022
GROUP		
Chilean peso + 5%	**(134,1)**	(108,7)
Chilean peso – 5%	**148,2**	120,2
US dollar + 5%	**13,6**	–
US dollar – 5%	**(13,6)**	–
Zimbabwean dollar + 20%	–	26,5
Zimbabwean dollar – 20%	–	(26,5)
Total + 5% to 20%	**(120,2)**	(82,2)
Total – 5% to 20%	**134,3**	93,7

Notes to the financial statements continued

33 FINANCIAL INSTRUMENTS continued

33.3 Interest rate risk management

Interest rate risk results from the cash flow and financial performance uncertainty arising from interest rate fluctuations.

Financial assets and liabilities affected by interest rate fluctuations include bank and cash deposits as well as bank borrowings. At the reporting date, the group cash deposits were accessible immediately or had maturity dates of up to six months. The interest rates earned on these deposits closely approximate the market rates prevailing.

Interest rate sensitivity

The sensitivity analysis addresses only the floating interest rate exposure emanating from the net cash position. The interest rate exposure has been calculated, with the stipulated change taking place at the beginning of the financial year, and held constant throughout the reporting period.

If interest rates had increased/(decreased) by 1% and all other variables were held constant, the profit for the year ended would decrease/(increase) as detailed in the table below due to the use of the variable interest rates applicable to the long-term borrowings and short-term borrowings. The fixed interest rate on the borrowings would not affect the financial performance. Any gain or loss would be unrealised, and consequently, the notional impact is not presented.

33.3 Interest rate risk management

	GROUP	
(R'million)	**2023**	**2022**
Profit/(loss) before tax		
ZAR borrowings/deposits		
(+ 1%)/- 1%	**(28,5)**	(13,9)
Profit/(loss) after tax		
ZAR borrowings/deposits		
(+ 1%)/- 1%	**(20,8)**	(10,0)

	COMPANY	
(R'million)	**2023**	**2022**
Profit/(loss) before tax		
ZAR borrowings/deposits		
(+ 1%)/- 1%	**8,0**	9,6
Profit/(loss) after tax		
ZAR borrowings/deposits		
(+ 1%)/- 1%	**5,8**	6,9

33.4 Liquidity risk management

Liquidity risk arises from the seasonal fluctuations in short-term borrowing positions. A material and sustained shortfall in cash flows could undermine investor confidence and restrict the group's ability to raise funds.

The group manages its liquidity risk by monitoring weekly cash flows and ensuring that adequate cash is available or borrowing facilities maintained. In terms of the memorandum of incorporation, the group's borrowing powers are unlimited.

The group's liquidity exposure is represented by the aggregate balance of financial liabilities as indicated in the categorisation table in note 33.7.

Contractual maturity for non-derivative financial liabilities

The following tables detail the group's and company's remaining contractual maturity for non-derivative financial liabilities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and company will be required to pay. The table includes both interest and principal cash flows. The "finance charge" column represents the possible future cash flows attributable to the instrument included in the maturity analysis, which are not included in the carrying amount of the financial liability.

Net trade and other payables are generally settled between 30 to 45 days and, as such, most of the balance reflected on page 75 in the zero to 0 – 6 months category will be 0 – 2 months.

33 FINANCIAL INSTRUMENTS continued

33.4 Liquidity risk management continued

(R'million)	Carrying amount	Finance charge	0 to 6 months	7 to 12 months	1 to 5 years	>5 years
GROUP						
2023						
Trade and other payables	**5 181,3**	**–**	**5 181,3**	**–**	**–**	**–**
Lease liabilities	**395,9**	**(63,2)**	**118,9**	**95,3**	**221,3**	**23,6**
Short-term borrowings*	**696,7**	**–**	**696,7**	**–**	**–**	**–**
Long-term borrowings*	**1 002,1**	**–**	**–**	**–**	**1 002,1**	**–**
Guarantees not on the statement of financial position	**35,3**		**35,3**			
Total	**7 311,3**	**(63,2)**	**6 032,2**	**95,3**	**1 223,4**	**23,6**
2022^						
Trade and other payables	5 661,2	–	5 661,2	–	–	–
Lease liabilities	520,9	(66,0)	112,8	113,4	344,1	16,6
Short-term borrowings*	972,8	–	972,8	–	–	–
Guarantees not on the statement of financial position	35,3		35,3			
Total	7 190,2	(66,0)	6 782,1	113,4	344,1	16,6
COMPANY						
2023						
Trade and other payables	**39,2**	**–**	**39,2**	**–**	**–**	**–**
Amounts owed to subsidiaries	**9,4**	**–**	**9,4**	**–**	**–**	**–**
Guarantees not on the statement of financial position	**15,3**	**–**	**15,3**	**–**	**–**	**–**
Total	**63,9**	**–**	**63,9**	**–**	**–**	**–**
2022^						
Trade and other payables	52,6	–	52,6	–	–	–
Amounts owed to subsidiaries	69,9	–	69,9	–	–	–
Guarantees not on the statement of financial position	3,5	–	3,5	–	–	–
Total	126,0	–	126,0	–	–	–

* *These are repayable on demand and subject to annual review*
^ *Disclosure in the above tables has been enhanced to adequately reflect the liquidity risk management, resulting in an amendment to the comparative information*

33.5 Credit risk management

GROUP

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously. The group limits its counterparty exposure arising from financial instruments by only dealing with well-established institutions of high credit standing. The group does not expect any counterparties to fail to meet their obligations given their high credit ratings.

Credit risk in respect of the group's customer base is controlled by the application of credit limits and credit monitoring procedures. Certain significant receivables are monitored on a daily basis. Where appropriate, credit guarantee insurance is obtained.

The group's credit exposure, in respect of its customer base, is represented by the net aggregate balance of amounts receivable. Concentrations of credit risk are disclosed in note 21.

COMPANY

Credit risk exposure at 30 September 2023 relating to guarantees amounted to R15,3 million (2022: R3,5 million). Refer to note 32.

Notes to the financial statements continued

33 FINANCIAL INSTRUMENTS continued

33.6 Capital management

The primary objective of the company and group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The company and group manage their capital structure, calculated as equity plus net debt, and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the company and group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or increase or decrease levels of debt. No changes were made in the objectives, policies, or processes during the years ended 30 September 2023 and 30 September 2022.

The company and group monitor capital using a gearing ratio, which is net debt divided by total equity. The company and group target a long-term gearing ratio of 20% to 30%, except when major investments are made where this target may be exceeded. During the prior year, the group embarked on a share buy-back programme of 9 490 946 shares, which is in line with the policy to maintain the gearing ratio.

	GROUP		COMPANY	
(R'million)	2023	2022 Restated#	2023	2022
Cash and cash equivalents	**(775,9)**	(1 115,9)	**(353,9)**	(388,2)
Long-term borrowings	**1 211,0**	326,5	**–**	–
Short-term borrowings	**883,7**	1 167,2	**–**	–
Net debt/(cash)	**1 318,8**	377,8	**(353,9)**	(388,2)
Total equity	**17 304,2**	15 751,2	**8 759,4**	9 002,0
Net debt/(cash) to equity (%)	**7,6**	2,4	**(4,0)**	(4,3)

Refer to note 36 for details on restatements

33.7 Categorisation of assets and liabilities

(R'million)	Financial assets at amortised cost	Financial assets at fair value through OCI	Other liabilities at amortised cost	Financial instruments at fair value through profit or loss	Total financial items	Non-financial items	Total per statement of financial position
GROUP							
2023							
Non-current assets							
Property, plant and equipment	**–**	**–**	**–**	**–**	**–**	**6 101,6**	**6 101,6**
Goodwill	**–**	**–**	**–**	**–**	**–**	**1 651,2**	**1 651,2**
Intangible assets	**–**	**–**	**–**	**–**	**–**	**1 409,9**	**1 409,9**
Investments in associated companies	**–**	**–**	**–**	**–**	**–**	**3 092,0**	**3 092,0**
Other investments	**203,1**	**332,6**	**–**	**17,1**	**552,8**	**8,7**	**561,5**
Loans	**54,3**	**–**	**–**	**–**	**54,3**	**–**	**54,3**
Deferred tax asset	**–**	**–**	**–**	**–**	**–**	**44,2**	**44,2**
Current assets							
Trade and other receivables	**4 226,5**	**–**	**–**	**8,9**	**4 235,4**	**407,0**	**4 642,4**
Inventories	**–**	**–**	**–**	**–**	**–**	**7 503,6**	**7 503,6**
Cash and cash equivalents	**775,9**	**–**	**–**	**–**	**775,9**	**–**	**775,9**
Total	**5 259,8**	**332,6**	**–**	**26,0**	**5 618,4**	**20 218,2**	**25 836,6**

33 FINANCIAL INSTRUMENTS continued

33.7 Categorisation of assets and liabilities continued

(R'million)	Financial assets at amortised cost	Financial assets at fair value through OCI	Other liabilities at amortised cost	Financial instruments at fair value through profit or loss	Total financial items	Non-financial items	Total per statement of financial position
GROUP continued							
Shareholders' equity	**–**	**–**	**–**	**–**	**–**	**(17 304,2)**	**(17 304,2)**
Non-current liabilities							
Long-term borrowings	**–**	**–**	**(1 211,0)**	**–**	**(1 211,0)**	**–**	**(1 211,0)**
Post-retirement medical aid obligations	**–**	**–**	**–**	**–**	**–**	**(238,0)**	**(238,0)**
Deferred taxation liability	**–**	**–**	**–**	**–**	**–**	**(322,7)**	**(322,7)**
Current liabilities							
Trade and other payables	**–**	**–**	**(5 181,3)**	**–**	**(5 181,3)**	**(588,7)**	**(5 770,0)**
Taxation	**–**	**–**	**–**	**–**	**–**	**(107,0)**	**(107,0)**
Short-term borrowings	**–**	**–**	**(883,7)**	**–**	**(883,7)**	**–**	**(883,7)**
Total	**–**	**–**	**(7 276,0)**	**–**	**(7 276,0)**	**(18 560,6)**	**(25 836,6)**

(R'million)	Financial assets at amortised cost	Financial assets at fair value through OCI	Other liabilities at amortised cost	Financial instruments at fair value through profit or loss	Total financial items	Non-financial items	Total per statement of financial position
GROUP							
2022 – Restated#^							
Non-current assets							
Property, plant and equipment	–	–	–	–	–	5 817,2	5 817,2
Goodwill	–	–	–	–	–	1 645,2	1 645,2
Intangible assets	–	–	–	–	–	1 397,2	1 397,2
Investments in associated companies	–	–	–	–	–	2 421,2	2 421,2
Other investments	242,3	253,5	–	12,0	507,8	8,0	515,8
Loans	50,4	–	–	–	50,4	–	50,4
Deferred tax asset	–	–	–	–	–	34,3	34,3
Current assets							
Trade and other receivables	3 576,9	–	–	16,5	3 593,4	362,2	3 955,6
Inventories	–	–	–	–	–	7 124,4	7 124,4
Cash and cash equivalents	1 115,9	–	–	–	1 115,9	–	1 115,9
Total	4 985,5	253,5	–	28,5	5 267,5	18 809,7	24 077,2

Refer to note 36 for details on restatements

^ *Total financial items and total per the statement of financial position have been included in the table above to enhance disclosure. The comparative amounts have been amended to align with that of the current financial year*

Notes to the financial statements continued

33 FINANCIAL INSTRUMENTS continued

33.7 Categorisation of assets and liabilities continued

(R'million)	Financial assets at amortised cost	Financial assets at fair value through OCI	Other liabilities at amortised cost	Financial instruments at fair value through profit or loss	Total financial items	Non-financial items	Total per statement of financial position
GROUP continued							
Shareholders' equity	–	–	–	–	–	(15 751,2)	(15 751,2)
Non-current liabilities							
Long-term borrowings	–	–	(326,5)	–	(326,5)	–	(326,5)
Post-retirement medical aid obligations	–	–	–	–	–	(322,9)	(322,9)
Deferred taxation liability	–	–	–	–	–	(240,7)	(240,7)
Current liabilities							
Trade and other payables	–	–	(5 641,4)	(19,8)	(5 661,2)	(480,9)	(6 142,1)
Taxation	–	–	–	–	–	(126,6)	(126,6)
Short-term borrowings	–	–	(1 167,2)	–	(1 167,2)	–	(1 167,2)
Total	–	–	(7 135,1)	(19,8)	(7 154,9)	(16 922,3)	(24 077,2)

 # Refer to note 36 for details on restatements
^ Total financial items and total per the statement of financial position have been included in the table above to enhance disclosure. The comparative amounts have been amended to align with that of the current financial year

Refer to the accounting policies for further details on the above classifications.

(R'million)	Financial assets at amortised cost	Financial assets at fair value through OCI	Other liabilities at amortised cost	Financial instruments at fair value through profit or loss	Total financial items	Non-financial items	Total per statement of financial position
COMPANY							
2023							
Non-current assets							
Interest in subsidiary companies	**–**	**–**	**–**	**–**	**–**	**4 091,3**	**4 091,3**
Amounts owed by subsidiaries	**2 627,4**	**–**	**–**	**–**	**2 627,4**	**–**	**2 627,4**
Investments in associated companies	**–**	**–**	**–**	**–**	**–**	**97,1**	**97,1**
Other investments	**–**	**27,9**	**–**	**1 805,6**	**1 833,5**	**–**	**1 833,5**
Loans*	**1,0**	**–**	**–**	**–**	**1,0**	**–**	**1,0**
Current assets							
Trade and other receivables	**6,7**	**–**	**–**	**–**	**6,7**	**–**	**6,7**
Cash and cash equivalents	**353,9**	**–**	**–**	**–**	**353,9**	**–**	**353,9**
Total	**2 989,0**	**27,9**	**–**	**1 805,6**	**4 822,5**	**4 188,4**	**9 010,9**

** Includes owed by subsidiaries*

33 FINANCIAL INSTRUMENTS continued

33.7 Categorisation of assets and liabilities continued

(R'million)	Financial assets at amortised cost	Financial assets at fair value through OCI	Other liabilities at amortised cost	Financial instruments at fair value through profit or loss	Total financial items	Non-financial items	Total per statement of financial position
COMPANY continued							
2023							
Shareholders' equity	–	–	–	–	–	(8 955,6)	(8 955,6)
Non-current liabilities							
Deferred taxation liability	–	–	–	–	–	(5,0)	(5,0)
Current liabilities							
Trade and other payables	–	–	(39,2)	–	(39,2)	–	(39,2)
Taxation	–	–	–	–	–	(1,7)	(1,7)
Amounts owed to subsidiaries	–	–	(9,4)	–	(9,4)	–	(9,4)
Total	–	–	(48,6)	–	(48,6)	(8 962,3)	(9 010,9)

Includes owed by subsidiaries

(R'million)	Financial assets at amortised cost	Financial assets at fair value through OCI	Other liabilities at amortised cost	Financial instruments at fair value through profit or loss	Total financial items	Non-financial items	Total per statement of financial position
COMPANY							
2022 – Restated#^							
Non-current assets							
Interest in subsidiary companies	–	–	–	–	–	4 085,5	4 085,5
Amounts owed by subsidiaries	2 594,7	–	–	–	2 594,7	–	2 594,7
Investments in associated companies	–	–	–	–	–	97,1	97,1
Other investments	–	23,8	–	1 851,0	1 874,8	–	1 874,8
Loans*	1,1	–	–	–	1,1	–	1,1
Current assets							
Trade and other receivables	2,7	–	–	–	2,7	0,4	3,1
Amounts owed by subsidiaries	85,0	–	–	–	85,0	–	85,0
Cash and cash equivalents	388,2	–	–	–	388,2	–	388,2
Total	3 071,7	23,8	–	1 851,0	4 946,5	4 183,0	9 129,5

Refer to note 36 for details on restatements
* *Includes owed by subsidiaries*
^ *Total financial items and total per the statement of financial position have been included in the table above to enhance disclosure. The comparative amounts have been amended to align with that of the current financial year*

Notes to the financial statements continued

33 FINANCIAL INSTRUMENTS continued

33.7 Categorisation of assets and liabilities continued

(R'million)	Financial assets at amortised cost	Financial assets at fair value through OCI	Other liabilities at amortised cost	Financial instruments at fair value through profit or loss	Total financial items	Non-financial items	Total per statement of financial position
COMPANY continued							
2022^							
Shareholders' equity	–	–	–	–	–	(9 002,0)	(9 002,0)
Non-current liabilities							
Deferred taxation liability	–	–	–	–	–	(5,0)	(5,0)
Current liabilities							
Trade and other payables	–	–	(52,6)	–	(52,6)	–	(52,6)
Taxation	–	–	–	–	–	–	–
Amounts owed to subsidiaries	–	–	(69,9)	–	(69,9)	–	(69,9)
Total	–	–	(122,5)	–	(122,5)	(9 007,0)	(9 129,5)

 # Refer to note 36 for details on restatements
** Includes owed by subsidiaries*
^ Total financial items and total per the statement of financial position have been included in the table above to enhance disclosure. The comparative amounts have been amended to align with that of the current financial year

Refer to the accounting policies for further details on the above classifications.

33.8 Fair value hierarchy

Financial instruments are normally held by the group until they close out in the normal course of business. The fair values of the group's financial instruments, which principally comprise put, call and futures positions with SAFEX, forward exchange contracts, and JSE-listed investments, approximate their carrying values. The maturity profile of these financial instruments fall due within 12 months.

There are no significant differences between carrying values and fair values of financial assets and liabilities.

Trade and other receivables, amounts owed by subsidiaries, investments and loans, and trade and other payables carried on the statement of financial position approximate the fair values.

Long-term and short-term borrowings are measured at amortised cost using the effective interest rate method and the carrying amounts approximate their fair value.

The group used the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly)
- **Level 3:** Inputs for the asset or liability that are unobservable

33 FINANCIAL INSTRUMENTS continued

33.8 Fair value hierarchy continued

As at 30 September, the group held the following financial instruments measured at fair value:

Financial instrument	Fair value hierarchy	Valuation technique and key inputs
Assets measured at fair value		
Financial assets		
Other investments	Level 1 to 3	**Level 1:** Quoted market prices for the same instrument **Level 2:** Quoted exchange rates **Level 3:** Discounted cash flow; risk-free ZAR interest rate
Derivatives	Level 2	Quoted exchange rates
Liabilities		
Derivatives	Level 2	Quoted exchange rates

(R'million)	Level 1	Level 2	Level 3*	Total	Level 1	Level 2	Level 3*	Total
	2023				2022 – Restated#			
GROUP								
Assets measured at fair value								
Financial assets								
Other investments^	**332,6**	**–**	**17,1**	**349,7**	253,5	–	12,0	265,5
Derivatives	**–**	**8,9**	**–**	**8,9**	–	16,5	–	16,5
Liabilities								
Derivatives	**–**	**–**	**–**	**–**	–	(19,8)	–	(19,8)
COMPANY								
Assets measured at fair value								
Financial assets								
Other investments**	**–**	**–**	**1 833,5**	**1 833,5**	–	–	1 874,7	1 874,7

* *The value of the investment in Group Risk Holdings and Group Risk Mutual Limited is based on Tiger Brand's proportionate share of the net asset value of the company. There are no other significant inputs that are used in the valuation and any changes in these inputs would not result in a significant fair value change. There were no transfers between fair value levels*

** *The preference shares carry interest at a market-related interest rate of 10,99%. Listed shares back the preference shares. The return on the preference shares takes into consideration the value of the underlying instruments. Decreases in the value of the underlying investments affect the value of the preference shares. The value of the preference shares would, therefore, decrease in line with decreases in the underlying instruments*

\# *Refer to note 36 for details on restatements*

^ *Included in level 1 other investments are 100 000 shares in Spar Group Limited with a market value of R116,28 per share (2022: 100 000 shares with a market value of R140,37 per share), 120 000 shares in JSE Limited with a market value of R92,28 per share (2022: 120 000 shares with a market value of R101,12 per share), 806 540 shares in Adcock Ingram Limited with a market value of R57,00 per share (2022: 873 222 shares with a market value of R45,55 per share), 3 494 807 shares in Oceana Limited with a market value of R75,50 per share (2022: 3 515 349 shares with a market value of R53,26 per share)*

Notes to the financial statements continued

34 RELATED-PARTY DISCLOSURES

The board of directors of Tiger Brands Limited has given general declarations in terms of section 75 of the Companies Act on directors' personal financial interests. These declarations indicate that certain directors hold positions of influence in other entities which are suppliers, service providers, customers, and/or competitors of Tiger Brands Limited. Transactions conducted with these director-related customers and suppliers were on an arm's length basis.

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year end reflect the gross amount and are unsecured and settlement occurs in cash. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which they operate. Given the ongoing liquidity and forex shortages experienced within Nigeria and Zimbabwe, the expected timing of receipt of the amounts owing from these related parties has been assessed. As a result, the outstanding balances from these entities have been fully impaired.

Details of material transactions with related parties not disclosed elsewhere in the financial statements are as follows:

	GROUP		
(R'million)	Management fees	Directors' fees	Amounts owed by related parties
2023			
Related party – associates			
Empresas Carozzi	**–**	**5,5**	**–**
National Foods Holdings Limited	**4,4**	**–**	**–**
2022			
Related party – associates			
Empresas Carozzi	–	4,0	–
National Foods Holdings Limited	3,8	–	–

	GROUP	
(R'million)	2023	2022
Other related parties		
Key management personnel*		
Short-term employee benefits	**164,1**	152,1
Post-employment and medical benefits	**10,8**	9,6
Share-based payments	**2,1**	0,7
Total compensation paid to key management personnel	**177,0**	162,4

* *Key management personnel comprises the top tier of the organisation and the managing executives of the individual businesses*

34 RELATED-PARTY DISCLOSURES continued

(R'million)	Amounts owed by/(to) related parties 2023	Dividends received 2023	Amounts owed by/(to) related parties 2022	Dividends received 2022
COMPANY				
Related party – inter-group				
Subsidiaries				
Durban Confectionery Works (Proprietary) Limited	**33,0**	**–**	33,0	–
Tiger Consumer Brands Limited	**(9,4)**	**–**	(69,9)	1 184,5
Tiger Brands International Holdings Limited	**–**	**172,5**	–	637,2
Enterprise Foods (Proprietary) Limited	**0,4**	**–**	0,4	–
Langeberg Holdings Limited	**500,8**	**–**	500,8	–
Langeberg and Ashton Foods (Proprietary) Limited	**499,5**	**–**	499,5	–
Tiger Food Brands Intellectual Property Holding Company (Proprietary) Limited	**382,5**	**1 305,0**	349,8	–
Pharma I Holdings (Proprietary) Limited	**1 211,2**	**–**	1 211,2	–
Pharma II Investments (Proprietary) Limited	**–**	**–**	–	–
Chocolaterie Confiserie Camerounaise	**–**	**–**	85,0	92,0
Tiger Brands Nigeria Limited	**–**	**–**	–	–
Davita Trading (Proprietary) Limited	**–**	**140,0**	–	–
Sum of related-party transactions noted above	**2 618,0**	**1 617,5**	2 609,8	1 913,6
Current receivable	**–**		85,0	
Current payable	**(9,4)**		(69,9)	
Non-current loans receivable[1]	**2 627,4**		2 594,7	
Empowerment entities				
Tiger Brands Foundation	**–**	**268,5**	–	180,7
Thusani II	**–**	**50,3**	–	34,1
Associate				
National Foods Holdings Limited	**–**	**46,4**	–	12,5

[1] *Interest-free with no fixed repayment terms. These balances are not expected to be called upon within the next 12 months*

In assessing the credit risk of inter-company transactions, the company considers the liquidity position, available cash resources, and the net asset value. These factors are considered to give rise to a low credit risk, and therefore, no further disclosure is required.

Notes to the financial statements continued

35 INTEREST IN SUBSIDIARY COMPANIES

	Principal place of business	Functional currency	Effective percentage holding 2023 (%)	Effective percentage holding 2022 (%)	Company's interest shares at cost (net of impairment) 2023 (R'million)	Company's interest shares at cost (net of impairment) 2022 Restated# (R'million)
Bromor Foods (Proprietary) Limited	South Africa	South African rand	**100,0**	100,0	**1 184,6**	1 184,6
Chocolaterie Confiserie Camerounaise[1]	Cameroon	CFA franc	**74,7**	74,7	**152,7**	152,7
Davita Trading (Proprietary) Limited	South Africa	South African rand	**100,0**	100,0	**1 381,6**	1 381,6
Deli Foods Nigeria Limited	Nigeria	Nigerian naira	**100,0**	100,0	**–**	–
Designer Group Holdings Limited	South Africa	South African rand	**100,0**	100,0	**132,1**	132,1
Durban Confectionery Works (Proprietary) Limited	South Africa	South African rand	**100,0**	100,0	**63,4**	63,4
Langeberg and Ashton Foods (Proprietary) Limited	South Africa	South African rand	**100,0**	100,0	**85,8**	85,8
Langeberg Holdings Limited	South Africa	South African rand	**100,0**	100,0	**140,8**	140,8
Pharma I Holdings (Proprietary) Limited	South Africa	South African rand	**100,0**	100,0	**–**	–
Tiger Brands International Holdings Limited	Mauritius	US dollar	**100,0**	100,0	**337,9**	337,9
Tiger Brands Nigeria Limited	Nigeria	Nigerian naira	**99,0**	99,0	**–**	–
Tiger Brands PID No.1 (Proprietary) Limited	South Africa	South African rand	**100,0**	100,0	**0,8**	0,8
Tiger Consumer Brands Limited	South Africa	South African rand	**100,0**	100,0	**594,3**	588,5
Tiger Food Brands Intellectual Property Holding Company (Proprietary) Limited	South Africa	South African rand	**100,0**	100,0	**17,3**	17,3
					4 091,3	4 085,5

Refer to note 36 for details on restatements

1 *All year ends are 30 September, except for Chocolaterie Confiserie Camerounaise, which has a 31 December year end*

All rand amounts of less than R100 000 are shown as nil in the above table.

36 PRIOR YEAR RESTATEMENTS

As part of the group's continued IFRS compliance evaluations and assessments, the following prior year restatements have been made:

36.1 Restatement of property, plant and equipment

36.1.1 Reclassification of software assets from property, plant and equipment to intangible assets

In the prior year, software assets with a net book value of R143 million were capitalised to property, plant and equipment. During the current year, these assets were re-evaluated in terms of IAS 38 and reclassified from property, plant and equipment to intangible assets. The prior year comparatives have been adjusted by reducing the cost by R389 million and accumulated depreciation by R245 million.

36.1.2 Reclassification of engineering spares from inventory to property, plant and equipment

In the prior year, engineering spares with a net book value of R207 million were treated as inventory. During the current year, these assets were re-evaluated and reclassified from inventory to property, plant and equipment in compliance with IAS 16. The prior year comparatives have been adjusted by increasing the cost by R247 million and accumulated depreciation by R41 million.

36.1.3 Correction of foreign subsidiary translation differences

In the prior year, the opening balance exchange differences relating to Chococam's plant, vehicles and equipment were incorrectly translated, resulting in a R58 million understatement of property, plant and equipment. The prior year comparatives have been corrected by increasing the cost by R80 million and accumulated depreciation by R22 million.

36 PRIOR YEAR RESTATEMENTS continued

36.2 Restatement of goodwill and intangible assets

36.2.1 Reclassification of customer lists to goodwill

The assessment of customer lists and goodwill has historically been reviewed in total. During the current year, customer lists were re-evaluated in terms of IAS 38 as intangible assets with finite useful lives from initial recognition. In order to comply with IAS 36 and IAS 38, the carrying amount of the customer lists' intangible assets was fully amortised prior to the 2021 reporting period, and therefore previous impairments to goodwill of the same cash-generating unit were reversed. The prior year comparatives have been adjusted to reflect this.

36.3 Restatement of non-distributable reserves and retained earnings

In the prior year, equity-accounted earnings of previously disposed associates amounting to R964 million were included in the non-distributable reserve relating to the share of net earnings of associates. During the current year, this reserve was re-evaluated and reclassified to retained earnings in order to better reflect the unrealised portion of the group's reserves arising from equity-accounted investees. The prior year comparatives have been adjusted by reducing the non-distributable reserve relating to the share of net earnings of associates and increasing the retained earnings. This is a transfer between equity reserves.

		2022			2021		
(R'million)	Notes	Previously reported	Effect of change	Restated	Previously reported	Effect of change	Restated
GROUP							
Statement of financial position							
Property, plant and equipment		5 695,4	121,8	5 817,2	5 481,3	90,4	5 571,7
Plant, vehicles and equipment – cost	36.1	9 211,0	(35,7)	9 175,3	8 554,2	(24,4)	8 529,8
Plant, vehicles and equipment – accumulated depreciation and impairment	36.1	(5 323,7)	157,5	(5 166,2)	(4 914,4)	114,8	(4 799,6)
Goodwill	36.2	1 179,4	465,8	1 645,2	1 179,9	465,8	1 645,7
Intangible assets		1 719,8	(322,6)	1 397,2	1 728,7	(334,2)	1 394,5
Software assets – cost	36.1	–	388,6	388,6	–	334,4	334,4
Software assets – accumulated depreciation and impairment	36.1	–	(245,4)	(245,4)	–	(202,8)	(202,8)
Customer lists – accumulated depreciation and impairment	36.2	(74,5)	(465,8)	(540,3)	(73,9)	(465,8)	(539,7)
Current assets		12 402,5	(206,6)	12 195,9	11 361,6	(163,6)	11 198,0
Inventories	36.1.2	7 331,0	(206,6)	7 124,4	5 904,7	(163,6)	5 741,1
Total assets		24 018,8	58,4	24 077,2	22 831,9	58,4	22 890,3
Issued capital and reserves		15 550,5	58,4	15 608,9	15 555,0	58,4	15 613,4
Non-distributable reserves	36.1.3/36.3	3 063,7	(905,7)	2 158,0	3 094,4	(905,7)	2 188,7
Accumulated profits	36.3	13 903,5	964,1	14 867,6	13 812,6	964,1	14 776,7
Total equity		15 692,8	58,4	15 751,2	15 702,4	58,4	15 760,8
Total equity and liabilities		24 018,8	58,4	24 077,2	22 831,9	58,4	22 890,3
Statement of cash flows							
Working capital							
(Increase)/decrease in inventories		(1 418,8)	43,0	(1 375,8)			
Purchase of property, plant and equipment		(961,0)	(43,0)	(1 004,0)			
Depreciation		852,7	(42,6)	810,1			
Amortisation		8,1	42,6	50,7			

Notes to the financial statements continued

36 PRIOR YEAR RESTATEMENTS continued

36.4 Restatements relating to the company

36.4.1 Reclassification from loans to other investments

In the prior year, interest accrued relating to The Tiger Brands Foundation and Thusani II preference shares was classified as loans. During the current year, this accrued interest was reclassified to "other investments" and aggregated with the related preference shares in compliance with IAS 1. The prior year comparatives have been adjusted by increasing the other investments and reducing loans by R240 million, respectively.

36.4.2 Reclassification from investments to interest in subsidiary companies

In the prior year, the notional investment in subsidiary companies in terms of IFRS 2 was classified as an investment. During the current year, these assets were reclassified to "investments in subsidiary companies" and aggregated with the related subsidiary investments in compliance with IAS 1. The prior year comparatives have been adjusted by increasing the interests in subsidiary companies and reducing investments by R588 million, respectively.

		2022			2021		
(R'million)	Notes	Previously reported	Effect of change	Restated	Previously reported	Effect of change	Restated
Statement of financial position							
Interest in subsidiary companies	36.4.2	3 497,1	588,4	4 085,5	2 411,4	582,1	2 993,5
Investments		2 561,4	(588,4)	1 973,0	2 409,9	(582,1)	1 827,8
Other investments	36.4	2 222,9	(348,1)	1 874,8	2 214,7	(485,1)	1 729,6
Loans	36.4.1	241,4	(240,3)	1,1	98,1	(97,0)	1,1
Total assets		9 129,5	–	9 129,5	8 039,3	–	8 039,3

37 CHANGE IN AUDITORS

Change in auditors

During the financial year ended 30 September 2023, the group and company underwent a change in its external auditors. Ernst & Young (EY) served as the previous auditors for 19 years.

New auditor

The company engaged Deloitte & Touche as its new external auditor, effective 21 February 2023.

Reason for change

The change in auditors was a result of the group implementing the mandatory audit firm rotation principles.

Auditor's report

Deloitte & Touche 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 21 February 2023.

38 SUBSEQUENT EVENTS

AP

Recognised amounts in the financial statements are adjusted to reflect significant events arising after the reporting date, but before the financial statements are authorised for issue, provided there is evidence of conditions that existed at the reporting date.

There are no material events that occurred during the period subsequent to 30 September 2023 and prior to these financial results being authorised for issue.

Annexure 1

For the year ended 30 September 2023

DIRECTORS' EMOLUMENTS

Table of directors' emoluments for the year ended 30 September 2023

	GROUP						
(R'000)	Fees	Cash salary	Bonus**	Other benefits	Retirement fund contributions	Gains on options exercised	Total
2023							
Executive directors							
NP Doyle	–	9 427	6 220	–	1 545	–	17 192
DS Sita	–	6 527	4 185	239	330	–	11 281
Total A	–	15 954	10 405	239	1 875	–	28 473
Non-executive directors*							
MO Ajukwu	1 825	–	–	–	–	–	1 825
FNJ Braeken	2 130	–	–	–	–	–	2 130
CH Fernandez[1]	1 099	–	–	–	–	–	1 099
GJ Fraser-Moleketi	2 275	–	–	–	–	–	2 275
GA Klintworth	1 825	–	–	–	–	–	1 825
TE Mashilwane	996	–	–	–	–	–	996
M Sello	1 160	–	–	–	–	–	1 160
S Sithole[2]	321	–	–	–	–	–	321
LA Swartz	638	–	–	–	–	–	638
OM Weber	1 961	–	–	–	–	–	1 961
DG Wilson	1 031	–	–	–	–	–	1 031
Total B	15 261	–	–	–	–	–	15 261
Total A + B	15 261	15 954	10 405	239	1 875	–	43 734
Aggregated details of remuneration paid to members of the executive committee, excluding executive directors above, are set out hereunder.							
Total	–	42 484	22 569	1 086	3 189	–	69 327

[1] *CH Fernandez resigned 10 October 2023*
[2] *S Sithole appointed 1 April 2023*
* *The fees to non-executive directors exclude VAT*
** *Bonuses have been disclosed to the extent that they have been paid*

Annexure 1 continued

For the year ended 30 September 2023

DIRECTORS' EMOLUMENTS continued

Table of directors' emoluments for the year ended 30 September 2022

	GROUP						
(R'000)	Fees	Cash salary	Bonus*	Other benefits	Retirement fund contributions	Gains on options exercised	Total
2022							
Executive directors							
NP Doyle	–	8 878	–	–	1 455	–	10 333
DS Sita	–	5 938	909	245	330	–	7 422
Total A	–	14 816	909	245	1 785	–	17 755
Non-executive directors**							
MO Ajukwu	1 563	–	–	–	–	–	1 563
FNJ Braeken[1]	992	–	–	–	–	–	992
MJ Bowman[2]	340	–	–	–	–	–	340
CH Fernandez	991	–	–	–	–	–	991
GJ Fraser-Moleketi	2 143	–	–	–	–	–	2 143
GA Klintworth	1 506	–	–	–	–	–	1 506
M Makanjee[3]	188	–	–	–	–	–	188
TE Mashilwane	733	–	–	–	–	–	733
M Sello	1 081	–	–	–	–	–	1 081
LA Swartz[4]	143	–	–	–	–	–	143
OM Weber	1 628	–	–	–	–	–	1 628
DG Wilson	875	–	–	–	–	–	875
Total B	12 183	–	–	–	–	–	12 183
Total A + B	12 183	14 816	909	245	1 785	–	29 938
Aggregated details of remuneration paid to members of the executive committee, excluding executive directors above, are set out hereunder.							
Total	–	43 123	10 658*	3 061	2 631	708	60 181

[1] *FNJ Braeken appointed 1 April 2022*
[2] *MJ Bowman retired 16 February 2022*
[3] *M Makanjee retired 31 December 2021*
[4] *LA Swartz appointed 1 June 2022*
* *During the year, certain executive committee members were paid retention bonuses. An upfront payment is made with a two-year lock-in provision. Total of retention bonuses paid in 2022 amounts to R21,4 million, total expenses in employee costs amounts to R8,9 million, and total prepayment amounts to R12,5 million. Further to the retention bonuses, any other bonuses are disclosed to the extent that they have been paid*
** *The fees to non-executive directors exclude VAT; include special audit – external audit RFP*

DIRECTORS' EMOLUMENTS continued

Tiger Brands Limited 2013 share plan

Executive directors

Details of share appreciation rights allocated to executive directors under this plan at 30 September 2023 are set out below:

Name	Date of grant	Holding at 1 October 2022	Forfeited 2023	Holding at 30 September 2023	Number of options vested at 30 September 2023	Number of options subject to performance targets and retention	Grant price (rand)
NP Doyle	Dec-18	37 793	18 896	18 897	–	18 897	254,8
	Dec-17	16 434	16 434	–	–	–	385,3
Total		54 227	35 330	18 897	–	18 897	

Details of performance shares awarded to executive directors under the Tiger Brands Limited 2013 share plan as at 30 September 2023 appear below:

Name	Date of grant	Holding at 1 October 2022	Granted 2023	Forfeited 2023	Holding at 30 September 2023	Number of options vested at 30 September 2023	Number of options subject to performance targets and retention	10-day VWAP share price on grant date
NP Doyle	Dec-22	–	64 530	–	64 530	–	64 530	209,52
	Dec-21	69 700	–	–	69 700	–	69 700	181,97
	Dec-20	59 930	–	–	59 930	–	59 930	203,50
	Sep-20	65 880	–	65 880	–	–	–	178,23
Total		195 510	64 530	65 880	194 160	–	194 160	
DS Sita	Dec–22	–	41 880	–	41 880	–	41 880	209,52
	Dec–21	9 220	–	–	9 220	–	9 220	181,97
	Dec–20	31 680	–	–	31 680	–	31 680	203,50
Total		40 900	41 880	–	82 780	–	82 780	

Details of restricted shares awarded to executive directors under the Tiger Brands Limited 2013 share plan as at 30 September 2023 appear below:

Name	Date of grant	Holding at 1 October 2022	Granted 2023	Holding at 30 September 2023	Number of options vested at 30 September 2023	Number of options subject to performance targets and retention	10-day VWAP share price on grant date
DS Sita	Dec-21	72 540	–	72 540	–	72 540	182,0
Total		72 540	–	72 540	–	72 540	

Annexure 1 continued

For the year ended 30 September 2023

DIRECTORS' EMOLUMENTS continued

Executive committee members (excluding executive directors)

Aggregated details of share appreciation rights allocated to members of the executive committee, other than executive directors above, as at 30 September 2023, are set out below:

Total for FY	Date of grant	Holding at 1 October 2022	Forfeited 2023	Holding at 30 September 2023	Number of options vested at 30 September 2023	Number of options subject to performance targets and retention	Grant price (rand)
2019	Dec-18	87 669	44 800	42 869	–	42 869	254,8
2018	Dec-17	7 806	7 806	–	–	–	385,3
Total		95 475	52 606	42 869	–	42 869	

Aggregated details of performance shares awarded to members of the executive committee, other than executive directors above, as at 30 September 2023, are set out below:

Total for FY	Date of grant	Holding at 1 October 2022	Granted 2023	Forfeited 2023	Holding at 30 September 2023	Number of options vested at 30 September 2023	Number of options subject to performance targets and retention	10-day VWAP share price on grant date
2023	Dec-22	–	158 530	–	158 530	–	158 530	209,52
2022	Dec-21	102 040	–	–	102 040	–	102 040	181,97
2021	Dec-20	71 603	–	–	71 603	–	71 603	203,50
2020	Sep-20	82 336	–	82 336	–	–	–	178,23
2020	Mar-20	47 220	–	47 220	–	–	–	172,44
Total		303 199	158 530	129 556	332 173	–	332 173	

Aggregated details of restricted shares granted to members of the executive committee, other than executive directors above, as at 30 September 2023:

Total for FY	Date of grant	Holding at 1 October 2022	Granted 2023	Exercised 2023	Forfeited 2023	Holding at 30 September 2023	Number of options vested at 30 September 2023	Number of options subject to performance targets and retention	10-day VWAP share price on grant date
2022	Various	91 180	–	–	–	91 180	–	91 180	182,0
2021	Various	2 250	–	–	–	2 250	–	2 250	203,5
Total		93 430	–	–	–	93 430	–	93 430	

Segment report

For the year ended 30 September 2023

AP The group has reportable segments that comprise the structure used by the chief operating decision-maker (CODM) to make key operating decisions and assess performance. The group's reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market (referred to as business segments).

The group evaluates the performance of its reportable segments based on operating profit. The group accounts for inter-segment sales and transfers as if the sales and transfers were entered into under the same terms and conditions as would have been entered into in a market-related transaction.

The financial information of the group's reportable segments is reported to the CODM for purposes of making decisions about allocating resources to the segment and assessing its performance.

A number of segments comprising international entities are included in the exports portion of "Exports and International", as they individually do not meet the qualitative thresholds indicated in IFRS 8 *Operating segments*.

	Revenue[1]		Operating income		Depreciation and amortisation	
(R'million)	2023	2022	2023	2022	2023	2022
DOMESTIC OPERATIONS	**32 537,0**	29 767,8	**2 482,9**	2 955,0	**867,3**	782,7
Grains	**17 030,1**	15 495,6	**837,6**	1 272,1	**283,1**	269,3
Milling and baking[2]	**11 505,4**	10 642,2	**602,2**	803,0	**242,2**	233,7
Other grains[3]	**5 524,7**	4 853,4	**235,4**	469,1	**40,9**	35,6
Consumer Brands	**13 341,2**	12 413,5	**1 162,4**	1 412,8	**347,1**	302,2
Groceries	**6 414,8**	6 376,9	**307,5**	597,4	**175,0**	164,2
Snacks and treats	**2 784,6**	2 391,8	**228,6**	262,9	**72,2**	63,0
Beverages	**2 159,9**	1 841,5	**340,1**	268,9	**57,5**	49,5
Baby	**1 147,0**	1 134,2	**133,8**	147,2	**34,8**	20,0
Food Service Solutions (Out of home)	**834,9**	669,1	**152,4**	136,4	**7,6**	5,5
Home and Personal Care (HPC)	**2 165,7**	1 858,7	**460,6**	307,7	**49,6**	39,8
Personal care	**836,0**	671,8	**117,6**	16,1	**35,2**	29,4
Home care	**1 329,7**	1 186,9	**343,0**	291,6	**14,4**	10,4
Other[4]	**–**	–	**22,3**	(37,6)	**187,5**	171,4
EXPORTS AND INTERNATIONAL	**4 851,5**	4 261,1	**600,6**	350,4	**83,1**	78,1
Exports[5]	**2 513,6**	2 039,9	**286,4**	143,3	**32,2**	33,9
International operation – Central Africa (Chococam)	**1 440,7**	1 109,9	**221,8**	181,3	**49,3**	43,6
Deciduous fruit (LAF)	**1 342,9**	1 598,3	**92,4**	25,8	**1,6**	0,6
Other inter-group sales	**(445,7)**	(487,0)	**–**	–	**–**	–
Total from operations before the following items:	**37 388,5**	34 028,9	**3 083,5**	3 305,4	**950,4**	860,8
Impact of product recall	**–**	–	**6,0**	35,8		
Impact of the civil unrest and business interruption	**–**	–	**136,7**	137,5		
Restructuring and related costs			**(94,6)**	7,8		
IFRS 2 charges			**(13,4)**	(55,8)		
Total operations	**37 388,5**	34 028,9	**3 118,2**	3 430,7	**950,4**	860,8

[1] *Refer to note 2.1 of the financial statements for further information on geographical split*
[2] *Comprises maize milling, wheat milling, and baking and sorghum-based products*
[3] *Comprises rice, pasta and oat-based breakfast cereals*
[4] *Includes the corporate office and management expenses relating to international investments*
[5] *The key markets contributing to exports revenue is Mozambique at 38% (2022: 44%), Zambia at 10% (2022: 10%), Zimbabwe at 12% (2022: 9%), and Nigeria at 3% (2022: 3%)*

All segments operate on an arm's length basis in relation to inter-segment pricing.

Segment report continued

For the year ended 30 September 2023

(R'million)	Total assets 2023	Total assets 2022 Restated#	Total liabilities 2023	Total liabilities 2022	Capital expenditure 2023	Capital expenditure 2022 Restated#
DOMESTIC OPERATIONS	**22 607,2**	20586,6	**7 370,6**	7 275,1	**1 055,4**	927,6
Grains	**6 056,4**	6 252,4	**1 781,2**	2 101,3	**272,8**	233,9
Milling and baking[1]	**3 958,8**	4 204,1	**1 134,3**	1 208,3	**174,0**	165,4
Other grains[2]	**2 097,6**	2 048,3	**646,9**	893,0	**98,8**	68,5
Consumer Brands	**10 812,2**	10 037,1	**2 493,5**	2 679,6	**688,9**	599,0
Groceries	**5 633,9**	5 210,7	**1 204,7**	1 466,9	**328,2**	263,4
Snacks and treats	**1 741,1**	1 651,1	**554,9**	529,3	**156,9**	103,1
Beverages	**1 819,8**	1 735,4	**361,9**	278,5	**94,1**	83,4
Home, Personal Care and Baby (HPCB)	**1 617,4**	1 439,9	**372,0**	404,9	**109,7**	149,1
Other[3]	**5 738,6**	4 297,1	**3 095,9**	2 494,2	**93,7**	94,7
EXPORTS AND INTERNATIONAL	**3 185,2**	3 356,3	**839,1**	810,2	**157,2**	76,4
Exports	**1 297,6**	1 788,9	**322,5**	304,5	**23,3**	13,6
International operations – Central Africa (Chococam)	**1 013,7**	1 028,1	**364,7**	393,6	**110,3**	56,5
Deciduous fruit (LAF)	**873,9**	639,3	**151,9**	112,1	**23,6**	6,3
Total	**25 792,4**	24 042,9	**8 209,7**	8 085,3	**1 212,6**	1 004,0

[1] *Comprises maize milling, wheat milling, and baking and sorghum-based products*
[2] *Comprises rice, pasta and oat-based breakfast cereals*
[3] *Includes the corporate office*

(R'million)	GROUP 2023	GROUP 2022 Restated#
Split of non-current assets		
South Africa	**7 852,3**	7 477,6
Outside of South Africa	**1 310,5**	1 382,0
	9 162,8	8 859,6
Reconciliation of total assets		
Total assets per statement of financial position	**25 836,6**	24 077,2
Deferred taxation asset	**(44,2)**	(34,3)
	25 792,4	24 042,9
Reconciliation of total liabilities		
Total liabilities per statement of financial position	**(8 532,4)**	(8 326,0)
Deferred taxation liability	**322,7**	240,7
	(8 209,7)	(8 085,3)

Refer to note 36 for details on restatements

Value-added statement

Value added is a measure of the wealth the group has been able to create. The following statement shows how this wealth has been distributed.

	2023		2022	
	(R'million)	(%)	(R'million)	(%)
Revenue	**37 388,5**	**100,0**	34 028,9	100,0
Less: Net cost of products and services	**30 483,5**	**81,5**	26 895,2	79,0
Value added	**6 905,0**	**18,5**	7 133,7	21,0
Add: Income from investments and associates	**744,5**	**2,0**	514,9	1,5
Add: Foreign exchange gains	**(33,6)**	**(0,1)**	45,7	0,1
Wealth created	**7 615,9**	**20,4**	7 694,3	22,6
Applied to:				
Employees				
Salaries, wages, and other benefits	**4 450,3**	**58,5**	4 287,7	55,7
Providers of capital	**1 655,6**	**21,7**	1 506,7	19,6
Interest on financing facilities	**238,0**	**3,1**	89,1	1,2
Dividends and capital distributions to non-controlling interests and preference shareholders	**33,4**	**0,4**	33,4	0,4
Dividends to ordinary shareholders	**1 384,2**	**18,2**	1 384,2	18,0
Government				
Taxation (refer note 1)	**1 097,8**	**14,4**	1 232,1	16,0
Retained in the group	**412,2**	**5,4**	667,8	8,7
	7 615,9	**100,0**	7 694,3	100,0

(R'million)	2023	2022
Note 1		
Income taxation (excluding deferred tax)	**770,8**	968,4
Skills development levy	**33,8**	31,3
Rates and taxes paid to local authorities	**61,3**	65,4
Customs duties, import surcharges, and excise taxes	**231,9**	167,0
Gross contribution to government	**1 097,8**	1 232,1

The payments to government exclude taxation deducted from employees' remuneration of R744,5 million (2022: R662,2 million), net VAT payable of R656,7 million (2022 receivable: R233,3 million), excise duty on revenue and UIF payments.

(R'million)	2023	(%)	2022	(%)	2021	(%)	2020	(%)	2019	(%)
Trend of value added										
Employees	**4 450,3**	**59**	4 287,7	56	3 989,2	52	4 117,6	51	4 043,0	48
Providers of capital	**1 655,6**	**22**	1 506,7	19	1 760,1	23	900,6	11	5 681,7	67
Government	**1 097,8**	**14**	1 232,1	16	972,2	13	1 073,7	13	1 157,7	14
Retained in the group	**412,2**	**5**	667,8	9	875,6	12	1 980,7	25	(2 426,1)	(29)
	7 615,9	**100**	7 694,3	100	7 597,1	100	8 072,6	100	8 456,3	100

Five-year review

(R'million)	2023	2022 Restated#	2021 Restated#	2020	2019
Consolidated income statements					
Revenue	**37 389**	34 029	30 954	29 796	28 579
Profit before taxation, income from associates, non-operational items, and impairments	**2 864**	3 424	2 180	2 319	3 193
Income from associates	**697**	478	346	352	371
Non-operational items and impairments	**(10)**	12	(127)	(451)	1 762
Profit before taxation	**3 551**	3 915	2 399	2 220	5 326
Taxation	**(817)**	(1 020)	(597)	(727)	(965)
Profit for the year from continuing operations	**2 734**	2 895	1 802	1 493	4 361
Attributable to:					
Owners of the parent – continuing operations	**2 697**	2 865	1 773	1 467	4 333
Non-controlling interests – continuing operations	**37**	31	29	26	28
Consolidated statements of financial position					
Property, plant and equipment	**6 102**	5 817	5 572	5 059	4 976
Goodwill and intangible assets	**3 061**	3 042	3 040	2 943	3 221
Investments	**3 708**	2 987	3 047	2 855	2 732
Current assets	**12 922**	12 196	11 198	10 618	11 213
Assets classified as held for sale	**–**	–	–	419	24
Total assets	**25 793**	24 043	22 857	21 894	22 166
Issued capital and reserves before share-based payment reserve	**16 578**	14 856	14 915	14 941	14 612
Share-based payment reserve	**526**	753	700	687	632
Non-controlling interests	**200**	142	147	159	163
Deferred taxation liability	**279**	206	150	337	402
Provision for post-retirement medical aid	**238**	323	564	518	583
Long-term borrowings	**1 211**	327	399	197	–
Current liabilities	**6 761**	7 436	5 983	4 752	5 625
Liabilities classified as held for sale	**–**	–	–	304	149
Total equity and liabilities	**25 793**	24 043	22 857	21 894	22 166
Consolidated cash flow statements					
Cash operating profit after interest and taxation	**3 248**	3 248	3 072	2 438	2 528
Working capital changes	**(1 561)**	(1 587)	110	(53)	91
Dividends received	**247**	372	115	106	282
Cash available from operations	**1 934**	2 033	3 297	2 491	2 901
Dividends and capital distributions paid	**(1 564)**	(1 386)	(1 684)	(740)	(2 284)
Net cash flow from operating activities	**370**	647	1 613	1 751	617
Net cash flow from investing activities	**(1 144)**	(1 041)	(856)	(797)	(33)
Net cash flow before financing activities	**(774)**	(394)	757	812	584
Net cash flow from financing activities	**484**	(655)	(245)	(246)	(100)
Net (decrease)/increase in cash and cash equivalents	**(285)**	(1 049)	512	566	484

Refer to note 36 for details on restatements

Summary of ratios and statistics

(R'million)	2023	2022 Restated#	2021 Restated#	2020	2019
Ordinary share performance					
Number of ordinary shares upon which headline earnings per share is based (000)[2]	**156 390**	162 552	165 735	165 687	165 623
Headline earnings per ordinary share (cents)	**1 735**	1 702	1 127	940	1 322
Dividends per ordinary share (cents)[1]	**991**	973	320	434	627
Dividend cover (times)[1]	**1,8**	1,7	3,5	2,2	2,1
Net worth per ordinary share (cents)	**10 321**	9 384	9 383	9 433	9 201
Profitability and asset management					
Asset turnover (times)	**2,6**	2,7	2,6	2,6	2,4
Working capital per R1 revenue	**22,6**	20,6	20,3	21,4	22,3
Operating margin (%)	**8,3**	10,1	7,2	8,3	11,1
Effective taxation rate (%)	**23,0**	26,0	24,9	32,7	18,1
Return on equity (%)	**15,7**	18,4	12,7	9,0	13,9
Return on average net assets (%)	**21,7**	27,5	19,3	21,1	26,1
Return on invested capital (%)[4]	**14,7**	16,4	–	–	–
Financing					
Current ratio	**1,9**	1,6	2	2,2	2,0
Net interest cover (times)	**13**	46	42	27	–
Net debt/(cash) to net funding (%)	**7**	2	(11)	(10)	(8)
Total liabilities to total shareholders' funds (%)	**46**	49	41	31	37
Cash flow to net liabilities (%)	**45**	49	72	73	65
Employee statistics					
Number of employees at year end[3]	**10 323**	10 439	11 093	11 978	11 103
– Permanent	**9 296**	9 670	10 158	11 188	10 543
– Seasonal	**1 027**	769	935	790	560
Revenue per employee (R'000)	**3 622**	3 260	2 790	2 488	2 633
Value added per employee (R'000)	**669**	683	653	649	694
Operating profit per employee (R'000)	**302**	329	202	217	236
Economic indicators					
Consumer Price Index (September on September)	**5,4%**	7,5%	5,0%	3,0%	4,1%
Key closing exchange rates at 30 September vs. ZAR					
– USD	**18,83**	17,98	15,10	16,81	15,15
– GBP	**23,01**	20,01	20,35	21,61	18,66
– EUR	**19,93**	17,57	17,49	19,66	16,52

[1] *Based on the sum of the interim dividend paid in the current year and the final dividend declared post-year end*
[2] *Net of treasury and empowerment shares*
[3] *Includes employees of international operations*
[4] *Return on invested capital (ROIC) is a calculation used to assess the company's performance on invested capital. Refer to definitions on page 98*
Refer to note 36 for details on restatements

Summary of ratios and statistics continued

(R'million)	2023	2022 Restated#	2021 Restated#	2020	2019
Stock exchange statistics					
Market price per share (cents)					
– Year end	**15 345**	16 944	18 727	19 077	21 056
– Highest	**22 501**	19 806	22 634	23 579	26 942
– Lowest	**15 034**	13 594	17 800	15 141	20 505
Number of transactions	**554 271**	597 229	573 280	913 673	993 320
Number of shares traded (000)	**114 473**	208 339	109 634	205 890	179 529
Value of shares traded (R'million)	**21 096**	32 848	22 359	38 299	44 278
Number of shares traded as a percentage of total issued shares	**63,5**	128,2	66,2	124,3	108,4
Dividend yield at year end (%)	**6,5**	5,7	1,7	2,3	5,0
Earnings yield at year end (%)	**11,1**	10,0	5,9	5,0	6,3
Price earnings ratio at year end	**9**	10	17	20	16
Market capitalisation at year end (R'million)	**27 671**	32 163	35 547	36 212	39 968
Market capitalisation to shareholders' equity at year end (times)	**1,7**	2,1	2,3	2,3	2,6

[1] Based on the sum of the interim dividend paid in the current year and the final dividend declared post-year end
[2] Net of treasury and empowerment shares
[3] Includes employees of international operations
[4] Return on invested capital (ROIC) is a calculation used to assess the company's performance on invested capital. Refer to definitions on page 98
 # Refer to note 36 for details on restatements

Declaration of final dividend

For the year ended 30 September 2023

The company has declared a final ordinary dividend of 671 cents per share for the year ended 30 September 2023. This, together with the interim dividend of 320 cents per share, brings the total dividend for the year to 991 cents per share, a 2% increase relative to last year. The company's dividend policy of 1,75x cover was applied to HEPS.

In accordance with paragraphs 11.17 (a) (i) to (x) and 11.17 (c) of the JSE Listings Requirements, the following additional information is disclosed:

- The ordinary dividend has been declared out of income reserves
- The local dividends tax rate is 20% (twenty percent), effective 22 February 2017
- The gross final dividend amount of 671 000 000 cents per ordinary share will be paid to shareholders who are exempt from the dividends tax
- The net final dividend amount of 536 800 000 cents per ordinary share will be paid to shareholders who are liable for the dividends tax
- Tiger Brands has 180 327 980 ordinary shares in issue (which includes 10 326 758 treasury shares)
- Tiger Brands Limited's income tax reference number is 9325/110/71/7

Shareholders are advised of the following dates in respect of the final ordinary dividend:

Declaration date	Friday, 1 December 2023
Last day to trade cum the ordinary dividend	Tuesday, 16 January 2024
Shares commence trading ex the ordinary dividend	Wednesday, 17 January 2024
Record date to determine those shareholders entitled to the ordinary dividend	Friday, 19 January 2024
Payment date in respect of the ordinary dividend	Monday, 22 January 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 January 2024 and Friday, 19 January 2024, both days inclusive.

By order of the board

JK Monaisa
Company secretary

Bryanston
30 November 2023

Definitions

Headline earnings per share	Headline earnings divided by the weighted average number of ordinary shares in issue during the year (net of treasury and empowerment shares).
Dividend cover	Headline earnings per share divided by the total ordinary dividend per share for the year, comprising the interim dividend paid and final dividend declared post-year end. Where applicable the denominator includes the capital distribution paid out of share premium.
Net worth per ordinary share	Interest of ordinary shareholders after deducting the cost of treasury and empowerment shares divided by the number of ordinary shares in issue at the year end, excluding treasury and empowerment shares.
Asset turnover	Revenue divided by the average of net assets, excluding cash resources, short-term and long-term borrowings, taxation, shareholders for dividends and the carrying value of investments, at the beginning and end of the financial year.
Working capital per R1 000 revenue	The average of inventory and receivables less payables, excluding dividends payable to shareholders and taxation, at the beginning and end of the financial year divided by revenue (R'000).
Operating margin	Operating profit as a percentage of revenue.
Non-operational items	Items of income and expenditure which are not directly attributable to normal operations and where their size or nature are such that additional disclosure is considered appropriate.
Effective taxation rate	Taxation charge in the income statement as a percentage of profit before taxation.
Return on equity	Profit attributable to ordinary shareholders excluding impairments, fair value losses and non-operational items divided by issued capital and reserves.
Return on invested capital (ROIC)	Operating profit after tax (excluding impairments, fair value losses and non-operational items), including income from associates as percentage of average capital employed after re-instating goodwill and impairments previously written off and adjusting for net debt/(cash).
Return on average net assets employed	Operating profit as a percentage of the average of net assets, excluding cash resources, short-term and long-term borrowings, taxation, shareholders for dividends and the carrying value of investments, at the beginning and end of the financial year.
Current ratio	Ratio of current assets to current liabilities.
Net interest cover	Operating profit plus dividend income divided by net finance costs.
Net funding	Capital and reserves, non-controlling interests and long-term and short-term borrowings net of cash.
Net debt	Cash and cash equivalents less long-term borrowings and short-term borrowings.
Total liabilities	Long-term borrowings and current liabilities.
Total equity	Total equity includes ordinary share capital and share premium, less treasury shares and shares held by empowerment entities, plus reserves and non-controlling interests.
Cash flow to net liabilities	Cash generated from operations after interest and taxation as a percentage of total liabilities less cash resources.
Dividend yield	Dividends and capital distributions as a percentage of year end market price per share.
Earnings yield	Headline earnings per share as a percentage of year end market price per share.
Price:earnings ratio	Year end market price per share as a multiple of headline earnings per share.

Shareholders' information

ANALYSIS OF REGISTERED SHAREHOLDERS AND COMPANY SCHEMES

Registered shareholder spread

In accordance with the JSE Listings Requirements, the following table confirms the spread of registered shareholders as of 29 September 2023 is as per below:

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	11 145	85,00	1 853 991	1,03
1 001 – 10 000 shares	1 450	11,05	4 492 073	2,49
10 001 – 100 000 shares	382	2,91	12 794 781	7,10
100 001 – 1 000 000 shares	104	0,79	28 622 710	15,87
1 000 001 shares and above	31	0,24	132 564 425	73,51
Total	**13 112**	**100,00**	**180 327 980**	**100,00**

PUBLIC AND NON-PUBLIC SHAREHOLDINGS

Within the shareholder base, we are able to confirm the split between public shareholdings and directors/company-related schemes as being:

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Public shareholders	13 103	99,93	156 148 811	86,59
Non-public shareholders*	9	0,07	24 216 295	13,44
Empowerment holdings	5	0,04	13 676 681	7,59
Own holding	1	0,01	10 326 758	5,73
Share trust	2	0,01	200 081	0,11
Directors and associates	1	0,01	12 775	0,01
Total	**13 112**	**100,00**	**180 327 980**	**100,00**

* *Includes directors, pension/retirement funds and treasury shares*

SUBSTANTIAL INVESTMENT MANAGEMENT AND BENEFICIAL INTERESTS

Substantial investment management and beneficial interests above 3%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 30 September 2023.

Investment management shareholdings

Investment manager	Total shareholdings	% of issued capital
Silchester International Investors LLP	31 751 842	17,61
PIC	25 624 707	14,21
Allan Gray (Proprietary) Limited	22 730 842	12,61
Jupiter Asset Management Limited	8 282 701	4,59
Ninety One SA (Proprietary) Limited	6 592 353	3,66
Value Capital Partners	6 269 900	3,48
The Vanguard Group Inc.	6 021 065	3,34
Total	**107 273 410**	**59,50**

Beneficial shareholdings	Total shareholdings	% of issued capital
Government Employees Pension Fund (PIC)	26 366 625	14,62
Silchester International Business Trust	20 114 258	11,15
Allan Gray Balanced Fund	9 178 871	5,09
Silchester International Invest Value Equity	6 307 362	3,50
Total	**61 967 116**	**34,36**

Company information

Tiger Brands Limited

(Tiger Brands or the company)
(Incorporated in the Republic of South Africa)
Share code: TBS
ISIN: ZAE000071080

INDEPENDENT NON-EXECUTIVE DIRECTORS

GJ Fraser-Moleketi (chairman), MO Ajukwu, FNJ Braeken, GA Klintworth, TE Mashilwane, M Sello, OM Weber, DG Wilson

NON-EXECUTIVE DIRECTOR

S Sithole

EXECUTIVE DIRECTORS

TN Kruger (chief executive officer)
DS Sita (chief financial officer)

COMPANY SECRETARY

JK Monaisa

REGISTERED OFFICE

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Bryanston
Sandton

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AUDITORS

Deloitte & Touche

PRINCIPAL BANKER

Rand Merchant Bank

SPONSOR

JP Morgan Equities South Africa (Pty) Limited

SOUTH AFRICAN SHARE TRANSFER SECRETARIES

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Proprietary Limited
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Forward-looking information

This report contains forward-looking statements that, unless otherwise indicated, reflect the company's expectations at the time of finalising the report. Actual results may differ materially from these expectations if known and unknown risks or uncertainties affect the business, or if estimates or assumptions prove inaccurate. Tiger Brands cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these statements. The company assumes no obligation to update or revise any forward-looking statements, even if new information becomes available as a result of future events or for any other reason, save as required by legislation or regulation.

THE OAK TREE GROUP