



ANNUAL CONSOLIDATED
FINANCIAL STATEMENTS

2024

Salient features

-3,0%
21 734 924

REVENUE (R'000)
(2023: 22 397 058)

-9,2%
561,58

HEADLINE EARNINGS
PER SHARE (CENTS)
(2023: 618,31)

-9,4%
561,58

RECURRING HEADLINE EARNINGS
PER SHARE (CENTS)
(2023: 619,69)

-4,4%
859 294

EBITDA
(2023: 898 592)

180,00

TOTAL DPS (CENTS PER SHARE)
(2023: 180,00)

51,3%

NET INTEREST BEARING DEBT:
TOTAL SHAREHOLDERS' EQUITY
(2023: 61,9)

Ratio calculated on average balances

1,81

NET DEBT: EBITDA
(2023: 1,96)

12,6%

ROIC
(2023: 14,3%)

Annual financial statements

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Declaration of directors' responsibility and approval

The directors are responsible for the fair presentation of the annual company financial statements and annual Group financial statements of KAL Group Limited. In conducting this responsibility they rely on the information, assessments and estimates of management. The fair presentation and integrity of the company and Group financial statements are also evaluated on the basis of accounting systems and internal financial control measures which are monitored on an ongoing basis during the financial period. The directors' responsibilities also include implementing adequate controls and security to maintain the integrity of the Company's website.

The company and Group annual Financial Statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with IFRS Accounting Standards, the IFRS Interpretations Committee interpretations, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. These financial statements incorporate accounting policies that have been consistently applied to all periods presented and are consistent with those applied in the previous financial year.

Based on the Group and company financial statements, the present position of the company and the Group, budgets for the coming year and available financing facilities, the directors are satisfied the company and Group have adequate resources to continue trading as a going concern for the foreseeable future. The going concern principle is therefore accepted and applied in the preparation of the Group and company financial statements.

The independent auditing firm Deloitte & Touche audited the Group and company financial statements to comply with the relevant requirements of the Companies Act. The auditors had unrestricted access to all financial records and related information, minutes of shareholders, directors and Board committee meetings. The directors are of the opinion that all submissions and management declarations presented to the auditors were correct, valid and relevant.

The unqualified report of the auditors appears on page 8 to 13.

The company and Group annual financial statements on pages 14 to 81 were compiled by GC Victor CA(SA) under supervision of GW Sim CA(SA) and approved by the Board of directors on 25 November 2024 and signed on their behalf by:

GM Steyn
Chairman

S Walsh
Chief Executive Officer

Responsibility statement of the Chief Executive Officer and Financial Director

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

- (a) the consolidated and separate annual financial statements set out on pages 14 to 81, fairly present in all material respects the financial position, financial performance and cash flows of KAL Group Limited in terms of IFRS Accounting Standards;
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and separate 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 and Risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- (f) we are not aware of any fraud involving directors.

S Walsh

Chief Executive Officer
Authorised Director
25 November 2024

GW Sim

Financial director
Authorised Director
25 November 2024

Declaration by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, 71 of 2008, the Company Secretary hereby certifies that all returns of the company and its subsidiaries, as prescribed by the said Act, have been submitted to the Companies and Intellectual Property Commission (CIPC) and that the said returns are true, correct and up to date.

KAL Corporate Services (Pty) Ltd

Company Secretary
25 November 2024

Report of the Audit and Risk committee

to the shareholders of KAL Group Limited

KEY FUNCTIONS AND RESPONSIBILITIES

The responsibilities of the Audit and Risk committee are set out in a formal charter which is revised annually by the Board. The committee has free access to the Chairman of the Board of directors and is empowered to consult independent experts unlimited at company cost. In the execution of its duties according to its mandate and requirements of the Companies Act, the committee is responsible for the discussion and assessment of:

- > the effectiveness of internal control systems, risk management and the management of information;
- > the internal auditor's audit plan, reports and recommendations;
- > the independence, conditions of appointment, audit plan and remuneration of the external auditors;
- > the effectiveness and reports of the external auditors;
- > the Group's conformance to corporate management rules, risk management and statutory requirements;
- > the appropriateness of accounting policies and any matters related to financial reporting;
- > the appropriate financial reporting procedures. To ensure they exist and are working, which should include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the issuer to allow the issuer to effectively prepare and report on the financial statements of the issuer in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements;
- > the separate and consolidated annual financial statements, before these annual financial statements are approved by the board for release;
- > ensuring that the external auditor is independent of KAL Group Limited, as set out in section 94(8) of the Companies Act, ensuring that the external auditor is suitable for re-appointment by considering the information set out in paragraph 3.84(g)(ii) of the JSE Listings Requirements;
- > ensuring that the Group Chief Financial Officer, as well as the group finance function, has the appropriate expertise and experience in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements;
- > internal financial controls and reports on the Group's systems of internal financial controls. The committee received assurance on compliance with, and the effectiveness of internal control systems through regular management reviews, engagements, internal audit, as well as from the external auditors who test aspects of these control systems as part of their statutory audit of the annual financial statements; and
- > any other prescribed functions the committee is required to perform.

INTERNAL AUDIT

The internal audit function fulfils an important role to give assurance to the Audit and Risk committee that sufficient control measures are in place and are functioning correctly so that the committee can form an opinion on key functions and key responsibilities. Therefore, the internal auditors have direct access to the chairman of the Audit and Risk committee, and the Audit and Risk committee is also responsible to ensure that the internal audit function is independent and that it has the necessary resources, status and authority to perform its duties. The internal and external auditors attend Audit and Risk committee meetings. The committee also regularly meets together and separately with the internal and external auditors to create the opportunity to exchange confidential information. The Audit and Risk committee also oversees the co-operation between internal and external auditors and serves as a link between the Board and these functions.

EXTERNAL AUDIT

The board sets a policy that governs the level and nature of non-audit services, which requires pre-approval by the Audit and Risk committee for all non-audit services. In determining the independence of the external auditors, the committee considers the level and types of non-audit services provided as well as other enquiries and representations. As required by the Companies Act, the committee has satisfied itself that KAL Group Limited's external auditor, Deloitte & Touche ("DT"), was independent of the company, as set out in sections 90(2)(c) and 94(8) of the Companies Act and is thereby able to conduct its audit functions without any undue influence from the company.

The committee has considered the relevant audit quality indicators. The committee was satisfied with the quality of the audit concluded and has nominated, for re-appointment at the annual general meeting, DT as the external auditor of KAL Group Limited for the financial year ending 30 September 2025 and Mr JHW de Kock as the designated individual registered auditor who will undertake the audit of KAL Group Limited on behalf of DT.

As required by section 3.84(g)(ii) of the JSE Listings Requirements, the committee has satisfied itself that DT and Mr JHW de Kock are suitable for reappointment as audit firm and appointment as individual auditor, by considering, inter alia, the information stated in paragraph 3.84(g)(ii) of the JSE Listings Requirements.

ANNUAL FINANCIAL STATEMENTS

The committee has evaluated the annual financial statements of the company and Group for the year ended 30 September 2024, with specific consideration of the following significant financial reporting matters during the year:

- > the provision for expected credit losses recognised on trade receivables;
- > the provision for damaged, old and slow moving stock;
- > renewal of lease periods;
- > goodwill impairment testing.

The committee reviewed the estimates used and judgements made by management and determines whether they are reasonable in terms of the current macroeconomic climate and in line with assumptions utilised by comparable third parties.

Based on the information provided to the committee, the committee considers that the Group complies, in all material respects, with the requirements of the Companies Act, as amended, and IFRS Accounting Standards.

OPINION

Given the functions and responsibilities of the committee, as well as the procedures referred to above, the Audit and Risk committee is of the opinion that:

- > the Group's internal control measures and risk management are sufficient;
- > the experience and expertise of the Financial Director and the finance function was appropriate;
- > appropriate financial reporting procedures are in place and are operating;
- > the audit was performed with the necessary independence and competence;
- > the company and Group annual financial statements were prepared on the historical cost basis, unless otherwise indicated, in accordance with IFRS Accounting Standards, the IFRS Interpretations Committee interpretations, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council; and
- > there are no other matters which are to be revealed to shareholders which have not been covered in the annual financial statements.
- > nothing has come to the attention of the committee indicating that the internal financial controls were not operating effectively during the year under review.

CA Otto

Chairman: Audit and Risk committee

25 November 2024

Directors' report

for the year ended 30 September

NATURE OF ACTIVITIES

The Group specialises in trading in agricultural-, fuel- and related retail markets in Southern Africa. With its strategic footprint, infrastructure, facilities and client network, it follows a differentiated market approach. In support of the core retail business, the Group also offers grain handling and agency services.

FINANCIAL RESULTS

The profit after tax of the Group amounted to R451 million (2023: R480 million) while the gross assets decreased to R8,215 million (2023: R8,290 million). The results of the Group are presented in detail in the financial statements.

SHARE CAPITAL

The authorised share capital consists of 1 000 000 000 ordinary shares with no par value of which 74 319 837 (2023: 74 319 837) shares are currently issued, of which 3,708,514 shares are issued to Empowerment and Transformation Investments (Pty) Ltd. These shares are accounted for as treasury shares.

DIVIDENDS

A gross final dividend of R93,6 million (2023: R96,6 million) has been approved and declared by the board from income reserves, which represents 126,00 cents (2023: 130,00 cents) per share. The dividend is payable on 17 February 2025 to shareholders registered on 14 February 2025 (the record date) as shareholders of the company. The last date of trade cum dividend will be 11 February 2025.

The total dividend for the year amounts to R133,8 million (2023: R133,8 million), representing 180,0 cents (2023: 180,0 cents) per share.

SUBSIDIARIES AND JOINT VENTURE

The interests in subsidiaries and joint venture are presented in note 42 of the financial statements.

DIRECTORS

Full details of the directors appear in the integrated report.

DIRECTORS' INTERESTS

The directors' interest in shares of the company appear on page 81.

EVENTS AFTER REPORTING DATE

The directors are not aware of any further matters or circumstances that occurred between the end of the financial year and the date on which the financial statements were approved that have not been dealt with in the Group and company financial statements and which may have a significant influence on the activities of the Group and company or results of those activities.

Independent auditor's report

to the shareholders of KAL Group Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of KAL Group Limited and its subsidiaries (the Group and Company) set out on pages 14 to 81, which comprise the consolidated and separate statements of financial position as at 30 September 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of KAL Group Limited and its subsidiaries as at 30 September 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Key audit matters

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

Key audit matter	How the matter was addressed in the audit
Impairment of Goodwill and Indefinite useful life Intangible Assets (Consolidated)	
<p>The goodwill and indefinite intangible asset value of R1.6 billion makes up 19,9% of the consolidated total assets. This includes goodwill amount to R1.4 billion and indefinite useful life intangible assets, classified as Fuel Retail licenses of R193.7 million.</p> <p>Refer to note 5 Intangible Assets and note 7 of the accounting policies to the consolidated financial statements.</p> <p>In line with IAS 36 <i>Impairment of Assets</i> (IAS 36), the directors are required to assess whether goodwill and indefinite useful life intangible assets are potentially impaired on an annual basis.</p> <p>The recoverable amount of the cash generating units (CGUs) were calculated using the value-in-use technique. These valuations are subjective in nature and requires significant judgement by the directors in assessing the impairment of these intangible assets, which is determined with reference to the value in use, based on the cash flow forecast for each CGU.</p> <p>As disclosed in note 5, there are a number of key assumptions and estimates made in determining the inputs into the models which includes:</p> <ul style="list-style-type: none"> > Pre-tax discount rates; > Revenue growth rates; > Expense growth rates and > Long term growth rate. 	<p>In evaluating the impairment of goodwill and Indefinite useful life Intangible Assets, we reviewed the value in use calculations prepared by the directors, with a particular focus on the growth rates and discount rates.</p> <p>We performed various procedures, including the following:</p> <ul style="list-style-type: none"> > Assessing the design and testing the implementation of the key controls over the goodwill and indefinite useful life intangible asset impairment process; > We held discussions with management to obtain an understanding of the methodology used and if this met the applicable requirements of IAS 36; > Engaging our internal specialists to assess the arithmetic accuracy of the impairment assessment as well as the appropriateness of the valuation methodology against the requirements of IAS 36; > Engaging with our internal specialists to independently calculate the pre-tax discount rates and growth rates used in management's impairment calculations, including comparing this to historical data regarding economic growth rates for the regions included in the cash generating units and considered the appropriateness of the inputs used in the directors' calculations; > Our internal specialist procedures included evaluating the entity's current funding rates, funding structures and risk profile against relevant market data to conclude on the appropriateness of the discount rate. Management's assumptions with respect to the discount rate fell outside our independent range, however we noted no material impairment when using our independent inputs;

Key audit matter	How our audit addressed the key audit matter
Impairment of Goodwill and Indefinite useful life Intangible Assets (Consolidated) (continued)	
<p>Due to the significance of the goodwill and indefinite intangible asset balance and the level of estimation inherently required to determine the future performance and an appropriate discount rate, this has been identified as a key audit matter in our audit of the consolidated financial statements.</p> <p>Key Audit Matter applies to the consolidated financial statements and there is no Key Audit Matter for the separate financial statements.</p>	<ul style="list-style-type: none"> > We agreed cash flows to the business plans approved by the respective boards. No inconsistencies were noted. > With assistance from our internal specialists, we critically evaluated whether the projected cash flows used by the directors to calculate the value-in-use, comply with the requirements of IAS 36; > We assessed the reasonability of the future projected cash flows, including the assumptions relating to revenue growth rates and gross margins with reference to historic information, approved budgets and considering whether they are reasonable and supportable given the current economic climate in South Africa and expected future performance; > We performed sensitivity analyses on the growth rates, discount rates and long term growth rates to evaluate the extent of impact on the value in use; > We independently recalculated the recoverable amount for the CGUs and > We assessed the adequacy of the Group's disclosures in respect of goodwill and indefinite useful life intangible assets. <p>Based on the procedures performed, the valuation methodology and key forecast assumptions applied is considered appropriate. We reviewed and considered the goodwill and indefinite useful life intangible assets impairment disclosures to be appropriate.</p>

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 30 September 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 22 November 2023.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “KAL Group Limited Annual Financial Statements for the year ended 30 September 2024”, which includes the Directors’ Report, the Audit Committee’s Report and the Company Secretary’s Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Deloitte & Touche

Registered Auditor

Per: JHW de Kock

Partner

25 November 2024

Unit 11 Ground Floor

La Gratitude

97 Dorp Street

Stellenbosch 7600

Consolidated statement of financial position

at 30 September

	Notes	GROUP	
		2024 R'000	2023 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	1 435 774	1 412 006
Right-of-use assets	4	747 903	552 220
Intangible assets	5	1 632 980	1 560 646
Investment in Joint Venture	7	61 026	50 648
Loans	8	22 756	20 249
Financial assets at fair value through other comprehensive income	9	5 580	5 580
Deferred tax	10	51 314	33 039
Trade and other receivables	12	25 725	35 865
		3 983 058	3 670 253
Current assets			
Inventory	11	1 452 056	1 641 992
Trade and other receivables	12	2 461 010	2 580 828
Short-term portion of loans	8	-	1 513
Income tax		5 278	-
Cash and cash equivalents	14	313 560	285 926
		4 231 904	4 510 259
Assets classified as held for sale	6	-	109 206
		4 231 904	4 619 465
Total assets		8 214 962	8 289 718
EQUITY AND LIABILITIES			
Capital and reserves			
Stated Capital	15	466 051	440 963
Other reserves	16	37 980	21 279
Retained profit		2 693 000	2 467 580
Equity attributable to shareholders of the holding company		3 197 031	2 929 822
Non-controlling interest		184 783	156 405
Total equity		3 381 814	3 086 227
Non-current liabilities			
Instalment sale agreements	18	15 925	28 821
Lease liabilities	4	803 600	583 103
Employee benefit obligations	19	14 779	14 033
Financial liability at fair value through profit or loss	13	37 509	137 674
Deferred taxation	10	70 611	76 573
Borrowings	21	355 250	-
		1 297 674	840 204
Current liabilities			
Trade and other payables	20	2 023 480	2 315 131
Short-term portion of Instalment sale agreements	18	22 377	31 036
Short-term portion of lease liabilities	4	51 364	54 451
Short-term portion of Employee benefit obligations	19	2 288	2 153
Short-term borrowings	21	1 434 064	1 892 806
Income tax		1 901	11 292
		3 535 474	4 306 869
Liabilities directly associated with assets classified as held for sale	6	-	56 418
		3 535 474	4 363 287
Total liabilities		4 833 148	5 203 491
Total equity and liabilities		8 214 962	8 289 718

Consolidated income statement

for the year ended 30 September

	Notes	GROUP	
		2024 R'000	2023 R'000
Revenue	26	21 734 924	22 397 058
Cost of sales		(18 761 387)	(19 478 711)
Gross profit		2 973 537	2 918 347
Other operating income	27	266 284	273 452
Movement on expected credit loss allowance	12	(13 326)	(9 048)
Selling and distribution costs	28	(195 177)	(184 766)
Administrative expenses	28	(1 319 904)	(1 268 001)
Other operating expenses	28	(844 577)	(809 868)
Operating profit		866 837	920 116
Share in profit of joint venture	7	10 378	9 271
Finance income		23 787	42 088
Finance costs	31	(259 660)	(279 654)
Profit before tax		641 342	691 821
Income tax	32	(190 245)	(211 819)
		451 097	480 002
Profit attributable to shareholders of the holding company		395 316	426 945
Non-controlling interest		55 781	53 057
Earnings per share - basic (cents)	33	562,26	607,45
Earnings per share - diluted (cents)	33	562,26	603,23

Consolidated statement of comprehensive income

for the year ended 30 September

	GROUP	
	2024 R'000	2023 R'000
Profit for the year	451 097	480 002
Other comprehensive income:		
Cash flow hedges (can be classified to profit or loss)	(546)	(1 477)
Gross	(748)	(2 023)
Tax	202	546
	450 551	478 525
Total comprehensive income attributable to shareholders of the holding company	394 770	425 468
Non-controlling interest	55 781	53 057

Consolidated statement of changes in equity

for the year ended 30 September

	GROUP						
	Stated capital R'000	Share-based payment reserve R'000	Hedge reserve R'000	Retained profit R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
Balance 1 October 2022	451 316	14 246	883	2 224 588	2 691 033	131 444	2 822 477
Gross shares issued	496 664						
Treasury shares	(45 348)						
Total comprehensive income	-	-	(1 477)	426 945	425 468	53 057	478 525
Share-based payments	(261)	7 627	-	-	7 366	-	7 366
Odd lot offer – shares repurchased	(10 092)	-	-	-	(10 092)	-	(10 092)
Share Incentive scheme – shares purchased	-	-	-	(59 888)	(59 888)	-	(59 888)
Change in ownership	-	-	-	(3 157)	(3 157)	(2 303)	(5 460)
Dividends paid	-	-	-	(120 908)	(120 908)	(25 793)	(146 701)
Balance 30 September 2023	440 963	21 873	(594)	2 467 580	2 929 822	156 405	3 086 227
Gross shares issued	486 191						
Treasury shares	(45 228)						
Total comprehensive income	-	-	(546)	395 316	394 770	55 781	450 551
Share-based payments	3 630	17 247	-	472	21 349	-	21 349
Treasury shares sold	21 458	-	-	-	21 458	-	21 458
Change in ownership	-	-	-	(3 998)	(3 998)	(2 300)	(6 298)
Share Incentive scheme – shares purchased (note 13)	-	-	-	(37 084)	(37 084)	-	(37 084)
Dividends paid	-	-	-	(129 286)	(129 286)	(25 103)	(154 389)
Balance 30 September 2024	466 051	39 120	(1 140)	2 693 000	3 197 031	184 783	3 381 814
Gross shares issued	489 755						
Treasury shares	(23 704)						
Refer to note	15	16	16				

Consolidated statement of cash flows

for the year ended 30 September

		GROUP	
		2024	2023
		R'000	R'000
	Notes		
Cash flow from operating activities		889 648	809 850
Net cash generated from operating activities	35	848 405	864 613
Interest received		217 714	242 620
Working capital changes	36	48 561	(85 590)
Income tax paid	37	(225 032)	(211 793)
Cash flow from investment activities		(136 558)	(164 675)
Purchase of property, plant and equipment and intangibles		(153 969)	(173 135)
Proceeds on disposal of property, plant and equipment		16 864	7 734
Repayment received on loans	8	547	726
Cash flow from financing activities		(725 456)	(718 733)
Increase in short-term borrowings	38	148 959	3 615
Repayment of long-term borrowings	41	(251 875)	(206 079)
Lease payments	40	(61 221)	(45 805)
Repayment of Instalment sale agreements	39	(30 904)	(26 997)
Repayment of low risk retention		(57 789)	-
Treasury shares acquired		-	(2 410)
Proceeds on disposal of treasury shares		21 458	-
Odd lot offer – shares repurchased		-	(10 092)
Share incentive scheme – shares purchased		(83 833)	(13 139)
Interest paid		(255 862)	(271 125)
Dividends paid		(154 389)	(146 701)
Net (decrease)/increase in cash and cash equivalents		27 634	(73 558)
Cash and cash equivalents at the beginning of the year		285 926	359 484
Cash and cash equivalents at the end of the year		313 560	285 926
Comprising of:			
– Bank and cash on hand	14	313 560	285 926

Notes to the consolidated annual financial statements

for the year ended 30 September

1 ACCOUNTING POLICIES

The principal accounting policies incorporated in the preparation of these financial statements are set out on pages 64 to 81. These policies are in terms of IFRS Accounting Standards and have been consistently applied to all the years presented, unless stated otherwise.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom precisely equal the related actual results. The estimates and judgements 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.

Estimates

Properties

Properties are depreciated over their useful lives, taking into account their residual values at the end of their useful lives. The residual values and useful lives are estimated and assessed based on industry knowledge and past experience with similar assets, taking into account the location and current condition of the properties. Properties are continuously maintained and kept up to standard. Refer to note 6 of the Group's accounting policy. All Property, Plant and Equipment assets, together with Right-of-Use assets, are tested per site annually for impairment indicators. Where impairment indicators are identified, value-in-use calculations are performed.

Expected credit loss allowance on trade receivables

In estimating the expected credit loss allowance on trade receivables, management makes certain estimates and judgements relating to the estimated recovery rate of debtors. This includes an assessment of current and expected future payment profiles and customer specific risk factors such as economic circumstances, geographical location and the value of security held. Refer to note 12 and 21 for more information.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Judgements

Inventory provisions for slow-moving and obsolete stock

The Group makes certain judgements relating to the provision of inventory, based on the frequency of movement in different inventory types. This determines the rates applied per age bucket for these inventory types in calculating the inventory provision to be recognised.

Goodwill and indefinite useful life assets

The Group makes certain judgements relating to the impairment testing of goodwill using the value in use valuation technique when assessing the goodwill and indefinite useful life intangibles for impairment. Judgements are used in terms of indefinite useful life assets, based on projections and assumed growth rates in income, expenses and terminal growth rates while using a pre-tax discount rate determined by management. These judgements are used to determine if an impairment of goodwill or indefinite useful life assets are applicable. Given that the retail licences remain valid for as long as the licence holder operates as a going concern, the estimated useful life of the individual retail licences is considered to be indefinite. Refer to note 5.

Extension periods with regards to lease contracts

The Group makes certain judgements relating to the extension periods of leases during the IFRS 16 right-of-use asset and lease liabilities calculations. Where the lessee has the unconditional right to the renewal and it is considered more likely than not that the lease will be extended based on all the available factors, the extension option is taken into account in determining the lease term. Most of the rent paid is for Agrimark stores and based on the history of the relationship with lessors and the group's strategies with the stores, the contracts will be extended. Most of the store leases are renewed based on the fact that the stores are at strategic locations, and most have been there for some time and it will disrupt business if moved to different locations.

Where the lease is not beneficial to the group, the extension option will not be applied. The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. As at 30 September 2024, future cash outflows of R917,1 million (2023: R737,8 million) is not included in the lease liability because it is not reasonably certain that it will be extended.

Margin on direct transactions

The Group makes certain judgements relating to direct sales, where goods purchased by clients are directly delivered to the client by the suppliers of the Group. Only the margin earned on direct sales is recognised as revenue. The Group assess the treatment of these sales and concluded that the Group is acting as an agent, rather than a principal. Refer to note 16 in the accounting policy for further details.

	GROUP	
	2024 R'000	2023 R'000
3 PROPERTY, PLANT AND EQUIPMENT		
Cost		
Land and buildings	963 890	894 519
Grain silos	92 113	87 410
Machinery and equipment	527 188	497 531
Vehicles	132 042	123 485
Office furniture and equipment	392 643	396 719
Assets under construction	35 092	56 367
	2 142 968	2 056 031
Accumulated depreciation		
Land and buildings	(27 280)	(25 569)
Grain silos	(53 024)	(49 331)
Machinery and equipment	(269 890)	(233 713)
Vehicles	(75 881)	(68 714)
Office furniture and equipment	(281 119)	(266 698)
	(707 194)	(644 025)
Total carrying value	1 435 774	1 412 006
Depreciation has been allocated in the income statement as follows:		
Cost of sales	(11 915)	(11 826)
Other operating expenses	(73 956)	(70 017)
	(85 871)	(81 843)
Refer to note 46 for the reconciliation of movements in carrying value.		
Vehicles include the following amounts where the Group has instalment sale agreements:		
Cost	45 693	45 948
Accumulated depreciation	(15 578)	(14 843)
Total carrying value	30 115	31 105
Machinery and equipment include the following amounts where the Group has instalment sale agreements:		
Cost	107 548	107 548
Accumulated depreciation	(23 061)	(17 684)
Total carrying value	84 487	89 864

Properties to the value of R572,9 million (2023: R551,9 million) serve as security for the first ranking covering mortgage bonds. Refer to note 21.

	GROUP	
	2024 R'000	2023 R'000
4 RIGHT-OF-USE ASSETS AND LEASE LIABILITY		
Right-of-use assets		
Buildings	707 605	514 647
Cost price	930 373	799 511
Accumulated depreciation	(222 768)	(284 864)
Leasehold improvements*	36 026	33 906
Cost price	64 428	56 984
Accumulated depreciation	(28 402)	(23 078)
Vehicles	4 272	3 667
Cost price	7 909	6 701
Accumulated depreciation	(3 637)	(3 034)
	747 903	552 220
Reconciliation of movements in carrying value:		
Carrying value at beginning of year	552 220	617 701
Additions	164 503	7 948
Assets held for sale	56 453	(56 453)
Modification of lease contracts	61 438	53 692
Depreciation charge of Right-of-use assets	(86 711)	(70 668)
Buildings	(79 549)	(63 791)
Leasehold improvements*	(5 725)	(5 482)
Vehicles	(1 437)	(1 395)
	747 903	552 220
Lease liabilities		
Current	51 364	54 451
Non-current	803 600	583 103
	854 964	637 554
Interest expense (included in finance costs)	70 287	50 347
Expense relating to short-term leases and low value assets (included in other operating expenses)	25 324	21 256
Buildings – variable lease payments not included in lease liabilities (included in other operating expenses)	152 737	146 701
Cashflow expense for leases and low value and short term leases	309 570	264 108

* Leasehold improvements were split out in the current and prior year to enhance disclosure

The Group's leasing activities and how these are accounted for

The Group leases various retail stores, storage sites and vehicles. Rental contracts are typically entered into for fixed periods of 3 to 12 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

During the year there were modifications at Agrimark Operations Ltd which lead to a decrease in right-of-use asset of R13,5 million as a result of change in assessment of lease term. Modifications at TFC Operations (Pty) Ltd ("TFC") lead to an increase in right-of-use asset of R74,7 million as a result of the change in index effective 1 August 2024.

5 INTANGIBLE ASSETS

	GROUP	
	2024 R'000	2023 R'000
Goodwill	1 380 400	1 344 746
Fuel retail licences	193 738	193 738
Tradename	13 625	14 015
Cost	15 596	15 596
Accumulated amortisation	(1 971)	(1 581)
Customer relations	1 129	1 744
Cost	3 077	8 077
Accumulated amortisation	(1 948)	(6 333)
Internally generated computer software	44 088	6 403
Cost	50 704	8 560
Accumulated amortisation	(6 616)	(2 157)
	1 632 980	1 560 646
Reconciliation of movements in carrying value:		
Goodwill	1 380 400	1 344 746
Carrying value at beginning of year	1 344 746	1 399 631
Additions/(refund)	810	(4 775)
Impairment	-	(15 266)
Assets classified as held for sale	34 844	(34 844)
Fuel retail licence	193 738	193 738
Carrying value at beginning of year	193 738	193 738
Internally generated computer software	44 088	6 403
Carrying value at beginning of year	6 403	7 074
Additions	40 995	1 303
Assets under construction	1 150	-
Amortisation recognised in profit and loss	(4 460)	(1 974)
Tradename	13 625	14 015
Carrying value at beginning of year	14 015	14 405
Amortisation recognised in profit and loss	(390)	(390)
Customer relations	1 129	1 744
Carrying value at beginning of year	1 744	3 359
Amortisation recognised in profit and loss	(615)	(1 615)
	1 632 980	1 560 646

In order to assess the goodwill and retail fuel licences that originated from business acquisitions in the Agrimark and The Fuel Company segments, a value in use calculation was done per Cash Generating Unit ("CGU"). More information with regards to each segment is disclosed below.

The Fuel Company acquisition strategy is cluster based, focusing on increasing scale in identified geographic locations and grouped as such based on geographic location, the nature and how the clusters are managed and monitored. The goodwill and retail fuel licences is monitored for impairment based on these clusters. The fuel clusters are included in The Fuel Company cluster.

The retail fuel licences is included in the Highway cluster which amounts to R193,7 million (2023: R193,7 million).

5 INTANGIBLE ASSETS (CONTINUED)

The most significant clusters to which goodwill has been allocated include the clusters listed below:

	GROUP	
	2024 R'000	2023 R'000
Carrying value:		
Eastern Cape cluster	45 469	45 469
Northern Cape cluster	127 108	127 108
Northern Province cluster	193 177	158 333
Western Province cluster	38 145	38 145
Highway cluster	950 839	950 029

The following table sets out the key assumptions applied in determining the recoverable amount of each CGU used per cluster:

	GROUP	
	2024 %	2023 %
Pre-tax discount rate	12,0 – 13,0	13,0 – 14,0
Revenue growth rate*	9,0 – 17,0	9,0 – 12,0
Expenses growth rate	4,8 – 8,0	5,0 – 8,0
Terminal growth rate	5,0	6,0

* The revenue growth rate range of 9% to 17% is mostly applicable to the Northern Cape cluster. For the other clusters the revenue growth rate range is 9% – 11%

The approved budget for the next financial year was used as base data after which the relevant inputs were extrapolated for the next 4 years with the long-term growth rate being applied in the terminal year. The growth rate in revenue is more or less the same as the prior year except for the Northern Cape, Eastern Cape and Northern Province clusters where it is higher where strategic plans are in place to focus on the growth of the sites in the clusters. The expenses were mostly grown with more or less the same range as the prior year. The pre-tax discount rate is lower as a result of a lower cost of capital based on a lower cost of interest-bearing debt.

Management has performed sensitivity analyses on the key assumptions in the impairment model using possible changes in these key assumptions including pre-tax discount rates, gross profit percentage, expenses growth rate and terminal growth rate used. Listed below is the increase/decrease in assumptions applied per year in the forecast, required to deplete the headroom after which a portion of goodwill will start to be impaired:

	PRE-TAX DISCOUNT RATE		GROSS PROFIT PERCENTAGE		EXPENSES GROWTH RATE	
	2024	2023	2024	2023	2024	2023
Eastern Cape cluster	+6,7%	+6,4%	-4,2%	-5,0%	+4,2%	+5,0%
Northern Cape cluster	+11,1%	+10,0%	-7,8%	-9,3%	+7,8%	+9,5%
Northern Province cluster	+7,3%	+4,8%	-6,0%	-5,1%	+6,0%	+5,3%
Western Province cluster	+50,8%	+22,2%	-9,2%	-7,8%	+10,2%	+8,8%
Highway sites cluster	+9%	+21,9%	-1,0%	-2,3%	+3,2%	+7,8%

Even if the terminal growth rate is zero, no impairment is identified. There is sufficient headroom and no risk of impairment noted.

The Agrimark acquisition strategy focuses on increasing scale in identified geographic locations and diversifying the business. The Forge and Farmsave branded branches are included in the Agrimark segment for the group. The goodwill raised through the business combination with Partridge Building Supplies (Pty) Ltd ("PBS") in previous years was tested for impairment using a value in use calculation.

5 INTANGIBLE ASSETS (CONTINUED)

Carrying value:

Goodwill – business combination relating to PBS	22 033	22 033
Goodwill – business combination relating to Farmsave	1 186	1 186

The following table sets out the key assumptions applied in determining the recoverable amount of the goodwill raised:

Goodwill – business combination relating to PBS and Farmsave

	%	%
Pre-tax discount rate	12,0 – 13,0	13,0 – 14,0
Revenue growth rate	10,0 – 12,0	10,0 – 12,0
Expenses growth rate	8,0	7,0
Terminal growth rate	5,0	6,0

The approved budget for the next financial year was used as base data after which the relevant inputs were extrapolated for the next 4 years with the long-term growth rate being applied in the terminal year. The pre-tax discount rate is in line with the rest of the group's pre-tax discount rate. Growth in revenue is in line with prior years. Expenses growth based on inflation and budgeted growth in expenses. No impairment was noted.

Management has performed sensitivity analyses on the key assumptions in the impairment model using possible changes in these key assumptions including pre-tax discount rates, revenue percentage, expenses growth rate and terminal growth rate used. Listed below is the increase/decrease in assumptions applied per year in the forecast, required to deplete the headroom after which a portion of goodwill will start to be impaired:

	PRE-TAX DISCOUNT RATE		GROSS PROFIT PERCENTAGE		EXPENSES GROWTH RATE	
	2024	2023	2024	2023	2024	2023
Business combination relating to PBS	+7,4%	+2,5%	-5,2%	-5,5%	+7,1%	+4,6%

Even if the terminal growth rate is zero, no impairment is identified. Thus, there is sufficient headroom and no risk of impairment.

The remaining CGU in the Agrimark segment was also assessed for goodwill impairment and sufficient headroom noted. Carrying amount of R2,4 million (2023: R2,4 million).

6 ASSETS HELD FOR SALE

Assets and liabilities classified as held for sale

	GROUP	
	2024 R'000	2023 R'000
Intangible assets	–	34 844
Property, plant and equipment	–	5 456
Right-of-use assets	–	56 453
Lease liabilities	–	(56 418)
Inventory	–	11 628
Deferred tax	–	825
	–	52 788
Assets classified as held for sale	–	109 206
Liabilities directly associated with assets classified as held for sale	–	(56 418)
	–	52 788

6 ASSETS HELD FOR SALE (CONTINUED)

The Board decided to dispose of four TFC Operations sites during the previous financial year after considering offers received for said sites from various third parties. At the time of the decision, the Group met the criteria of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations and, therefore, classified these sites as held for sale at that date. These sites were not recognised as discontinued operations under this standard as they neither represented a separate major line of business nor a geographical area of operations. Despite making significant progress regarding the disposal of these sites, challenging market-related circumstances beyond the control of TFC Operations have resulted in protracted negotiations with the buyers of these respective sites, resulting in the transactions not being concluded at 30 September 2024. Processes are continuing to dispose of these sites. Accordingly, the sale of these sites is now not considered highly probable and has been reclassified out of assets held for sale at 30 September 2024. The effect of the decision to reclassify these sites is an increase of depreciation of R0,8 million.

	GROUP	
	2024	2023
	R'000	R'000
7 INVESTMENT IN JOINT VENTURE		
Beginning of the year	50 648	41 377
Share in total comprehensive income	10 378	9 271
End of the year	61 026	50 648
The nature of the business is supplying of farming requisites, general retail and fuel. The Company is incorporated in Namibia. Agrimark Operations Namibia (Pty) Ltd Number of issued shares: 502 (2023: 502) Shareholding: 50% (2023: 50%) 251 (2023: 251) Shares at cost		
Share in post-acquisition accumulated profit	40 156	40 156
	20 870	10 492
	61 026	50 648
Summarised Statement of financial position as prepared under IFRS		
Non-current assets	95 683	80 165
Current assets	220 681	227 821
Cash and cash equivalents	5 434	3 326
Other current assets	215 247	224 495
Total assets	316 364	307 986
Non-current liabilities		
Loans and lease liabilities	18 832	14 670
Current liabilities	173 433	189 973
Short-term borrowings	3 568	15 430
Other current liabilities	169 865	174 543
Total liabilities	192 265	204 643
Net assets	124 099	103 343
Group's share in percentage	50,00%	50,00%
Group's share in Net assets of joint venture at fair value	62 050	51 672
Summarised Income statement		
Revenue	1 243 154	1 141 452
Depreciation	17 403	14 358
Interest income	10 004	12 511
Interest expense	3 563	6 385
Profit before taxation	30 562	27 263
Income tax	(9 806)	(8 721)
Profit attributable to ordinary shareholders	20 756	18 542

		GROUP	
		2024 R'000	2023 R'000
7	INVESTMENT IN JOINT VENTURE (CONTINUED)		
	Joint Guarantee for bank overdraft facility of investment in joint venture		
	Agrimark Operations Namibia (Pty) Ltd The Group provides a limited guarantee (limited to R70,0 million (2023: R70,0 million)) for the bank overdraft facility of Agrimark Operations Namibia (Pty) Ltd at Bank Windhoek.	70 000	70 000
	Guarantee for suppliers of subsidiaries		
	Vivo Energy Namibia Limited The Group provides a limited guarantee (limited to R20 million (2023: R20,0 million)) for the supply of fuel to Agrimark Operations Namibia (Pty) Ltd	20 000	20 000
8	LOANS		
	Agrimark Operations Namibia (Pty) Ltd	-	547
	Opening balance	547	3 127
	Decrease in loan	(547)	(2 580)
	Lionshare Holdings (Pty) Ltd	22 756	21 215
	Opening balance	21 215	19 361
	Increase in loan	1 541	1 854
		22 756	21 762
	Short-term portion carried over to current assets	-	(1 513)
		22 756	20 249

The carrying value of the loans approximates its fair value at the reporting date.

Agrimark Operations Namibia (Pty) Ltd

The loan is unsecured and bears interest at the Namibian prime rate. There are no specific repayment terms. Repayment is determined by the shareholders as and when funds are available. Repayment of the loan will take place before any dividends are declared.

The expected credit loss allowance was assessed based on the exposure, probability of default and loss given default. The general model is followed in terms of IFRS 9. Strategies are in place to improve profitability and will lead to improved cashflows. As such, no expected credit loss provision has been created as this loan is considered fully recoverable in the future. A 12-month expected credit loss was considered, and no material loss allowance was identified. Refer to accounting policy note 8.

Lionshare Holdings (Pty) Ltd

The loan bears interest at prime plus 1,5%. The loan is repayable in yearly instalments after payment of a dividend by TFC Operations (Pty) Ltd, with final repayment on 28 February 2029.

The loan is secured by:

- > A first-ranking mortgage bond over the immovable property of C-Max Investments 71 (Pty) Ltd, held under Deed of Transfer T19459/2012.
- > A second-ranking mortgage bond over the immovable property of C-Max Investments 71 (Pty) Ltd, held under Deed of Transfer T51438/2014.
- > A suretyship agreement, binding itself, by C-Max Investments 71 (Pty) Ltd.
- > A suretyship agreement, binding itself, by Mezibase (Pty) Ltd.

The expected credit loss allowance was assessed based on the exposure and probability of default and loss given default but based on the security value the expected credit loss allowance was considered immaterial. Refer to accounting policy note 8.

	GROUP	
	2024 R'000	2023 R'000
9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
Signafi Capital (Pty) Ltd – unlisted	5 580	5 580

Information about the Group's exposure to price risk is provided in note 23. For information about the methods and assumptions used in determining the fair value also refer to note 23.

The shares are encumbered as security as set out in note 21.

	GROUP	
	2024 R'000	2023 R'000
10 DEFERRED TAXATION		
Movement of deferred tax		
Balance beginning of year	(43 534)	(43 418)
Assets held for sale	825	(825)
Income statement credit	20 119	1 923
Credit/(debit) against reserves	3 293	(1 214)
Balance end of year	(19 297)	(43 534)
Due to the following temporary differences:		
Property, plant and equipment	(95 044)	(86 597)
Intangible assets	(56 595)	(53 066)
Currency translation differences	422	220
Tax loss	59 089	42 217
Provisions and accrued expenses	48 496	36 968
IFRS 16 Right-of-use asset and liability	24 335	16 724
Right-of-use asset	(206 624)	(155 594)
Lease liability	230 959	172 318
	(19 297)	(43 534)
Sufficient taxable profits are expected to be earned in the manufacturing segment to utilise the deferred tax asset.		
Movements for the year		
Opening balance	(43 534)	(43 418)
Property, plant and equipment	(8 447)	(13 910)
Intangible assets	(3 529)	1 360
Currency translation differences	202	546
Tax loss	16 872	13 303
Provisions and accrued expenses	11 528	(5 382)
IFRS 16 right-of-use asset and liability	7 611	3 967
Right-of-use asset	(51 030)	14 923
Lease liability	58 641	(10 956)
	(19 297)	(43 534)
The accumulated tax loss of R210,5 million (2023: R145,9 million) has no expiry date.		
For purposes of the statement of financial position deferred taxation is presented as follows:		
Non-current assets	51 314	33 039
Non-current liabilities	(70 611)	(76 573)
	(19 297)	(43 534)

	GROUP	
	2024 R'000	2023 R'000
11 INVENTORY		
Merchandise	1 413 277	1 618 318
Raw materials	36 192	21 442
Consumable goods	2 587	2 232
	1 452 056	1 641 992
Inventory carried at the lower of cost or net realisable value	85 437	78 483
Provision for slow-moving and obsolete stock included in inventory	48 410	43 773
Inventory written off during the year	14 146	14 873

The inventory is encumbered as security as set out in note 21.

12 TRADE AND OTHER RECEIVABLES

Trade Receivables	2 441 784	2 563 130
Expected credit loss allowance	(56 653)	(53 261)
	2 385 131	2 509 869
VAT	32 866	41 212
Other debtors	68 738	65 612
	2 486 735	2 616 693
Trade and other receivables – current	2 461 010	2 580 828
Trade and other receivables – non-current	25 725	35 865
	2 486 735	2 616 693

Included in the non-current portion of trade and other receivables are long-term facilities granted to producers to assist in capital expansion related to the establishment and/or expansion of production. The nature of these accounts are the same as normal trade debtors. These facilities vary in duration between 2 and 5 years, are suitably secured and bear interest in line with the policies regarding interest for all trade receivables and are considered to be market related.

Trade and other receivables are categorised as debt instruments at amortised cost.

The Group applies the simplified approach for providing for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables.

A loss allowance is recognised for all receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. Refer to note 23 for the detail regarding the process for identifying the specific and contingency loss allowance. In addition to the loss allowance, receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Receivables which have been written off are not subject to enforcement activities. The general model was used to identify any expected credit losses for deposits and other receivables and no material loss allowance identified.

The carrying value of trade and other receivables approximates its fair value at the reporting date.

The trade debtors are encumbered as security as set out in note 21.

		GROUP	
		2024	2023
		R'000	R'000
12	TRADE AND OTHER RECEIVABLES (CONTINUED)		
	Movement in the expected credit loss allowance		
	Opening balance	(53 261)	(44 213)
	Movement in the expected credit loss allowance	(3 392)	(9 048)
	Bad debts written off	9 934	3 541
	Additional provision raised	(13 326)	(12 589)
	Balance at the end of the year	(56 653)	(53 261)
13	FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS		
	Low risk retention payment – contingent consideration		
	Balance beginning of the year	90 925	82 396
	Repayment	(57 789)	–
	Interest	4 373	8 529
		37 509	90 925
	<p>The low risk retention payment resulted with the purchase of the subsidiary PEG Retail Holdings (Pty) Ltd. A contingent consideration amount has been allocated in respect of certain sites where a required 5 year renewal of the lease agreement should be obtained. Within five business days of receipt by TFC of the signed renewal agreement, TFC will make the relevant payments. The low risk retention payment will be increased by a factor equal to prime less 1% calculated from effective date to the date of actual payment. Management is of the opinion that based on history and the current relationships with the Oil companies, the probability of the lease agreements to be renewed and the low risk retention payment to be made in full is highly probable. This liability is expected to be settled before 31 December 2025. On 3 November 2023 a partial payment of R57,8 million was made.</p>		
	Share Incentive Scheme – Future Forwards		
	Balance beginning of the year	46 749	–
	Purchase	37 084	59 888
	Repayment	(83 833)	(13 139)
		–	46 749
	<p>During the prior year the Group entered into an arrangement with a counter party to acquire KAL shares in the market and deliver these shares directly to the participants of the share incentive scheme (“SIS”) on vesting. The financial liability at fair value through profit and loss related to all the future forwards required for the SIS.</p>		
		37 509	137 674

	GROUP	
	2024 R'000	2023 R'000
14 CASH AND CASH EQUIVALENTS		
Cash on hand	4 957	4 831
Bank balances	308 603	281 095
	313 560	285 926

The cash balances are encumbered as security as set out in note 21.

The credit quality of cash at bank, excluding cash on hand that is neither past due nor impaired can be assessed by reference to external credit ratings:

- > ABSA Bank Limited – counterparty risk rated Ba2 (2023: Ba1) by Moody's
- > First National Bank Limited – counterparty risk rated Ba2 (2023: Ba1) by Moody's
- > Standard Bank of South Africa Limited – counterparty risk rated Ba2 (2023: Ba1) by Moody's
- > Nedbank Limited – counterparty risk rated Ba2 (2023: Ba1) by Moody's

	GROUP	
	2024 R'000	2023 R'000
15 STATED CAPITAL		
Authorised: 1 000 000 000 (2023: 1 000 000 000) ordinary shares with no par value		
Issued: 74 319 837 (2023: 74 319 837) ordinary shares with no par value		
Ordinary shares	489 755	486 191
Treasury shares	(23 704)	(45 228)
	466 051	440 963
	Number	Number
Total number of ordinary shares – issued	74 320	74 320
Treasury shares – issued	(3 709)	(4 200)
	70 611	70 120

16 OTHER RESERVES		
Hedge reserve Derivative financial instruments that are designated and qualify as cash flow hedges are shown in the statement of financial position at fair value. This includes foreign exchange contracts pertaining to imports of inventory. The effective portion of changes in the fair value are recognised in other comprehensive income in the hedge reserve.	(1 140)	(594)
Share-based payment reserve The equity impact in relation to the management share incentive scheme is shown in the share-based payment reserve.	39 120	21 873
	37 980	21 279

17 EQUITY SETTLED MANAGEMENT SHARE INCENTIVE SCHEME

	2024 Number of options	2023 Number of options
Granted during the year – modified LTI scheme (NCOs)	842 136	986 238

The expense recognised in profit or loss is R18 257 925 (2023: R13 500 285).

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Vesting date	Exercise price	Fair value at grant date	Share options 2024	Share options 2023
Old LTI scheme					
15 January 2019	1 October 2023	36,72	15,29	46 839	46 839
15 January 2020	1 October 2023	27,31	5,96	390 201	390 201
15 January 2020	1 October 2024	27,31	6,48	390 201	390 201
12 January 2021	1 October 2022	24,53	4,65	85 440	85 440
12 January 2021	1 October 2023	24,53	5,56	85 440	85 440
12 January 2021	1 October 2024	24,53	6,23	85 440	85 440
12 January 2021	1 October 2025	24,53	6,74	85 440	85 440
20 January 2022	1 October 2023	44,44	11,01	131 051	131 051
20 January 2022	1 October 2024	44,44	13,51	131 051	131 051
20 January 2022	1 October 2025	44,44	15,34	131 051	131 051
20 January 2022	1 October 2026	44,44	16,72	131 051	131 051
Modified LTI scheme – Nil Cost Option ("NCO")					
29 September 2022	29 September 2024	–	33,08	331 195	331 195
29 September 2022	29 September 2025	–	31,02	331 195	331 195
29 September 2022	29 September 2026	–	28,90	331 195	331 195
29 September 2022	29 September 2027	–	26,74	331 195	331 195
2 December 2022	2 December 2024	–	40,52	23 225	23 225
2 December 2022	2 December 2025	–	38,34	23 226	23 226
2 December 2022	2 December 2026	–	36,08	23 226	23 226
2 December 2022	2 December 2027	–	33,76	23 226	23 226
24 May 2023	24 May 2025	–	32,45	223 333	223 333
24 May 2023	24 May 2026	–	30,71	223 334	223 334
24 May 2023	24 May 2027	–	28,97	223 334	223 334
24 May 2023	24 May 2028	–	27,24	223 334	223 334
24 May 2024	24 May 2026	–	44,00	210 531	–
24 May 2024	24 May 2027	–	41,73	210 536	–
24 May 2024	24 May 2028	–	39,29	210 533	–
24 May 2024	24 May 2029	–	36,71	210 536	–
				4 846 359	4 004 223

17 EQUITY SETTLED MANAGEMENT SHARE INCENTIVE SCHEME (CONTINUED)

Fair value of options granted

The awards granted during the year are conditional upon specific non-market conditions and the completion of a service period. We refer to the fair value of these awards, prior to taking into account the probability of achieving the non-market performance conditions, as the “unconditional fair value”. The shares are obtained for no consideration upon the achievement of the service condition (i.e. no strike price) and award holders will not be entitled to dividends on the ordinary shares underlying their share options prior to the exercise date. The “unconditional fair value” is thus equal to the share price at the grant date, less the present value of estimated dividends paid prior to the time of exercise. Inputs taken into account are share price, life of the option, dividend yield rate and the risk free interest rate.

	GROUP	
	2024	2023
Model inputs:		
<i>Old LTI scheme</i>		
Exercise price (Rand)	–	24,53
Share price at grant date (Rand)	–	24,53
Expected life of option (years)	–	2 – 5
Expected volatility (%)	–	27,6 – 55,9
Expected dividend yield (%)	–	4,0 – 5,0
Risk-free interest rate (%)	–	8,1 – 8,8
<i>Modified LTIP scheme - Nil Cost Option ("NCO")</i>		
Share price at grant date (Rand)	48,00	36,73
Expected life of option (years)	2 – 5	2 – 5
Expected dividend yield (%)	4,4 – 5,4	5,2 – 6,4
Risk-free interest rate (%)	8,2 – 8,7	8,1 – 8,9

The LTIP is an NCO scheme, which mitigates the risk participants previously had with share price changes due to market volatility. The rights previously granted under the KAL Group Equity Settled Management Share Incentive Scheme were migrated and converted to NCOs governed by the amended rules of the abovementioned non-dilutionary LTIP, although the vesting dates and performance hurdles applicable to such grants will remain in place for these converted NCOs.

Participation is limited to the executive directors and other executive committee members, which may also include the Managing Director of a subsidiary. Participants will be awarded NCOs, which are conditional rights to receive Company shares on a future date after the fulfilment of the performance and other conditions, to the extent applicable. The vesting is not dependent on the share price growth. Each year the participants are awarded NCOs, based on a multiple of the participant’s annual Total Gross Package (“TGP”). The NCOs vest in tranches of 25% each on the later of the 2nd, 3rd, 4th and 5th anniversary of the date of award; and to the extent applicable, the date on which the remuneration committee determines that the performance condition(s) has been met; and to the extent applicable, any other conditions imposed have been satisfied. On the vesting date, shares will be awarded to a participant.

	GROUP	
	2024 R'000	2023 R'000
18 INSTALMENT SALE AGREEMENTS		
Instalment sale agreements liabilities	38 302	59 857
Short-term portion Instalment sale agreements liabilities	(22 377)	(31 036)
	15 925	28 821
Commitments in relation to Instalment sale agreements payable as follows:		
Within one year	25 235	36 045
Later than one year but not later than five years	17 863	31 051
Minimum instalment payments	43 098	67 096
Future finance charges	(4 796)	(7 239)
Recognised as liability	38 302	59 857
The present value of Instalment sale agreements liabilities is as follows:		
Within one year	22 377	31 036
Later than one year but not later than five years	15 925	28 821
Minimum lease payments	38 302	59 857
Instalment sale agreements liabilities include vehicles and forklifts. The nature of instalment sale agreements is that the ownership of assets is already transferred to the Group.		
19 EMPLOYEE BENEFIT OBLIGATIONS		
Post-retirement medical benefits		
Balance beginning of year	16 186	16 558
Interest costs recognised in the income statement	1 873	1 747
Actuarial gain recognised in the income statement	1 349	-
Employer contributions	(2 341)	(2 119)
	17 067	16 186
Short-term portion carried over to current liabilities	(2 288)	(2 153)
	14 779	14 033
Amounts recognised in the income statement are shown under other operating expenses.		
Existing provisions are based on the following important assumptions:		
Post-retirement medical benefits		
Cost of medical inflation (%)	6,75	9,00
Discount rate (%)	9,50	11,25
Average retirement age (years)	65	65
Expected membership continuance at retirement (%)	100	100
Post-retirement mortality	2 Years +1%	2 Years +1%
Weighted average duration of obligation (years)	6,51	6,83
Total expected contributions for the coming year (R'000)	2 288	2 153

19 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Sensitivity analysis:

The method of calculation remains unchanged.

Effect of a 1% movement in the assumed cost of medical inflation and discount rate:

	GROUP	
	+1% R'000	-1% R'000
Cost of medical inflation		
Aggregate of current service cost and interest cost		
- increase/(decrease)	85	(77)
Liability - increase/(decrease)	892	(813)
Discount rate		
Liability - increase/(decrease)	(885)	988

	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
Trend information:					
Present value of liabilities	17 067	16 186	16 558	17 044	17 603
Present value of plan assets	-	-	-	-	-
Present value of obligations above plan assets	17 067	16 186	16 558	17 044	17 603
Experience adjustments:					
Present value of liabilities	(1 631)	-	(49)	-	(947)
Present value of plan assets	-	-	-	-	-
Actuarial profit/(loss) before changes in assumptions	(1 631)	-	(49)	-	(947)

20 TRADE AND OTHER PAYABLES

	GROUP	
	2024 R'000	2023 R'000
Trade creditors	1 767 191	2 075 530
Employee accruals	90 804	96 367
Other creditors	165 485	143 234
	2 023 480	2 315 131

The carrying value of trade and other payables approximate its fair value at the reporting date.

21 BORROWINGS

	GROUP	
	2024 R'000	2023 R'000
Long-term bank borrowings	355 250	-
Borrowings	625 469	877 921
Short-term portion of long-term bank borrowings	(270 219)	(877 921)
The current long-term bank facilities bear interest at fixed rates between 6,37% to 6,43%, as well as JIBAR plus 2,20%. The borrowings are repayable based on a schedule as set out in the agreement between the Company and the bank and will be fully repaid by 30 June 2026.		
Short-term bank borrowings	1 434 064	1 892 806
Overdraft facility	1 163 845	1 014 885
Short-term portion of long-term bank borrowings	270 219	877 921
The current short-term bank facilities bear interest from prime less 1,75% to prime less 2,00% and are renewed annually.		

The carrying value of borrowings approximate its fair value at the reporting date.

As there was a short-term technical breach of covenants in the prior year, the long-term borrowings moved from long-term to short-term, as the Group did not have the unconditional right to defer payment past 12 months. There was no technical breach of covenants for the year ended 30 September 2024.

Refer below for the debt covenants:

	2024	2023
Agrimark Operations Limited covenants		
<i>Name of Covenant:</i>		
Asset Cover Ratio (required to be equal or higher than 1,25 (2023: 1,25))	3,93	4,82
Leverage Ratio (required to be equal or lower than 3,0 (2023: 3,25))	1,88	1,82
Interest Cover Ratio (required to be equal or higher than 3,50 (2023: 3,25))	5,39	5,18
Debt Service Cover Ratio (required to be equal or higher than 1,20 (2023: 1,20))	1,43	0,90
TFC Operations (Pty) Ltd covenants		
<i>Name of Covenant:</i>		
Leverage Ratio (required to be equal or lower 2,5 (2023: 3,0))	2,06	2,82
Interest Cover Ratio (required to be equal or higher than 3,50 (2023: 3,50))	4,22	3,67
Debt Service Cover Ratio (required to be equal or higher than 1,1 (2023: 1,25))	1,26	1,12

Leverage Ratio is the consolidated total net borrowings divided by adjusted consolidated EBITDA.

Interest cover ratio is the adjusted consolidated EBITDA divided by consolidated finance costs.

Debt service cover ratio is the consolidated total free cashflow to the consolidated total debt service.

Asset cover ratio is the PLF facility covered by the value of debtors and stock.

21 BORROWINGS (CONTINUED)

Securities held:

The bank facilities of R2 780,3 million are secured by:

- > A pledge and cession of all shares, securities and other ownership interests in any affiliate, associate company or another person in which it is invested.
- > First-ranking covering mortgage bonds over certain immovable property of which that KAL Group is the registered owner.
- > A cession of all its rights and claims in respect of bank accounts maintained in South Africa.
- > A general notarial bond over the stock and moveable assets of Agrimark Operations Limited to the value of R200 million for the facility of Agrimark Operations Limited.
- > A cession of trade debtors and stock of Agrimark Operations Limited for the facility of Agrimark Operations Limited (limited to R1 200 million).
- > A cession of trade debtors of Agriplas (Pty) Ltd as well as a limited guarantee by Agrimark Operations Limited (limited to R20,0 million) for the facilities of Agriplas (Pty) Ltd.
- > A limited guarantee by Agrimark Operations Limited (limited to R25,0 million) for the facilities of TFC Operation (Pty) Ltd.
- > First-ranking covering mortgage bonds over certain immovable property of Agrimark Operations Limited.
- > A cession of all its insurance taken out and any proceeds receivable.
- > A cession of bank accounts opened with any bank and all the proceeds standing to the credit of such accounts – PEG Retail Holdings (Pty) Ltd.
- > A limited guarantee of R30 million by PEG Retail Holdings (Pty) Ltd.
- > A cession of all rights, title and interest in the management contracts held of PEG Management Services (Pty) Ltd.

	GROUP	
	2024	2023
	R'000	R'000
22 RELATED PARTY TRANSACTIONS		
The following transactions were carried out with related parties:		
Transactions with related parties and outstanding balances		
Income		
<i>Interest received</i>		
Lionshare Holdings (Pty) Ltd	2 862	2 498
Expenses		
<i>Purchases of goods</i>		
M Pupkewitz & Sons (Pty) Ltd	1 931	1 297
Balances		
<i>Loans receivable</i>		
Lionshare Holdings (Pty) Ltd	22 756	21 215
Transactions with directors and outstanding balances:		
Sales	90 554	102 093
Purchases	4 187	454
Trade receivables	10 140	16 414
Transactions with joint venture and outstanding balances		
<i>Agrimark Operations Namibia (Pty) Ltd</i>		
Sales of goods	4 062	4 775
Interest received	20	189
Purchases of goods	383	210
Trade receivables	368	555
Trade payables	15	25
Loan	–	547

22 RELATED PARTY TRANSACTIONS (CONTINUED)

Refer to note 7 and 8 for disclosures relating to the investment in joint venture and loans granted to related parties.

The relationships between the various companies in the Group are disclosed in note 46.

KAL Group Limited is the ultimate holding company of the group.

M Pupkewitz & Sons (Pty) Ltd holds the other 50% shareholding in the Joint Venture. Refer to note 7.

Lionshare Holdings (Pty) Ltd is a related Company to one of the non-executive directors.

Lionshare Energy (Pty) Ltd is a related Company as the Company is a shareholder in subsidiary companies of the Group and the director of Lionshare serves on the KAL Group Limited board.

Refer to executive directors' remuneration as disclosed in note 31 for key management compensation.

The companies in the Group sell products in the normal course of business to directors and all other related companies on terms and conditions applicable to all clients.

23 FINANCIAL RISK MANAGEMENT

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

The accounting policy for financial instruments are applied to the following line items according to the statement of financial position: trade and other receivables, financial assets at fair value through other comprehensive income, financial liabilities at amortised cost, derivative financial instruments, cash and cash equivalents, loans, trade and other payables, borrowings, finance lease liabilities and financial liabilities at fair value through profit or loss.

The carrying value according to the statement of financial position differs from the values disclosed in this note because of items included in the carrying value according to the statement of financial position which do not meet the definition of a financial instrument or which are excluded from the scope of IFRS 7: Financial Instruments: Disclosures. These items include statutory receivable (VAT) amounts of R32,9 million (2023: R41,2 million), statutory liabilities of R9,7 million (2023: R17,2 million) and liabilities in respect of employee benefits of R43,1 million (2023: R66,6 million).

Market risk

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk primarily arises from inventory and asset purchases in other countries. Forward exchange contracts are used to manage the foreign exchange risk.

Agrimark Operations Aussenkehr (Pty) Ltd is currently the only foreign subsidiary within the Group. The functional currency of Agrimark Operations Aussenkehr (Pty) Ltd is the Namibian Dollar. The exchange rate between the Namibian Dollar and South African Rand is fixed at 1 Namibian Dollar for 1 South African Rand. Consequently, no foreign exchange rate differences arise due to the translation of this foreign subsidiary.

All imports in foreign currency are hedged with the corresponding foreign exchange contract asset and liability, and reserves are addressed. No effect on profit or loss, thus foreign currency risk is managed through hedge accounting.

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Cash flow interest rate risk

The Group finances its operations through a combination of shareholders' funds and bank borrowings. The Group's interest rate exposure and the effective interest rates can be summarised as follows:

	INTEREST-BEARING			
	Rate 2024 %	Amount 2024 R'000	Rate 2023 %	Amount 2023 R'000
Assets:				
Trade debtors	11,25 – 16,25	2 385 131	11,50 – 16,50	2 509 869
Loan Agrimark Operations Namibia (Pty) Ltd	–	–	11,50	547
Loan Lionshare Holdings (Pty) Ltd	11,50	22 756	13,25	21 215
Cash and cash equivalents	7,6 – 9,2	220 120	7,90 – 9,40	242 918
Liabilities:				
Short-term borrowings	9,50 – 9,75	1 163 845	9,75 – 10,00	1 014 885
Low risk retention payment	10,50	37 509	10,75	90 925
Instalment sale agreements	11,00 – 12,50	38 302	10,75 – 12,77	59 857
Borrowings	6,37 – 10,55	625 469	6,37 – 10,70	877 921

	NON-INTEREST-BEARING	
	Amount 2024 R'000	Amount 2023 R'000
Assets:		
Other receivables	68 738	65 612
Cash and cash equivalents	93 440	43 008
Liabilities:		
Trade- and other payables	1 967 730	2 231 079

	GROUP	
	2024 R'000	2023 R'000
To illustrate the company's exposure to interest rate changes, the influence of interest rate changes on the carrying values of interest bearing financial assets and financial liabilities and resulting profit after taxation, are illustrated as follows:		
Interest-bearing assets	2 628 006	2 774 549
Interest-bearing liabilities	(1 865 124)	(2 043 587)
Net interest-bearing assets	762 882	730 962
Increase/(decrease) in profit after tax and equity		
Half a percentage point increase in interest rates	2 785	2 668
Half a percentage point decrease in interest rates	(2 785)	(2 668)

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Price risk

Commodities are hedged within the limits approved by the Board of directors. The price risk is deemed low due to the implementation of mitigating controls.

Equity price risk

The equity price risk exposure arises from the investment made in Signafi Capital (Pty) Ltd shares. Equity price risk is the risk that the fair values of equities decrease or increase as a result of changes in the levels of equity indices and the value of individual stocks. Please refer to note 9 for the investment. A 10% difference in the share price could affect other comprehensive income with R558 000.

Credit risk

Potential concentrations of credit risk consist mainly within cash and cash equivalents, deposits, all other receivables, loans receivables and trade debtors.

In terms of IFRS 9: Financial Instruments, all financial assets at amortised cost need to be assessed for expected credit losses. Refer to the accounting policy note 10 for more information.

The Group limits its counterparty exposures arising from cash current accounts by only dealing with well-established financial institutions of high-quality credit standing. Refer to note 14.

Expected credit loss allowances on cash and cash equivalents, deposits and all other receivables were assessed based on the general model and no expected credit loss allowance was created as this was immaterial. Refer to note 12 and 14.

Trade receivables

Trade debtors consist of a large number of clients, the majority of whom are long standing reputable clients with strong trading history with the business. Clients are well diversified across geographical regions as well as product types, thus lowering the concentration risk. The cash flows are also spread throughout the year as the clients are well diversified and the different product types results in different seasons with the cash flows, not happening all at one point in time, thus lowering the concentration risk. Credit is granted to customers in the form of facilities to purchase from KAL Group outlets and not in the form of loan funding. The terms of credit is monthly to seasonal accounts plus limited establishment credit (longer term).

Credit terms, interest rates and other applicable terms are determined based on the calculated risk profile of the credit taker(s). A strict credit policy is followed which includes the ongoing revision of credit limits, security assessments and credit evaluations of the financial position of clients. The credit policy is approved by the finance committee, which meets three times per year to review the credit positions. The largest credit default risks are associated with natural causes or sequestration and are mitigated through these actions. The Group is of the opinion that these measures reduce residual credit risk to acceptable levels. Considering that the vast majority of the trade debtors are associated with the agricultural sector, the recoverability of these financial assets can be negatively influenced by natural disasters, consecutive poor production seasons and lower than expected commodity prices. These factors have been taken into consideration on an individual and collective basis when determining the recoverability of debtors. Steps for collection are immediately implemented if a debtor does not conform to his limit or repayment terms.

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (continued)

The Group has a specific expected credit loss allowance and a contingency expected credit loss allowance. Refer to note 10 in the accounting policy for more information.

	GROUP	
	2024 R'000	2023 R'000
The total expected credit loss allowance is made up of		
- specific expected credit loss allowance	(46 503)	(43 806)
- contingency expected credit loss allowance	(10 150)	(9 455)
Balance at the end of the year calculated under IFRS 9	(56 653)	(53 261)

The credit risks related to trade debtors are further limited by taking up a wide range of securities as shown below. The nature of the security held is a determining factor in the size of the facility granted, as well as to the value attributed to such security in the credit risk assessment. The value of the securities are determined based on the type of security. The securities that are readily convertible into cash, are for example bank guarantees, deed of pledge, cessions and bonds.

The spread across the different forms of security:

	Surety	Guarantee/ Indemnity	Bond	Cession	Deed of pledge	General
Security type – 2024	58%	5%	11%	22%	1%	3%
Security type – 2023	56%	6%	13%	21%	1%	3%

General securities include bank guarantees and credit guarantees.

	Rate 2024	Rate 2023	Rate 2022	Rate 2021
Bad debts written off – default rate	0,41%	0,14%	0,98%	0,21%

Trade debtors are presented net of the loss allowance recognised. Interest on trade debtors is calculated on a base rate plus a factor for the risk associated with each client. Overdue debtors incur a penalty interest charge.

Trade debtors are divided into the following categories: Debtors within terms and not credit impaired, Debtors outside terms but not credit impaired and Debtors which are credit impaired. The identification of the respective risk categories is based on the agricultural commodity sectors in which the respective debtors operate. Debtors within a specific agricultural commodity sector are considered to have similar risk characteristics.

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (continued)

	Grain R'000	Fruit R'000	Other Agri R'000	Non- Agri R'000	Total R'000
30 September 2024					
Debtors within terms					
Balance	655 557	738 664	400 813	292 421	2 087 455
Debtors for which collateral are held	(592 958)	(546 948)	(302 292)	(68 995)	(1 511 193)
Exposure to credit risk	62 599	191 716	98 521	223 426	576 262
Debtors outside terms but not credit impaired					
Balance	26 277	181 655	69 684	6 267	283 883
Debtors for which collateral are held	(24 996)	(32 097)	(50 612)	(2 418)	(110 123)
Exposure to credit risk	1 281	149 558	19 072	3 849	173 760
Debtors which are credit impaired					
Balance	18 368	30 114	17 597	4 367	70 446
Debtors for which collateral are held	(4 569)	-	(5 139)	(239)	(9 947)
Exposure to credit risk	13 799	30 114	12 458	4 128	60 499

The contingency loss allowance per category (included in the total expected credit loss allowance as disclosed below) is as follows:

	Grain R'000	Fruit R'000	Other Agri R'000	Non- Agri R'000	Total R'000
Balance of debtors not specifically provided for	681 834	920 319	470 497	298 688	2 371 338
Expected credit loss risk factor	0,19%	0,65%	0,42%	0,31%	0,43%
Total contingency loss allowance	1 288	5 944	1 991	927	10 150
Total specific loss allowance	12 056	20 714	10 461	3 272	46 503
Total expected credit loss allowance	(13 344)	(26 658)	(12 452)	(4 199)	(56 653)
Balance beginning of year	(11 222)	(22 021)	(11 420)	(8 598)	(53 261)
Provision written back/ (created)	(2 122)	(4 637)	(1 032)	4 399	(3 392)
Total balance	700 202	950 433	488 094	303 055	2 441 784
Total collateral held	(622 523)	(208 848)	(358 043)	(71 652)	(1 261 066)
Total loss allowance	(13 344)	(26 658)	(12 452)	(4 199)	(56 653)

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables (continued)

	Grain R'000	Fruit R'000	Other Agri R'000	Non- Agri R'000	Total R'000
30 September 2023					
Debtors within terms					
Balance	644 395	760 249	417 350	302 882	2 124 876
Debtors for which collateral are held	(575 773)	(545 631)	(303 142)	(55 188)	(1 479 734)
Exposure to credit risk	68 622	214 618	114 208	247 694	645 142
Debtors outside terms but not credit impaired					
Balance	35 482	244 905	73 701	6 758	360 846
Debtors for which collateral are held	(35 361)	(211 336)	(50 810)	(2 416)	(299 923)
Exposure to credit risk	121	33 569	22 891	4 342	60 923
Debtors which are credit impaired					
Balance	19 370	27 073	18 917	12 048	77 408
Debtors for which collateral are held	(6 434)	(3 242)	(5 843)	(914)	(16 433)
Exposure to credit risk	12 936	23 831	13 074	11 134	60 975

The contingency loss allowance per category (included in the total expected credit loss allowance as disclosed below) is as follows:

	Grain R'000	Fruit R'000	Other Agri R'000	Non- Agri R'000	Total R'000
Balance of debtors not specifically provided for Expected credit loss risk factor	679 877 0,15%	1 005 154 0,57%	491 051 0,48%	309 640 0,13%	2 485 722 0,38%
Total contingency loss allowance	986	5 680	2 374	415	9 455
Total specific loss allowance	10 236	16 341	9 046	8 183	43 806
Total expected credit loss allowance	(11 222)	(22 021)	(11 420)	(8 598)	(53 261)
Balance beginning of year	(8 924)	(14 877)	(11 037)	(9 375)	(44 213)
Provision written back/ (created)	(2 298)	(7 144)	(383)	777	(9 048)
Total balance	699 247	1 032 228	509 967	321 687	2 563 129
Total collateral held	(617 568)	(760 209)	(359 795)	(58 518)	(1 796 090)
Total loss allowance	(11 222)	(22 021)	(11 420)	(8 598)	(53 261)

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

In order to mitigate any liquidity risk that the Group may face, the Group's policy has been to maintain substantial unutilised banking facilities and reserve borrowing capacity. The Group tends to have significant fluctuations in short-term borrowings due to seasonal factors. Consequently, the Group policy requires that sufficient borrowing facilities are available to provide sufficient liquidity during projected peak borrowing periods.

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average ("ZARONIA") as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group.

	GROUP	
	2024 R'000	2023 R'000
The Group's unutilised borrowing facilities are as follows:		
Total borrowing facilities	2 568 771	2 842 778
Interest-bearing debt	(1 827 615)	(1 952 662)
	741 156	890 116

The contractual maturity periods of the Group's liabilities on reporting date are as follows:

	Carrying amount R'000	Contractual cash flows R'000	0 to 12 months R'000	13 to 60 months R'000	More than 60 months R'000
30 September 2024					
Non-derivative financial liabilities					
Trade and other payables*	1 967 730	1 967 730	1 967 730	-	-
Financial liability at fair value through profit or loss	37 509	-	-	42 857	-
Lease liabilities	854 964	1 866 663	180 375	691 631	994 657
Short-term borrowings	1 163 845	1 277 874	1 277 874	-	-
Instalment sales agreements	38 302	43 098	25 235	17 863	-
Financial guarantees	-	90 000	90 000	-	-
Borrowings	625 469	697 643	319 027	378 616	-
	4 687 819	5 943 008	3 860 241	1 130 967	994 657
Derivative financial liabilities/(assets)					
Forward exchange contracts					
Outflow	(748)	(55 570)	(55 570)	-	-
Inflow	748	55 570	55 570	-	-
	-	-	-	-	-

* The standard credit terms for trade creditors are 30 days with the exception that some are deferred to 60 days, it is expected that most trade and other payables will be settled within 0 to 60 days.

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	Carrying amount R'000	Contractual cash flows R'000	0 to 12 months R'000	13 to 60 months R'000	More than 60 months R'000
30 September 2023					
Non-derivative financial liabilities					
Trade and other payables*	2 231 079	2 231 079	2 231 079	-	-
Financial liability at fair value through profit or loss	90 925	122 162	-	-	122 162
Lease liabilities	637 554	964 233	103 840	378 642	481 751
Short-term borrowings	1 014 885	1 137 132	1 137 132	-	-
Instalment sales agreements	59 857	67 096	36 045	31 051	-
Financial guarantees	-	90 000	90 000	-	-
Borrowings	877 921	947 338	947 338	-	-
	4 912 221	5 559 040	4 545 434	409 693	603 913
Derivative financial liabilities/(assets)					
Forward exchange contracts					
Outflow	(2 024)	(36 779)	(36 779)	-	-
Inflow	2 024	36 779	36 779	-	-
	-	-	-	-	-

* The standard credit terms for trade creditors are 30 days with the exception that some are deferred to 60 days, it is expected that most trade and other payables will be settled within 0 to 60 days.

Fair value estimation

Investments and derivative financial instruments

Level 1

> Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2

> Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3

> Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Please refer to the equity risk disclosure for more information regarding the investment in Signafi Capital (Pty) Ltd at fair value. The investment in Signafi Capital (Pty) Ltd is a level 3 financial instrument as the shares are not listed and unobservable.

	GROUP	
	2024 R'000	2023 R'000
Level 3 – Loans	22 756	21 762

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade debtors and trade creditors

The nominal value of trade receivables, less expected credit losses, and trade payables are assumed to approximate their fair values.

Financial liabilities

The nominal value of financial liabilities for disclosure purposes are assumed to approximate their fair values.

Capital maintenance:

The Group considers total equity, which includes share capital, reserves and treasury shares, as capital. The ratio between capital and debt is the capital ratio. Debt includes short-term borrowings. The Group's objective with the management of the capital ratio is to ensure that the Group continues to trade as a going concern and to create wealth for its shareholders and other stakeholders. The influence on the capital ratio is considered with decisions on the declaration of dividends, repurchase of shares, issue of shares, purchase and disposal of assets and investments and the acquiring or repayment of debt. The movement in capital is presented in the Statement of changes in equity.

	GROUP	
	2024	2023
Ratios		
Total shareholders' equity: Total assets employed	39,19%	35,53%
Net interest bearing debt: Total assets employed	20,11%	22,00%
EBITDA: Net assets	21,92%	25,16%

Ratios are calculated on average balances.

Net interest-bearing debt includes bank borrowings and cash balances.

EBITDA is the headline earnings before interest, tax, depreciation and amortisation.

Net assets are total assets less total liabilities.

	GROUP	
	2024 R'000	2023 R'000
24 LOW VALUE AND SHORT-TERM LEASE COMMITMENTS		
Lease payments		
Payable within one year	11 846	11 073
Payable between one and five years	6 171	7 387
	18 017	18 460
Within various lease contracts, the Group has the option to renew.		
25 CAPITAL COMMITMENTS		
Contracted	85 230	102 836

These commitments have been approved by the board of directors. The commitments will be financed by own and borrowed funds. The Group remains focused on disciplined cash management, specifically in the areas of working capital, capital expenditure and cost control.

		GROUP	
		2024	2023
		R'000	R'000
26	REVENUE FROM CONTRACTS WITH CUSTOMERS		
	Sales of goods	21 440 662	22 126 379
	– Agrimark	7 592 386	8 004 906
	– The Fuel Company	12 694 576	12 892 808
	– Agrimark Grain	939 012	1 030 563
	– Manufacturing	214 688	198 102
	Sale of services	135 702	116 161
	– Agrimark	28 079	26 850
	– Agrimark Grain	107 623	89 311
	Margin on direct transactions	158 560	154 518
	– Agrimark	154 948	151 378
	– Agrimark Grain	3 612	3 140
		21 734 924	22 397 058
	Refer to note 16 in the accounting policy and note 43 for details regarding the different revenue streams.		
27	OTHER OPERATING INCOME		
	Interest received	195 468	200 345
	– Trade debtors that are not impaired	189 809	183 053
	– Trade debtors that are impaired	1 628	9 338
	– Banks	80	152
	– Other	3 951	7 802
	Profit on sale of property, plant and equipment	685	3 067
	Transport income	13 655	13 227
	Rent received	15 212	14 205
	Bad debts recovered	248	167
	Manufacturing income	2 927	2 295
	AgriSETA and ETI income	3 863	5 174
	Training income	508	428
	Weighbridge income	783	834
	Commission received	9 034	8 938
	Business interruption claim	–	715
	Profit with modification of IFRS 16 lease contracts	3 727	2 029
	Other income	20 174	22 028
		266 284	273 452

28 EXPENSES BY NATURE

	GROUP	
	2024 R'000	2023 R'000
Cost of products sold	18 611 811	19 351 049
Foreign exchange differences	229	160
Depreciation	172 582	152 583
Amortisation of intangible assets	5 465	3 979
Directors' emoluments	15 870	15 241
Staff costs	1 234 008	1 165 399
– Salaries, wages and bonuses	1 122 011	1 073 449
– Equity settled management share incentive scheme	18 258	13 500
– Employer's contribution to pension fund (defined contribution plan)	59 420	57 452
– Employer's contribution to medical benefits	2 379	2 119
– Increase/(Decrease) in provision for post-retirement medical benefits	881	(372)
– Increase in provision for leave	14 247	4 598
– Training expenses	16 812	14 653
Skills development levy	28 271	26 556
Auditor's remuneration	11 354	10 276
– For audit	10 689	10 255
– Other services	–	21
– Under provision previous year	665	–
Rent paid	178 061	167 957
– Buildings (variable lease payments)	161 165	149 718
– Vehicles	4 132	3 957
– Machinery and equipment	12 764	14 282
Other occupancy expenses	278 164	278 448
– Repairs and maintenance	52 961	49 472
– Water, electricity and municipal services	172 742	183 218
– Insurance and security	52 461	45 758
Information technology expenses	95 828	81 657
Marketing related expenses	206 671	199 533
Transport/distribution	93 432	88 289
Other administrative expenses	142 158	140 870
Bad debts written off	–	3 541
Corporate transactions related expenses	–	970
Goodwill impairment	–	15 266
Other expenses	47 141	39 572
	21 121 045	21 741 346
	Number	Number
Number of employees in service at year-end*	6 795	7 423

* The ongoing management and optimisation of salary related expenditure remains a critical focus area. During 2024, the business improved its measurement of specifically non-permanent employees through improved digital solutions, and in doing so measures non-permanent employees based on accurate hours worked rather than by utilising an average value per employee as in the prior year. This enhancement, together with the effective implementation of workforce planning interventions, has resulted in the difference year on year without compromising customer service. The permanent workforce increased by 31 employees.

29 REMUNERATION PAID TO DIRECTORS

	Salary R'000	Bonuses R'000	Share Incentive Scheme vested R'000	Pension contri- butions R'000	Directors' fees R'000	Expense allowance R'000	Total R'000
2024							
Executive directors							
GW Sim	4 087	–	2 775	308	–	12	7 182
S Walsh	6 337	–	6 107	477	–	81	13 002
	10 424	–	8 882	785	–	93	20 184
Non-executive directors							
I Chalumbira					221	7	228
BS du Toit					193	1	194
D du Toit					524	3	527
T Kabalin					110	1	111
JH le Roux*					552	2	554
B Mathews					420	2	422
EA Messina					780	2	782
CA Otto					829	4	833
AJ Mouton					145	3	148
GM Steyn					887	–	887
					4 661	25	4 686
Total							24 870
2023							
Executive directors							
GW Sim	3 845	92	886	289	–	7	5 119
S Walsh	5 975	142	2 100	450	–	–	8 667
	9 820	234	2 986	739	–	7	13 786
Non-executive directors							
I Chalumbira					209	6	215
BS du Toit					365	5	370
D du Toit					495	4	499
B Mathews					399	3	402
JH le Roux*					366	2	368
EA Messina					732	2	734
WC Michaels					105	–	105
CA Otto					784	4	788
HM Smit					154	2	156
GM Steyn					839	1	840
					4 448	29	4 477
Total							18 263

The terms of service of the executive directors are coupled to their terms of service as employees, while the non-executive directors rotate on a three-year basis. No director or employee has a fixed-term contract with the Group. The remuneration of the non-executive directors consists of a fixed annual remuneration for services as a director, an additional fixed remuneration for duties on committees and reimbursement for travelling and other costs. The remuneration of executive directors consists of remuneration as employees, and they receive no additional remuneration as directors.

There are no further prescribed officers in the view of the Board.

* Payable to Zeder Corporate Services (Pty) Ltd

30 DIRECTORS' EQUITY SETTLED SHARE INCENTIVE SCHEME OPTIONS

	Grant date	Vesting date	Exercise price	Fair value at grant date	Share options 2024	Share options 2023
S Walsh	<i>Old LTI scheme</i>					
	15 January 2019	1 October 2023	36,72	15,29	22 593	22 593
	15 January 2020	1 October 2023	27,31	5,96	194 232	194 232
	15 January 2020	1 October 2024	27,31	6,48	194 232	194 232
	12 January 2021	1 October 2023	24,53	5,56	37 647	37 647
	12 January 2021	1 October 2024	24,53	6,23	37 647	37 647
	12 January 2021	1 October 2025	24,53	6,74	37 647	37 647
	20 January 2022	1 October 2023	44,44	11,01	58 756	58 756
	20 January 2022	1 October 2024	44,44	13,51	58 756	58 756
	20 January 2022	1 October 2025	44,44	15,34	58 756	58 756
	20 January 2022	1 October 2026	44,44	16,72	58 756	58 756
	<i>Modified LTIP scheme – Nil Cost Option ("NCO")</i>					
	29 September 2022	29 September 2024	–	33,08	133 115	133 115
	29 September 2022	29 September 2025	–	31,02	133 115	133 115
	29 September 2022	29 September 2026	–	28,90	133 115	133 115
	29 September 2022	29 September 2027	–	26,74	133 115	133 115
	24 May 2023	24 May 2025	–	32,45	68 091	68 091
	24 May 2023	24 May 2026	–	30,71	68 092	68 092
	24 May 2023	24 May 2027	–	28,97	68 091	68 091
	24 May 2023	24 May 2028	–	27,24	68 092	68 092
	24 May 2024	24 May 2026	–	44,00	64 092	–
	24 May 2024	24 May 2027	–	41,73	64 093	–
	24 May 2024	24 May 2028	–	39,29	64 093	–
	24 May 2024	24 May 2029	–	36,71	64 093	–
	<i>Old LTI scheme</i>					
	15 January 2019	1 October 2023	36,72	15,29	10 602	10 602
	15 January 2020	1 October 2023	27,31	5,96	77 378	77 378
	15 January 2020	1 October 2024	27,31	6,48	77 378	77 378
	12 January 2021	1 October 2023	24,53	5,56	19 253	19 253
	12 January 2021	1 October 2024	24,53	6,23	19 253	19 253
	12 January 2021	1 October 2025	24,53	6,74	19 253	19 253
	20 January 2022	1 October 2023	44,44	11,01	28 440	28 440
	20 January 2022	1 October 2024	44,44	13,51	28 440	28 440
	20 January 2022	1 October 2025	44,44	15,34	28 440	28 440
	20 January 2022	1 October 2026	44,44	16,72	28 440	28 440
	<i>Modified LTIP scheme – Nil Cost Option ("NCO")</i>					
	29 September 2022	29 September 2024	–	33,08	63 460	63 460
	29 September 2022	29 September 2025	–	31,02	63 460	63 460
	29 September 2022	29 September 2026	–	28,90	63 460	63 460
	29 September 2022	29 September 2027	–	26,74	63 460	63 460
	24 May 2023	24 May 2025	–	32,45	35 605	35 605
	24 May 2023	24 May 2026	–	30,71	35 606	35 606
	24 May 2023	24 May 2027	–	28,97	35 605	35 605
	24 May 2023	24 May 2028	–	27,24	35 606	35 606
	24 May 2024	24 May 2026	–	44,00	33 612	–
	24 May 2024	24 May 2027	–	41,73	33 613	–
	24 May 2024	24 May 2028	–	39,29	33 612	–
	24 May 2024	24 May 2029	–	36,71	33 613	–

For more information on the equity settled share incentive scheme refer to note 17.

		GROUP	
		2024	2023
		R'000	R'000
31	FINANCE COSTS		
	Banks and other	184 999	220 778
	Lease liabilities	70 288	50 347
	Redemption liabilities (refer to note 13)(non-cash)	4 373	8 529
		259 660	279 654
32	INCOME TAX		
	Tax expenditure:		
	Current taxation – current year	(210 284)	(213 849)
	Current taxation – previous year over provided	(80)	107
	Deferred taxation – current year	20 119	1 923
	Taxation for the year	(190 245)	(211 819)
		%	%
	The tax on the company's profit before tax differs from the theoretical amount that would arise using the statutory rate as follows:		
	Statutory tax rate	27,00	27,00
	Adjusted for:		
	Non-deductible expenses of a capital nature	3,95	4,44
	Non-taxable Employment Tax Incentive	(0,20)	(0,14)
	Learnership allowances	(0,65)	(0,29)
	Share in profit of joint venture	(0,47)	(0,42)
	Over provision previous year	0,01	(0,01)
	Different tax rates used in companies	0,02	0,04
	Effective rate	29,66	30,62

Non-deductible expenses of a capital nature include legal, consultation fees relating to new business development, impairment of goodwill and non-deductible interest.

33 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

Reconciliation between earnings and headline earnings

	GROUP	
	2024 R'000	2023 R'000
Net profit	451 097	480 002
Attributable to shareholders of the holding Company	395 316	426 945
Non-controlling interest	55 781	53 057
Net profit on disposal of assets	(500)	(2 280)
Gross	(685)	(3 067)
Tax effect	185	787
Goodwill impairment	-	15 266
Headline earnings	450 597	492 988
Attributable to shareholders of the holding Company	394 836	434 579
Non-controlling interest	55 761	58 409
Non-recurring expenses	-	970
Recurring headline earnings	450 597	493 958
Attributable to shareholders of the holding Company	394 836	435 549
Non-controlling interest	55 761	58 409

	GROUP	
	2024 R'000	2023 R'000
	Number	
Weighted average number of ordinary shares ('000)	70 308	70 285
Weighted average number of diluted ordinary shares ('000)	70 308	70 777
	Cents	
Earnings per share	562,26	607,45
Diluted earnings per share	562,26	603,23
Headline earnings per share	561,58	618,31
Diluted headline earnings per share	561,58	614,02
Recurring headline earnings per share	561,58	619,69

Headline earnings are calculated based on Circular 1/2023 issued by the South African Institute of Chartered Accountants.

Non-recurring expenses consists predominantly of costs associated with corporate transactions (legal and external consultation costs).

		GROUP	
		2024	2023
		R'000	R'000
34	DIVIDEND PER SHARE		
	Interim		
	54,00 cents per share (2023: 50,00 cents per share)	38 130	35 060
	Final		
	126,00 cents per share (2023: 130,00 cents per share)	88 970	91 155
		127 100	126 215
	Dividends payable are not accounted for until they have been declared by the Board of directors. The Statement of Changes in Equity does not reflect the final dividend payable in respect of the current year. The final dividend for the year ended 30 September 2024 will be accounted for as an appropriation of retained profit in the year ended 30 September 2025.		
35	NET CASH GENERATED FROM OPERATING ACTIVITIES		
	Operating profit per income statement	866 837	962 204
	Adjusted for:		
	– Interest received	(195 468)	(242 433)
	– Depreciation	172 582	152 583
	– Amortisation of intangible assets	5 465	3 979
	– Profit on disposal of property, plant and equipment	(685)	(3 067)
	– Profit on modifications of IFRS 16	(3 727)	(2 029)
	– Goodwill impairment	–	15 266
	– Increase/(Decrease) in share based payment reserve	18 258	(243)
	– Decrease in provisions	(14 857)	(21 647)
		848 405	864 613
36	WORKING CAPITAL CHANGES		
	Decrease/(Increase) in inventory	196 926	(32 454)
	Decrease in trade and other receivables	126 566	87 985
	Decrease in trade and other payables	(274 931)	(141 121)
		48 561	(85 590)
37	INCOME TAX PAID		
	Balance owing at the beginning of the year	(11 292)	(9 343)
	Income tax expense in income statement	(210 363)	(213 742)
	Balance (receivable)/owing at the end of the year	(3 377)	11 292
		(225 032)	(211 793)

		GROUP	
		2024	2023
		R'000	R'000
38	INCREASE IN OVERDRAFT FACILITY/ SHORT-TERM BORROWINGS		
	Opening balance	1 014 885	1 011 270
	<i>Cash flow movements</i>		
	Drawdowns	18 859 919	20 621 524
	Repayments	(18 818 939)	(20 725 483)
	Interest	107 979	107 574
	Closing balance	1 163 844	1 014 885
39	REPAYMENT OF INSTALMENT SALE AGREEMENTS		
	Opening balance	59 857	73 432
	New instalment sale agreements	9 348	13 422
	Capital repayment	(30 904)	(26 997)
	Instalments	(36 594)	(33 792)
	Interest	5 690	6 795
	Closing balance	38 301	59 857
40	LEASE PAYMENTS		
	Opening balance	637 554	678 791
	New leases	159 751	5 643
	Assets classified as held for sale	56 418	(56 418)
	Modifications and cancellations	62 463	55 343
	Capital repayment	(61 221)	(45 805)
	Lease payments	(131 508)	(96 152)
	Interest	70 287	50 347
	Closing balance	854 965	637 554
41	REPAYMENT OF BORROWINGS		
	Opening balance	877 921	1 084 000
	Interest non-cash flow	(577)	-
	Repayment	(251 875)	(206 079)
	Closing balance	625 469	877 921

42 INTEREST IN RELATED ENTITIES

	NUMBER OF ISSUED SHARES		SHAREHOLDING (%)	
	2024	2023	2024	2023
Name of subsidiary				
Directly held:				
<i>Shares held by KAL Group Limited</i>				
Agrimark Operations Limited	74 170 277	74 170 277	100,00	100,00
Agriplas (Pty) Ltd	7 000	7 000	100,00	100,00
Tego Plastics (Pty) Ltd	400	400	100,00	100,00
KAL Corporate Services (Pty) Ltd	100	100	100,00	100,00
Partridge Building Supplies (Pty) Ltd	14 400	14 400	15,00	15,00
<i>Shares held by Agrimark Operations Limited</i>				
TFC Operations (Pty) Ltd	125 825 126	125 825 126	58,20	58,20
Agrimark Operations Aussenkehr (Pty) Ltd	100	100	100,00	100,00
Partridge Building Supplies (Pty) Ltd	14 400	14 400	85,00	85,00
<i>Shares held by TFC Operations (Pty) Ltd</i>				
PEG Retail Holdings (Pty) Ltd	6 667	6 667	100,00	100,00
Indirectly held:				
<i>Shares held by Empowerment and Transformation Investments (Pty) Ltd</i>				
TFC Operations (Pty) Ltd	125 825 126	125 825 126	3,19	3,19
Name of joint venture				
<i>Shares held by Agrimark Operations Limited</i>				
Agrimark Operations Namibia (Pty) Ltd	502	502	50,00	50,00

42 INTEREST IN RELATED ENTITIES (CONTINUED)

Details of non-wholly owned subsidiaries that have material non-controlling interests ("NCI").

	2024 R'000	2023 R'000
TFC Operations Group		
Ownership held by NCI (%)	38,61%	38,61%
Accumulated NCI interest in statement of financial position	184 783	133 721
Profit allocated to NCI	29 969	27 258
Summarised financial information in respect of the Group's subsidiaries that have material NCI is set out below. The summarised financial information below represents amounts before inter-group eliminations.		
Non-current assets	2 458 877	2 193 294
Current assets	490 541	679 824
Non-current liabilities	(1 254 538)	(1 227 142)
Current liabilities	(1 211 943)	(1 228 567)
Revenue	12 705 769	12 906 283
Profit for the year	105 756	96 247
Net cash inflow from operating activities	308 759	379 297
Net cash outflow from investing activities	(20 817)	(32 901)
Net cash outflow from financing activities	(296 487)	(403 116)
Net decrease in cash and cash equivalents	(8 545)	(56 720)
Dividends paid	(25 104)	(16 125)
Included in the TFC Operations Group figures above is the subsidiary, PEG Retail Holdings (Pty) Ltd, of which TFC Operations (Pty) Ltd holds 100% of the issued shares		
PEG Retail Holdings Consolidated Group		
Ownership held by NCI (%)	16,67%	15,78%
Accumulated NCI interest in statement of financial position	27 695	22 684
Profit allocated to NCI	25 812	25 649
Summarised financial information in respect of the Group's subsidiaries that have material NCI is set out below. The summarised financial information below represents amounts before inter-group eliminations.		
Non-current assets	381 775	243 981
Current assets	345 251	393 033
Non-current liabilities	144 363	28 492
Current liabilities	793 263	761 200
Revenue	8 076 962	8 241 210
Profit for the period	154 801	162 491
Net cash inflow from operating activities	184 337	272 752
Net cash inflow/(outflow) from investing activities	25 878	(96 708)
Net cash outflow from financing activities	(212 178)	(236 171)
Net decrease in cash and cash equivalents	(1 962)	(60 127)
Dividends paid	(206 426)	(180 501)

43 INFORMATION ABOUT OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Executive Committee (whom are considered to be the Chief Operating Decision Maker (CODM)) that are used to make strategic decisions as well as the fact that they share similar economic characteristics. The Executive Committee considers the business from a divisional perspective. The performance of the following divisions are separately considered: Agrimark, The Fuel Company, Agrimark Grain as well as Manufacturing. The performance of the operating segments are assessed based on a measure of revenue and net profit before taxation.

Agrimark provides a complete range of production inputs, mechanisation equipment and services, and other goods to agricultural producers as well as the general public.

The Fuel Company provides a full retail fuel offering to a diverse range of customers and includes convenience store and quick service restaurant outlets of TFC Operations (Pty) Ltd ("TFC") and PEG Retail Holdings (Pty) Ltd ("PEG"). The nature of products, services, type of customers and regulatory environment of both TFC and PEG have similar economic characteristics and are thus aggregated into one reporting segment.

Agrimark Grain includes the sale of grain products and provides a complete range of services including storage and handling of grain products.

Manufacturing, manufactures and sells dripper pipe, other irrigation equipment, food grade plastic bulk bins for the agricultural market and distributes other irrigation parts.

Corporate includes all assets and liabilities not specifically used by the other identified segments to generate income or expenses.

	GROUP			
	SEGMENT REVENUE		SEGMENT PROFIT BEFORE TAX	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
Segment revenue and results				
Agrimark	7 775 413	8 183 134	431 040	481 277
The Fuel Company	12 694 576	12 892 808	204 887	201 348
Agrimark Grain	1 050 247	1 123 014	62 915	62 300
Manufacturing	214 688	198 102	987	3 074
Total for reportable segments	21 734 924	22 397 058	699 829	747 999
Corporate	-	-	(58 487)	(56 178)
Total external revenue	21 734 924	22 397 058	-	-
Profit before tax			641 342	691 821
Income tax			(190 245)	(211 819)
Profit after tax			451 097	480 002

Included in the Agrimark segment's results is a share in profit of joint venture of R10,4 million (2023: profit of R9,3 million). Refer note 7.

	GROUP			
	SEGMENT ASSETS		SEGMENT LIABILITIES	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
Segment assets and liabilities				
Agrimark	4 578 429	4 899 293	2 004 032	2 581 573
The Fuel Company	3 048 772	2 794 079	2 465 764	2 216 057
Agrimark Grain	92 329	89 549	26 315	26 791
Manufacturing	326 474	320 563	291 857	257 462
Total for reportable segments	8 046 004	8 103 484	4 787 968	5 081 883
Corporate	117 644	153 195	28 076	98 924
Deferred taxation	51 314	33 039	17 104	22 684
	8 214 962	8 289 718	4 833 148	5 203 491

Included in the Agrimark segment's assets is an Investment in Joint Venture of R61,0 million (2023: R50,6 million). Refer note 7.

43 INFORMATION ABOUT OPERATING SEGMENTS (CONTINUED)

	GROUP			
	CAPITAL EXPENSES		DEPRECIATION	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Other segment information				
Agrimark	61 482	97 373	55 538	51 996
The Fuel Company	47 329	36 202	78 644	68 801
Agrimark Grain	17 681	15 130	7 156	6 886
Manufacturing	3 510	12 963	11 862	11 912
Total for reportable segments	130 002	161 668	153 200	139 595
Corporate	33 316	24 889	19 382	12 988
	163 318	186 557	172 582	152 583

	GROUP			
	COST OF SALES		INVENTORY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Other segment information				
Agrimark	6 559 944	6 951 098	1 207 103	1 336 072
The Fuel Company	10 991 441	11 266 964	146 813	221 317
Agrimark Grain	1 074 721	1 139 800	570	9 260
Manufacturing	135 281	120 849	97 570	75 343
Total for reportable segments	18 761 387	19 478 711	1 452 056	1 641 992

	GROUP			
	SELLING AND DISTRIBUTION COSTS		EMPLOYEE COSTS	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Other segment information				
Agrimark	103 385	101 857	548 981	520 591
The Fuel Company	70 757	64 313	608 776	575 600
Agrimark Grain	10 955	9 679	29 545	26 729
Manufacturing	10 080	8 917	46 706	42 479
Total for reportable segments	195 177	184 766	1 234 008	1 165 399

To enhance the segmental reporting disclosure the Group has included cost of sales, inventory, selling and distribution costs and employee costs as part of the segmental reporting disclosure.

Geographical revenue for the Group is attributed to countries on the basis of the customers' location. No single customer contributes more than 10% of the Group's revenue.

Geographical revenue for the Group is as follows:

	GROUP	
	2024 R'000	2023 R'000
South Africa	21 648 032	22 299 034
Namibia	86 892	98 024
Total	21 734 924	22 397 058
Non-current assets (excluding deferred taxation) are located in the following countries:		
South Africa	3 913 355	3 622 568
Namibia	18 389	14 645
Total	3 931 744	3 637 213

44 GOING CONCERN

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

45 EVENTS AFTER REPORTING DATE

A gross final dividend of 126,00 cents (2023: 130,00 cents) per share has been approved and declared by the Board from income reserves, for the year ended 30 September 2024. This brings the total dividend for the year to 180,00 cents (2023: 180,00 cents) per share.

The directors are not aware of any further matters or circumstances that occurred since the end of the financial year up to the date of this report that have not been dealt with in the report or financial statements and which may have a significant influence on the activities of the group or the results of those activities.

46 RECONCILIATION OF MOVEMENTS IN CARRYING VALUE

	Total R'000	Land and buildings R'000	Grain silos R'000	Machi- nery and equip- ment R'000	Vehicles R'000	Office furniture and equip- ment R'000	Assets under construc- tion R'000
30 September 2024							
Carrying value at 1 October 2023	1 412 006	868 950	38 079	263 818	54 771	130 021	56 367
Additions*	120 363	36 075	4 710	37 813	10 931	9 361	21 473
Assets held for sale	5 456	-	-	4 139	-	1 317	-
Transfers	-	33 297	-	6 350	-	1 645	(41 292)
Disposals	(16 180)	-	-	(13 793)	(531)	(400)	(1 456)
Depreciation	(85 871)	(1 712)	(3 700)	(41 029)	(9 010)	(30 420)	-
Carrying value 30 September 2024	1 435 774	936 610	39 089	257 298	56 161	111 524	35 092
30 September 2023							
Carrying value at 1 October 2022	1 317 415	828 261	26 177	240 816	45 150	128 543	48 468
Additions*	186 557	44 511	356	59 618	18 723	18 045	45 304
Assets held for sale	(5 456)	-	-	(4 139)	-	(1 317)	-
Transfers	-	-	14 837	2 665	-	18 372	(35 874)
Disposals	(4 667)	(2 116)	-	(152)	(237)	(631)	(1 531)
Depreciation	(81 843)	(1 706)	(3 291)	(34 990)	(8 865)	(32 991)	-
Carrying value 30 September 2023	1 412 006	868 950	38 079	263 818	54 771	130 021	56 367

* Included in additions is an amount of R9,3 million (2023: R13,4 million) relating to new instalment sale agreements. Refer to note 39.

KAL Group Limited

Statement of financial position

at 30 September

	Notes	COMPANY	
		2024 R'000	2023 R'000
ASSETS			
Non-current assets			
Investment in subsidiary companies	2	819 988	819 988
Current assets			
Loan to subsidiary company	4	713	667
Total assets		820 701	820 655
EQUITY			
Capital and reserves			
Stated Capital	3	466 051	466 051
Retained profit		354 650	354 604
Total equity		820 701	820 655

Statement of comprehensive income

for the year ended 30 September

	Notes	COMPANY	
		2024 R'000	2023 R'000
Revenue	7	136 112	318 626
Other income		4 686	-
Administrative expenses*		(4 686)	-
Impairment of investment in subsidiary		-	(7 142)
Profit before taxation		136 112	311 484
Income tax	8	-	-
Net profit for the year		136 112	311 484

* The administrative expenses is the directors costs of KAL Group Limited paid through the subsidiary company and subsequently recovered.

Statement of changes in equity

for the year ended 30 September

	COMPANY	
	Stated capital R'000	Retained profit R'000
Balance 30 September 2022	476 143	168 063
Net profit for the year	-	311 484
Odd lot offer – shares repurchased	(10 092)	-
Dividends declared	-	(124 943)
Balance 30 September 2023	466 051	354 604
Net profit for the year	-	136 112
Dividends declared	-	(136 066)
Balance 30 September 2024	466 051	354 650

Notes to the financial statements

for the year ended 30 September

1 ACCOUNTING POLICIES

The principal accounting policies incorporated in the preparation of these financial statements, are set out on pages 64 to 81, these are consistent with that of the Group unless otherwise indicated.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The area below involve a higher degree of judgement or complexity, or is an area where assumptions and estimates are significant to the financial statements of the company.

Investment in subsidiaries are tested for impairment indicators on an annual basis.

	COMPANY	
	2024 R'000	2023 R'000
2 INVESTMENT IN SUBSIDIARY COMPANY		
Unlisted:		
Agrimark Operations Limited		
Number of issued shares:		
74 170 277 (2023: 74 170 277)		
Shareholding: 100% (2023: 100%)		
Shares at cost	634 708	634 708
Agriplas (Pty) Ltd		
Number of issued shares:		
7 000 (2023: 7 000)		
Shareholding: 100% (2023: 100%)		
Shares at cost	43 486	43 486
Tego Plastics (Pty) Ltd		
Number of issued shares:		
1 000 (2023: 1 000)		
Shareholding: 100% (2023: 100%)		
Shares at cost	141 040	141 040
KAL Corporate Services (Pty) Ltd		
Number of issued shares:		
100 (2023: 100)		
Shareholding: 100% (2023: 100%)		
Shares at cost	-	-
Partridge Building Supplies (Pty) Ltd		
Number of issued shares:		
2 160 (2023: 2 160)		
Shareholding: 15% (2023: 15%)		
Shares at cost less impairment	754	754
Opening balance	754	7 896
Impairment of investment	-	(7 142)
<i>Even though the Company KAL Group Limited holds 15% directly in Partridge Building Supplies (Pty) Ltd, it also holds 85% indirectly through its subsidiary, Agrimark Operations Limited. Management assessed the net asset value of the company compared to the cost of the investment at 30 September 2023 which resulted in an impairment to its recoverable amount.</i>		
	819 988	819 988

		COMPANY	
		2024 R'000	2023 R'000
3	STATED CAPITAL		
	Authorised: 1 000 000 000 (2023: 1 000 000 000) ordinary shares with no par value		
	Issued: 74 319 837 (2023: 74 319 837) ordinary shares with no par value	466 051	466 051
4	LOAN TO SUBSIDIARY COMPANY		
	Agrimark Operations Limited	713	667

The carrying value of the loan approximates its fair value at the reporting date.

The loan is unsecured, interest-free and there are no specific repayment terms.

The gross movement in the loan is reflected in the cash flow statement. Although the company does not have its own bank account, Agrimark Operations Limited is considered to act as the agent of the company in administering its cash flows.

5 RELATED PARTY TRANSACTIONS

Refer to notes 2, 4 and 7.

6 FINANCIAL RISK MANAGEMENT

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The company's interest rate exposure and the effective interest rates can be summarised as follows:

	NON-INTEREST-BEARING			
	Rate 2024 %	Amount 2024 R'000	Rate 2023 %	Amount 2023 R'000
Assets				
Loan: Agrimark Operations Limited	-	713	-	667

Fair value estimation:

Financial liabilities

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Capital maintenance

The company considers total equity, which includes share capital and reserves, as capital. The ratio between capital and debt is the capital ratio. The company's objective with the management of the capital ratio is to ensure that the company continues to trade as a going concern and to create wealth for its shareholders and other stakeholders. The influence on the capital ratio is considered with decisions on the declaration of dividends, repurchase of shares, issue of shares, purchase and disposal of assets and investments and the acquiring or repayment of debt. The movement in capital is presented in the statement of changes in equity.

	COMPANY	
	2024 R'000	2023 R'000
7 REVENUE		
Dividends received – cash	135 399	133 433
Dividends received – in specie	–	184 526
Dividends forfeited	713	667
	136 112	318 626

Dividends are received from Agrimark Operations Limited, a subsidiary of the company.

The revenue reflected is not considered to be Revenue from Contracts with Customers in terms of IFRS 15 considering the nature of the revenue earned (dividends received).

	COMPANY	
	2024 R'000	2023 R'000
8 INCOME TAX		
Tax expenditure		
Current taxation – current year	–	–
The tax on the company's profit before tax differs from the theoretical amount that would arise using the statutory rate as follows:		
	%	%
Statutory tax rate	27,00	27,00
Adjusted for:		
Non-taxable dividend income	(27,00)	(27,00)
Effective rate	–	–

9 RESTATEMENT

In the prior periods, the Statement of cash flows disclosed movements that were paid by Agrimark Operations Limited on behalf of the company as cash flow transactions. In the current year, it was determined that as these transactions are processed through the loan account, these are not direct cash flow transactions and should thus not be disclosed as such on the Statement of cash flows. As a result, the Statement of cash flows and notes thereto disclosed in the prior year, have been removed from the company's financial statements. This restatement does not impact the Statement of Financial Position or the Statement of comprehensive income.

10 GOING CONCERN

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

11 EVENTS AFTER REPORTING DATE

A gross final dividend of 126,00 cents (2023: 130,00 cents) per share has been approved and declared by the Board from income reserves, for the period ended 30 September 2024.

The directors are not aware of any matter or circumstance that occurred since the end of the financial year up to the date of this report that has not been dealt with in the report or financial statements and which may have a significant influence on the activities of the company or the results of those activities.

Accounting policies to the financial statements

for the year ended 30 September

1 BASIS OF PREPARATION

The consolidated and separate annual financial statements are prepared on the going concern and historical cost basis, unless otherwise indicated, in accordance with IFRS Accounting Standards® as issued by the International Accounting Standards Board, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guide issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements.

These financial statements incorporate accounting policies that have been consistently applied to all periods presented and are consistent with those applied in the previous financial year. Various other changes in IFRS became effective for the financial year under review but had no material impact on the Group.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the notes of the accounting policies.

2 NEW, AMENDED AND IMPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS EFFECTIVE DURING THE CURRENT FINANCIAL YEAR

The following standards, amendments and interpretations have been adopted by the Group and became effective for the current reporting period beginning on 1 October 2023:

Amendments to Standards

Amendments to IFRS 1 and IFRS Practice Statement 2, 'Disclosure of accounting policies' (effective 1 January 2023)

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. Applying the amendments, an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to IAS 12, 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective 1 January 2023)

These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Amendments to IAS 8, 'Definition of accounting estimates' (effective 1 January 2023)

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

The amendments listed above had no significant effect on the Group's financial results.

2 **NEW, AMENDED AND IMPROVED ACCOUNTING STANDARDS AND INTERPRETATIONS EFFECTIVE DURING THE CURRENT FINANCIAL YEAR (CONTINUED)**

Amendments to Standards (continued)

The following new accounting standards, interpretations and amendments will not have an impact on the financial statements:

Amendment to IAS 12, 'International tax reform - pillar two model rules' (effective 1 January 2023)

These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

IFRS 17, 'Insurance contracts' (effective 1 January 2023)

This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendment to IFRS 17, 'Initial Application of IFRS 17 and IFRS 9 Comparative Information' (effective 1 January 2023)

The Board published a narrow-scope amendment to the transition requirements in IFRS 17.

3 **NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE**

The following standards, amendments and interpretations are not yet effective and have not been early adopted by the Group (the effective dates stated below refer to financial reporting periods beginning on or after the stated dates):

Amendments to Standards

Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to IAS 7 and IFRS 7 Supplier finance Arrangements (effective 1 January 2024)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendment to IAS 1 – Non-current liabilities with covenants (effective 1 January 2024)

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (effective 1 January 2024)

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

3 NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE (CONTINUED)

Amendments to Standards (continued)

IFRS S2 — Climate-related Disclosures (effective 1 January 2024)

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Amendments to the SASB standards (effective 1 January 2025)

Amendments to the SASB standards to enhance their international applicability.

Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)

Amendments to the Classification and Measurement of Financial Instruments.

Annual Improvements to IFRS Accounting Standards – Volume 11 (effective 1 January 2026)

The IASB issued the following amendments to IFRS Accounting Standards as part of its annual improvements process:

IFRS 1 First-time Adoption of International Financial Reporting Standards

- > Hedge accounting by a first-time adopter

IFRS 7 Financial Instruments: Disclosures

- > Gain or loss on derecognition
- > Disclosure of deferred difference between fair value and transaction price
- > Credit risk disclosures

IFRS 9 Financial Instruments

- > Derecognition of lease liabilities
- > Transaction price

IFRS 10 Consolidated Financial Statements

- > Determination of a 'de facto agent'

IAS 7 Statement of Cash Flows

- > Cost method

IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027)

The new standard, IFRS 18, replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. The standard will impact disclosure as it will result in changes to the presentation to the primary statements and the Group is still in the process to assess the impact.

IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027)

The IASB published IFRS 19, which permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

The Group has not early adopted any of the above. The application thereof in future financial periods is not expected to have a significant impact on the Group's financial results.

3 NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE (CONTINUED)

Amendments to Standards (continued)

The following new accounting standards, interpretations and amendments will not have an impact on the financial statements:

Amendments to IAS 21 – Lack of Exchangeability (effective 1 January 2025)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 30 September 2024 but not yet effective on that date.

4 BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9: Financial Instruments in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. The financial statements of subsidiaries are prepared using consistent accounting policies adopted by the Group.

4 BASIS OF CONSOLIDATION (CONTINUED)

Subsidiaries (continued)

In the stand-alone financial statements of the holding company, the investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investments.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in equity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Treasury shares

The cost of treasury shares is presented as a deduction from equity. Shares under option already allocated to employees and unallocated shares are considered as treasury shares and are consolidated as such as part of the Group's results.

Joint ventures

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits and losses and movements in other comprehensive income. When the Group's share of losses

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

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Any additional capitalisation or increase in the investment (not resulting in a change in the percentage equity held) are accounted for at cost. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

4 BASIS OF CONSOLIDATION (CONTINUED)

Consolidation of Special Purpose Entities

The special purpose entities (“SPEs”) established in terms of the B-BBEE equity transaction implemented in 2011 have been consolidated in the Group results. The substance of the relationship between the company and these entities has been assessed and the conclusion was made that they are controlled entities, mainly due to the fact that the Group retains residual or ownership risks relating to the SPEs. This includes entities Empowerment and Transformation Investments (Pty) Ltd and the BEE Trust.

5 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive committee. The Executive committee is responsible for allocating resources and assessing performance of the operating segments and is therefore considered to be the Chief Operating Decision Maker of the Group.

6 PROPERTY, PLANT AND EQUIPMENT

Land and buildings mainly comprise retail outlets and offices. Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to write off the cost to a value equal to the residual values over their estimated useful lives, as follows:

> Buildings	50 years
> Grain silos	10 – 50 years
> Machinery and equipment	4 – 10 years
> Injection moulding machines	5 – 20 years
> Vehicles	4 – 5 years
> Office furniture and equipment	2 – 10 years

Assets under construction is defined as assets still in the construction phase and not yet available for use. These assets are carried at initial cost and are not depreciated. Depreciation on these assets commences when they become available for use and depreciation periods are based on management’s assessment of their useful lives.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of fixed assets are determined by comparing proceeds with the carrying amounts and are included in the income statement as other operating income or other operating expenses.

7 INTANGIBLE ASSETS

Goodwill

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates/joint venture is included in investment in associated companies/joint ventures. Separately recognised goodwill is reviewed annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Customer relations

Customer relations consist of non-contractual customer relationships. Customer relations acquired in a business combination are recognised at fair value at the acquisition date.

The customer relations have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment. Amortisation is calculated on the straight-line method to allocate the cost of customer relations over the estimated useful life of five years.

Tradename

A tradename has been recognised by the Group as part of a business combination. Tradenames are capitalised at the fair value initially identified and amortised on a straight-line basis over their estimated useful lives of 10 to 50 years. Tradenames are carried at cost less accumulated amortisation and accumulated impairment. Expenditure to maintain tradenames is accounted for as an expense in the income statement.

Fuel retail licences

The fuel retail licences are contractual in nature and has been recognised by the Group as part of a business combination. Given that the fuel retail licences remain valid for as long as the licence holder operates as a going concern, the estimated useful life of the individual fuel retail licences are considered to be indefinite. Intangible assets are reviewed annually for impairment and carried at cost less accumulated impairment losses.

8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

9 LEASES

The Group leases various retail stores, storage sites and vehicles. Rental contracts are typically made for fixed periods of 3 to 12 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- > Fixed payments
- > Lease payments to be made under reasonably certain extension options

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

The Group is exposed to potential future increases in lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

Right-of-use assets are measured at cost comprising the following:

- > The amount of the initial measurement of lease liability
- > Any lease payments made at or before the commencement date

Leasehold improvements are accounted for as part of right-of-use assets and are depreciated over the period of the lease.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mostly comprise information technology equipment and other similar assets.

Right-of-use assets are depreciated over the lowest of the lease term (including the extension period if applicable) or the useful life.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the lessee as a starting point and adjusts the rate to reflect changes in financing conditions since the third-party financing was received. The Group also adjusts the rate relating to the specific lease based on the term and security and nature of the asset.

The lease term is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised.

The majority of the extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

9 LEASES (CONTINUED)

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

10 OTHER FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Initial recognition is measured at fair value including directly attributable transaction costs for financial instruments not measured at fair value through profit and loss. Transaction costs of financial instruments carried at fair value through profit and loss are expensed in profit or loss.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is discharged, cancelled, expires or when a substantial modification of the terms occurs.

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Classification and subsequent measurement

Financial assets

The Group classifies its financial assets in the following measurement categories:

- Financial assets measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (FVPL))
- Financial assets measured at amortised cost

The classification depends on the business model for managing the financial assets and the contractual term of the cash flows. Management determines the classification of its investment at initial recognition. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in relation to the instrument held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

10 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through other comprehensive income (OCI) are recognised in OCI in the statement of comprehensive income. Where management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Upon derecognition of these equity investments, any balance within the FVOCI reserve is reclassified to retained earnings. Dividends from such investments are recognised in profit or loss as other gains and losses when the Group's right to receive payments is established. Currently the Group has elected to designate equity instruments at FVOCI.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows representing solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income under other operating income using the effective interest rate method. Trade receivables, cash and cash equivalents and loans receivable are classified as debt instruments measured at amortised cost.

Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss is recognised in profit or loss and presented in the income statement as part of other gains and losses in the period in which it arises. Interest income from these financial assets is included in finance income. Debt instruments are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

Impairment

The Group has the following financial assets that are subject to the expected credit loss impairment model in terms of IFRS 9:

- > Trade and other receivables
- > Loans receivable
- > Cash and cash equivalents

The Group determines loss allowances by considering available forward-looking information which could adversely impact a debtor's ability to pay.

Financial assets subject to impairment are written off when there is no reasonable expectation of recovery, and the amount is recognised in profit or loss within 'operating expenses'.

Trade receivables

The Group elected to apply the simplified approach for measuring impairment provisions for trade receivables. In terms of this approach, the expected credit loss allowances are calculated with reference to lifetime expected credit losses regardless of stage classification. The Group determines expected credit loss allowances both on a specific (credit impaired) and a contingency (not credit impaired) basis.

10 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Trade receivables (continued)

Credit terms, interest rates and other applicable terms are determined based on the calculated risk profile of the credit taker(s). A strict credit policy is followed which includes the ongoing revision of credit limits, security assessments and credit evaluations of the financial position of clients. These factors have been taken into consideration on an individual and collective basis when determining the recoverability of debtors. The Group has a specific loss allowance and a contingency loss allowance. The group defines “outside terms” debtors as all debtors more than 90 days outside terms. The specific loss allowance is determined on all “outside terms” debtors as their risks are different than the rest of the debtors’ book within terms and they are assessed individually. The assessment for the specific loss allowance considers security held, reputation and expected payments in the future to determine the value of the specific loss allowance. Regarding the contingency loss allowance, the group divides the rest of the debtors’ book (after considering the specific loss allowance) into different categories with risk factors applied to each category. The categories are based on different type of produce commodities mostly in the agricultural sector (grain, fruit, other agri and non-agri). The percentage expected credit loss applied to each category depends on the forward-looking risk of default and expectations on macro-economic factors including market share, competitor strength, industry risk, profitability, price volatility risks and climate changes.

Cash and cash equivalents

Cash comprises cash on hand and cash at banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Interest on cash and cash equivalents is recognised in the statement of comprehensive income as interest received from bank account balances. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Other financial assets

Loss allowances relating to loans receivable, cash and cash equivalents, deposits and other receivables are determined in terms of the general expected credit loss model, considering a 12-month expected credit loss.

In terms of this model the Group considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date compared to the credit risk at initial recognition date. It considers available reasonable and supportive forwarding-looking information that could be indicative of a deterioration in the counterparty’s ability to pay. The Group assesses factors such as credit ratings, actual/adverse conditions in the industry or changes in value of security held.

For these financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses. In calculating the expected credit loss rates, the Group considers the exposure at default, probability of default and loss given default. The impact of the adoption of IFRS 9 and at the end of the reporting period was not material for other financial assets.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost, using the effective interest rate method. The effective interest rate amortisation is recognised in the statement of comprehensive income as finance costs.

10 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Instalment sale agreements

Instalment sale agreements are recognised where the Group will become the legal owner of the assets after the purchase payment agreement is completed. The instalment sale agreements are recognised as a financial liability from the date of recognition and measured at amortised cost using the effective interest rate method. Instalment sale agreements are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Any subsequent remeasurements is recognised in the income statement as finance costs.

Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value. Trade payables are subsequently stated at amortised cost using the effective interest rate method.

Trade payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Contingent consideration

The Group shall classify an obligation to pay contingent consideration that meets the definition of a financial instrument as a financial liability.

Changes in the fair value of contingent consideration that the Group recognises after the acquisition date may be the result of additional information that the Group obtained after that date about facts and circumstances that existed at the acquisition date. Such changes are measurement period adjustments. However, changes resulting from events after the acquisition date, such as meeting an earnings target, reaching a specified share price or reaching a milestone, are not measurement period adjustments.

Changes in the fair value of contingent consideration, that are not measurement period adjustments, which falls within the scope of IFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with IFRS 9.

11 INVENTORY

Merchandise, raw materials and consumable goods are valued at the lower of cost, calculated on the weighted average cost basis, or net realisable value, taking into account obsolescence and saleability. Implement stock (included in merchandise) is valued at the specific cost price or net realisable value, whichever is the lower. Finished goods (included in merchandise) are valued at the lower of cost, including cost of raw materials, direct costs and related production overheads, but excluding finance costs, determined on the weighted average cost basis, or net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

12 STATED CAPITAL

Ordinary shares are classified as equity. Additional costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any company in the Group purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable additional costs (net of income taxes) is deducted from equity attributable to the Group's equity holders until the shares are cancelled, re-issued, or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable additional transaction costs and the related income tax effects, is included in equity attributable to the Group's shareholders.

13 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources which entail economic benefits will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

14 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivatives are designated as hedging instruments, and if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedge) or hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge)

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used, is amortised to profit or loss over the period to maturity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

14 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

Cash flow hedge (continued)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Certain derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

15 EMPLOYEE BENEFITS

Pension scheme arrangements

The Group operates a pension fund consisting of a defined contribution plan registered in terms of the Pension Funds Act, 1956, and the assets are administered separately by trustees. Funding is in terms of conditions of employment by means of contributions by the participating subsidiaries in the Group as well as employees. The Group has no further obligations to the fund once the contributions have been paid. Contributions are recognised in the income statement when they are due.

Post-retirement medical benefits

Certain in-service members and retired employees are members of the post-retirement medical subsidy scheme of the Group. The Group pays the monthly contributions in respect of the retired members over to the medical fund. The valuation method used to value the liability is the projected unit method. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Valuations of these obligations are carried out by independent qualified actuaries. Any actuarially determined profits or losses are recognised in the income statement.

In terms of the Group's present policy the benefits are only available to certain in-service members and retired staff and not to future employees.

Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised under accounts payable when there is no realistic alternative but to settle the liability, and at least one of the following conditions is met:

- > there is a formal plan; or
- > past practice has created a valid expectation by employees that they will receive a bonus or profit share.

It is expected that the liability will be paid within 12 months.

Equity settled management share incentive scheme

The Group operates an equity settled management share incentive scheme ("the scheme"). In terms of IFRS 2, the fair value of the equity instrument is determined at grant date and the corresponding expense is recognised over the vesting period. The fair value of the grant is determined using the Black-Scholes-Merton model using six different inputs that would have an effect on the fair value of the grant. The inputs are the exercise price of the option, the current share price, the expected life of the option, the expected volatility, the expected dividend yield and the risk-free interest rate.

16 REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15) AND OTHER OPERATING INCOME

According to IFRS 15, revenue is recognised at a point in time or over time depending on the performance obligations linked to separate elements of the contract with the customer. Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services. The Group's revenue consists mostly of sales of products delivered to customers at the point of sale and does not have multiple element arrangements included in it.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax and trade discounts and after elimination of sales within the Group. Revenue is recognised as follows:

Sales of goods

The Group specialises in trading in agricultural-, fuel- and related retail markets in Southern Africa. At the point-of-sale in the trade and manufacturing environment, the client takes ownership of the goods bought. Revenue is thus recognised at that point when control of the products has transferred, the customer has accepted inventory risk related to the products and there is no unfulfilled obligation that could affect the customer's acceptance of the products and the Group has a present right to payment. In these segments, prices are determined centrally. Fuel sales follow the same principles as the client takes ownership once the product is sold and transferred to the customer. Fuel prices are regulated. Grain sales follow a similar process as over-the-counter sales as the product is delivered to the client and the revenue is recognised at that point in time when the customer takes ownership of the goods sold. Grain sales prices are based on fixed contract SAFEX prices. Invoicing occurs as soon as control of the goods has been transferred to the customer.

Revenue for the sale of merchandise from ordinary Group-operating activities, net of value added tax and trade discounts and after eliminating sales within the Group are recognised at a point in time, upon delivery of products and customer acceptance. Customers have a choice to pay cash (via cash, debit card or credit card) or on account. Related card transaction costs are recognised in the income statement as other expenses.

Payment terms for normal over the counter credit sales are mostly 30 days. Seasonal accounts are provided to agricultural debtors on longer terms, these terms do not exceed 12 months.

Limited establishment accounts are also provided on longer terms (up to five years) with the purpose to assist the customer in establishing farming operations. Interest is charged on these accounts at market related rates and accounted for accordingly.

Sales of services

Sale of services include grain handling revenue which is revenue received for the storage and handling of the client's grains. The other services are provided within the mechanisation division where labour is invoiced as a service to repair and maintain client's machinery or vehicles. Revenue received for these services is recognised over time. Revenue is recognised at a fair value (determined based on a fixed price per tonnage/hour charged) of services rendered and are invoiced on a regular basis as the services are rendered.

Variable consideration

The Group assessed if the contracts entered into include variable consideration, but none were noted, other than trade discounts provided at the point-of-sale.

Margin on direct transactions

Direct sales relate to sales made, where goods purchased by clients are directly delivered to the client by the suppliers of the Group. Only the margin earned on direct sales is recognised as revenue. The margin is recognised on delivery of products by the supplier to the customer. The group assessed the treatment of these sales as agent or principal in terms of IFRS 15.

16 REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15) AND OTHER OPERATING INCOME (CONTINUED)

Margin on direct transactions (continued)

The supplier has the primary responsibility for providing the goods to the client.

KAL Group has no control before the product is delivered to the client and the Group does not recognise the inventory in their books.

The supplier takes the inventory risk up until inventory is delivered to the client.

The price is determined by the supplier. The Group acts as intermediary and earns commission on the transaction. All the indicators according to the standard indicate that the Group is acting as an agent, rather than a principal, thus the net amount is recognised as revenue. Thus, the treatment under IFRS 15 stays consistent to the prior year.

Other operating income is recognised as follows:

Interest income

Under IFRS 9, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). When a receivable is written off, the Group reduces the carrying amount to its recoverable amount. Interest is recognised using the original effective interest rate.

Interest income is recognised as other income as it is an incidental benefit from the group's ordinary activities.

Dividend income

Dividend income is recognised when the right to receive payment is established and is treated as revenue for the company but is not considered to be revenue from contracts with customers (IFRS 15).

Dividend in specie is recognised as revenue for the Company when it receives non-cash assets as a dividend at the fair value of the underlying assets that was distributed.

17 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- > Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- > Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- > Expenditures for the asset have occurred.
- > Borrowing costs have been incurred.
- > Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

18 FOREIGN CURRENCY TRANSACTIONS

Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Rand, which is the holding company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

19 CURRENT AND DEFERRED INCOME TAX

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax assets relating to unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused losses can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates/joint venture, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group determines the deferred income tax asset and deferred income tax liability that arise on the initial recognition of a lease to be integrally linked and recognise the temporary difference on a net basis.

20 RECURRING HEADLINE EARNINGS

Recurring headline earnings is a Non-IFRS measure. Non-IFRS measures are measures that (i) are not defined by IFRS; (ii) are not uniformly defined or used by all entities and (iii) may not be comparable with similar labelled measured and disclosures provided by other entities. The executive committee are responsible for compiling the non-IFRS performance measures, used by the CODM and the executive committee.

The Group monitors recurring headline earnings as earning less non-recurring costs. Non-recurring costs are defined as once off costs or transactions as a result of ad hoc transactions or IFRS valuations that do not form part of ordinary business operations, and which causes fluctuations year-on-year.

21 DIVIDEND DISTRIBUTIONS

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved.

22 RELATED PARTIES

Individuals, as well as their close family members, or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions or if the parties are jointly controlled in a joint venture.

23 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets classified as held for sale non-current assets and/or disposal groups are classified as assets held for sale and are stated at the lower of the carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction rather than through continued use and this sale is considered highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position.

The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

Assets and liabilities of abandoned disposal groups are not classified as held for sale because the carrying amounts will not be recovered principally through a sale transaction.

When a non-current asset ceases to be classified as held for sale, it should be measured at the lower of:

- > its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale; and
- > its recoverable amount at the date of the subsequent decision not to sell or distribute.

Shareholder information

SHAREHOLDERS' PROFILE

Spread	Number of shareholders	Number of shares	Percentage held
1 to 1 000 shares	7 581	1 736 054	2,3%
1 001 to 10 000 shares	2 651	8 534 651	11,5%
10 001 to 100 000 shares	520	14 180 747	19,1%
100 001 to 1 000 000 shares	77	21 701 805	29,2%
More than 1 000 000 shares	14	28 166 580	37,9%
Total	10 843	74 319 837	100,0%
Type of shareholder			
Public	10 828	69 152 631	93,0%
Non-public	15	5 167 206	7,0%
Directors and associates of the company	13	1 340 088	1,8%
Empowerment and Transformation Investments (Pty) Ltd	1	3 708 514	5,0%
The Fruit Workers Development Trust	1	118 604	0,2%
	10 843	74 319 837	100,0%
Major beneficial shareholders			
The following shareholders have a holding equal to or greater than 5% of the issued shares of the company.			
JF Mouton Familietrust		5 321 577	7,2%
Investec		4 840 654	6,5%
PSG Financial Services		4 757 643	6,4%
Empowerment and Transformation Investments (Pty) Ltd		3 708 514	5,0%
		18 628 388	25,1%

	Number	
	2024	2023
Shareholding of directors (direct and indirect)		
BS Du Toit*	-	29 729
JH le Roux	24 284	24 284
EA Messina	30 000	30 000
CA Otto	761 456	756 056
GW Sim	116 642	82 745
AJ Mouton#	40 033	-
GM Steyn	41 905	41 905
S Walsh	325 768	245 505
Total	1 340 088	1 210 224
Percentage of issued shares	1,8%	1,6%

* Resigned during the year

Appointed during the year

There has been no change in the directors' interest from the financial year-end of the company on 30 September 2024 up until the approval of the financial statements.

Corporate information

KAL GROUP LIMITED ("KAL GROUP")

Incorporated in the Republic of South Africa
Registration number: 2011/113185/06
Income tax number: 9312717177
JSE share code: KAL
ISIN code: ZAE000244711

Directors

GM Steyn (Chairman)#*
S Walsh (Chief Executive Officer)
GW Sim (Financial Director)
*D du Toit***
*T Kabalin***
*JH le Roux***
*B Mathews***
*EA Messina***
*AJ Mouton***
*CA Otto***
*I Chalumbira**

* *Non-executive*

Independent

Company Secretary

KAL Corporate Services (Pty) Ltd

Registered address

1 Westhoven Street, Paarl, 7646
Suite 110, Private Bag X3041, Paarl, 7620
Telephone number: 021 860 3750

Website: www.kalgroup.co.za

Auditors

For the financial year ended 30 September 2024
– Deloitte & Touche Tohmatsu Ltd

Transfer Secretary

Computershare Investor Services (Pty) Ltd
Registration number: 2004/003647/07
Rosebank Towers, 15 Biermann Avenue,
Rosebank, Johannesburg, 2196
Private Bag X9000, Saxonwold, 2132
Fax number: 086 636 7200

Sponsor

PSG Capital (Pty) Ltd
Registration number: 2006/015817/07
1st Floor, Ou Kollege Building, 35 Kerk Street,
Stellenbosch, 7600
PO Box 7403, Stellenbosch, 7599

and

No. 1, Sandton Drive, 1st Floor, The Place,
Sandton, 2196
PO Box 650957, Benmore, 2010

KAL GROUP


AGRIMARK

agriplas 

PEG

 TEGO
PLASTICS


the
fuel
company

www.kalgroup.co.za