Barloworld

Annual financial statements

For the 12 months ended
30 September 2024

Barloworld continues to deliver on our strategic lever of fixing and optimising our existing business portfolio to ensure we extract our full potential

About Barloworld

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

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Directors' responsibility and approval

The directors of Barloworld Limited (the company) have the pleasure of presenting the consolidated group (Barloworld Limited and its subsidiaries are also referred to as the group) and company annual financial statements for the year ended 30 September 2024.

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

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

On the recommendation of the audit committee, the directors considered and are satisfied that the internal controls, systems and procedures in operation provide reasonable assurance that all the assets of the group and company are safeguarded, that transactions are properly executed and recorded, and that the possibility of material loss or misstatement is minimised. The directors have reviewed the appropriateness of the accounting policies and concluded that estimates and judgements are prudent. They are of the opinion that the financial statements fairly present, in all material respects, the state of affairs and business of the group and company at 30 September 2024 and of the profit for the year to that date. The external auditors, who have unrestricted access to all records and information, as well as to the audit committee, expressed an unqualified audit opinion on the group and company and the report appears on page 5.

In addition, the directors have also reviewed the cash flow forecast for the period to 30 November 2025 and believe that the Barloworld group entities and the company have adequate resources to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis. The financial statements were approved by the board of directors and were signed on its behalf by:

Dr NN Gwagwa

DM Sewela

NV Lila

Sandton
25 November 2024

Preparer of financial statements

for the year ended 30 September 2024

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

NV Lila
Group Finance Director

25 November 2024

Certificate by secretary

To the shareholders of Barloworld Limited

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

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

NE Rapoo
Group Company Secretary

25 November 2024

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

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

1. the annual financial statements set out on pages 14 to 131 of our AFS, fairly present, in all material respects, the financial position, financial performance and cash flows of Barloworld in terms of IFRS;
2. to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
3. internal financial controls have been put in place to ensure that material information relating to Barloworld and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Barloworld;
4. 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
5. where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
6. we are not aware of any fraud that involves directors.

DM Sewela
Group chief executive officer

25 November 2024

NV Lila
Group finance director

25 November 2024

Independent auditor's report

To the Shareholders of Barloworld Limited

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

Opinion

We have audited the consolidated and separate financial statements of Barloworld Limited and its subsidiaries ('the group') and company set out on pages 14 to 131 which comprise of the consolidated and separate statements of financial position as at 30 September 2024, and the consolidated and separate income statement, the consolidated statement of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 September 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key Audit Matters

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

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

Independent auditor's report continued

To the Shareholders of Barloworld Limited

The Key Audit Matters which applied to the audit of the consolidated financial statements are:

Key Audit Matter	How this matter was addressed in our audit
Compliance with export administration regulations ("EAR")	
Barloworld Limited has operations in the Russian Federation ("Russia") through its subsidiary Vostochnaya Technica LLC ("VT LLC"). The operations in-country relate to the sale, distribution and servicing of industrial equipment in Russia, largely through its Caterpillar Dealer License. On 5 September 2024, Barloworld submitted an initial notification of voluntary self-disclosure to the U.S. Department of Commerce, Bureau of Industry and Security ("BIS") regarding potential export control violations involving its subsidiary in Russia, Vostochnaya Technica (VT LLC). An internal investigation, supported by independent experts, is ongoing to determine whether any violations occurred and if so, the extent of such violations.	Our audit procedures included, among others, using the work of legal experts and regulatory specialists to assist us in evaluating the events that led to the potential violations of EARs and determining the impact on our reporting: • We involved the legal expert team to assist with a shadow investigation, which is still ongoing, no instances of non-compliance have been identified as at date of this report; • We have obtained a documented trail of the sequence of events to trace the source of the information relating to the potential non – compliance identified; • We held discussions with management to evaluate management's assessment of the potential outcome of the regulatory exposure as a result of applicable legislation, regulations and requirements prevalent in the jurisdictions in which the Group operates. • We obtained and inspected supporting documents issued by various levels of management to prevent any further possible violations including supporting confirmations that the operational activities in potential breach to the EARs have been suspended; • We assessed management's response at a group level to ascertain if the response to the potential violation was appropriate in the circumstances in upholding their fiduciary duties, as well as the functional responsibility of Those Charged with Governance;
The potential non-compliance has been identified as a Key Audit Matter as: • Even though the potential non-compliance with regulations do not directly affect the determination of amounts and disclosures in the financial statements for the current reporting period (except for the contingent liability presented in note 32), compliance with laws and regulations are fundamental to the entity's ability to continue its operations, conduct business lawfully, and avoid material penalties; • A significant amount of external audit effort was spent in assessing the nature of the potential non-compliance, its impact and the actions by management to avoid further non-compliance and loss to the group; • The complexity of the regulations and the extent of legal advice and regulatory advice the external auditors had to consider in exercising our professional responsibilities. Refer to the following notes to the consolidated financial statements for detail: Note 32: Contingent liabilities	• We inspected correspondence received by management from the regulatory authorities and external legal counsel to evaluate the appropriateness of management's conclusions. • We enquired from the groups external counsel and obtained confirmations to support managements conclusion. • Based on our procedures performed above, we independently assessed the appropriateness of conclusions reached by management and the appropriateness of the accounting treatment and disclosures in the consolidated financial statements. • We considered whether the disclosures in the financial statements included in note 24 and 32 relating to present and possible obligations as a result of the continual curtailment of the operations of VT LLC, and the potential breach of the EARs, respectively, at year end are appropriate and in accordance with the requirements of the IFRS Accounting Standards.

Independent auditor's report continued

To the Shareholders of Barloworld Limited

Key Audit Matter	How this matter was addressed in our audit
Impairment assessment of the carrying amount of VT LLC assets of included in the consolidated financial statements of the Group	
Barloworld Limited has operations in Russia through its subsidiary "VT LLC". The geopolitical situation in Eastern Europe continues to intensify following the commencement of Russia's war in Ukraine. Activity and profitability of VT LLC is expected to continue to reduce in the next twelve months because of reduced product lines, supply chain constraints and the sanction regime. We considered the determination of recoverable amount of the underlying assets of VT LLC as a Key Audit Matter due to: • Significant auditor effort was required in assessing the appropriateness of managements' impairment assessment of the carrying values of its assets based on its financial position and outlook. • Significant judgements and estimates over the recoverable amount of VT LLC's assets Refer to the following notes to the consolidated financial statements for detail: Note 17 Inventories Note 24 Provisions and accruals	Our procedures included, amongst others, the following: • We obtained an understanding of managements' impairment analysis and calculation process (e.g., controls over the data and assumptions used), level of review on the outlook for the VT LLC business in future years and how key inputs were derived; • We obtained management's impairment assessment of the VT LLC business and its assets as at year end; • We tested management's calculated recoverable amounts of assets by: > Performed an assessment of the reasonability of management's estimations, including the in-country trading conditions and its impact on the recoverable amounts, > Testing recoverable amounts of assets against the recorded book values; > Assessing the net carrying amounts of the assets by comparing the book values against computed recoverable amounts, to ensure that appropriate impairment charges have been recognised for the period, and • We inspected the presentation of the calculated impairment losses and considered whether the impairment losses are presented, in all material aspects, in accordance with the requirements of IAS 36.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Annual financial statement for the 12 months ended 30 September 2024", which includes the Directors' responsibility and approval, Preparer of financial statements, Certificate by secretary, Group Chief Executive Officer and Group Finance Director's responsibility statement, Audit Committee's Report, Directors' report and Public and non-public shareholding of ordinary shares, which we obtained prior to the date of this report, and the "Barloworld Limited Integrated Report", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

Responsibilities of directors for the consolidated and separate financial statements

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

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

Independent auditor’s report continued

To the Shareholders of Barloworld Limited

Auditor’s Responsibilities for the Audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
- From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that Ernst & Young Inc. and SizweNtsalubaGobodo Grant Thornton Inc. have been the auditors of Barloworld Limited for 5 years and 4 years respectively.

Ernst & Young Inc.

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

25 November 2024

SizweNtsalubaGobodo Grant Thornton Inc

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

25 November 2024

Audit committee report

for the year ended 30 September 2024

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

The audit committee conducted its work in accordance with the written terms of reference approved by the board (information on this is recorded in the integrated report), which are reviewed and updated annually. The terms of reference are set up to ensure that the committee performs its duties in line with the provisions of King IV, the South African Companies Act, 71 of 2008, as amended (Companies Act) and the Listings Requirements of JSE Limited (JSE)) for the financial year ended 30 September 2024.

Membership

During the year under review the audit committee consisted of:

- Vuyisa Nkonyeni (chair from 16 February 2024)
- Hester Hickey (retired as chair on 16 February 2024)
- Nicola Chiaranda
- Nomavuso Mnxasana
- Bashirat Odunewu

Five meetings were held in the year. Details of attendance will be included in the integrated report available at www.barloworld.com.

The internal and external auditors both have unrestricted access to the audit committee and regularly have meetings without members of the executive management being present. The board has satisfied itself that the internal audit function is appropriately independent. The committee has reviewed the performance, qualifications and expertise of the Chief Audit Executive, Paresh Lalla, and is satisfied with the appropriateness of his expertise.

External audit

The audit committee:

- nominated and recommended to shareholders that Ernst & Young Inc (EY) and SNG-Grant Thornton (SNG-GT) be appointed as joint independent external auditors for the company and its subsidiaries and the appointment of S Sithebe and J Ramapela as the designated audit partners for EY and SNG-GT, respectively, for the financial year ended 30 September 2024 in compliance with the Companies Act and the JSE Listings Requirements. Following the 2024 audit, EY and SNG-GT have been the external auditors of Barloworld in a joint arrangement for 4 years. S Sithebe as designated audit partner from EY for 5 years and J Ramapela as designated audit partner from SNG-GT for 2 years
- The appointment and independence of the external auditors and the engagement partners complied with the Companies Act and other applicable legal and regulatory requirements, having received all information relevant to the auditors' suitability review as detailed in section 3.84(g)(iii) of the JSE Listings Requirements, to confirm the suitability of the external audit partners for reappointment and the engagement partners. The rotation of Mr S Sithebe after 5 years as designated EY partner will occur and Ms Z Khoza will take over as the designated EY audit partner
- received confirmation from the external auditors, that EY and SNG-GT are independent of the group and company
- considered and confirmed the proposed external audit fees and approved the external audit engagement letter
- considered to its satisfaction the independence, objectivity and effectiveness of the external auditors and ensured that the scope of their additional (non-audit) services provided were, individually and in aggregate, in compliance with the group's policies in this regard. Refer to note 3 of the financial statements where fees paid to EY and SNG-GT are disclosed as R25 million and R20 million, respectively.

Audit committee report continued

for the year ended 30 September 2024

Accounting practices and key audit matters

The audit committee reviewed the accounting policies and the annual financial statements of the company and of the group for the year ended 30 September 2024 for compliance with the provisions of the Companies Act, International Financial Reporting Standards (IFRS® Accounting Standards) and the JSE Listings Requirements.

The audit committee has considered the following key audit matters during the financial year ended 30 September 2024:

The audit committee reviewed the group's accounting policies and annual financial statements for the year ended 30 September 2024 for compliance with the provisions of the Companies Act, IFRS and the JSE Listings Requirements.

The audit committee has considered the key audit matters being the compliance with export administration regulations (EAR) and the impairment assessment of the assets of Vostochnaya Technica LLC (VT LLC as follows:

- Through the work of the ad hoc committee, the audit committee considered representations made by expert investigators on the progress of the investigation on potential violations of EAR. The audit committee considered the significant estimates and judgements applied by management in reaching conclusions on relevant contingent liabilities and provisions related to VT.
- The audit committee examined and challenged management's technical paper and reasonability of assumptions used in impairment assessments of the VT assets at year end.
- The audit committee also considered the adequacy of the disclosures in note 32.

The committee was satisfied that at 30 September 2024 the carrying amount of VT's assets and contingent liabilities disclosed were adequate and appropriate in accordance with IFRS.

Internal audit

The committee has received and reviewed reports prepared by the internal audit team.

Overall, for the current financial year, the committee:

- approved the internal audit charter and the annual internal audit plan for the financial year ended 30 September 2024
- is satisfied that the internal audit plan is risk-based and there is adequate coverage of all the divisions within the group
- adopted all changes to the internal audit plan during the year, and received comfort from internal audit that these changes do not impact the overall coverage and ability to express a conclusion on the control environment
- noted the findings and reports presented by internal audit in all the committee meetings, and the actions that management is taking to address these findings
- has satisfied itself that the internal audit team is independent and objective in its service delivery to the group
- noted the internal audit team's skills and experience.

Internal control

The internal audit team reviewed the control environment in all divisions within the group, focusing on high-risk areas and management concerns. The overall control environment is sound. Where deficiencies were identified mitigating controls were implemented. All areas of improvement have been reported to management, and the internal audit team is satisfied that management has committed to appropriate action plans to remediate these findings.

Based on the results of the formal documented review of the group's system of internal controls and risk management conducted by the internal audit function during the 2024 financial year, and after giving due consideration to the results of the assurance activities of various assurance providers, as well as information and explanations given by management and discussions with the external auditors on the results of the audit, nothing has come to the attention of the audit committee to cause it to believe that the group's system of internal controls and risk management are not effective, or that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

The committee reviewed the process implemented with regard to the annual Responsibility Statement by the Group Chief Executive Officer and the Group Finance Officer on internal financial controls, as per section 3.84(k) of the JSE Listings Requirements, and was satisfied with the effectiveness of this process. The committee noted certain reported deficiencies and planned remedial actions.

Combined assurance

The committee received and reviewed the updated combined assurance framework. The framework has been streamlined and provides clarity on the roles of assurance providers and governance structures. The committee has adopted and approved the framework.

Expertise and experience of the Group Finance Director and the finance function

The audit committee:

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

Audit committee report continued

for the year ended 30 September 2024

Financial statements

The audit committee:

- considered accounting treatments, significant or unusual transactions, and accounting judgements
- considered the appropriateness of accounting policies and any changes made
- met separately with management and external audit and internal audit
- made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of audit findings
- reviewed the process in place for the reporting of concerns and complaints relating to accounting practices, internal audit, content of auditing of the group's financial statements, internal controls of the group and any related matters. The audit committee can confirm that there were no such concerns or complaints during the year under review
- reviewed and recommended for adoption by the board such financial information that is publicly disclosed which for the year included:
    - > the unreviewed interim results for the six months ended 31 March 2024
    - > the audited annual results for the year ended 30 September 2024
    - > the documents packs prepared by management to support the board's going concern statement at reporting dates as well as the solvency and liquidity tests required in terms of the Companies Act.

New accounting standards

The committee reviewed the accounting policies applied in the preparation of the financial statements and confirms that these policies have been consistently applied across the reporting period presented, with the exception of new accounting standards and amendments adopted in the current year. The impact of these new standards and amendments has been evaluated and incorporated as appropriate.

Additionally, the committee is monitoring accounting standards and amendments that have been issued but are not yet effective. The assessment of these standards is ongoing to determine the potential impact on the group and company.

Financial statements and integrated reporting

The committee considered the Barloworld Limited company and consolidated financial statements (together the financial statements) for the year ended 30 September 2024.

The audit committee, in conjunction with other board subcommittees, has also considered the non-financial information to be disclosed in the integrated report and assessed its consistency with operational and other information known to committee members. The committee has also considered the external assurance provider's report and is satisfied that the information is reliable and consistent with the financial results.

The financial statements have been prepared using appropriate accounting policies, which conform to International Financial Reporting Standards.

At their meeting held on 19 November 2024, the audit committee recommended the financial statements for the year ended 30 September 2024 to the board for approval.

The appointment of all members of the committee is subject to the shareholders' approval at the next annual general meeting to be held on Friday, 21 February 2025. The profiles of the members, including their qualifications, can be viewed on the group website, www.barloworld.com.

The committee would like to thank Hester Hickey for her valuable contribution as the Chair of the audit committee. Her contributions will be greatly missed.

Vuyisa Nkonyeni
Audit Committee Chair
For and on behalf of the Barloworld Limited Audit Committee

25 November 2024

Directors' report

for the year ended 30 September 2024

Nature of business

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

Financial results

The following commentary reflects results for the year ended 30 September 2024. Revenue of R41.9 billion(2023: R45.0 billion) was down 6.9% from the prior year. Operating profit from core trading activities for the group was down 12.6% to R3.8 billion (2023: R4.3 billion). Total group headline earnings per share of 1 022 cents was 269 cents below group headline earnings per share of 1 291 cents in the prior year. The prior year headline earning per share included 135 cents from discontinued operations. Net cash outflow before financing activities was R0.3 billion compared to the inflow of R0.4 billion in the prior year.

Share capital

The authorised share capital as at 30 September 2024 is 400 000 000 ordinary par value shares of R0.05 each and 500 000 6% cumulative preference shares of R2 each. The issued share capital as at 30 September 2024 consists of 189 641 787 ordinary par value shares of R0.05 each and 375 000 6% cumulative preference shares of R2 each.

Major shareholders

Shareholders holding beneficially, directly or indirectly, in excess of 3% of the issued share capital of the company at 30 September 2024 are detailed below:

R billion	Total Shareholding	% of issued share capital
Public Investment Corporation (SOC) Limited	35 933 886	18.9%
Zahid Tractor & Heavy Machinery	35 834 624	18.9%
Silchester International Investors, L.L.P.	33 531 795	17.7%
The Vanguard Group, Inc.	6 876 388	3.6%

Dividends

Barloworld has met its solvency and liquidity obligations. Given the performance, a strong balance sheet and cash generation, the board has approved an ordinary dividend for the year ended 30 September 2024.

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

Final dividend number 190 of 310 cents (gross) per ordinary share (gross).

Dividends declared	Friday, 22 November 2024
Last day to trade cum dividends	Monday, 30 December 2024
Ordinary shares trade ex-dividends	Tuesday, 31 December 2024
Record date	Friday, 3 January 2025
Payment date	Monday, 6 January 2025

Directors' report continued

for the year ended 30 September 2024

Changes in directorate

Ms Hester Hickey retired from the Board as a non-executive director and chair of the audit committee with effect from 16 February 2024.

Mr Vuyisa Nkonyeni was appointed as chair of the audit committee with effect from 16 February 2024.

Company Secretary and registered office

Ms Nomini Rapoo is the Company Secretary of the group.

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

Auditors

Ernst & Young Inc (EY), in a joint audit arrangement with SizweNtsalubaGobodo Grant Thornton Inc. (SNG-GT) continued in office as auditors for the company and its significant subsidiaries for the 2024 financial year.

At the forthcoming AGM, shareholders will be requested to appoint EY and SNG-GT as joint registered independent external auditors of Barloworld Limited for the 2025 financial year, and to confirm Ms Z Khoza and Ms J Ramapela, as the designated individual audit partners for EY and SNG-GT, respectively.

Contingent liabilities

On 5 September 2024, Barloworld submitted an initial notification of voluntary self-disclosure to the U.S. Department of Commerce, Bureau of Industry and Security (BIS) regarding potential export control violations involving its subsidiary in Russia, Vostochnaya Technica (VT LLC). An internal investigation, supported by independent experts, is ongoing to determine whether any violations occurred and, if so, the extent of such violations.

As the investigation is incomplete, it remains uncertain whether a present obligation exists in relation to these potential export violations. While the outcome of the investigation is uncertain, potential outcomes may include penalties or other regulatory actions (non-financial).

Management has not yet determined whether any penalties or regulatory actions will result from this process, and thus it is impracticable to reliably estimate the financial impact at this time and timing therefore.

The group cannot provide further disclosure with respect to the estimated penalty range on suspected violations, because it has concluded that such disclosure may seriously prejudice its outcome.

The activity and profitability of VT LLC is expected to continue declining over the next 12 months due to reduced product lines, supply chain constraints and the sanction regime. VT remains self-sufficient and is a going concern.

Going concern

The directors consider that the group entities and company have adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the consolidated and company financial statements.

Events after the reporting period

Refer to the dividends section above and to note 30 of the annual financial statements wherein the board declared a final ordinary dividend of 310 cents and R22 500 preference share dividends in respect of the current year's earnings.

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

Accounting policies

for the year ended 30 September 2024

Definitions

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

1. Basis of preparation

1.1 Accounting framework

The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (the Committee), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), the Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Listings Requirements of JSE Limited (JSE) and the requirements of the South African Companies Act, 71 of 2008, as amended (Companies Act).

The consolidated financial statements are prepared in accordance with the historical cost convention, except where stated at fair value.

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

Accounting policies prepared in terms of IFRS Accounting Standards have been included only if management concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item being disclosed. The group has made the following accounting policy choices in terms of IFRS Accounting Standards:

- Interest in associates and joint ventures is accounted for using the equity method (policy note 2) for Barloworld Limited's separate financial statements.
- The cost model is applied in accounting for property, plant and equipment and leased assets (policy note 8).
- The hedge accounting principles in IAS 39 Financial Instruments will continue to be applied.
- The simplified approach for measuring the expected credit loss (ECL) on trade and finance lease receivables will be applied.

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

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

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

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

Current vs non-current

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

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within 12 months after the reporting period or
- cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current. A liability is current when it is:

- expected to be settled in the normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Accounting policies continued

for the year ended 30 September 2024

1. Basis of preparation continued

1.2 New standards and interpretations

New standards effective for annual periods beginning on or after 1 January 2023

The group adopted the following amendments, which were applied for the first time for its financial results for the year commencing 1 October 2023.

Standard, amendment or interpretation	Impact on financial statements
IFRS 17 Insurance contracts	IFRS 17 replaces IFRS 4, which currently 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. The new standard had no material impact on the group's consolidated financial statements.
Definition of Accounting Estimates - Amendments to IAS 8	The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendment defines Accounting estimates as monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments had no impact on the group's consolidated financial statements.
Disclosure of accounting policies amendments to IAS 1 and IFRS practice statement 2	The amendments to IAS 1 and IFRS Practice Statement 2: Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had an impact on the group's disclosures of accounting policies; the impacted policies have been updated. The amendments did not have an impact on the measurement, recognition or presentation of any items in the group's financial statements.

Accounting policies continued

for the year ended 30 September 2024

1. Basis of preparation continued

1.2 New standards and interpretations continued

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	The amendments to IAS 12: Income taxes narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases in terms of IFRS 16. The amendments had no impact on the group's consolidated financial statements.
International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12	The Pillar Two Rules were developed by the Inclusive Framework to ensure that large multinational enterprises (MNEs) pay a minimum level of tax of 15% on their income in each jurisdiction where they operate, thereby reducing the incentive for profit shifting. Pillar Two Rules apply to multinational groups that have consolidated revenues of EUR750 million or more. An MNE group consists of entities that the ultimate parent entity includes in its consolidated financial statements on a line-by-line basis ("Consolidated"). Under the legislation, the group will be liable to pay a top-up tax for the difference between the 15% minimum tax rate and the recalculated effective tax rate per jurisdiction in terms of the global anti-base erosion (GloBE) rules. The group is in scope of the Pillar Two Rules and has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12). The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately and requires new disclosure about the Pillar Two exposure. The mandatory exception applies retrospectively. In the 2024 Budget Review on 21 February 2024, South Africa's Minister of Finance announced that South Africa will implement the Organisation for Economic Co-operation and Development's (OECD's) Pillar Two Model Rules with effect from years of assessment starting on or after 1 January 2024. The group falls within the scope of the Pillar Two global minimum tax rules. As a result, a minimum effective corporate tax rate of 15% will be required to be applied in each jurisdiction where the group operates. The Pillar Two Rules will be applicable to the group's 2025 financial year. Based on a preliminary assessment of the current draft legislation, the Pillar Two Rules are expected to raise the effective tax rate in the United Arab Emirates and Mauritius to 15%, starting from 1 October 2024. These amendments will not have any immediate tax impact on the group for the current financial year. In the United Kingdom (UK), the Pillar Two Rules will be effective for accounting periods beginning on or after 31 December 2023, applying to the group's UK entities from their 2025 financial year. These new rules will not lead to an increase in the effective tax rate within the UK, as the rate already exceeds 15%. Therefore, there is no current tax impact for the year ended 30 September 2024. Although the UK has enacted the Pillar Two Rules, no top-up tax is expected on the group in this regard as the constituent entities within the UK group are expected to exceed the minimum 15% rate. Additionally, no new legislation to implement the top-up tax was enacted or substantively enacted at 30 September 2024 in any other jurisdiction in which the group operates. Refer note 7.

The amendments in the above table did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Accounting policies continued

for the year ended 30 September 2024

1. Basis of preparation continued

1.3 Foreign currencies

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

The US Dollar has been selected as the functional currency for the group's operations across the majority of the African territories, Russia and Mongolia.

The financial results of all entities that have a functional currency different from the presentation currency of the group are translated into the presentation currency (South African Rand).

All assets and liabilities, including fair value adjustments arising on acquisitions, are translated at the rate of exchange ruling at the statement of financial position date. Income and expenditure transactions of foreign operations are translated at the average rate of exchange. Resulting foreign exchange gains and losses arising on translation are recognised in the foreign currency translation reserve (FCTR) as a separate component of other comprehensive income.

1.4 Operating segments

The executive committee, as chief operating decision maker, has determined the operating segments based on the information it uses to allocate resources and assess segmental performance. Segments are analysed by operating activities.

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

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

Equipment southern Africa (BWE snA)
- This segment delivers construction and mining equipment to the earthmoving industry in 11 African countries.

Automotive
- The Automotive division of this segment comprises of the following world-class business units: Avis and Budget Rent a Car, and Avis Fleet which were unbundled on 13 December 2022.

Ingrain
- This segment is involved in the sale of starch, glucose, and other related products (co-products) in southern Africa and Australia.

Equipment Mongolia
- This Eurasia segment delivers construction and mining equipment to the earthmoving industries across Mongolia.

Equipment Russia
- This Eurasia segment delivers construction and mining equipment to the earthmoving industries across Russia.

Other segments
- Corporate office (South Africa, Middle East and United Kingdom), Salvage Management and Disposal (SMD), Crownmill (which was disposed in the prior year) and Khula Sizwe.

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

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

Accounting policies continued

for the year ended 30 September 2024

2. Basis of consolidation

The consolidated financial statements include the results and financial position of Barloworld Limited, its subsidiaries, joint ventures, associates, and other entities where there is no shareholding, but over which the group exercises control. Subsidiaries are entities which the group has power over and in respect of which it is exposed, or has rights to variable returns from its involvement with these entities and has the ability to affect those returns through its power over those entities. The results of any subsidiaries acquired or disposed of during the year are included from the date control was obtained and up to the date control ceased to exist. Total comprehensive income of the subsidiary is attributed to owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a negative balance.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree in exchange for control of the acquiree.

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

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration (financial liability representing an obligation to settle the contingent consideration) is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

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

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

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

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

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interest in associates and joint ventures

The group has investments in associates and joint ventures in which it holds 50% equity interests. Associates are those entities in which the group has significant influence, but no control or joint control. A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures are measured using the equity method of accounting, applying the group's accounting policies, from the acquisition date to the disposal date. The most recent audited annual financial statements of associates and joint ventures are used, which are all within three months of the year end of the group. Where the associate's or joint venture's accounting policies differ from the group, adjustments are made to the associate's or joint venture's financial results to align with the group's accounting policies.

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

Accounting policies continued

for the year ended 30 September 2024

3. Significant judgements and estimates

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

3.1 Revenue recognition

The percentage of completion method is applied to recognise revenue on long-term maintenance and repair contracts (MARC) in the Equipment and Automotive businesses as performance obligations are satisfied over time. Management exercises judgement in calculating the contract liabilities and contract assets, which are based on the anticipated cost of repairs over the life cycle of the equipment, or motor vehicles, applied to the total contracted future revenue arising from maintenance and repair contracts. For further details, refer to notes 2 for revenue, 19 for contract assets and 28 for contract liabilities of the annual financial statements. Detailed accounting policies have been disclosed in accounting policy note 4.

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

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

3.2 Impairment of assets

3.2.1 Goodwill and intangible assets

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

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

3.2.2 Impairment of financial assets

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

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

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

Accounting policies continued

for the year ended 30 September 2024

3. Significant judgements and estimates continued

3.2 Impairment of assets continued

3.2.2 Impairment of financial assets continued

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

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

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

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

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

3.3 Business combinations and associated financial liabilities

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

3.4 Non-contractual customer relationships

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

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

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

Accounting policies continued

for the year ended 30 September 2024

3. Significant judgements and estimates continued

3.5 Post-employment benefit obligations

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

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

3.6 Deferred tax assets

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

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

3.7 Lease term

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

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

3.8 Lessees incremental borrowing rate (IBR)

Where the incremental borrowing rate is not explicitly mentioned in the contract, the IBR is calculated as the rate of interest that the lessee would have paid to borrow the cash over a similar term with similar payments in a similar economic environment. Management determines a reference rate (risk-free rate) for the territory the business segment operates in and adjusts this as appropriate considering factors such as the primary economic environment the segment operates in, the functional currency and the duration of the risk-free rate relative to the lease term.

3.9 Supplier finance arrangements

Judgement is exercised regarding whether these arrangements constitute trade payables or debt. Factors considered include the currency in which the financing arrangements are settled, the repayment terms of the facilities relative to standard supplier payment terms, and the existence of breakage costs on these facilities. To ensure comparability and consistency, current industry practices are also considered as part of this determination. The reference rate is then adjusted for credit and liquidity risks associated with the operating segment.

3.10 Uncertain tax positions

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

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

Management exercises judgement on the timing of the realisation of provisions.

Accounting policies continued

for the year ended 30 September 2024

3. Significant judgements and estimates continued

3.11 Derecognition of transferred assets

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

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

The group considers the impact of guaranteeing a portion of the sale when determining whether the transfer qualifies for derecognition. It conducted a quantitative and qualitative assessment to assess the variability in cash flows before and after the transfer. Through this assessment, the group concluded that it has transferred substantially all the risks and rewards of the transferred asset.

Management applied significant judgement when assessing the derecognition criteria set out in IFRS 9:

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

3.12 Provisions

Management exercises judgement in establishing provisions required on the basis of claims notified and past experience. Provisions for warranty costs are recognised at the date of sale of the relevant products, at the estimated expenditure required to settle the group's obligation.

Income statement

4. Revenue

The Group recognises revenue from the following major sources:

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

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

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

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies, is as follows:

Sale of goods and parts

The sale of goods and parts includes:

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

Accounting policies continued

for the year ended 30 September 2024

4. Revenue continued

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

- Sales of used vehicles range from cash on delivery to 30 days of invoice date
- Sales of new and used equipment range from cash on delivery to 90 days of invoice date, unless financed under an instalment sale agreement
- Sales of new and used parts range from cash on delivery to 90 days of invoice date
- Sales of starch, glucose, and other related products referred to as co-products (Ingrain) range from 30 days to 90 days of invoice date
- Sales of new equipment require cash on delivery for construction machines and payment within 7 days from commissioning for mining machines.

Rendering of services

Revenue from providing services includes:

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

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

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

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

Commission income

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

Warranty claims

Service and assurance type warranties are provided on certain equipment, spare parts and services supplied to customers. Warranties have not been identified as distinct performance obligations from the sale of the goods it relates to.

In the Equipment and Automotive businesses, warranties are provided on certain equipment and vehicles based on the warranties supplied by the original equipment manufacturers (OEMs) for spare parts and services supplied to customers. Management exercises judgement in establishing the provisions required based on claims notified and past experiences. For further detail, refer to note 24.

Contract liability

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

Contract asset

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

Accounting policies continued

for the year ended 30 September 2024

5. Finance costs

Interest on financial liabilities measured at amortised cost is calculated using the effective interest rate method. For interest on lease liabilities, refer to note 26. For further detail, refer to note 5.

6. Income from Investment

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

7. Taxation

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

Deferred taxation is recognised in profit or loss, except when it relates to items credited or charged to other comprehensive income, in which case it is also recognised in other comprehensive income. The group has determined that the global minimum top-up tax, which it is required to pay under Pillar Two legislation, is an income tax within the scope of IAS 12. The group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Statement of financial position

8. Property, plant and equipment (PPE)

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

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

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

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

Buildings	Straight line	20 to 50 years
Plant	Straight line	5 to 35 years
Vehicles	Straight line	5 to 10 years
Equipment	Straight line	5 to 10 years
Furniture	Straight line	3 to 15 years
Equipment rental assets	Usage	12 000 to 15 000 hours

Investment property

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

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

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

Accounting policies continued

for the year ended 30 September 2024

9. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses (refer to accounting policy 2 above).

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

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

For further details of management's impairment assessments over goodwill, refer to notes 11 and 12.

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

10. Intangible assets

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

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

Supplier relationships are measured initially at fair value as part of a business combination. Supplier relationships are separately identifiable intangible assets from distribution agreements with suppliers specifying sales objectives, territory presence and service levels to be provided. Supplier relationships arise from the group's long-standing relationships with its principals, namely Caterpillar. Contractually, these relationships do not have a finite term, thus qualifying as indefinite intangible assets. Supplier relationships are tested for impairment annually. Refer to note 12 for further details. Where these attributes are not present, a supplier relationship could be determined to have a finite useful life, such as in Equipment Mongolia where the useful life is 20 years.

Customer relationships are measured initially at fair value as part of a business combination. Development costs are capitalised only when, and if it results in an asset that can be identified, it is probable that the asset will generate future economic benefits and the development cost can be reliably measured. Otherwise, development costs are recognised in profit or loss.

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

11. Interest in subsidiaries

Investments in subsidiaries are measured at cost, less accumulated impairment.

12. Inventories

Inventories are initially recognised at cost and subsequently measured at the lower of cost and net realisable value.

Inventories are diverse and materially consist of the following:

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

The specific identification basis is used to determine the cost of items that are not interchangeable. For items that are interchangeable, the first-in,-first-out method or the weighted average method is used for certain classes of inventory to determine the cost.

Allowance for net realisable value of inventory

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

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

Accounting policies continued

for the year ended 30 September 2024

12. Inventories continued

Parts inventory is categorised as follows:

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

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

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

Rental assets that become available for sale after being removed from rental fleets are transferred to inventories (policy note 8) at their carrying amount. Sale proceeds from such rental assets are recognised as revenue in accordance with policy note 3.

Ingrain inventory relates to starch and glucose materials to be consumed in the production process or in the rendering of services.

13. Financial assets and financial liabilities (Financial instruments)

The group's financial instruments comprise:

- Investments in equity securities
- Loans receivable
- Trade and other receivables (excluding prepayments)
- Cash and cash equivalents
- Borrowings
- Bank overdrafts
- Derivatives
- Trade and other payables
- Other non-current liabilities.

Classification of financial assets
The group classifies financial assets into the following categories:

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

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

Financial assets are classified and subsequently measured as follows:

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

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

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

Accounting policies continued

for the year ended 30 September 2024

13. Financial assets and financial liabilities (Financial instruments) continued

Subsequent measurement of financial liabilities
All financial liabilities, excluding derivative liabilities and those part of a hedging relationship (refer to note 33), are subsequently measured at amortised cost using the effective interest method. Derivative liabilities are subsequently measured at fair value through profit or loss.

Financial guarantee contracts and contract liabilities

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

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

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

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

The nominal contractual value of financial guarantees is not recorded in the statement of financial position. The nominal values of these instruments together are disclosed in note 33 credit risk.

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

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

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

Cash flow hedge
When these cash flow hedges meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge. When the transaction that gave rise to a firm commitment is recognised, the reserve is derecognised and capitalised to the item as a basis adjustment. Refer note 33.3.

In terms of IAS 39.97, the following accounting is used
If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income in accordance with paragraph 95 shall be reclassified from equity to profit or loss as a reclassification adjustment (see IAS 1 (as revised in 2007)) in the same period or periods during which the hedged forecast cash flows affect profit or loss (such as in the periods that interest income or interest expense is recognised). However, if an entity expects that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, it shall reclassify into profit or loss, as a reclassification adjustment, the amount that is not expected to be recovered.

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

Accounting policies continued

for the year ended 30 September 2024

13. Financial assets and financial liabilities (Financial instruments) continued

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

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

Fair value hedge

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

Provided that the hedging relationship meets the qualifying hedge effectiveness criteria, any changes in the fair value of the firm commitment being hedged (purchase of maize from the farmer) are recognised in the statement of financial position as a firm commitment asset/liability, with a corresponding entry recorded in profit or loss. Refer to note 33.3.

14. Deferred taxation assets and liabilities

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

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

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

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

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

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

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

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

Accounting policies continued

for the year ended 30 September 2024

15. Leasing

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

In the capacity of a lessor

Rental income consists of rental of Caterpillar earthmoving equipment, engines and other complementary products (Equipment and Handling) and properties (Khula Sizwe).

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

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

In the capacity of a lessee

The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a term of 12 months or less) and leases of low-value assets (R85 000). For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

Lease term

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

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

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

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

For further detail, refer to notes 10 (Right-of-use assets) and 26 (Lease liabilities).

16 . Employee benefit costs

Short-term employee benefits

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

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

Accounting policies continued

for the year ended 30 September 2024

16 . Employee benefit costs continued

Post-employment benefit obligations

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

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

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

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

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

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

Share-based payments

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

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

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

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

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

For the purpose of the trusts formed for the benefit of Barloworld Group employees (including managers) and as structures established for the purpose of executing share-based payment transactions, Barloworld Limited assumes the trusts' rights and obligations. The trusts have no decision-making powers as all the activities of the trust are determined by Barloworld upfront at the signing of the Trust Deeds. As such, these trusts are consolidated into the group.

Consolidated income statement

for the year ended 30 September 2024

R million	Notes	2024	2023
CONTINUING OPERATIONS			
Revenue	2	**41 908**	45 028
Operating profit before items listed below		**5 383**	5 697
Reversal of impairments/(impairments) on financial assets and contract assets	3	**56**	(62)
Fair value adjustments on financial instruments	4	**(329)**	(138)
Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation		**5 110**	5 496
Depreciation		**(1 158)**	(989)
Amortisation of intangible assets		**(165)**	(175)
Operating profit from core trading activities	3	**3 787**	4 332
Impairments and capital items comprise of: ^			
Impairment of property, plant and equipment, intangibles and other assets	10, 12	**(32)**	(31)
Impairment of goodwill	11	**(92)**	(53)
Profit on disposal of investments		**71**	
Gains on the disposal of property, plant and equipment and other assets	9	**30**	29
Other capital items		**4**	2
Profit before finance costs and income		**3 768**	4 278
Finance costs	5	**(1 542)**	(1 601)
Finance income	6	**276**	264
Profit before taxation		**2 502**	2 942
Taxation	7	**(825)**	(1 235)
Profit after taxation		**1 677**	1 707
Share of profit from associates and joint ventures	13	**275**	325
Profit for the year from continuing operations		**1 952**	2 032

R million	Notes	2024	2023
DISCONTINUED OPERATIONS			
Profit from discontinued operations	21		243
Profit for the year		**1 952**	2 275
Attributable to:			
Owners of Barloworld Limited		**1 900**	2 222
Non-controlling interests in subsidiaries		**52**	53
		1 952	2 275
Earnings per share group (cents)			
- basic	8	**1 022.2**	1 197.0
- diluted	8	**1 011.7**	1 183.1
Earnings per share from continuing operations (cents)			
- basic	8	**1 022.2**	1 067.2
- diluted	8	**1 011.7**	1 054.8
Profit per share from discontinued operations (cents)			
- basic	8		129.8
- diluted	8		128.3

^ Items of income/expense included in non-operating and capital items are consistent with items that are 'out of' (excluded from) headline earnings per share (HEPS) in accordance with the JSE Listings Requirements and guidance published by the South African Institute of Chartered Accountants relating to HEPS.

Consolidated statement of financial position

at 30 September 2024

R million	Notes	2024	2023
ASSETS			
Non-current assets		**17 702**	17 633
Property, plant and equipment	9	**8 567**	8 017
Investment property	9	**1 158**	1 187
Right of use assets	10	**431**	515
Goodwill	11	**1 971**	2 094
Intangible assets	12	**1 934**	2 049
Investment in associates and joint ventures	13	**2 904**	2 835
Long-term trade and other receivables	14	**15**	52
Long-term financial and other assets	15	**416**	391
Deferred taxation asset	16	**306**	493
Current assets		**23 458**	30 432
Inventories	17	**10 193**	13 130
Trade and other receivables	18	**5 922**	5 877
Contract assets	19	**810**	814
Current taxation receivable		**70**	200
Cash and cash equivalents	20	**6 463**	10 411
Assets classified as held for sale	21	**38**	57
Total assets		**41 198**	48 122

R million	Notes	2024	2023
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	22	**(2 212)**	(2 212)
Other reserves		**6 000**	6 965
Retained income		**12 571**	11 804
Interest of shareholders of Barloworld Limited		**16 359**	16 557
Non-controlling interest		**312**	262
Interest of all shareholders		**16 671**	16 819
Non-current liabilities		**6 308**	8 922
Interest-bearing liabilities	23	**4 834**	7 184
Deferred taxation liabilities	16	**955**	1 049
Lease liabilities	26	**395**	521
Provisions and accruals	24	**124**	154
Other non-current liabilities	25		14
Current liabilities		**18 219**	22 381
Trade and other payables	27	**13 167**	15 535
Contract liabilities	28	**752**	1 339
Lease liabilities	26	**242**	247
Provisions and accruals	24	**853**	1 205
Current taxation payable		**171**	160
Amounts due to bankers and short-term loans	29	**3 034**	3 895
Total equity and liabilities		**41 198**	48 122

Consolidated statement of other comprehensive income

for the year ended 30 September 2024

R million	Notes	2024	2023
Profit for the year		**1 952**	2 275
Items that may be reclassified subsequently to profit or loss:		**(954)**	492
Exchange (loss)/gain on translation of foreign operations		**(832)**	512
Translation reserves realised on liquidation/disposal of subsidiaries			23
Loss on cash flow hedges		**(160)**	(64)
Deferred taxation on cash flow hedges		**38**	21
Items that will not be reclassified to profit or loss:		**(200)**	(89)
Actuarial (loss)/ gain on post-retirement benefit obligations		**(58)**	66
Taxation effect of actuarial (loss)/gain		**(142)**	(155)
Other comprehensive (loss)/income for the year, net of taxation		**(1 154)**	403
Total other comprehensive income for the year		**798**	2 678
Total other comprehensive income attributable to:			
Barloworld Limited shareholders		**746**	2 625
Non-controlling interest in subsidiaries		**52**	53
		798	2 678

Consolidated statement of changes in equity

for the year ended 30 September 2024

R million	Notes	Share capital and premium	Foreign currency translation reserves*	Cash flow hedging reserves	Revaluation and legal reserves	Equity compensation reserves	Total reserves	Retained income	Net actuarial losses on post-retirement benefits	Total retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
Balance at 1 October 2022		**(2 212)**	**6 064**	**96**	**100**	**257**	**6 517**	**18 959**	**(4 345)**	**14 614**	**18 919**	**262**	**19 181**
Other comprehensive income			**535**	**(43)**			**492**		**(89)**	**(89)**	**403**		**403**
Profit for the year								**2 222**		**2 222**	**2 222**	**53**	**2 275**
Total comprehensive income for the year			**535**	**(43)**			**492**	**2 222**	**(89)**	**2 133**	**2 625**	**53**	**2 678**
Equity settled IFRS 2 charges						**183**	**183**				**183**		**183**
Share scheme payments						**(113)**	**(113)**				**(113)**		**(113)**
Disposal of subsidiaries					**(67)**		**(67)**	**55**		**55**	**(12)**	**(52)**	**(64)**
Transfer of reserves			**11**			**(11)**							
Other reserve movements				**(32)**		**(15)**	**(47)**	**(14)**		**(14)**	**(61)**	**1**	**(60)**
Dividends	30							**(4 984)**		**(4 984)**	**(4 984)**	**(2)**	**(4 986)**
Balance at 30 September 2023		**(2 212)**	**6 610**	**21**	**33**	**301**	**6 965**	**16 238**	**(4 434)**	**11 804**	**16 557**	**262**	**16 819**
Other comprehensive income			**(832)**	**(122)**			**(954)**		**(200)**	**(200)**	**(1 154)**		**(1 154)**
Profit for the year								1 901		1 901	1 901	52	1 953
Total comprehensive income for the year			**(832)**	**(122)**			**(954)**	**1 901**	**(200)**	**1 701**	**747**	**52**	**799**
Equity settled IFRS 2 charges						**157**	**157**				**157**		**157**
Share scheme payments						**(172)**	**(172)**				**(172)**		**(172)**
Transfer of reserves						**4**	**4**	**(4)**		**(4)**			
Other reserve movements				**5**		**(5)**						**(2)**	**(2)**
Dividends	30							**(929)**		**(929)**	**(929)**		**(929)**
Balance at 30 September 2024		**(2 212)**	**5 778**	**(96)**	**33**	**285**	**6 000**	**17 206**	**(4 634)**	**12 572**	**16 360**	**312**	**16 672**

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

	2024 Cents	2023 Cents
Dividend per share **	**520**	500

** Refer to the detailed dividends per share in note 30.

Consolidated statement of cash flows

for the year ended 30 September 2024

R million	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**41 364**	49 498
Cash paid to employees and suppliers		**(36 642)**	(41 001)
Cash generated from operations before investment in rental fleets and leasing receivables excluding settlement of financial instruments (derivatives)	A	**4 722**	8 497
Inflow of investment in leasing receivables		**28**	20
Fleet leasing and equipment rental fleet		**(1 064)**	(1 127)
Additions		**(1 865)**	(2 002)
Proceeds on disposal		**801**	875
Vehicles rental fleet			(1 472)
Additions			(1 709)
Proceeds on disposal			237
Cash generated from operations		**3 686**	5 918
Finance costs		**(1 467)**	(1 658)
Settlement of financial instruments (derivatives)		**(624)**	(479)
Dividends received from investments, associates and joint ventures		**153**	3
Finance income		**275**	273
Taxation paid	B	**(715)**	(741)
Net cash retained from operating activities		**1 308**	3 316
Dividends paid (including non-controlling interest)		**(935)**	(1 897)
Net cash generated from operating activities		**373**	1 419
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of subsidiaries	C		(322)
Investments realised		**101**	
Advances to joint ventures		**(124)**	(39)
Acquisition of intangible assets		**(124)**	(115)
Goodwill paid for licences			(2)
Acquisition of property, plant and equipment		**(597)**	(651)
Replacement capital expenditure		**(239)**	(419)
Expansion capital expenditure		**(358)**	(232)
Proceeds on disposal of property, plant and equipment		**98**	99

R million	Notes	2024	2023
Net cash used in investing activities		**(646)**	(1 028)
Net cash (outflow)/inflow before financing activities		**(273)**	389
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares repurchased for equity-settled share-based payments		**(172)**	(113)
Proceeds from long-term borrowings		**1 147**	1 219
Repayment of long-term borrowings		**(3 377)**	(2 361)
(Repayment of)/proceeds from short-term interest-bearing borrowings		**(875)**	1 795
Repayments of lease liabilities		**(273)**	(262)
Net cash (used in)/received from financing activities	D	**(3 550)**	278
Net (decrease)/increase in cash and cash equivalents		**(3 823)**	667
Cash and cash equivalents at the beginning of the year		**10 411**	9 200
Cash and cash equivalents held for sale at the beginning of the year			310
Effect of foreign exchange rate movement on cash balance		**(125)**	234
Cash and cash equivalents at the end of the year		**6 463**	10 411
Cash balances not available for use due to reserving restrictions (note 20)		**1 738**	138

Notes to the consolidated cash flow statement

for the year ended 30 September 2024

R million	2024	2023
A. Cash generated from operations is calculated as follows:		
Profit before taxation - continuing operations	**2 502**	2 942
Profit before taxation - discontinued operations		369
Adjustments for:		
Depreciation	**1 158**	1 173
Amortisation of intangible assets	**165**	175
Loss on disposal of rental plant and equipment		(1)
Profit on disposal of plant, property, equipment and intangible	**(27)**	(28)
Profit on disposal of right of use assets	**(3)**	
Dividends received	**(1)**	(1)
Finance income	**(276)**	(273)
Finance costs	**1 542**	1 689
Fair value adjustments on financial instruments	**328**	157
Profit on disposal of investments	**(71)**	
Impairment of non-financial assets	**124**	84
IFRS 2 charge (Forfeitable share plan and Share appreciation rights)	**174**	195
Non-cash movement in provisions and inventory valuation allowances	**166**	406
Other non-cash flow items	**(58)**	(27)
Operating cash flows before movements in working capital	**5 723**	6 860
Movement in working capital	**(1 001)**	1 637
Movement in inventories	**1 976**	(4 332)
Movement in receivables and contract assets	**(544)**	2 382
Movement in payables and contract liabilities	**(2 433)**	3 587
Cash generated from operations before investment in rental fleets and leasing receivables	**4 722**	8 497
B. Taxation paid is reconciled to the amounts disclosed in the income statement as follows:		
Amounts overpaid at the beginning of the year	**40**	211
Per the income statement (excluding deferred taxation) - group (note 7)	**(833)**	(1 005)
Adjustments in respect of subsidiaries acquired and sold including translation adjustments	**(22)**	93
Net amounts underpaid /(overpaid) at the end of the year	**101**	(40)
Cash amounts paid	**(715)**	(741)

R million	2024	2023
C. Proceeds on disposal of subsidiaries:		
Inventories disposed		442
Receivables disposed		2 211
Payables, taxation and deferred taxation balances disposed and settled		(4 496)
Borrowings net of cash		(5 311)
Property, plant and equipment, non-current assets, goodwill and intangibles		10 242
Deferred tax		(186)
Net assets disposed		2 902
Non-controlling interest		(51)
Profit on disposal		199
Less internal lease reversals included above		131
Net proceeds on disposal of subsidiaries		3 181
Bank balances and cash in subsidiaries disposed		(336)
Dividend in specie on unbundling of Zeda Limited		(3 167)
Cash proceeds on disposal of subsidiaries		(322)

During the prior year, the group unbundled the Car Rental and Leasing business (Zeda Limited), and also disposed of the remaining portion of the Logistics business. During 2023, the group also disposed of its 51% investment in Crownmill Trading Proprietary Limited for R15 million. Refer to note 21.

Notes to the consolidated cash flow statement continued

for the year ended 30 September 2024

R million	1 October	Cash flows	New leases	IFRS 2 charges	Reclassification from held for sale	Minority share of profits	Other	Transfers to or from short term loans	Acquisition/ (disposal) of subsidiaries	Translation differences	30 September
D. Changes in liabilities arising from financing activities											
2024											
Net cash (used in)/generated from financing activities is reconciled as follows:											
Share capital	**(2 212)**										**(2 212)**
Non-current interest-bearing loans	**7 184**	**(2 230)**								**(120)**	**4 834**
Current interest-bearing loans	**3 895**	**(875)**					**(29)**			**42**	**3 033**
Current and non-current lease liabilities	**768**	**(273)**	**145**				**1**			**(4)**	**637**
Equity compensation reserve movements	**301**	**(172)**		**157**			**(1)**				**285**
Non-controlling interest movements	**262**					**52**	**(2)**				**312**
	10 198	**(3 550)**	**145**	**157**		**52**	**(31)**			**(82)**	**6 889**
2023											
Net cash (used in)/generated from financing activities is reconciled as follows:											
Share capital	(2 212)										(2 212)
Non-current interest-bearing loans	8 642	(1 142)					(17)	(282)		(17)	7 184
Current interest-bearing loans	3 108	1 795			294		(78)	282	(1 598)	92	3 895
Current and non-current lease liabilities	527	(262)	306		396		155		(336)	(18)	768
Equity compensation reserve movements	257	(113)		183			(26)				301
Non-controlling interest movements	262					53	(2)		(51)		262
	10 584	**278**	**306**	**183**	**690**	**53**	**32**		**(1 985)**	**57**	**10 198**

Notes to the consolidated financial statements

for the year ended 30 September 2024

1. Business and geographical segments

	Continuing operations										Discontinued operations		
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Automotive		Logistics
											Car Rental	Leasing	
R million	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	30 Sep 2023	30 Sep 2023	30 Sep 2023
Operating and geographical segments**													
Revenue													
Southern Africa	**32 643**	36 600			**25 743**	29 471	**6 311**	6 331	**589**	798	1 199	463	426
Australia	**196**	220					**196**	220					
Russia	**4 238**	5 341			**4 238**	5 341							
Mongolia	**4 831**	2 867			**4 831**	2 867							
	41 908	45 028			**34 812**	37 679	**6 507**	6 551	**589**	798	1 199	463	426
Inter-segment revenue***			**(434)**	(3 332)		2 921			**434**	411		23	249
	41 908	45 028	**(434)**	(3 332)	**34 812**	40 600	**6 507**	6 551	**1 023**	1 209	1 199	486	675
Operating profit before items listed below	**5 383**	5 697			**4 904**	5 040	**791**	860	**(312)**	(203)	382	255	11
Reversal of impairments/(impairments) on financial assets and contract assets	**56**	(63)			**63**	(61)	**(2)**	(1)	**(5)**		(10)	(5)	20
Fair value adjustments on financial instruments	**(329)**	(138)			**(321)**	(154)	**(2)**		**(6)**	16		(19)	
EBITDA	**5 110**	5 496			**4 646**	4 825	**787**	859	**(323)**	(187)	372	231	31
Depreciation	**(1 158)**	(989)			**(968)**	(819)	**(216)**	(194)	**26**	24	(184)		
Amortisation of intangibles	**(165)**	(175)			**(82)**	(87)	**(73)**	(72)	**(10)**	(16)			
Operating profit from core trading activities	**3 787**	4 332			**3 596**	3 919	**498**	593	**(307)**	(180)	188	231	31

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

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

1. Business and geographical segments continued

	Continuing operations										**Discontinued operations**		
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Automotive		Logistics
											Car Rental	Leasing	
R million	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	30 Sep 2023	30 Sep 2023	30 Sep 2023
By geographical region													
Southern Africa	**2 627**	2 936			**2 202**	2 501	**515**	589	**(90)**	(154)	188	231	31
United Kingdom	**(217)**	(26)							**(217)**	(26)			
Australia	**(17)**	4					**(17)**	4					
Russia	**528**	815			**528**	815							
Mongolia	**866**	603			**866**	603							
Total segment results	**3 787**	4 332			**3 596**	3 919	**498**	593	**(307)**	(180)	188	231	31
Income from associates and joint ventures	**275**	325			**196**	229			**79**	96		2	
Finance costs	**(1 542)**	(1 601)			**(1 234)**	(990)	**(297)**	(175)	**(11)**	(436)	(37)	(40)	(11)
Finance income	**276**	264			**418**	287	**2**	3	**(144)**	(26)		5	4
Impairments and capital items	**(18)**	(53)			**86**	44	**(6)**	(1)	**(98)**	(96)	(1)		(1)
Taxation	**(825)**	(1 235)			**(746)**	(1 118)	**(49)**	(112)	**(30)**	(5)	(37)	(57)	(28)
Profit/(loss) on disposal of businesses											6	84	(96)
Profit from discontinued operations		243											
Net profit	**1 953**	2 275			**2 316**	2 371	**148**	308	**(511)**	(647)	119	225	(101)

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

1. Business and geographical segments continued

	Continuing operations										Discontinued operations		
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Automotive		Logistics
											Car Rental	Leasing	
R million	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	30 Sep 2023	30 Sep 2023	30 Sep 2023
Assets													
Property, plant and equipment	**8 567**	8 017			**4 891**	4 374	**2 584**	2 502	**1 092**	1 141			
Investment property	**1 158**	1 187							**1 158**	1 187			
Right of use assets	**431**	515			**809**	924	**91**	49	**(469)**	(458)			
Intangible assets	**1 934**	2 049			**1 148**	1 169	**782**	850	**4**	30			
Investment in associates and joint ventures	**2 904**	2 835			**1 602**	1 703			**1 302**	1 132			
Long-term finance lease receivables	**15**	52							**15**	52			
Long-term financial and other assets	**455**	391			**11**	11			**444**	380			
Inventories	**10 193**	13 130			**8 780**	12 080	**1 380**	1 018	**33**	32			
Trade and other receivables	**5 883**	5 877			**5 601**	5 110	**884**	880	**(602)**	(113)			
Contract assets	**810**	814			**810**	814							
Assets classified as held for sale	**38**	57							**38**	57			
Segment assets	**32 388**	34 924			**23 652**	26 185	**5 721**	5 299	**3 015**	3 440			
By geographical region													
Southern Africa	**26 470**	28 875			**17 893**	20 405	**5 615**	5 179	**2 962**	3 291			
United Kingdom	**53**	149							**53**	149			
Australia	**106**	120					**106**	120					
Russia	**1 909**	3 089			**1 909**	3 089							
Mongolia	**3 850**	2 691			**3 850**	2 691							

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

1. Business and geographical segments continued

	Continuing operations										Discontinued operations		
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Automotive		Logistics
											Car Rental	Leasing	
R million	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	30 Sep 2023	30 Sep 2023	30 Sep 2023
Total segment assets	**32 388**	34 924			**23 652**	26 185	**5 721**	5 299	**3 015**	3 440			
Goodwill	**1 971**	2 094			**331**	362	**1 640**	1 640		92			
Taxation	**70**	200											
Deferred taxation assets	**306**	493											
Cash and cash equivalents	**6 463**	10 411											
Consolidated total assets	**41 198**	48 122											
Liabilities													
Long-term non-interest bearing liabilities including provisions	**124**	168			**63**	62			**61**	106			
Trade and other payables including provisions	**14 020**	16 740			**12 328**	14 568	**1 965**	1 614	**(273)**	558			
Lease liabilities	**637**	768			**1 071**	1 167	**102**	50	**(536)**	(449)			
Contract liabilities	**752**	1 339			**752**	1 339							
Liabilities directly associated with assets classified as held for sale													
Segment liabilities	**15 533**	19 015			**14 214**	17 136	**2 067**	1 664	**(748)**	215			
By geographical region													
Southern Africa	**11 115**	14 364			**10 080**	13 346	**1 980**	1 600	**(945)**	(582)			
United Kingdom	**197**	797							**197**	797			
Australia	**87**	64					**87**	64					
Russia	**739**	1 589			**739**	1 589							
Mongolia	**3 395**	2 201			**3 395**	2 201							

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

1. Business and geographical segments continued

	Continuing operations										Discontinued operations		
	Consolidated		Eliminations		Equipment		Ingrain		Other segments		Automotive		Logistics
											Car Rental	Leasing	
R million	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023	30 Sep 2023	30 Sep 2023	30 Sep 2023
Segment liabilities	**15 533**	19 015			**14 214**	17 136	**2 067**	1 664	**(748)**	215			
Interest-bearing liabilities	**7 868**	11 079											
Deferred taxation liabilities	**955**	1 049											
Taxation	**171**	160											
Consolidated total liabilities	**24 527**	31 303											
Invested capital													
Southern Africa	**17 045**	16 612			**8 952**	8 373	**4 782**	4 646	**3 311**	3 593			
United Kingdom	**(130)**	(529)							**(130)**	(529)			
Australia	**24**	56					**24**	56					
Russia	**1 181**	1 480			**1 181**	1 480							
Mongolia	**593**	636			**593**	636							
	18 713	**18 255**			**10 726**	**10 489**	**4 806**	**4 702**	**3 180**	**3 064**			

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

1. Business and geographical segments continued

	Continuing operations									
	Consolidated		Eliminations		Equipment		Ingrain		Other segments	
R million	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
Cost of goods sold										
By geographical region										
Southern Africa	**23 919**	27 670			**19 517**	23 131	**4 161**	4 253	**241**	286
United Kingdom	**38**	34							**38**	34
Australia	**200**	206					**200**	206		
Russia	**3 250**	3 527			**3 250**	3 527				
Mongolia	**3 318**	1 857			**3 318**	1 857				
	30 725	**33 294**			**26 085**	**28 515**	**4 361**	**4 459**	**279**	**320**
Salary costs										
By geographical region										
Southern Africa	**3 810**	4 676			**2 840**	2 796	**651**	1 410	**319**	470
United Kingdom	**79**	54							**79**	54
Australia	**6**	5					**6**	5		
Russia	**499**	941			**499**	941				
Mongolia	**307**	284			**307**	284				
	4 701	**5 960**			**3 646**	**4 021**	**657**	**1 415**	**398**	**524**

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

At its June 2024 meeting, the IFRS Interpretations Committee finalised the agenda decision: Disclosure of revenues and expenses for reportable segments (IFRS8).
The group has considered this development and in order to further enhance the disclosure within the financial statements, Barloworld has provided segmental disclosures for costs of goods sold and salary costs.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

2. Revenue

Revenue is derived from contracts with customers. Revenue has been disaggregated based on timing of revenue recognition and the major types of goods and services.

R million	2024	2023
REVENUE		
The group revenue disaggregation has been determined as follows:		
Revenue recognised in terms of IFRS 15: Revenue from contracts with customers		
Sale of goods (earned at a point in time)	**33 775**	**36 441**
Equipment (new and used)	**13 806**	17 498
Vehicles (new and used)		7
Parts (new and used)	**13 462**	12 420
Starch and glucose - local markets	**4 772**	4 708
Starch and glucose - export markets	**621**	627
Starch and glucose - co-products	**1 114**	1 181
Rendering of services (earned over time)	**8 133**	**8 587**
Parts revenue earned over time as services	**2 060**	2 410
Service	**4 452**	4 643
- Workshop and in-field service	**3 449**	3 659
- Fitment and repairs	**1 003**	984
Commissions	**100**	190
Rental (outside the scope of IFRS 16)	**1 521**	1 344
Total continuing operations	**41 908**	**45 028**

R million		2024	2023
Discontinued operations (note 21)			
Sale of goods			28
Vehicles (new and used)			28
Rendering of services			1 677
Service			11
- Workshop and in-field service			11
Rental (outside the scope of IFRS 16)			1 240
Supply chain support solutions			426
			1 705
Revenue recognised in terms of IFRS 16: Leases			
Fixed leasing income			368
Variable leasing income ^			15
Total leasing income			383
Total discontinued operations			2 088
Total group ^^	1	**41 908**	47 116

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

^^ Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment summary. Refer to note 1.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

2. Revenue continued

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

		Expected to be recognised as follows	
	Total	Within 1 year	2-5 years
R million	2024		
Equipment			
Workshop and in-field support services	**4 536**	**706**	**3 831**
Aftersales equipment and vehicle services	**914**	**184**	**730**
Fitment and repairs	**5**	**5**	
Total group	**5 455**	**895**	**4 560**

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

3. Operating profit from core trading activities

Operating profit is arrived at as follows:

R million	2024	2023
Revenue	41 908	45 028
Less: Net expenses	38 121	40 696
Cost of goods sold	30 725	33 293
Other operating costs	7 396	7 402
Continuing operations – operating profit from core trading activities	3 787	4 332
Discontinued operations – operating profit from core trading activities		450
Total group – operating profit from core trading activities	3 787	4 782
Expenses include the following:		
Amortisation of intangible assets	165	175
Amortisation of intangible assets arising from acquisitions	107	115
Continuing operations	107	115
Amortisation of other intangible assets	58	60
Continuing operations	58	60
Depreciation of property, plant and equipment and right of use assets	1 158	1 173
Depreciation of property, plant and equipment	935	974
Continuing operations	935	791
Discontinued operations		183
Depreciation of right of use assets	223	199
Continuing operations	223	198
Discontinued operations		1
Operating leases - low value assets - equipment , IT, plant and vehicles	18	6
Continuing operations	18	6
Operating leases - low value assets - property	23	19
Continuing operations	23	18
Discontinued operations		1
Expense relating to short-term leases	22	28
Continuing operations	22	28

R million	2024	2023
Expenses relating to variable lease payments not included in measure of lease liability		
Income from subleasing right-of-use assets	(1)	
Continuing operations	(1)	
Auditors' remuneration:	58	75
Audit fees	57	68
Continuing operations	57	65
EY	25	29
SNG-GT	20	23
Other	12	13
Discontinued operations		3
Fees for other services	1	7
Continuing operations	1	7
Staff costs (excluding directors' emoluments)	4 701	6 152
Continuing operations	4 701	5 960
Discontinued operation		192
Restructuring costs (including staff costs)	51	
Amounts recognised in respect of retirement benefit plans (note 25):		
Defined contribution funds	542	485
Continuing operations	542	469
Discontinued operations		17
Defined benefit funds	16	14
Continuing operations	16	14
Inventory movements	562	210
Amount of write-down of inventory to net realisable value and losses of inventory	655	270
Amount of reversals of inventory previously written down	(93)	(60)
(Reversals of impairments)/impairments on financial assets and contract assets	(56)	57
Continuing operations	(56)	62
Discontinued operations		(5)

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

4. Fair value adjustments on financial instruments

R million	2024	2023
Income included in operating profit as valuation of insurance companies^	1	1
Disclosed as fair value loss on financial instruments	(329)	(139)
Total continuing operations	**(328)**	(138)
Discontinued operations (note 21)		(19)
Total group	**(328)**	(157)
Per IFRS 9 category		
Net foreign exchange profit on loans, cash, receivables and payables	(207)	169
Financial assets/liabilities at fair value profit/(loss) through profit or loss	536	(30)
Total continuing operations	**329**	139
Discontinued operations (note 21)		19
Total group	**329**	158

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

5. Finance costs

R million	2024	2023
Corporate bonds and other long-term borrowings	(746)	(774)
Bank and other short-term borrowings	(362)	(482)
Floor plan	(344)	(243)
Defined benefit plan	(13)	(31)
Lease liability interest	(77)	(71)
Total continuing operations	**(1 542)**	(1 601)
Discontinued operations (note 21)		(88)
Total group	**(1 542)**	(1 689)

6. Finance income

R million	2024	2023
Dividends - received from insurance companies	1	1
Interest on financial assets at amortised cost (income from investments)	276	264
Total continuing operations	**277**	265
Discontinued operations (note 21)		9
Total group	**277**	274
Included in operating profit as dividends received from insurance companies	1	1
Disclosed in income statement as income from investments	276	264
Total continuing operations	**277**	265
Discontinued operations (note 21)		9
Total group	**277**	274

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

7. Taxation

R million	2024	2023
Normal taxation		
Current year	**(681)**	(766)
Prior year	**(121)**	38
	(802)	(728)
Foreign and withholding taxation		
Current year	**(31)**	(17)
	(31)	(17)
Deferred taxation		
Current year	**(85)**	(325)
Prior year	**96**	(198)
Attributable to a change in the rate of income tax	**(3)**	2
	8	**(521)**
Foreign and withholding taxation		
Current year		31
Total continuing operations	**(825)**	**(1 235)**
Discontinued operations (note 21)		
Normal taxation		(51)
Deferred taxation		(71)
Normal taxation on disposal of business		(205)
Total discontinued operations		**(327)**
Total group	**(825)**	**(1 562)**

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

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

^^^ Impairments and capital items taxation refer to the impairment of SMD's goodwill, the sale of Optron shares, the sale of Barzem shares, property transfer tax payable in Zambia and the reversal of provision. This would include items excluded from the headline earnings of the group (refer to note 8).

%	2024	2023
South Africa normal taxation rate	**27.0**	27.0
Foreign rate differential	**(2.9)**	(2.1)
Reduction in rate of taxation	**(4.4)**	(10.3)
Exempt income, non-taxable income and special allowances^	**(1.5)**	(1.2)
Taxation losses of prior periods	**(0.2)**	(9.0)
IAS 12.41 adjustment^^	**(2.7)**	
Rate change adjustment**		(0.1)
Increase in rate of taxation	**13.3**	26.8
Disallowable charges^^^^	**4.3**	0.5
Impairments and capital items taxation^^^	**1.4**	3.9
IAS 12.41 adjustment^^		10.0
Impact of elimination of intergroup interest netting to discontinued operations		0.2
Withholding tax	**1.3**	0.6
Current year losses not utilised	**5.2**	6.5
Under provision of tax in respect of the prior year	**1.1**	5.2
Rate change adjustment* **	**0.1**	
Taxation as a percentage of profit before taxation^^^^^	**33.0**	41.5
Taxation (excluding elimination of intergroup interest netting to discontinued operations and impairments and capital items taxation) as a percentage of profit before taxation (excluding impairments and capital items)	**26.0**	25.8

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

^^^^^ The overall effective tax rate is significantly impacted by the non-monetary items under IAS 12.41 in the previous year, which are accounted for as non-operating, the increase in tax losses not recognised as deferred tax assets as well as the impairment of SMD's assets accounted for as capital items.

**The rate change impact on 30 September 2023 is mainly due to the impact on deferred tax balances from the change in the corporate tax rate from 19% to 25% in the UK.

***The rate change on 30 September 2024 is mainly attributable to the impact on the deferred tax balance resulting from the change in corporate tax rate from 28% to 27% in South Africa. The deferred tax balance is in respect of a deferred tax asset raised on prior years' stock provisions.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

7. Taxation continued

R million	2024	2023
Group tax losses at the end of the year:		
South African - taxation losses	**(503)**	(411)
Foreign - taxation losses	**(1 912)**	(1 590)
	(2 415)	**(2 001)**
Utilised to reduce deferred taxation liabilities or create deferred taxation assets	**33**	57
Losses on which no deferred taxation assets raised due to uncertainty regarding utilisation	**(2 382)**	(1 944)
The losses for which no deferred taxation asset has been raised are as follows:		
South African tax losses		
Barloworld Transport	**(337)**	(360)
Salvage Management and Disposals	**(165)**	
Foreign tax losses		
Equipment Russia	**(39)**	(66)
Australia	**(18)**	
UK group	**(1 823)**	(1 518)
Total continuing operations	**(2 382)**	**(1 944)**
Total group	**(2 382)**	**(1 944)**

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

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

The United Kingdom (UK) government announced that it intends to require large businesses to notify HMRC where they have adopted an uncertain tax treatment applicable to returns filed after April 2022. We do not believe that any of the Barloworld companies in the UK group will have anything to report.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

8. Earnings and headline earnings per share

8.1 Diluted weighted average number of shares

R million	2024	2023
Weighted average number of ordinary shares (net of share buy-back)	**185 947 053**	185 626 965
Increase in number of shares as a result of unexercised share options and unvested forfeitable shares	**1 928 505**	2 185 980
Fully converted weighted average number of shares	**187 875 558**	187 812 945

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

R million	2024	2023
Net profit for the year attributable to shareholders of Barloworld Limited	**1 900**	2 222
Net profit for the year from continuing operations attributable to shareholders of Barloworld Limited	**1 900**	1 981
Net profit for the year from discontinued operations attributable to shareholders of Barloworld Limited		241

8.2 Earnings per share

	2024	2023	2024 Cents	2023 Cents
BASIC				
The weighted average number of ordinary shares	**185 947 053**	185 626 965		
Earnings per share (basic)			**1 022.2**	1 197.0
Earnings per share from continuing operations (basic)			**1 022.2**	1 067.2
Earnings per share from discontinued operations (basic)				129.8
DILUTED				
Fully converted weighted average number of shares (note 8.1)	**187 875 558**	187 812 945		
Earnings per share (diluted)			**1 011.7**	1 183.1
Earnings per share from continuing operations (diluted)			**1 011.7**	1 054.8
Earnings per share from discontinued operations (diluted)				128.3
Percentage dilution	**1.0**	1.2		

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

8. Earnings and headline earnings per share continued

8.3 Headline earnings per share

R million	2024	2023
BASIC		
Profit for the year attributable to Barloworld Limited shareholders	**1 900**	2 222
Adjusted for the following:		
Remeasurements excluded from headline earnings	**2**	175
Profit on disposal of subsidiaries and investments	**(71)**	(199)
Tax impact of profit on disposal of subsidiaries and investments	**1**	205
Profit on disposal of plant, property, equipment and other assets excluding rental assets	**(30)**	(37)
Tax impact of profit on disposal of property	**4**	5
Impairment of goodwill	**92**	53
Tax impact on impairment of goodwill*		107
Impairment of plant and equipment and intangibles and other assets	**15**	31
Tax impact on impairment of plant and equipment, right of use assets, intangibles and other assets		(15)
Impairment of property and right of use asset	**16**	8
Impairment of property, plant and equipment - associate and joint venture share	**(27)**	11
Tax impact of impairment on property, plant and equipment - associate and joint venture share	**4**	
Change in estimate related to associate and joint venture share		2
Other capital items	**(2)**	4
Headline earnings	**1 902**	2 397

R million	2024	2023
Profit from continuing operations	**1 952**	2 032
Non-controlling shareholder's interest in net profit from continuing operations	**(52)**	(51)
Profit from continuing operations attributable to Barloworld Limited shareholders	**1 900**	1 981
Adjusted for the following items in continued operations:		
Gross remeasurements excluded from headline earnings from continuing operations	**2**	166
Profit on disposal of subsidiaries and investments	**(71)**	
Tax impact of profit on disposal of subsidiaries and investments	**1**	
Profit on disposal of plant, property, equipment and other assets excluding rental assets	**(30)**	(29)
Tax impact of profit on disposal of property	**4**	4
Impairment of goodwill	**92**	53
Tax impact on impairment of goodwill*		107
Impairment of plant and equipment and intangibles and other assets	**15**	31
Tax impact on Impairment of plant and equipment and intangibles and other assets		(15)
Impairment of property and right of use asset	**16**	
Impairment of property, plant and equipment - associate and joint venture share	**(27)**	11
Tax impact of impairment on property, plant and equipment - associate and joint venture share	**4**	
Change in estimate related to associate and joint venture share		2
Other capital items	**(2)**	2

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

8. Earnings and headline earnings per share continued

8.3 Headline earnings per share continued

R million	2024	2023
Headline earnings from continuing operations	**1 902**	2 147
Headline earnings from discontinued operations		
Profit from discontinued operations attributable to Barloworld Limited shareholders		243
Non-controlling shareholders interest in net profit from discontinued operations		(2)
Profit from discontinued operations attributable to Barloworld Limited shareholders		241
Gross remeasurements excluded from headline earnings from discontinuing operations		9
Profit on disposal of subsidiaries and investments		(199)
Tax impact of profit on disposal of subsidiaries and investments		205
Profit on disposal of plant, property, equipment and other assets excluding rental assets		(8)
Tax impact on disposal of business		1
Other capital items		2
Impairment of property and right of use asset		8
Headline earnings from discontinued operations		250

	2024	2023	2024 Cents	2023 Cents
Headline earnings per share				
BASIC				
The weighted average number of ordinary shares	**185 947 053**	185 626 965		
Headline earnings per share (basic)			**1 022.1**	1 291.4
Headline earnings per share from continuing operations (basic)			**1 022.1**	1 156.3
Headline earnings per share from discontinued operations (basic)				135.1
DILUTED				
Fully converted weighted average number of shares (note 8.1)	**187 875 558**	187 123 745		
Headline earnings per share (diluted)			**1 011.6**	1 276.3
Headline earnings per share from continuing operations (diluted)			**1 011.6**	1 142.8
Headline earnings per share from discontinued operations (diluted)				133.5
Percentage dilution	**1.0**	1.2		

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

9. Property, plant and equipment and investment properties

R million	2024						2023						
	Freehold and leasehold land and buildings	**Investment property**	**Plant, equipment and furniture**	**Vehicles**	**Rental assets equipment**	**Total**	Freehold and leasehold land and buildings	Investment property	Plant, equipment and furniture	Vehicles	Rental assets equipment	Rental assets vehicles	**Total**
COST													
At 1 October	**5 146**	**1 538**	**4 637**	**656**	**3 717**	**15 694**	5 625	1 218	4 416	628	3 239	9 130	24 256
Other additions	**2**	**4**	**220**	**2**	**1 481**	**1 709**	70	32	215	41	1 612	2 033	4 003
Expansions	**124**		**221**	**12**	**384**	**742**	12	20	168	31	42	23	296
Business/subsidiary disposed							(355)		(165)	(10)		(10 404)	(10 934)
Other disposals^^	**(12)**	**(61)**	**(120)**	**(37)**	**(1 092)**	**(1 322)**	(72)		(49)	(63)	(1 207)	(738)	(2 129)
Reclassifications	**(6)**	**16**	**(13)**	**(2)**		**(5)**	(261)	268	(7)	1			1
Translation differences	**(240)**	**(1)**	**(108)**	**(46)**	**(64)**	**(459)**	127		59	26	31	(44)	199
At 30 September	**5 014**	**1 496**	**4 837**	**585**	**4 426**	**16 358**	**5 146**	**1 538**	**4 637**	**654**	**3 717**		**15 692**
ACCUMULATED AMORTISATION AND IMPAIRMENT													
At 1 October	**2 295**	**294**	**2 291**	**485**	**1 064**	**6 429**	2 466	229	2 169	476	1 082	1 316	7 738
Depreciation	**99**	**13**	**303**	**47**	**473**	**935**	84	13	280	46	368	183	974
Business/subsidiary disposed							(226)		(136)	(4)		(1 073)	(1 439)
Other disposals	**(12)**		**(111)**	**(35)**	**(285)**	**(443)**	(56)		(71)	(52)	(437)	(411)	(1 027)
Reclassifications	**(8)**		**6**		**2**		(53)	52	1				
Impairment*											32		32
Impairment reversals **					**(14)**	**(14)**							
Translation differences	**(152)**		**(90)**	**(35)**	**(35)**	**(312)**	80		48	21	19	(15)	153
At 30 September	**2 222**	**307**	**2 399**	**462**	**1 205**	**6 595**	**2 295**	**294**	**2 291**	**487**	**1 064**		**6 431**
CARRYING AMOUNT													
At 30 September	**2 792**	**1 189**	**2 438**	**123**	**3 221**	**9 763**	2 851	1 244	2 346	167	2 653		9 261
Classified as held for sale (note 21)	**(7)**	**(31)**				**(38)**		(57)					(57)
Classified as investment property on statement of financial position^		**1 158**				**1 158**		1 187					1 187
Balance reflected as property, plant and equipment	**2 785**		**2 438**	**123**	**3 221**	**8 567**	**2 851**		**2 346**	**167**	**2 653**		**8 017**
Net book value of capitalised leases included in above balance			**303**			**303**			207				207

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

9. Property, plant and equipment and investment properties continued

^ After divesting the Motor Retail and Car Rental businesses, the Khula Sizwe properties are leased to external parties to the group, and are therefore reclassified as investment properties for the group. The fair value of investment properties at 30 September 2024 is R2 031 million (2023: R2 006 million). The fair value measurement of the properties is considered a level 3 measurement in accordance with IFRS 13. The calculation of the fair values of the properties was based on the income approach method in which the estimated net annual rent for the forward period of 120 months is capitalised at an appropriate rate of interest to reflect the perceived risk in the investment. A period of 120 months was considered appropriate because this was the determined expected future net income. There are no unobservable inputs for which a reasonable change in an input would result in a significantly higher or lower fair value measurement. There are also no significant unobservable inputs for which there are interrelationships which significantly influence the valuation. The valuations were done by independent professional qualified valuers.

^^ Other disposals related mainly to rental assets equipment, which were disposed of by Equipment SA Rental (R918 million), Equipment Mongolia (R137 million) and Ingrain (R10 million). The remaining disposals were distributed across the remaining Equipment divisions.

** Impairment reversals relates to rental assets where the residual values and impairments were evaluated based on the expected remaining useful lives and the estimated selling price of the equipment. Impairment reversals relates to rental assets where the recoverable amount was reassessed and noted to have increased after noting that residual values had improved. The reversal of impairments are included in operating expenses.

* Impairment relates to rental assets and is included in operating expenses. There are no known restrictions on the realisable value of the investment properties.

R million	2024	2023
Rental income derived from investment properties	**231**	241

The carrying amounts of assets encumbered for which title is restricted was R3 391million (2023: R 3 315 million) for properties (mortgage bond).

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

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

10. Right of use assets

R million	2024 Land and buildings	2024 Equipment, IT and plant	2024 Vehicles	2024 Total	2023 Land and buildings	2023 Equipment, IT and plant	2023 Vehicles	2023 Total
COST								
At 1 October	**745**	**19**	**378**	**1 142**	937	18	3	958
Business/subsidiary disposed					(285)		(2)	(287)
Additions	**35**	**1**	**109**	**145**	236	1	43	280
Lease modifications	**13**		**6**	**19**	(40)		42	2
Lease retirements	**(69)**	**(2)**	**(94)**	**(165)**	(114)	(1)	(51)	(166)
Reclassification of leases to external leases post Zeda unbundling							340	340
Translation differences	**(19)**		**(7)**	**(26)**	11	1	3	15
At 30 September	**705**	**18**	**392**	**1 115**	745	19	378	1 142
ACCUMULATED AMORTISATION AND IMPAIRMENT								
At 1 October	**414**	**13**	**200**	**627**	410	10		420
Depreciation	**119**	**4**	**100**	**223**	118	4	77	199
Business/subsidiary disposed					(155)			(155)
Reclassification of leases to external leases post Zeda unbundling							165	165
Lease modifications	**(3)**			**(3)**	33		5	38
Lease retirements	**(65)**	**(2)**	**(94)**	**(161)**	(83)	(1)	(50)	(134)
Impairments*	**16**			**16**	77			77
Translation differences	**(13)**		**(5)**	**(18)**	14		3	17
At 30 September	**468**	**15**	**201**	**684**	414	13	200	627
Total group	**237**	**3**	**191**	**431**	**331**	**6**	**178**	**515**

* Impairments resulted from the underlying cash-generating units indicating an impairment. In the current year, the impairments related to the SMD cash-generating unit. In the prior year, several properties became vacant or were exited due to locations being consolidated during the financial period.

Notes to the consolidated financial statements continued
for the year ended 30 September 2024

10. Right of use assets continued

	2024				
Right of use assets	**No of right of use assets leases**	**Range of remaining lease term**	**Average remaining lease term**	**No of leases with extension options**	**No of leases with termination options**
Land and buildings	**134**	1 to 25 years	**5**	**120**	**100**
Equipment, IT and plant	**28**	1 to 4 years	**2**	**23**	**23**
Vehicles	**721**	1 to 5 years	**2**	**686**	**712**
	883			**829**	**835**

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

11. Goodwill

R million	**2024**	2023
COST		
At 1 October	**2 601**	3 651
Additions		2
Business/subsidiary disposed*		(1 083)
Translation differences	**(59)**	31
At 30 September	**2 542**	**2 601**
ACCUMULATED IMPAIRMENT LOSSES		
At 1 October	**507**	1 057
Business/subsidiary disposed*		(618)
Impairment**	**92**	53
Translation differences	**(28)**	15
At 30 September	**571**	**507**
CARRYING AMOUNT	**1 971**	**2 094**

* The prior period disposal relates to the disposal of the Car Rental and Leasing business (Zeda Limited).
** The current and prior year impairments relate to SMD. Refer to the details below.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

11. Goodwill continued

Goodwill is allocated to the following cash-generating units (CGUs) for impairment testing purposes:

			Carrying amount of goodwill		Accumulated impairments	
			2024	2023	**2024**	2023
Significant cash-generating units (CGUs)	**Geographical location**	**Reportable segment to which the CGU belong**	**R million**	R million	**R million**	R million
Equipment Russia	Russia	Equipment Eurasia			**(217)**	(217)
Equipment Botswana Zambia Angola Mozambique Malawi (BZAMM)	Rest of Africa	Equipment southern Africa			**(57)**	(57)
Equipment Mongolia	Mongolia	Equipment Eurasia	**331**	362		
Ingrain	South Africa	Ingrain	**1 640**	1 640		
Other^	Various	Various		92	**(275)**	(183)
CARRYING AMOUNT			**1 971**	2 094	**(549)**	(457)

^ The remaining prior year balance consisted of Salvage Management and Disposals, which was fully impaired in the current year.

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

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

Impairment indicator assessments were conducted for the year end reporting period. In the SMD CGU, disclosed as part of other segments in the segment report, impairment indicators were identified due to continued losses in the business. Impairment testing was done, resulting in the complete impairment of goodwill. In the Ingrain and Barloworld Equipment businesses the restructuring in terms of the section 189 retrenchments were an indicator of possible impairment, however, the impairment testing did not result in any impairment. There were no other significant changes to the factors considered in the impairment calculations at 30 September 2024.

The key assumptions used in the value in use calculation for the CGUs are shown below.

The discount rates applied to the five year forecast period has been outlined for each CGU in the table below. Discount rates applied to cash flow projections are based on a country or region-specific discount rate, dependent upon the location of cash-generating operations.

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

11. Goodwill continued

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

Significant CGUs	Geographical location	Currency	2024 %	2023 %
Equipment southern Africa	Southern Africa	ZAR	**19.4%**	12.6%
Equipment Mongolia	Mongolia	USD	**14.3%**	17.7%
Ingrain	South Africa	ZAR	**19.5%**	18.9%
Other	Various	Various	**18.5%**	16.4% - 18.8%

The long term growth rates applied to extrapolate cash flows are as follows:

Significant CGUs	Geographical location	Currency	2024 %	2023 %
Equipment southern Africa	Southern Africa	ZAR	**4.5%**	4.2%
Equipment Mongolia	Mongolia	USD	**2.5%**	2.0%
Ingrain	South Africa	ZAR	**4.5%**	4.6%
Other	Various	Various	**4.5%**	2.0%

Key operating assumptions:

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

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

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

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

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

As at 30 September 2024, management has performed sufficient sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual CGUs to exceed their value in use.

Other key assumptions:
Salvage Management and Disposal
In the current year, management performed an impairment assessment for the SMD business unit because of a reduction in the sales forecast and the performance of the business. Using the value-in-use model, with an appropriate weighted average cost of capital (WACC) rate of 15.2% and a terminal growth rate of 4.5%, the impairment of R92 million goodwill was determined.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

12. Intangible assets

	2024					2023				
R million	Capitalised software	Patents, trademarks, development costs	Supplier relationships	Customer relationships, order backlog	Total intangible assets	Capitalised software	Patents, trademarks, development costs	Supplier relationships	Customer relationships, order backlog	Total intangible assets
COST										
At 1 October	**859**	**97**	**2 371**	**1 113**	**4 440**	1 030	127	2 283	1 119	4 559
Additions	**123**				**123**	115				115
Business/Subsidiary disposed						(273)	(30)		(6)	(309)
Disposals	**(35)**	**(8)**			**(43)**	(16)				(16)
Reclassification	**5**				**5**					
Translation differences	**(5)**		**(163)**		**(168)**	3		88		91
At 30 September	**947**	**89**	**2 208**	**1 113**	**4 357**	**859**	**97**	**2 371**	**1 113**	**4 440**
ACCUMULATED AMORTISATION AND IMPAIRMENT										
At 1 October	**639**	**95**	**1 359**	**298**	**2 391**	862	111	1 265	232	2 470
Charge for the year	**55**	**1**	**43**	**67**	**166**	59	2	42	72	175
Business/Subsidiary disposed						(272)	(18)		(6)	(296)
Disposals	**(34)**	**(8)**			**(42)**	(15)				(15)
Impairments*	**14**	**1**			**15**	3				3
Translation differences	**(4)**		**(103)**		**(107)**	3		51		54
At 30 September	**670**	**89**	**1 299**	**365**	**2 423**	**639**	**95**	**1 359**	**298**	**2 391**
CARRYING AMOUNT										
Total group	**277**		**909**	**748**	**1 934**	**220**	**2**	**1 012**	**815**	**2 049**

* The impairments of R15 million (2023: R3 million) are disclosed on the face of the income statement as part of the impairment of property, plant and equipment, intangibles and other assets. The current year impairment relates to the software of SMD.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

12. Intangible assets continued

Significant cash-generating units (CGUs)	Useful life	Geographical location	Reportable segment to which the CGUs belong	Carrying value 2024 R million	Carrying value 2023 R million	Accumulated impairments 2024 R million	Accumulated impairments 2023 R million
Equipment Russia	Indefinite	Russia	Equipment Eurasia			**193**	193
Equipment South Africa	Indefinite	South Africa	Equipment southern Africa	**277**	277		
Equipment Mongolia	Finite	Mongolia	Equipment Eurasia	**632**	735		
Equipment BZAMM	Indefinite	Rest of Africa	Equipment southern Africa			**708**	708
Supplier relationship intangible assets				**909**	**1 012**	**901**	**901**
Ingrain	Finite	South Africa	Ingrain	**748**	815		
Customer relationships and order backlog intangible assets				**748**	**815**		

Customer relationships arose in Ingrain from non-contractual customer relationships, which represent loyal customers that will continue their relationship after the acquisition. The write-off period is 15 years. The intangible assets in Barloworld Mongolia, Barloworld Equipment southern Africa and BZAMM relate to supplier relationships.

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

As at 30 September 2024, management has performed the appropriate sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual CGUs to exceed their recoverable amount.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

13. Investment in associates and joint ventures

	Income from associates and joint ventures		Carrying value of the investment	
R million	**2024**	2023	**2024**	2023
Associates	**4**	88	**22**	1 084
Joint ventures	**271**	236	**2 882**	1 751
Total group	**275**	325	**2 904**	2 835

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

The following key assumptions have been used in determining the fair value less costs to sell of each investment at 30 September 2024:

	Bartrac Equipment Ltd*	**BHBW South Africa (Pty) Ltd**	**NMI Durban South Motors (Pty) Ltd**	**Barlow Park Residential (Pty) Ltd**
Pre-tax nominal discount rate	**21.3%**	**20.0%**	**17.3%**	**16.7%**
Terminal growth rate	**2.6%**	**4.5%**	**4.3%**	**4.3%**

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

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

* US Dollar based

As at 30 September 2024, management has performed sufficient sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual CGUs to exceed their recoverable amount (fair value less costs to sell).

DETAILS OF MATERIAL JOINT VENTURES

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

			Proportion of ownership interest and voting rights held by the Group	
Name of joint venture	**Principal activity**	**Place of incorporation**	**2024**	2 023
Bartrac Equipment Ltd	Caterpillar dealer	Mauritius/DRC	**50%**	50%

Bartrac Equipment Ltd operates in Mauritius and the Democratic Republic of Congo.

Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information represents amounts shown in the joint venture's financial statements, which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

13. Investment in associates and joint ventures continued

R million	2024	2023
Bartrac Equipment Ltd		
Statement of financial position		
Cash and cash equivalents	**125**	40
Total current assets (excluding cash and cash equivalents)	**4 364**	5 008
Non-current assets	**1 011**	931
Total current liabilities	**1 608**	2 058
Total non-current liabilities	**690**	581
Net asset value	**3 202**	3 340
Barloworld share of net asset value	**1 601**	1 670
Income statement		
Revenue	**5 077**	6 092
Depreciation and amortisation	**(77)**	(77)
Interest expense	**(95)**	(80)
Income tax expense	**(64)**	(75)
Net profit after tax	**386**	447

R million	2024	2023
Reconciliation of the carrying amount of the interest in Bartrac Equipment Ltd recognised in the consolidated financial statements		
Original cost	**38**	38
Equity-accounted earnings to date	**1 997**	1 804
Dividends	**(922)**	(809)
Foreign currency translation	**488**	636
Carrying amount of the group's interest in Bartrac Equipment Ltd	**1 601**	1 670

			Proportion of ownership interest and voting rights held by the Group	
Name of joint venture	**Principal activities**	**Place of incorporation**	**2024**	2023
BHBW South Africa (Pty) Ltd	Supply of agricultural and materials handling goods and services	South Africa	**50%**	50%

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

R million	2024	2023
BHBW South Africa (Pty) Ltd		
Statement of financial position		
Cash and cash equivalents		75
Total current assets (excluding cash and cash equivalents)	**588**	522
Non-current assets	**556**	396
Current liabilities (excluding trade and other payables and provisions)	**41**	47
Total current liabilities	**267**	298
Total non-current liabilities	**415**	241
Net asset value	**462**	455
Barloworld share of net asset value	**231**	228
Income statement		
Revenue	**1 286**	1 198
Depreciation and amortisation	**(21)**	(21)
Interest expense	**(44)**	(22)
Income tax expense	**4**	0
Net profit after tax	**6**	25

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

13. Investment in associates and joint ventures continued

R million	2024	2023
Reconciliation of the carrying amount of the interest in BHBW South Africa (Pty) Ltd recognised in the consolidated financial statements		
Original cost	**301**	301
Equity-accounted loss to date	**(70)**	(73)
Impairment recognised	**(147)**	(147)
Carrying amount of the group's interest in BHBW South Africa (Pty) Ltd	**84**	81

			Proportion of ownership interest and voting rights held by the Group	
Name of joint venture	**Principal activity**	**Place of incorporation**	**2024**	2023
NMI Durban South Motors (Pty) Ltd	Sale and servicing of motor vehicles and sale of parts	South Africa	**50%**	50%

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

The group accounts for NMI Durban South Motors (Pty) Ltd (NMI) using the equity accounting method as Barloworld has contractually agreed with the other party that unanimous consent of both parties would be required when making decisions about the relevant activities. This therefore means Barloworld has joint control over NMI.

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

In the current year, the shareholding for the remaining 50% investment in NMI Durban South Motors (Pty) Ltd changed. The 50% is now held by one entity. As a result, NMI Durban South Motors (Pty) Ltd is now classified as a joint venture.

R million	2024	2023
NMI Durban South Motors (Pty) Ltd		
Statement of financial position		
Cash and cash equivalents	**71**	294
Total current assets (excluding cash and cash equivalents)	**4 266**	4 702
Non-current assets	**3 514**	3 860
Current liabilities (excluding trade and other payables and provisions)	**2 292**	3 670
Total current liabilities	**4 397**	4 892
Non-current financial liabilities (excluding trade and other payables and provisions)	**1 451**	2 042
Total non-current liabilities	**1 451**	2 042
Net asset value	**2 002**	1 921
Barloworld share of net asset value excluding goodwill	**1 001**	960
Goodwill	**10**	10
Barloworld share of net asset value including goodwill	**1 011**	970
Income statement		
Revenue	**21 122**	21 250
Depreciation and amortisation	**(250)**	(375)
Interest income	**7**	7
Income tax expense	**(46)**	(54)
Net profit after tax and share of associate profit	**150**	141

R million	2024	2023
Reconciliation of the carrying amount of the interest in NMI Durban South Motors (Pty) Ltd recognised in the consolidated financial statements		
Original cost	663	663
Equity accounted earnings to date	456	382
Adoption on 1 October 2019 upon transition to IFRS 16 standard	(3)	(3)
Dividends	(105)	(71)
Carrying amount of the group's interest in NMI Durban South Motors (Pty) Ltd	1 011	970

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

13. Investment in associates and joint ventures continued

Name of joint venture	Principal activity	Place of incorporation	Proportion of ownership interest and voting rights held by the Group 2024	2023
Barlow Park Residential (Pty) Ltd	Development and investment of infrastructure	South Africa	**50%**	50%

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

R million	2024	2023
Barlow Park Residential (Pty) Ltd		
Statement of financial position		
Cash and cash equivalents	**15**	
Total current assets (excluding cash and cash equivalents)	**18**	
Non-current assets	**1 042**	
Current liabilities (excluding trade and other payables and provisions)	**0**	
Total current liabilities	**47**	
Non-current financial liabilities (excluding trade and other payables and provisions)	**1 050**	
Total non-current liabilities	**1 050**	
Net asset value	**(22)**	
Barloworld share of net asset before loss limitation	**(11)**	
Loss limitation	**11**	
Barloworld share of net asset value	**0**	
Income statement		
Revenue	**33**	
Operating Profit/(Loss)	**13**	
Interest expense	**(45)**	
Income tax expense	**12**	
Net profit after tax and share of associate profit	**(19)**	

R million	2024	2023
Reconciliation of the carrying amount of the interest in Barlow Park Residential (Pty) Ltd recognised in the consolidated financial statements		
Loans to joint venture	186	62
Carrying amount of the group's interest in Barlow Park Residential (Pty) Ltd	186	62

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

13. Investment in associates and joint ventures continued

	Income from joint venture		Carrying value of the investment	
R million	2024	2023	2024	2023
Joint ventures				
Bartrac Equipment Ltd	**193**	224	**1 601**	1 670
BHBW South Africa (Pty) Ltd	**3**	12	**84**	81
NMI Durban South Motors (Pty) Ltd	**75**		**1 011**	
Barlow Park Residential (Pty) Ltd			**186**	
Total group	**271**	236	**2 882**	1 751

DETAILS OF MATERIAL ASSOCIATES

Aggregate information of other associates that are not individually material:

R million	2024	2023
Group's share of income	**4**	7

Reconciliation of income statement/statement of financial position

	Income/(loss) from associate		Carrying value of the investment	
R million	2024	2023	2024	2023
Associates				
NMI Durban South Motors (Pty) Ltd*		81		970
Aggregate profit/carrying value of other non-material associates**	**4**	7	**22**	114
Total group	**4**	88	**22**	1 084

* Includes Irene Khaya Property Investment (Pty) Ltd
** In the current year, NMI Durban South Motors (Pty) Ltd is nil as it was classified as a joint venture.

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

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

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

The group has interests in a number of individually immaterial associates, including a 20% investment in Optron (Pty) Ltd (Optron) and a 40% investment in Barzem (Pty) Ltd (Barzem). On 1 March 2024, the group disposed of its entire interest in Optron at R43.7 million resulting in a profit on disposal of R14.1 million. The group also disposed of its 49% investment in Barzem for R23 million, effective 1 November 2023. The book value of the investment in Barzem was nil therefore the profit on disposal of the investment is R23 million.

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

The group has no commitments arising from its involvement with joint ventures and associates. Refer to note 33.3 for guarantees given on behalf of joint ventures and associates.

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

14. Long-term trade and other receivables

R million	2024	2023
Amounts receivable under finance leases:		
Gross investment	**57**	91
Less: Unearned finance income	**(4)**	(10)
Total group	**53**	**81**
Total long-term finance lease receivables	**15**	**52**
Receivable as follows:		
Present value		
Within one year - included in trade and other receivables (note 18)	**38**	29
Year 2	**15**	37
Year 3		15
	53	**81**
Minimum lease payments		
Within one year	**41**	35
Year 2	**16**	40
Year 3		16
	57	91
Less: Unearned finance income	**(4)**	(10)
	53	**81**

In the prior year, the profit related to finance leases amounted to R17 million within the Equipment operating segment.

Investment income earned on the net investment in the leases amounts to R1 million (2023: R5 million).

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

No expected credit losses were recognised on the finance lease receivable. Management has considered macroeconomic forward-looking factors related to these leases, however, the expected credit loss remains negligible, and thus none has been recognised.

15. Long-term financial and other assets

R million	2024	2023
Listed investments at fair value (level 1 fair value hierarchy)*	**124**	101
Unlisted investments at fair value (level 3 fair value hierarchy)	**18**	16
Unlisted debt instruments - Derivative (level 3 fair value hierarchy)		22
Other receivables^	**274**	252
Total long-term financial assets	**416**	**391**

* Refer note 33 fair value hierarchy.

^ Other receivables includes lease smoothing of R186 million (2023: R158 million).

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

16. Deferred taxation

R million	2024	2023
Movement of deferred taxation		
Balance at the beginning of the year		
- deferred taxation assets	**493**	1 158
- deferred taxation liabilities	**(1 049)**	(1 042)
Net asset at the beginning of the year	**(556)**	116
Recognised in income statement this year	**8**	(489)
- Current movements	**11**	(491)
- Rate change adjustment	**(3)**	2
Recognised in income statement this year - discontinued operations		(71)
Business/Subsidiary disposed		185
Translation differences	**9**	54
Accounted for directly in other comprehensive income	**(110)**	(223)
Net deferred taxation classified as held for sale		(198)
Other movements		70
Net (liability)/asset at the end of the year	**(649)**	(556)
- deferred taxation assets	**306**	493
- deferred taxation liabilities	**(955)**	(1 049)
Analysis of deferred taxation by type of temporary difference		

R million	2024	2023
Deferred taxation assets		
Capital allowances	**(265)**	(296)
Right of use assets	**(219)**	(241)
Provisions, long-term loans and payables	**347**	524
Prepayments and other receivables	**65**	33
Effect of tax losses	**7**	15
Retirement benefit obligations	**(1)**	134
Lease liabilities	**343**	391
Other temporary differences	**29**	(67)
	306	**493**
Deferred taxation liabilities		
Capital allowances	**(893)**	(910)
Right of use assets	**186**	193
Provisions, long-term loans and payables	**35**	31
Prepayments and other receivables	**26**	(74)
Effect of tax losses	**1**	1
Lease liabilities	**(266)**	(267)
Other temporary differences	**(44)**	(22)
	(955)	**(1 049)**

Refer to note 7 for information on unutilised tax losses.

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

In all other cases, the foreign subsidiaries reinvest the undistributed earnings into future capital expansion projects, maintenance capital and ongoing working capital funding requirements. Unrecognised taxable temporary differences pertaining to undistributed earnings totalled R76 million (2023: R85 million).

17. Inventories

R million	2024	2023
Work in progress	**1 272**	1 308
Equipment	**9 212**	11 991
Starch raw materials	**858**	544
Starch finished goods	**290**	278
Other inventories	**450**	503
Inventory provision^	**(1 889)**	(1 494)
Total per statement of financial position	**10 193**	**13 130**

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

R million	2024	2023
First-in first-out	**2 637**	3 075
Specific identification	**4 463**	6 898
Weighted average	**3 093**	3 157
	10 193	**13 130**
Inventory recognised as an expense	**32 249**	**30 359**
^ Included within inventory provision are the following:		
Amount of write-down of inventory to net realisable value and losses of inventory*	**(655)**	(270)
Amount of reversals of inventory previously written down**	**93**	60

* The inventory write-down increased as a result of items the group may be unable to trade on during the export administration regulations regime and the group's investigation into permissibility of trading in certain US regulated items.

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

18. Trade and other receivables

R million	2024	2023
Trade receivables	**4 607**	4 374
Less: Expected credit losses (ECL)	**(393)**	(440)
Net trade receivables	**4 214**	3 934
Other financial assets		
Finance lease receivables (note 14)	**38**	29
Fair value of derivatives^^	**10**	14
Non-financial assets classified as other receivables		
VAT receivables	**469**	561
Prepayments	**487**	275
Other receivables^	**704**	1 064
Total per statement of financial position	**5 922**	**5 877**

Trade receivables to the value of R298 million (2023: R325 million) have been pledged as security against maize financing. This is in terms of a security cession and not an outright cession, and the cedent retains bare ownership of the secured property.

^ Other receivables mainly relates to refunds from the original equipment manufacturers regarding discount claims or shipment returns within the Equipment operating segment of R477 million (2023: R569 million) as well as warranty claims, insurance claims, rebates and licence fee receivables. The decrease is due to reduced trading activity.

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

18. Trade and other receivables continued

R million	2024	2023
Expected credit losses (ECL)*		
At 1 October	**440**	875
Current year expected credit losses	**(1)**	15
Write off	**(12)**	(3)
Business/Subsidiary disposed		(478)
Translation differences	**(34)**	31
At 30 September	**393**	**440**

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

R million	2024	2023
Expected credit losses (ECL)		
At 1 October	**74**	32
Current year expected credit losses	**11**	64
Allowance reversed to profit or loss	**(70)**	(21)
At 30 September	**15**	**74**

19. Contract assets

R million	2024	2023
Balance at 1 October	**814**	786
Recognition of revenue (using percentage of completion)	**4 272**	2 021
Transfer to receivables (on invoicing)	**(4 301)**	(1 968)
Expected credit losses movement (refer to reconciliation below)	**59**	(42)
Translation differences	**(34)**	17
Total per statement of financial position	**810**	**814**
Current portion	**810**	**814**

Amounts relating to contract assets are balances due from customers in the Equipment segments that represent the group's right to consideration when the group performs the contracted performance obligations over time. Payment is conditional upon the completion of these performance obligations. The contract asset is reclassified as trade receivables when it is invoiced to the customer.

20. Cash and cash equivalents

R million	2024	2023
Cash on deposit	**5 818**	9 297
Other cash and cash equivalent balances	**645**	1 114
Total per statement of financial position	**6 463**	**10 411**
Per currency:		
South African Rand	**3 386**	5 215
United States Dollar	**2 437**	3 627
British Pound	**306**	1 391
Other foreign currencies	**334**	178
	6 463	**10 411**
Cash balances not available for use due to other contractual and foreign exchange restrictions*	**1 738**	138

* The restricted cash relates mainly to cash held in Mozambique of R47 million (USD3 million) and Malawi of R6 million (USD0.3 million) (2023: R46 million (USD2 million)), which was not easily accessible, as well as R92 million (GBP4 million) (2023: R92 million (GBP4 million)) held in Barloworld Insurance. The cash in Russia of R1 593 million (USD92 million) is also included in restricted cash for 30 September 2024.

Cash held in Russia was R1 593 million (USD92 million) (2023: R1 241 million (USD66 million)). This cash will be utilised for operational purposes to settle liabilities. The environment in Russia remains fluid with sanctions and ongoing uncertainty. In 2024, when considering whether cash is freely remissible, it was concluded to present the Russian cash as restricted. This will be monitored on an ongoing basis. At 30 September 2024, the cash in Russia was included in restricted cash for the first time.

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

21. Discontinued operations and assets held for sale

21.1 Discontinued operations

The sale of the remaining Warehousing and Distribution business within the Supply Chain Solutions business was finalised, on 31 March 2023. The profit on disposal of businesses in the prior year relates to the unbundling of the Car Rental and Leasing business, Zeda Limited (R295 million profit) and the disposal of Logistics (R96 million loss).

Results from discontinued operations as reported are as follows:

R million	2024	2023
Revenue		2 088
Profit before items listed below		648
Impairment on financial assets and contract assets		5
Fair value adjustments on financial instruments		(19)
Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation		634
Depreciation		(184)
Operating profit from trading activities		450
Impairments and capital items:		
Profit on disposal of property, plant and equipment and right of use assets		8
Capital items		(10)
Profit before finance costs and income		448
Finance costs^		(88)
Income from investments		9
Profit before taxation		369
Taxation		(122)
Net profit after taxation		247
Profit from associates		2
Profit from discontinued operations		249
Profit on disposal of businesses*		199
Taxation on unbundling of Avis businesses		(205)
Profit from discontinued operations per income statement		243
Profit on discontinued operations to the owners of Barloworld Limited after non-controlling interest		241
Taxation on trading loss		(122)
Tax on disposal of businesses		(205)
Total discontinued taxation (note 7)		(327)

* The prior year includes the realisation of a foreign currency translation reserve of R23 million.

^ Finance costs are reflected after the elimination of intergroup interest.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

21. Discontinued operations and assets held for sale continued

21.1 Discontinued operations continued

The cash flows from the discontinued operation are as follows:

R million	2024	2023
Cash flows from operating activities		(1 682)
Cash flows from investing activities		(280)
Cash flows from financing activities		1 621

21.2 Assets classified as held for sale

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

	2024	
R million	Total held for sale	Other segments
Property, plant and equipment	**38**	**38**

The properties above relate to properties owned by group companies that are no longer part of the core business. The properties are expected to transfer within the next 12 months.

	2023	
R million	Total held for sale	Other Segments
Property, plant and equipment	57	57

The property is related to the development of Barlow Park. The company contributed the property to the joint venture as part of the initial contribution, therefore this transaction has no cash impact. The property transfer was registered on 30 May 2024 and the company recognised a profit of R18 million in the current financial year.

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

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

22. Share capital and premium

R million	2024	2023
Authorised share capital		
500 000 (2023:500 000) 6% non-redeemable cumulative preference shares of R2 each	**1**	1
400 000 000 (2023: 400 000 000) Ordinary shares of 5 cents each	**20**	20
	21	21
Issued share capital		
375 000 (2023: 375 000) 6% non-redeemable cumulative preference shares of R2 each	**1**	1
189 641 787 (2023: 189 641 787) Ordinary shares of 5 cents each	**10**	10
	11	11
Share premium at the beginning and end of the year	**(2 223)**	(2 223)
Total issued share capital and premium	**(2 212)**	**(2 212)**
Issued shares		
Total number of ordinary shares in issue at the beginning and end of the year, excluding B-BBEE shares	**183 063 666**	183 063 666
Other shares issued in respect of B-BBEE transaction (note 3 below)	**6 578 121**	6 578 121
Total number of ordinary shares in issue at the end of the year, including B-BBEE shares	**189 641 787**	189 641 787
Less treasury shares (note 4 below)	**(2 674 767)**	(3 350 113)
Less shares held by group companies	**(501 220)**	(501 220)
Net number of ordinary shares in issue at the end of the year	**186 465 800**	**185 790 454**
Unissued shares (note 1 below):		
Ordinary shares reserved to meet the requirements of the Barloworld share option scheme (note 2 below)	**23 129 182**	23 129 182
Ordinary shares	**187 229 031**	187 229 031
	210 358 213	**210 358 213**
6% non-redeemable cumulative preference shares	**125 000**	125 000

Notes:
1. The directors have no general authority to issue shares.
2. The shareholders at the general meeting on 20 January 2005 reserved shares for the purpose of the Barloworld share option scheme.
3. At the general meeting of the company held on 14 February 2019, the group's B-BBEE transaction, Khula Sizwe, was approved. During 2020, 6 578 121 shares were issued to the Barloworld Empowerment Foundation. There were no costs incurred in issuing these shares. Refer to note 3.1 for further information.

R million	2024	2023
4. Reconciliation of Treasury shares:		
Balance on 1 October	**3 350 113**	3 440 127
Acquisition of shares for employee share-based scheme	**2 074 602**	527 886
Shares vested and exercised	**(2 749 948)**	(462 050)
Shares lapsed in terms of the employee share scheme		(155 850)
Balance on 30 September	**2 674 767**	**3 350 113**

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

There are no rights preferences or restrictions on the ordinary shares in issue, with the exception of those shares issued to the Barloworld Empowerment Foundation (note 3 above) where any sale of these shares must first be approved by Barloworld management. Preference shares have rights to fixed dividend payments at each interim and year end.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

23. Interest-bearing liabilities

R million	2024	2023
Total long-term borrowings (note 33.3)	**6 655**	8 919
Less: Current portion redeemable and repayable within one year (note 29)	**(1 821)**	(1 735)
Total per statement of financial position*	**4 834**	**7 184**

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

R million	**Total owing 2024**	Repayable during the year ending 30 September 2024 2025	2026	2027	2028	2029 and onwards
Summary of group borrowings by currency and by year of redemption or repayment						
Total South African Rand	**6 375**	1 724	556	2 160	209	1 726
Total foreign currencies	**280**	97	85	41	38	19
Total South African Rand and foreign currency liabilities	**6 655**	**1 821**	**641**	**2 201**	**247**	**1 745**

* The net book value of assets encumbered and liabilities secured is R3 391 million (2023: R3 301 million) and R2 080 million (2023: R2 244 million), respectively.

R million	Total owing 2023	Repayable during the year ending 30 September 2023 2024	2025	2026	2027	2028 and onwards
Summary of group borrowings by currency and by year of redemption or repayment						
Total South African Rand	8 709	1 623	2 975	1 629	976	1 506
Total foreign currencies	210	112	55	43		
Total South African Rand and foreign currency liabilities	**8 919**	**1 735**	**3 030**	**1 672**	**976**	**1 506**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

23. Interest-bearing liabilities continued

Included in interest-bearing liabilities

Certificate	Issued	Maturity	stock	Spread bps	Yield %	Type	2024 R million	2023 R million
BAW33	13-Oct-20	13-Oct-23	Fixed	Fixed	6.15	Fixed rate (NACS)		330
BAW34	09-Oct-20	09-Oct-23	3-month Jibar	200	5.68	Floating rate		500
BAW36	18-Feb-21	18-Feb-24	3-month Jibar	169	5.37	Floating rate		714
BAW37	12-Jul-22	12-Jul-25	3-month Jibar	140	8.33	Floating interest	**315**	315
BAW38	12-Jul-22	12-Jul-27	3-month Jibar	160	8.33	Floating interest	**785**	785
BAW39	26-May-23	26-May-26	3-month Jibar	140	8.24	Floating interest	**430**	430
BAW40	30-Jun-23	30-Jun-25	Fixed	Fixed	9.92	Fixed rate (NACS)	**400**	400
BAWGL1	22-Aug-22	22-Aug-25	3-month Jibar	139	8.24	Floating interest	**415**	415
BAWGL2	22-Aug-22	22-Aug-27	3-month Jibar	157	8.24	Floating interest	**728**	728
BAW41	20-Oct-23	20-Oct-26	3-month Jibar	120	8.31	Floating interest	**485**	
BAW42	20-Oct-23	20-Oct-28	3-month Jibar	142	8.31	Floating interest	**515**	
Fees capitalised							**(2)**	(2)
							4 071	4 615

On maturity, BAW33 and BAW34 were refinanced. Refer note 40.

JIBAR is expected to be replaced by ZARONIA in future, which would require the company to update any agreements currently using JIBAR. At this stage, there is no fixed date at which the transition will be effective. The impact and risks associated with the transition will be analysed during 2025 and the transition process to ZARONIA will be finalised with the funding providers.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

24. Provisions and accruals

R million	2024	2023
Non-current	**124**	154
Current	**853**	1 205
Total per statement of financial position	**977**	**1 358**

R million	Total 2024	Warranty claims 2024	Employee-related provision and accruals 2024	Other provisions and accruals 2024
Movement of provisions				
Balance at the beginning of the year per statement of financial position	**1 359**	648	143	568
Amounts reversed unused	**(262)**	(236)		(26)
Amounts added	**921**	534	175	212
Amounts used	**(989)**	(508)	(109)	(372)
Translation adjustments	**(52)**	(26)	(2)	(24)
Total per statement of financial position	**977**	**412**	**207**	**358**
2024				
Within one year	**853**	378	207	268
Within two years	**52**	31		21
Within three years	**7**	2		5
Within four years	**1**	1		
Within five years	**64**			64
	977	**412**	**207**	**358**
2023				
Within one year	**1 205**	607		598
Within two years	**52**	39		13
Within three years	**1**	1		
Within four years	**1**	1		
Within five years	**99**			99
	1 358	**648**		**710**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

24. Provisions and accruals continued

Warranty claims

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

Other provision and accruals

Other provisions are made up of various amounts, including legal of R 72 million (2023: R40 million), delivery and freight provision of R25 million (2023: R41 million) and onerous contract provisions of R57 million (2023: R249 million) and Vostochnaya Technica (VT) related provision of R107 million (2023: nil).

25. Other non-current liabilities

R million	2024	2023
Other payables		14
Total per statement of financial position		**14**

Retirement benefit information

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

Defined contribution plans

The total cost charged to profit or loss of R477 million (2023: R468 million) represents contributions payable to these schemes by the group at rates specified in the rules of the schemes.

Defined benefit plans

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

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

Insurance policy investments were purchased by the scheme trustees in recent years to remove the majority of the volatility in the net balance sheet position, which was previously sensitive to changes in corporate bond yields, inflation expectations and life expectancies. The scheme's insurance policy assets and the liabilities covered by them were assigned directly between members and insurers over the accounting year to 30 September 2024. This means that, as at the balance sheet date, there are only small residual assets and liabilities remaining in the scheme. Further details are provided below.

Over the accounting year to 30 September 2024, data cleanse processes were completed with the scheme's bulk annuity insurers, and balancing premiums totalling c.GBP25 million (R578 million) were paid to them to ensure the annuity policies represented a precise match for the members' benefits.

Following completion of the data cleanse and payment of balancing premiums, the trustee and the scheme employers instructed the bulk annuity insurance providers to assign the insurance policies directly between scheme members and the insurers. The legal obligation for paying the member benefits and the risks associated with providing these benefits has therefore transferred to the insurers as at the balance sheet date, and the associated liabilities have been settled. At the point of settlement, the insurance policy assets were identical in value under IAS 19 to the liabilities which they covered, but the component parts are shown separately within the asset and liability reconciliations below.

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

R million	2024	2023
Plan administration expenses	**16**	14
Net loss recognised in profit or loss (note 3)	**16**	14
Net interest expenses	**13**	32
Components of defined benefit costs recognised in profit or loss	**29**	46
Actual return on plan assets	**225**	(130)

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

25. Other non-current liabilities continued

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

The scheme's IAS 19 accounting valuation at 30 September 2024 reflected a small surplus of R3 million, which represents an improvement compared to the deficit in 2023 of R538 million. As the scheme's liabilities have primarily been settled, the balance sheet as at 30 September 2024 only reflects the net position of the residual cash held or expected to be received into the trustee bank account, offset by an estimate of top-up payments that may be payable to former members of the scheme as a result of equalising guaranteed minimum pensions. The scheme's trustees no longer hold any invested assets.

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

R million	2024	2023
Present value of funded obligation	**11**	8 919
Fair value of plan assets	**(14)**	(8 381)
Net (asset)/liability per statement of financial position	**(3)**	**538**
Movement in present value of funded obligation:		
At the beginning of the year	**8 919**	8 041
Interest cost	**480**	501
Actuarial gains arising from changes in demographic assumptions	**(23)**	(172)
Actuarial (gains)/losses arising from changes in financial assumptions	**291**	(223)
Actuarial losses arising from experience	**14**	199
Benefits paid	**(552)**	(609)
Settlements	**(9 207)**	
Exchange differences	**89**	1 182
At the end of the year	**11**	**8 919**
Movement in fair value of plan assets:		
At the beginning of the year	**8 381**	7 541
Interest income	**468**	470
Actuarial losses recognised in the statement of comprehensive income	**225**	(130)
Plan administration expenses	**(16)**	(14)
Contributions	**632**	20
Benefits paid	**(9 759)**	(609)
Exchange differences	**84**	1 105
At the end of the year	**14**	**8 381**
Current actuarial losses/(gains)	**58**	(66)

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

25. Other non-current liabilities continued

The defined benefit fund was last valued by an independent actuary for triennial funding purposes as at 1 April 2020. However, as the scheme has now transferred its liabilities to insurers, no further funding valuations are required in future.

Key assumptions used (2024 position covers assumptions at the point of liabilities being settled):

	2024	2023
Discount rate (%)	**5.0**	5.5
Retail price inflation (%)	**3.1**	3.3
Future pension increases (%)	**3.0**	3.2
Mortality (table using year of birth)	**S3PA**	S3PA

In assessing the group's post-retirement liabilities, the group, following actuarial advice, has used standard mortality tables adjusted to reflect the mortality experience of the defined benefit scheme. The mortality assumptions were updated in the current year to value the liabilities at the point of them being settled.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

26. Lease liabilities

R million	2024	2023
At 1 October	**768**	924
Liability arising on new leases entered into during the year	**145**	306
Business / Subsidiary disposed		(336)
Repayments of lease obligation (cash flow excluding interest component)	**(273)**	(258)
Liability adjustments upon entering into modifications of lease terms during the year	**1**	(30)
Reclassification of leases to external leases post Zeda unbundling		180
Translation differences	**(4)**	(18)
Gross lease liabilities	**637**	**768**
Less: Payable within one year included in current liabilities	**(242)**	(247)
Total per statement of financial position	**395**	**521**

R million	2024	2023
Lease liabilities are made of the following classes:		
Land and buildings	**434**	586
Equipment , IT and plant	**4**	7
Vehicles	**199**	175
Total	**637**	**768**

The undiscounted maturity analysis of lease liabilities at 30 September 2024 is as follows:

R million	2024	2023
Within one year	**307**	287
Between two to five years	**474**	547
More than five years	**59**	55
	840	**889**

Lease payments not recognised as a liability

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

The group has varying incremental borrowing rates within its group entities, which are calculated based on the specific funding structure of the legal entity entering into the agreement.

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

R million	2024	2023
Lease payments in terms of IFRS 16	**349**	336
Short-term and low value asset lease payments	**74**	79
Total lease payment for the year including short-term leases	**423**	**415**

27. Trade and other payables

R million	2024	2023
Trade and other payables*^	**7 905**	8 565
Retirement obligation - short term**		538
Interest-bearing floor plans ***^	**5 029**	6 425
Fair value of derivatives	**233**	7
Total per statement of financial position	**13 167**	**15 535**

*Included in trade payables is R1.4 billion (R2.4 billion) reverse factoring arrangement with a financial institution.

**Refer to note 25.

***Included in Interest-bearing floor plans is R1 172 million (2023: R641 million) interest-bearing bank maize financing at an interest rate of 9.43% (2023: 9.55%). This will be settled within the operating cycle and forms part of the business working capital to finance maize purchases. It also includes the Equipment trade payables of R3 857 million (2023: R5 784 million) due to CAT as part of the CAT 180 programme. In terms of the agreement, the amounts relate to machines, engines and parts ordered for inventory and payment is due six months from the statement date.

^ in the prior year, R641 million relating to interest-bearing floor plans was restated correctly from trade and other payable to interest-bearing floor plans in the comparative information. The error was due to incorrect mapping in the prior year.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

28. Contract liabilities

R million	2024	2023
Current portion	**752**	1 339
Total per statement of financial position	**752**	**1 339**
Balance at 1 October	**1 339**	2 422
Disposal of business		(874)
New contracts (amounts)	**4 482**	4 726
Amounts recognised in revenue	**(4 989)**	(4 771)
Amounts used		(99)
Amounts reversed, unused, expired	**(13)**	(89)
Translation adjustments	**(67)**	24
Total per statement of financial position	**752**	**1 339**

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

29. Amounts due to bankers and short-term loans

R million	2024	2023
Bank overdrafts and acceptances	**718**	464
Short-term loans	**495**	1 696
Current portion of long-term borrowings (note 23)	**1 821**	1 735
Total group	**3 034**	3 895
Per currency:		
South African Rand	**2 551**	2 799
Foreign currencies	**483**	1 096
	3 034	**3 895**

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

30. Dividends

R million	2024	2023
Ordinary shares		
Normal dividend No 188 paid on 8 January 2024: 300 cents per share (2023: No 186: 295 cents)	**546**	523
Special dividend (2023: No 186: 550 cents per share)		1 023
Interim dividend No 189 Paid 24 June 2024: 210 cents per share	**382**	383
Dividend in specie – Shares in Zeda Limited ^		3 055
Paid to Barloworld Limited shareholders	**929**	**4 984**
Paid to non-controlling shareholders		2
	929	**4 986**

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

Cents	2024	2023
Analysis of dividends declared in respect of current year's earnings:		
Ordinary dividends per share		
Interim dividend	**210**	200
Final dividend	**310**	300
	520	500

6% cumulative non redeemable preference shares
Preference dividends declared on each of the following dates:
10 October 2023 (paid on 30 October 2023): R22 500
8 April 2024 (paid 29 April 2024): R22 500

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

31. Commitments

R million	2024	2023
Capital expenditure commitments to be incurred:		
Contracted - Property, plant and equipment	**185**	304
Contracted - Intangible assets		
Contracted - Vehicle rental fleet	**97**	
Approved but not yet contracted*	**456**	145
Total continuing operations	**738**	**449**
Share of joint ventures capital expenditure to be incurred:		
Contracted		31
Approved but not yet contracted		
Total	**738**	**480**

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

*The group has approved R4 million (2023: R31 million) for the revised Barlow Park development plan, which will be carried out in different phases over an estimated 5 year period.

32. Contingent liabilities

R million	2024	2023
Exposure linked to non-financial guarantees and claims	**97**	282

Voluntary self-disclosure

On 5 September 2024, Barloworld submitted an initial notification of voluntary self-disclosure to the U.S. Department of Commerce, Bureau of Industry and Security (BIS) regarding potential export control violations involving its subsidiary in Russia, Vostochnaya Technica (VT LLC). An internal investigation, supported by independent experts, is ongoing to determine whether any violations occurred and if so, the extent of such violations.

As the investigation is incomplete, it remains uncertain whether a present obligation exists in relation to these potential export violations. While the outcome of the investigation is uncertain, potential outcomes may include penalties or other regulatory actions (non-financial).

Management has not yet determined whether any penalties or regulatory actions will result from this process, and thus it is impracticable to reliably estimate the financial impact at this time and timing therefore.

The group cannot provide further disclosure with respect to the estimated penalty range on suspected violations because it has concluded that such disclosure may seriously prejudice its outcome.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments

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

33.1 Categories of financial instruments

		2024						
R million	Notes	Fair value through profit and loss	Fair value through other comprehensive income (OCI) *	Amortised cost	Finance lease receivables	**Total financial assets**	Non-financial assets	**Total amount**
ASSETS								
Non-current								
Finance lease receivables	14				**15**	**15**		**15**
Long-term financial assets	15	**142**				**142**	**274**	**416**
Current								
Trade and other receivables	18	**10**		**5 501**	**38**	**5 549**	**373**	**5 922**
Cash and cash equivalents	20			**6 463**		**6 463**		**6 463**
Total assets		**152**		**11 964**	**53**	**12 169**	**647**	**12 816**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

33.1 Categories of financial instruments continued

R million	Notes	2024 Fair value through profit and loss	Fair value through other comprehensive income (OCI)*	Amortised cost	**Total financial liabilities**	Non-financial liabilities	**Total amount**
LIABILITIES							
Non-current							
Interest-bearing non-current liabilities	23			**4 834**	**4 834**		**4 834**
Lease liabilities non-current	26			**395**	**395**		**395**
Current							
Lease liabilities current	26			**242**	**242**		**242**
Trade and other payables	27	**15**	**218**	**12 404**	**12 637**	**530**	**13 167**
Amounts due to bankers and short-term loans	29			**3 034**	**3 034**		**3 034**
Total liabilities		**15**	**218**	**20 909**	**21 142**	**530**	**21 672**

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

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

33.1 Categories of financial instruments continued

		2023					
R million	Notes	Fair value through profit and loss	Amortised cost	**Total financial liabilities**	Non-financial liabilities	Liabilities held for sale	**Total amount**
LIABILITIES							
Non-current							
Interest-bearing non-current liabilities	23		7 184	7 184			7 184
Lease liabilities non-current	26		521	521			521
Other non-current liabilities	25				14		14
Current							
Lease liabilities current	26		247	247			247
Trade and other payables	27	7	13 578	13 586	1 949		15 535
Amounts due to bankers and short-term loans	29		3 895	3 895			3 895
Total liabilities		**7**	**25 425**	**25 433**	**1 963**		**27 396**

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

- Interest-bearing borrowings, which are carried at amortised cost.

For all of the above mentioned financial liability categories, the carrying value approximates the fair value with the exception of non-current interest-bearing liabilities where the fair value as at 30 September 2024 is higher than the carrying value by R20 million (30 September 2023: R19 million lower than the carrying value).

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

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

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

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

	2024			
R million	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Long-term financial assets (note 15)	**124**		**18**	**142**
Trade and other receivables (note 18)		**10**		**10**
Total	**124**	**10**	**18**	**152**
Financial liabilities at fair value through profit or loss				
Trade and other payables (note 27)		**15**		**15**
Financial liabilities at FVOCI*				
Trade and other payables		**218**		**218**
Total		**233**		**233**

	2023			
R million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Long-term financial assets (note 15)	101		38	139
Trade and other receivables (note 18)		4		4
Financial assets irrevocably designated at FVOCI*				
Trade and other receivables (note 18)		10		10
Total	**101**	**14**	**38**	**153**
Financial liabilities at fair value through profit or loss				
Trade and other payables (note 27)		7		7
Total		**7**		**7**

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

Refer to note 21 regarding assets and liabilities held for sale as level 3 fair value measurements at 30 September 2024.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

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

Reconciliation of level 3 fair value measurements

R million	Fair value through profit or loss Unlisted shares Note 1	Investment in cell captives Note 2	Total
Balance as at 1 October 2022	16	9	25
Total gains recognised in profit or loss		13	13
Balance 30 September 2023	16	22	38
Balance as at 1 October 2023	16	22	38
Total gains recognised in profit or loss		(20)	(20)
Balance 30 September 2024	16	2	18

Note 1

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

Note 2

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

33.3 Financial risk management

a. Capital risk management

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

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

The target gearing for the group is 40% to 60%. At 30 September 2024, the gearing was 8.4% (30 September 2023: 4%).

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

b. Market risk

i) Currency risk

Trade commitments

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

33.3 Financial risk management continued

b. Market risk continued

i) Currency risk continued

Net currency exposure and sensitivity analysis

The following table represents the extent to which the group has monetary assets and liabilities in currencies other than the group companies' functional currencies. The information is shown inclusive of the impact of forward contracts and options in place to hedge the foreign currency exposures. There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured. Based on the net exposure below, it is estimated that a simultaneous 10% change in all foreign currency exchange rates against the divisional functional currency will impact the fair value of the net monetary assets and liabilities of the group to the extent of R337 million (2023: R437 million), of which nil (2023: R47 million) will impact other comprehensive income and R337 million (2023: R484 million) will impact profit or loss.

Net foreign currency monetary assets/(liabilities)

	Currency of assets/(liabilities)				
R million	**SA Rand**	**Euro**	**British Pound**	**US Dollar**	**Total**
Functional currency of group operation:					
SA Rand		**280**	**(25)**	**(3 124)**	**(2 870)**
British Pound	**25**	**1**		**6**	**32**
US Dollar	**(151)**	**(1)**	**(28)**		**(181)**
Other currencies	**(45)**			**(311)**	**(355)**
As at 30 September 2024	**(171)**	**279**	**(54)**	**(3 428)**	**(3 374)**
SA Rand		(1)	(166)	(3 696)	(3 864)
British Pound	10	81		100	191
US Dollar	(189)	1	(53)		(240)
Other currencies	(166)			(289)	(455)
As at 30 September 2023	**(345)**	**80**	**(219)**	**(3 885)**	**(4 368)**

	Fair value	
R million	**2024**	2023
Hedge accounting applied in respect of foreign currency risk		
Cash flow hedges		
- fair value of (liability)/asset - foreign currency forward exchange contracts	**(218)**	10

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

ii) Interest rate risk

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

33.3 Financial risk management continued

The interest rate profile of total borrowings is as follows:

	Currency	Year of redemption / repayment	Interest rate (%)	2024	2023
Liabilities in foreign currencies					
Bank overdrafts and short-term loans	USD		2023: USD: SOFR + 2.65%		377
	AOA		1 months BNA rate (LIBOR) + 1.5% - 2.5%	**134**	183
	ZMK		Aggregate of Margin rate 5.75% and BPR 8% pa Margin (7%) + Bank of Zambia policy rate (8.5%)	**168**	227
	MZM		Prime (MT) -13.5% pa	**181**	259
	BWP		1 months BNA rate (LIBOR) + 2.5%		8
	RUB		RUB 6.0% - 6.96%		42
Total short-term foreign currency liabilities (note 29)				**483**	1 096
	Other currencies			**280**	**210**
Total long-term foreign currency liabilities (note 23)				**280**	210
Bank borrowings and bank overdrafts				**2 551**	**2 799**
Total South African Rand liabilities (note 29)				**2 551**	2 799
Secured loans		2022 to 2026 onwards	7	**4 834**	2 244
Unsecured loans		2022 to 2026 onwards	8.3 - 9.56		4 940
Total South African Rand liabilities (note 23)				**4 834**	**7 184**
Total South African Rand and foreign currency liabilities (note 23 and 29)				**7 868**	**11 079**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

33.3 Financial risk management continued

b. Market risk continued

R million	2024	2023
Interest rates		
Loans at fixed rates of interest	400	468
Loans linked to floating rates of interest	4 434	6 716
Long-term interest rate exposure (note 23)	**4 834**	**7 184**
Loans at fixed rates of interest		330
Loans linked to floating rates of interest	2 551	2 469
Loans linked to offshore money markets	483	1 096
Short-term interest rate exposure (note 29)	**3 034**	**3 895**
Interest rate exposure (note 23 and 29)	**7 868**	**11 080**

* LIBOR – London Inter-Bank Offered Rate. Facilities linked to LIBOR are managed on a case by case basis. The undrawn LIBOR-linked facility was cancelled subsequent to year end. None of the local bank rates are linked to any IBOR rates. As such, none of the facilities utilised above are exposed to IBOR reform.

R million	2024	2023
Interest rate sensitivity analysis		
Impact of a 1% change in South African interest rates		
- charge to profit or loss and equity	74	100
Impact of a 1% change in offshore interest rates		
- charge to profit or loss and equity	8	13

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

iii) Commodity price risk

The group is exposed to variability in the maize price via its procurement of maize and the sale of starch within Ingrain, which is also linked to the maize price. The group's risk management strategy is to align the pricing of the procurement and sales contracts as much as possible to mitigate its exposure to maize price volatility. The execution of this strategy is achieved by selling the requisite number of SAFEX maize futures once procurement contracts with farmers/traders have been priced. The SAFEX futures are closed out once the underlying sales contracts with customers are priced, effectively matching the SAFEX-linked purchase and sales price elements. Similarly, if the customer has priced its contracts before the procurement contracts with the farmers/traders have been priced, then the requisite number of SAFEX maize futures are purchased. The SAFEX futures are closed out once the underlying procurement contracts with the farmers/traders are priced. A 1% change in the price of maize would result in a gain/loss in profit/(loss) and equity of R3.2 million.

iv) Other price risk

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

Barloworld share price

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

Barloworld share price sensitivity analysis

	2024	2023
Impact of a 10% change in the Barloworld share price as at 30 September		
- charge to profit or loss in respect of the liability	2	3

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

33.3 Financial risk management continued

c. Credit risk

Credit risk exposure

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

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

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

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

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

The expected credit loss allowance has decreased marginally from 10.1% to 8.6%, taking into consideration the factors disclosed above. There has been no material change in the estimation techniques applied in determining the ECLs from the prior year, with the exception of the Ingrain business. The credit policy of Ingrain is similar to that of Barloworld, with payment terms within 30 days from statement in South Africa and export customers on average 45 days from FOB. The gross receivables, disclosed below, are inclusive of VAT applicable to various jurisdictions and the allowance for credit losses excludes VAT.

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

33.3 Financial risk management continued

c. Credit risk continued

The following table details the risk profile of trade receivables based on the group's provision matrix. As the group's historical credit loss experience shows significantly different loss patterns for the different customer segments, the provision for loss allowance is further distinguished between the group's different operations. Close management of trade receivables at an individual level resulted in better quality receivables with less risk of financial loss.

	2024			2023		
	Gross carrying amount	**Lifetime ECL**	**Average ECL / Impairment ratio**	Gross carrying amount	Lifetime ECL	Average ECL / Impairment ratio
	R million	**R million**	**%**	R million	R million	%
Equipment	**3 730**	**(381)**	**10%**	3 395	(435)	13%
Fully performing	**1 922**	**(32)**	**2%**	1 659	(33)	2%
Up to 90 days past due	**862**	**(75)**	**9%**	1 427	(94)	7%
91 days to 180 days past due	**224**	**(23)**	**10%**	118	(65)	55%
Greater than 181 days past due	**722**	**(251)**	**35%**	191	(243)	127%
Ingrain	**799**	**(3)**		814	(1)	
Fully performing	**694**			597		
Up to 90 days past due	**100**	**(2)**	**2%**	212		
91 days to 180 days past due	**5**	**(1)**	**11%**	4	(1)	22%
Other segments	**78**	**(9)**	**12%**	166	(4)	2%
Total group	**4 607**	**(393)**	**8.5%**	**4 374**	**(440)**	**10.1%**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

33.3 Financial risk management continued

d. Liquidity risk

Liquidity risk arises when the group cannot meet its contractual cash outflows as they fall due and payable. The group manages liquidity risk by monitoring forecast cash flows, maintaining a balance between long-term and short-term debt and ensuring that adequate unutilised borrowing facilities are maintained. Unutilised bank facilities amounted to R7.0 billion (2023: R5.8 billion). There has been no change to this approach during the current year or the prior year.

Group facilities

R million	Sep 2024	Sep 2023
Utilised	**7 868**	11 079
Unutilised	**7 021**	5 750
Total facilities	**14 889**	16 829
Unutilised – committed	**6 579**	5 060
Unutilised – uncommitted	**441**	690
Total unutilised facilities	**7 021**	5 750

Debt covenants

	Sep 2024	Sep 2023
EBITDA: Interest cover > 2.5 times	**3.5 times**	**3.7 times**
Net debt: EBITDA cover < 3.0 times	**0.6 times**	**0.1 times**

Maturity profile of financial liabilities

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

	Repayable during the year ending 30 September 2024			
	Total owing	**Within one year**	**Two to five years**	**Greater than five years**
R million				
Interest-bearing liabilities	**7 613**	**2 199**	**5 414**	
Trade payables and other non-interest bearing liabilities	**12 404**	**12 404**		
Lease liabilities	**840**	**307**	**474**	**59**
FECs	**233**	**233**		

	Repayable during the year ending 30 September 2023			
R million	Total owing	Within one year	Two to five years	Greater than five years
Interest-bearing liabilities	9 418	2 296	7 122	
Trade payables and other non-interest bearing liabilities	13 579	13 579		
Lease liabilities	889	287	547	55
Financial guarantee	224	224		
FECs	135	135		

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

33. Financial instruments continued

33.3 Financial risk management continued

d. Liquidity risk continued

Maturity profile of financial liabilities continued

	Maturity profile of financial guarantees contracts as at 30 September 2024		
R million	**Total owing**	**Within one year**	**Two to five years**
Risk share debtors	**177**	**57**	**120**
Financial guarantees on behalf of joint ventures and associates	**1 651**	**1 651**	

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

During 2018, the Barloworld Equipment division entered into a risk share agreement with Caterpillar Financial Corporation Financeira, S.A., E.F.C. - Sucursal em Portugal and Barloworld Equipment UK Limited. The risk share agreement only relates to certain agree-upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2024, the maximum exposure of this guarantee was estimated to be R156 million (2023: R204 million), representing 25% of the capital balance outstanding.

During 2018, the Barloworld Equipment division entered into a risk share agreement with Caterpillar Financial Services South Africa (Pty) Ltd. The risk share agreement only relates to certain agreed-upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2024, the gross maximum exposure of this guarantee was estimated to be R21 million (2023: R29 million), representing 25% of the capital balance outstanding.

During 2018, the Vostochnaya Technica Equipment division entered into a risk share agreement with Caterpillar Financial LLC. The risk share agreement only relates to certain agreed-upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2024, there was no exposure of this guarantee, which was estimated to be R61 million in the prior year, representing 40% to 60% of the capital balance outstanding. This facility agreement was not renewed.

Barloworld also provides certain guarantees, proportionate to our shareholding on behalf of NMI DSM, Maponya, Bartrac, and BHBW, of which non-performance by these associates and joint ventures will result in contractual cash flows to be made by Barloworld, which has been included in the above mentioned maturity analysis.

The value of the financial guarantee relating to the debtors that were factored during the current year is not significant for the group.

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

34. Share incentive schemes and share-based payments

34.1 Financial effect of share-based payment transactions

R million	2024	2023
Income statement effect		
Compensation expense arising from equity and cash-settled forfeitable share plan	**174**	106
Compensation expense arising from equity and cash-settled share appreciation rights incentive plan		2
Share-based payment expense included in operating profit	**174**	108
Taxation benefit on forfeitable share plan and share appreciation rights	**(47)**	(29)
Net share-based payment expense after taxation	**127**	79
Financial position effect		
Liability raised for cash-settled shares (to be incurred within one to five years)	**(103)**	(107)
Deferred taxation asset raised on share-based payment transactions	**28**	29
Net reduction in shareholders' interest as a result of share-based payment transactions	**(75)**	(78)

Equity-settled share scheme transactions are classified through the statement of changes in equity as equity compensation reserves and all cash-settled share schemes are disclosed as part of provisions.

34.2 Forfeitable share plan

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

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

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

The vesting of the shares is subject to continued employment for a period of three years or the employee will forfeit the shares.
Prior to the 2016 awards, shares issued to the executive directors were subject to performance conditions. Since 30 March 2016, shares issued to executive directors and certain senior employees are subject to performance conditions, which will be measured over the three-year vesting period.

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

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

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

Fair value estimates

Equity-settled

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

Date of grant:	**1 Mar 2024**	7 Dec 2023	12 Apr 2023	1 Feb 2023	19 Jan 2023	25 Nov 2022	23 May 2022	7 Dec 2021
Non-market conditions								
Number of shares granted	30 750	1 038 932	18 948	10 880	45 872	1 123 990	18 906	900 980
Share price at grant date (R)	R67.74	R74.45	R90.64	R89.81	R87.11	R93.37	R97.34	R149.74
Estimated fair value per share at grant date (R)	R67.74	R74.45	R90.64	R89.81	R87.11	R93.37	R97.34	R149.74
Number of shares granted	30 750	1 038 932	18 948	10 880	45 872	1 123 990		
Expected volatility (%)	33.50%	35.26%	41.64%	44.91%	42.35%	43.50%		
Expected dividend yield (%)	3.60%	4.42%	3.82%	3.81%	3.80%	4.80%		
Risk free rate (%)	7.95%	7.63%	7.90%	7.21%	7.90%	6.80%		
Estimated fair value per share at grant date (R)	**R67.74**	**R74.45**	**R90.64**	**R89.81**	**R87.11**	**R93.37**	**R97.34**	**R149.74**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

34. Share incentive schemes and share-based payments continued

34.2 Forfeitable share plan continued

Fair value estimates continued

Cash-settled

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

Date of grant:	**7 Dec 2023**	**25 Nov 2022**	7 Dec 2021	4 Dec 2020	9 Mar 2020
Number of cash-settled shares granted	**366 800**	**298 140**	177 430	298 031	179 500
Share price at grant date (R)	**R74.45**	**R105.92**	R149.74	R87.46	R78.00
Risk free rate (%)	**7.6%**	**7.7%**	5.7%	4.9%	7.8%
Estimated fair value per cash-settled share at grant date (R)	**R74.45**	**R105.92**	R149.74	R89.81	R74.51
Estimated fair value per cash-settled share at year end (R)	**R86.58**	**R86.84**	R92.27	R78.00	R58.51

34.3 Share appreciation rights scheme

During 2007, the group introduced the Barloworld cash-settled share appreciation rights scheme.

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

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

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

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

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

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

Equity-settled share appreciation rights:

Fair value estimates

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

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

	Equity-settled
Date of grant	27 Feb 2019
Number of share appreciation rights granted	541 920
Grant price (R)	R130.02
Share price at grant date (R)	R131.12
Expected volatility (%)	24.6%
Expected dividend yield (%)	3.5%
Risk free rate (%)	8.2%
Exercise multiple (share price at exercise date / option exercise price)	1.8
Estimated fair value per share appreciation right at grant date (R)	**R45.16**

The volatility was based on historical volatility of the shares over a 5 year period. It was assumed that, given the long time frame, historical volatility could be used to estimate expected or implied volatility.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

34. Share incentive schemes and share-based payments continued

34.4 Conditional share plan

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

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

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

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

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

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

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

Fair value estimates

Equity-settled

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

Date of grant:	**7 Dec 2023**	25 Nov 2022	7 Dec 2021	4 Dec 2020
Non-market conditions				
Number of shares granted	**994 210**	699 308	428 200	639 990
Share price at grant date (R)	**R74.45**	R105.92	R149.74	R89.81
Estimated fair value per share at grant date (R)	**R74.45**	**R105.92**	**R149.74**	**R89.81**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

34. Share incentive schemes and share-based payments continued

34.5 Total unvested forfeitable shares and appreciation rights unexercised

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

					Number of options/rights		
Date of grant	Date from which exercisable	Expiry date	Contractual life remaining (years)	Original exercise price (R)	Barloworld directors	Barloworld employees*	Total unexercised**
27 Feb 2019	27-Feb-22	27-Feb-25	0.4	130.02	290 906		290 906
Total equity-settled share appreciation rights granted and unexercised					**290 906**		**290 906**
7 Dec 2021	6-Dec-24	6-Dec-24	0.2		138 230	371 993	510 223
23 May 2022	22-May-25	22-May-25	0.6			18 906	18 906
25 Nov 2022	24-Nov-25	24-Nov-25	1.1		171 282	606 949	778 231
19 Jan 2023	18-Jan-26	18-Jan-26	1.3			45 872	45 872
1 Feb 2023	31-Jan-26	31-Jan-26	1.4			10 880	10 880
12 Apr 2023	11-Apr-26	11-Apr-26	1.6			18 948	18 948
7 Dec 2023	6-Dec-26	6-Dec-26	2.2			1 040 938	1 040 938
1 Mar 2024	6-Dec-26	6-Dec-26	2.2			30 750	30 750
Total equity-settled forfeitable shares granted and unvested					**309 512**	**2 145 236**	**2 454 748**
7 Dec 2021	6-Dec-24	6-Dec-24	0.2		15 194	109 120	124 314
25 Nov 2022	24-Nov-25	24-Nov-25	1.0			228 520	228 520
7 Dec 2023	6-Dec-26	6-Dec-26	2.0			366 800	366 800
Total cash-settled forfeitable shares granted and unvested					**15 194**	**704 440**	**719 634**
4 Dec 2020	3-Dec-23	8-Mar-25	0.5		506 305	73 445	579 750
7 Dec 2021	6-Dec-24	6-Dec-24	0.2		376 426	53 695	430 121
25 Nov 2022	24-Nov-24	24-Nov-24	1.1		490 190	146 650	636 840
7 Dec 2023	6-Dec-26	6-Dec-26	2.2		994 210		994 210
Total equity-settled conditional shares granted and unexercised					**2 367 131**	**273 790**	**2 640 921**
Total unexercised and unvested					**2 982 743**	**3 123 466**	**6 106 209**

There were no exercised share appreciation rights in the current year and the prior year.

* The unexercised share appreciation rights granted to retired directors and employees are included in this column.

** The scheme rules dictate that the number of unexercised options may not exceed 5% of the total number of issued shares of the company at any time.

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

34. Share incentive schemes and share-based payments continued

34.5 Total unvested forfeitable shares and appreciation rights unexercised continued

Forfeitable and conditional shares and appreciation rights movement for the year	Number of forfeitable shares	Number of appreciation rights	Number of conditional rights	Weighted average exercise price (R)*
2024				
Unexercised at the beginning of the year	**3 384 515**	**377 030**	**1 646 631**	**R128.53**
Forfeitable shares granted	**1 697 650**			**R74.45**
Forfeitable shares forfeited	**(656 779)**			
Forfeitable shares vested	**(1 251 004)**	**(75 330)**		
Conditional shares granted			**994 290**	**R74.45**
Appreciation rights equity forfeited		**(10 794)**		
Forfeitable shares, conditional shares unvested and appreciation rights unexercised at year end	**3 174 382**	**290 906**	**2 640 921**	**R92.48**
Appreciation rights equity exercisable at year end				
Held by:				
Directors, employees and ex-employees of Barloworld	**3 174 382**	**290 906**	**2 640 921**	**R92.48**

Forfeitable and conditional shares and appreciation rights movement for the year	Number of forfeitable shares	Number of appreciation rights	Number of conditional rights	Weighted average exercise price (R)*
2023				
Unexercised at the beginning of the year	3 269 912	623 324	1 160 580	R128.53
Forfeitable shares granted	1 422 130			R105.92
Forfeitable shares forfeited	(587 628)			
Forfeitable shares vested	(719 899)			
Conditional shares granted			1 078 669	R106.00
Conditional shares forfeited				
Appreciation rights equity forfeited		(246 294)		
Forfeitable shares, conditional shares unvested and appreciation rights unexercised at year end	**3 384 515**	**377 030**	**1 646 631**	**R113.46**
Appreciation rights exercisable at year end				
Held by:				
Directors, employees and ex-employees of Barloworld	3 384 515	377 030	1 646 631	R113.46

* Weighted average exercise price for appreciation rights.

R million	2-5 years	<1 year	2024	2023
Estimated amount to be paid over to tax authorities on behalf of employees	198	0	**198**	170

The estimated withholding tax obligation associated with the equity-settled scheme, to be paid over to the tax authorities on behalf of the employees in future years, is based on the number of grants that are expected to vest at maturity and the share price as at 30 September 2024, at the applicable tax rate. Barloworld considers IFRS 2.33 (e-f) Share-based payments with a net settlement feature for withholding tax obligations when considering cash vs equity classification.

Notes to the consolidated financial statements continued

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35. Changes in accounting policies

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Presentation of Financial Statements – Non-current Liabilities with Covenants
The amendments aim to clarify the requirements for determining whether a liability is current or non-current and require new disclosures for non-current liabilities that are subject to covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

As disclosed in notes 23 and 33, the group has banking facilities that are subject to specific covenants. A future breach of the related covenants or relaxation of the covenant for a period less than 12 months may require the group to repay the liabilities earlier than the contractual maturity dates and therefore reclassification from non-current to current liability. The group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosure. The related disclosure will be applicable during the 2025 financial year.

Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)
The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

As disclosed in notes 3 and 27, the group participates in supplier finance arrangements to which the new disclosures will apply. The group is in the process of assessing the impact of the amendments, particularly with respect to the collation of the additional information needed to meet the new disclosure requirements.

IFRS 18: Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

The standard also requires disclosure of management-defined performance measures (MPMs) and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7: Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss', and removing the optionality around the classification of cash flows from dividends and interest. There are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The group is still in the process of assessing the impact of the new standard, particularly on the structure of the group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.

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

	Effective date*
Lease liability in a sale and leaseback – Amendments to IFRS 16 leases	1 January 2024
Lack of exchangeability (Amendments to IAS 21)	1 January 2025
Classification and measurement of financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 19 Subsidiaries without public accountability: Disclosures	1 January 2027

* Effective for annual periods beginning on or after this date.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

36. Acquisitions

Barloworld Mongolia Limited acquisition

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

During the current year, the final earn-out contingent consideration of R184 million (US$10 million) was accrued for through profit and loss as a loss on financial instruments.

37. Directors' remuneration and interests

Directors' remuneration

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

The directors' and prescribed officers' remuneration for the year ended 30 September 2024 was as follows:

R'000	Salary	Retirement and medical contributions	Other benefits	Total 2024
2024				
Executive directors				
DM Sewela	11 285	1 544	502	13 331
N Lila	5 514	675	695	6 884
Total executive directors	16 799	2 219	1 197	20 215
Prescribed officers				
E Leeka	7 099	1 103	277	8 479
A Masemola	5 472	766		6 238
C Wierenga	4 873	637	493	6 003
Total prescribed officers	17 444	2 506	770	20 720
Grand total	34 243	4 725	1 967	40 935

R 000	Total fees 2024
Non-executive directors	
Residents	
N Gwagwa	4 016
HH Hickey (retired 16 February 2024)	503
NP Mnxasana	1 202
V Nkonyeni	2 303
NV Mokhesi	2 527
Non-residents	
P Schmid	4 087
H Molotsi	2 000
N Chiaranda	4 528
B Odunewu	2 526
Total non-executive directors	23 692
Total directors' and prescribed officers remuneration	64 627

The increase in non-executive directors' fees in the current year largely relates to an increase in the number of meetings that were held.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

37. Directors' remuneration and interests continued

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

R 000	Total fees 2023
Non-executive directors	
Residents	
N Gwagwa	**2 418**
HH Hickey	**989**
NP Mnxasana	**918**
V Nkonyeni (appointed 12 April 2023)	**429**
NV Mokhesi	**1 299**
Non-residents	
FNO Edozien (retired 17 February 2023)	**707**
MD Lynch-Bell (retired 17 February 2023)	**950**
P Schmid	**2 269**
H Molotsi	**1 964**
N Chiaranda	**2 615**
B Odunewu (appointed 12 April 2023)	**1 042**
Total non-executive directors	**15 600**
Total directors' and prescribed officers remuneration	**109 840**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

37. Directors' remuneration and interests continued

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

The aggregate beneficial holdings as at 30 September 2024 of the directors and prescribed officers of the company and their immediate families (none of which has a holding in excess of 1%) in the issued ordinary shares of the company are detailed below. There have been no material changes in these shareholdings since that date.

	Khula Sizwe			
	2024	**2024**	2023	2023
Number of shares at 30 September	**Management Trust**	**Public Scheme - Direct**	Management Trust	Public Scheme - Direct
Executive directors				
DM Sewela	**3 435 304**		3 214 915	
NV Lila	**743 794**		696 076	
Total executive directors	**4 179 098**		3 910 991	
Non-executive directors				
N Mokhesi		**1 500**		1 500
Total non-executive directors		**1 500**		1 500
Prescribed officers				
E Leeka	**1 208 858**		1 131 304	
A Masemola (appointed 1 April 2023)	**301 735**		251 846	
C Wierenga	**26 403**		22 037	
Total prescribed officers	**1 536 996**		1 405 187	
Grand total	**5 716 094**	**1 500**	5 316 178	1 500

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

37. Directors' remuneration and interests continued

	Barloworld									
	2024	**2024**	**2024**	**2024**	**2024**	2023	2023	2023	2023	2023
Number of shares at 30 September	**CSP**	**Forfeitable**	**SARs**	**Direct**	**Indirect**	CSP	Forfeitable	SARs	Direct	Indirect
Executive directors										
DM Sewela	**1 311 865**	**120 980**	**189 340**	**653 207**	**401 096**	685 448	187 370	189 340	93 695	334 706
NV Lila	**509 143**	**49 770**		**285 064**		265 444	73 920		57 431	
Total executive directors	**1 821 008**	**170 750**	**189 340**	**938 271**	**401 096**	950 892	261 290	189 340	151 126	334 706
Non-executive directors										
Prescribed officers										
E Leeka	**560 295**	**50 330**		**305 072**		278 555	76 690		55 359	
A Masemola (appointed 1 April 2023)	**166 371**	**39 080**		**76 168**		34 413	78 440		30 308	
C Wierenga	**390 394**	**40 810**	**46 070**	**183 816**		200 091	57 170	46 070	36 964	
QT McGeer (resigned)						180 180	49 668	55 496	31 382	
Total prescribed officers	**1 117 060**	**130 220**	**46 070**	**565 056**		693 239	261 968	101 566	154 013	
Grand total	**2 938 068**	**300 970**	**235 410**	**1 503 327**	**401 096**	**1 644 131**	**523 258**	**290 906**	**305 139**	**334 706**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

37. Directors' remuneration and interests continued

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

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

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) /lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) /vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
Executive directors								
DM Sewela								
Share appreciation rights *								
	27-Feb-19	189 340			189 340	130.02		**26-Feb-22**
FSP - no performance conditions								
	04-Dec-20	16 600		16 600		n/a		**04-Dec-23**
FSP - with performance conditions								
	04-Dec-20	49 790		49 790		n/a		**03-Dec-23**
	07-Dec-21	54 580			54 580	n/a		**06-Dec-24**
	25-Nov-22	66 400			66 400	n/a		**24-Nov-25**
CSP								
	09-Mar-20	152 227		58 532	93 695	n/a	91.67	**08-Mar-23**
	04-Dec-20	211 131	362 406	14 025	559 512	n/a		**03-Dec-23**
	07-Dec-21	156 217			156 217	n/a		**06-Dec-24**
	25-Nov-22	190 021			190 021	n/a		**24-Nov-25**
	07-Dec-23		312 420		312 420			**06-Dec-26**

* The shares have vested but not yet exercised.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

37. Directors' remuneration and interests continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) /lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) /vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
NV Lila								
FSP - no performance conditions								
	04-Dec-20	6 040		6 040		n/a		**03-Dec-23**
FSP - with performance conditions								
	04-Dec-20	18 110		18 110		n/a		**03-Dec-23**
	07-Dec-21	22 340			22 340	n/a		**06-Dec-24**
	25-Nov-22		27 430		27 430	n/a		**25-Nov-25**
CSP								
	09-Mar-20	54 947		21 127	33 820	n/a	91.67	**08-Mar-23**
	04-Dec-20	76 784	131 800	5 101	203 483	n/a		**03-Dec-23**
	07-Dec-21	63 929			63 929	n/a		**06-Dec-24**
	25-Nov-22	78 501			78 501	n/a		**24-Nov-25**
	07-Dec-23		129 410		129 410	n/a		**24-Nov-25**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

37. Directors' remuneration and interests continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) /lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) /vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
Prescribed officers								
E Leeka								
Share appreciation rights								
	27-Feb-19	75 330		75 330		130.02		**26-Feb-22**
FSP - no performance conditions								
	04-Dec-20	6 590		6 590		n/a		**03-Dec-23**
FSP - with performance conditions								
	09-Mar-20	11 950		11 950		n/a	91.67	**08-Mar-23**
	04-Dec-20	19 770		19 770		n/a		**03-Dec-23**
	07-Dec-21	22 480			22 480	n/a		**06-Dec-24**
	25-Nov-22	27 850			27 850	n/a		**06-Dec-24**
CSP								
	09-Mar-20	60 238		23 171	37 077	n/a		**08-Mar-23**
	04-Dec-20	78 256	143 883		222 139	n/a		**03-Dec-23**
	04-Dec-20	5 568		5 568		n/a		**03-Dec-23**
	07-Dec-21	64 334			64 334	n/a		**06-Dec-24**
	25-Nov-22	79 715			79 715	n/a		**24-Nov-25**
	07-Dec-23		157 030		157 030	n/a		**06-Dec-26**

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

37. Directors' remuneration and interests continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) /lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) /vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
A Masemola								
FSP - no performance conditions								
	27-Feb-19	9 080		9 080		n/a	119.33	**27-Feb-22**
	09-Mar-20	11 880		11 880		n/a	119.33	**08-Mar-23**
	04-Dec-20	19 680		19 680		n/a		**03-Dec-23**
	07-Dec-21	10 950			10 950	n/a		**06-Dec-24**
FSP - with performance conditions								
	27-Feb-19	9 080		9 080		n/a	124.37	**26-Feb-22**
	09-Mar-20	11 880		11 880		n/a	91.67	**08-Mar-23**
	04-Dec-20	19 680		19 680		n/a		**04-Dec-23**
	07-Dec-21	10 950			10 950	n/a		**06-Dec-23**
	25-Nov-22	17 180			17 180	n/a		**24-Nov-25**
CSP								
	25-Nov-22	49 161			49 161	n/a		**25-Nov-25**
	07-Dec-23		117 210		117 210	n/a		**06-Dec-26**

Notes to the consolidated financial statements continued

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37. Directors' remuneration and interests continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) /lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) /vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
C Wierenga								
Share appreciation rights ***								
	27-Feb-19	46 070			46 070	130.02		**26-Feb-22**
FSP - no performance conditions								
	27-Feb-19	1 920		1 920		n/a	124.37	**26-Feb-22**
	09-Mar-20	2 460		2 460		n/a		**08-Mar-23**
	09-Mar-20	4 090		4 090		n/a		**03-Dec-23**
FSP - with performance conditions								
	27-Feb-19	5 750		5 750		n/a	124.37	**26-Feb-22**
	09-Mar-20	7 370		7 370		n/a	91.67	**08-Mar-23**
	04-Dec-20	12 270		12 270		n/a		**03-Dec-23**
	07-Dec-21	16 930			16 930	n/a		**06-Dec-24**
	25-Nov-22	23 880			23 880	n/a		**06-Dec-24**
CSP								
	09-Mar-20	37 160		14 287	22 873	n/a	91.67	**08-Mar-23**
	04-Dec-20	52 019	89 291	3 456	137 854	n/a		**03-Dec-23**
	07-Dec-21	48 462			48 462	n/a	Lapsed	**06-Dec-24**
	25-Nov-22	68 345			68 345	n/a		**24-Nov-25**
	07-Dec-23		112 860		112 860	n/a		**06-Dec-26**

*** The shares have vested but not yet exercised.

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

38. Principal subsidiary companies

						Interest of holding company					
		Issued capital		Effective percentage holdings		Investment in subsidiaries		Indebtedness		Amounts owing to subsidiaries	
				2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Type	Currency	Local currency amount	**%**	%	**R million**	R million	**R million**	R million	**R million**	R million
Barloworld Botswana (Pty) Limited [2]	H	BWP	35 329 536	**100**	100						
Barloworld Equipment (Pty) Limited	O	ZAR	2	**100**	100						
Barloworld Equipment UK Limited [1]	O	GBP	4 500 000	**100**	100						
Vostochnaya Technica UK [1]	O	GBP	34 500 000	**100**	100						
Barloworld Holdings Limited [1]	H	GBP	228 301 000	**100**	100						
Barloworld Insurance Limited [1]	O	GBP	4 100 000	**100**	100	**63**	63				
Barloworld Investments (Pty) Limited	H	ZAR	900	**100**	100	**108**	108	**3 068**	3 068		
Barloworld South Africa (Pty) Limited	O	ZAR	765 424	**100**	100	**2 152**	2 152	**5 062**	6 168	**118**	220
Barloworld Investments Namibia (Pty) Limited [3]	H	NAD	1 450 000	**100**	100	**5**	5				
Barloworld Siyakhula (Pty) Limited	O	ZAR	25 000 100	**100**	100						
Other subsidiaries *						**67**	67	**8**	8		
						2 395	2 395	**8 138**	9 244	**118**	220

All companies are incorporated in (or operate principally in) the Republic of South Africa except where otherwise indicated as follows:
[1] United Kingdom
[2] Botswana
[3] Namibia

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

During the prior year, the group disposed of its investment in Barloworld Logistics Africa (Pty) Ltd and unbundled the Avis businesses (refer note 21).
Any material changes which have taken place during the year are dealt with in the appropriate operational reviews.

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

39. Related party transactions

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

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

R million	Associates of the group	Joint ventures of the group
2024		
Goods and services purchased from		
Irene Khaya Investment (Pty) Ltd	17	
	17	
Trade and other receivables		
Barlow Park Residential (Pty) Ltd		186
		186
Leasing finance arrangements, commitments and other		
Bartrac Equipment Ltd		18
		18

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2024

39. Related party transactions continued

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

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

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

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

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

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

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

Barloworld Medical Scheme
Contributions of R230 million were made to the Barloworld Medical Scheme on behalf of employees (2023: R220 million).

Barloworld Pension Fund (UK)
Amounts recognised in the income statement in respect of defined benefit plans was a net expense of 29 million (2023: R46 million net expense).

40. Events after the reporting period

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

Definitions of key performance indicators

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

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

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

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

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

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

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

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

Capital charge
Average invested capital multiplied by the weighted average cost of capital (WACC) rate.

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

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

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

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

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

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

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

Definitions of key performance indicators continued

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

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

Net debt
Gross debt less cash and cash equivalents.

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

Net operating assets
Segment assets less segment liabilities.

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

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

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

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

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

Company income statement

for the year ended 30 September 2024

R million	Notes	2024	2023
Revenue made up as follows:			
Dividend income^		**1 160**	835
Interest Income		**473**	452
Finance costs*		**(473)**	(451)
Administrative costs		**(92)**	(80)
Expected credit loss movement on financial guarantees		**10**	19
Operating profit from core trading activities		**1 078**	775
Capital (loss)/profit#		**(16)**	2 393
Profit on disposal of property	9	**18**	
Impairment of loans	6		(7)
Profit before taxation	2	**1 080**	3 161
Taxation	3	**(17)**	(257)
Profit after tax		**1 064**	2 904
Total comprehensive income for the year		**1 064**	2 904

^ Dividend income comprises dividends received from investment in subsidiaries of R1 159 million (2023: R835 million) and dividends received from the insurance company of R0.7 million (2023: R0.6 million).

* Finance costs mainly relate to external borrowings, finance costs relating to short-term borrowing amounting to R35 million (2023: R154 million), finance costs relating to long-term borrowing amounting to R426 million (2023: R292 million), and R12 million (2023: R5 million) relates to other interest.

Capital losses relate to final costs related to the unbundling of Zeda Limited. The prior year capital profit relates to the profit from unbundling Zeda Limited. This is net after costs to sell and loan settlements. Refer to note 30 of the consolidated annual financial statements.

Company statement of financial position

at 30 September 2024

R million	Notes	2024	2023
ASSETS			
Non-current assets		**10 646**	11 744
Investment property	4	**89**	89
Other long-term receivables		**4**	8
Investments	5	**2 598**	2 474
Loans to subsidiaries	6	**7 955**	9 173
Current assets		**499**	409
Trade and other receivables		**8**	32
Taxation		**1**	
Cash and cash equivalents	7	**490**	377
Assets classified as held for sale	9		57
Total assets		**11 145**	12 210
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	10	**(2 322)**	(2 322)
Other reserves		**735**	735
Retained income		**8 411**	8 314
Interest of shareholders of Barloworld Limited		**6 824**	6 727
Non-current liabilities		**2 964**	3 107
Interest-bearing liabilities	11	**2 963**	3 104
Deferred taxation liabilities	8	**1**	3
Current liabilities		**1 357**	2 376
Loans from subsidiaries	6	**118**	220
Trade and other payables		**90**	103
Taxation			3
Provisions and accruals	12	**19**	6
Amounts due to bankers and short-term borrowings	13	**1 130**	2 044
Total equity and liabilities		**11 145**	12 210

Company statement of changes in equity

for the year ended 30 September 2024

R million	Notes	Share capital and premium	Equity compensation reserve*	Total retained income	Total share-holders' interest
Balance at 1 October 2022		**(2 273)**	**735**	**10 559**	**9 021**
Total comprehensive income for the year				2 904	2 904
Dividends on ordinary shares	15			(5 149)	(5 149)
Share buy back for the year	10	(49)			(49)
Balance at 30 September 2023		**(2 322)**	**735**	**8 314**	**6 727**
Total comprehensive income for the year				1 064	1 064
Dividends on ordinary shares	15			(967)	(967)
Balance at 30 September 2024		**(2 322)**	**735**	**8 411**	**6 824**

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

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

The shares held by the foundation are indefinite.

Company statement of cash flows

for the year ended 30 September 2024

R million	Notes	2024	2023
Cash flows from operating activities			
Cash utilised in operations	A	**38**	(164)
Dividend income from investments (excluding withholding tax)		**1 040**	835
Interest income*			13
Finance costs*		**(461)**	(446)
Taxation paid	B	**(21)**	(122)
Cash flow from operations		**596**	116
Dividends paid		**(967)**	(1 982)
Cash inflow/(outflow) from operating activities		**(371)**	(1 866)
Cash flows from investing activities			
Additions to investment property			(38)
Advance to joint venture		**(28)**	(37)
Payment received on loans to subsidiaries		**1 659**	2 051
Net cash inflow from investing activities		**1 631**	1 976
Net cash inflow before financing activities		**1 260**	110
Cash flows from financing activities			
(Decrease)/increase in loans from subsidiaries		**(102)**	53
Share buyback			(49)
Proceeds from long-term borrowings		**1 000**	823
Repayment of long-term borrowings		**(1 545)**	(1 351)
Repayment of short-term borrowings		**(500)**	
Net cash outflow from financing activities	C	**(1 147)**	(524)
Net movement in cash and cash equivalents		**113**	(414)
Cash and cash equivalents at the beginning of the year		**377**	791
Cash and cash equivalents at the end of the year		**490**	377

Notes to the statement of cash flows

for the year ended 30 September 2024

R million	2024	2023
'A. Cash utilised in operations is calculated as follows:		
Profit before taxation	**1 080**	3 161
Adjustments for:		
Impairment of investments		7
Non cash movement in provisions	**13**	1
Dividends income	**(1 160)**	(835)
Interest income	**(473)**	(452)
Finance costs	**473**	451
Expected credit loss movement on financial guarantees	**(10)**	(19)
Capital expenses/(profit)	**16**	(2 432)
Profit on disposal of property	**(18)**	
Operating cash flows before movements in working capital	**(79)**	(118)
Decrease/(increase) in trade and other receivables	**130**	(14)
Decrease in trade and other payables	**(13)**	(32)
Cash utilised from operations	**38**	(164)
B. Reconciliation of taxation paid:		
Amounts (under)/over paid at the beginning of the year	**(3)**	42
Per the income statement (excluding deferred taxation)	**(18)**	(167)
Net amounts under/(over) paid at the end of the year		3
Cash amounts paid	**(21)**	(122)

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

Notes to the statement of cash flows continued

for the year ended 30 September 2024

R million	1 October	Cash flows	Other non-cash	Transfer to or from short term loans	30 September
C. Net cash outflow from financing activities:					
2024					
Net cash (used in)/generated from financing activities is reconciled as follows:					
Loans from subsidiaries	**220**	**(102)**			**118**
Non-current interest-bearing loans	**3 104**	**1 000**	**(10)**	**(1 131)**	**2 963**
Short term loans (note 13)	**500**	**(500)**			**—**
Current portion of long term borrowings (note 13)	**1 544**	**(1 545)**		**1 131**	**1 130**
Other movements					
Share capital	**(2 322)**				**(2 322)**
	3 046	**(1 147)**	**(10)**		**1 889**
2023					
Net cash (used in)/generated from financing activities is reconciled as follows:					
Loans from subsidiaries	167	53			220
Non-current interest-bearing loans	3 825	823		(1 544)	3 104
Current interest-bearing loans	1 851	(1 351)		1 544	2 044
Other movements					
Share capital	(2 273)	(49)			(2 322)
	3 570	**(524)**			**3 046**

Notes to the company financial statements

for the year ended 30 September 2024

1. Accounting framework

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

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

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

1.2 Underlying concepts

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

1.3 Significant judgements made by management

Preparing financial statements in conformity with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates.

There are no significant judgements in the current year.

1.4 Revenue

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

Interest income and expense are recognised in the statement of comprehensive income using the effective interest method for all interest-bearing financial instruments.

Dividends from subsidiaries are accrued for once declared by the subsidiaries.

1.5 Financial assets and financial liabilities (Financial instruments)

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

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

1.6 Investment property

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

Property is valued every 3 years and will be impaired if needed.

Notes to the company financial statements continued

for the year ended 30 September 2024

1. Accounting framework continued

1.7 Cash and cash equivalents

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

1.8 Changes in accounting policies

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

	Effective date*
Lease liability in a sale and leaseback – Amendments to IFRS 16 leases	1 January 2024
Lack of exchangeability (Amendments to IAS 21)	1 January 2025
Classification and measurement of financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18: Presentation and disclosure in financial statements	1 January 2027
IFRS 19: Subsidiaries without public accountability: Disclosures	1 January 2027

* Effective for annual periods beginning on or after this date.

Refer to note 35 of the consolidated annual financial statements for more detail.

2. Profit before taxation

R million	2024	2023
Profit before taxation is arrived at as follows:		
Total income	1 643	1 287
Expected credit loss movement on financial guarantees	10	19
Less: Finance costs	(473)	(451)
Less: Administrative costs	(92)	(80)
Less: Impairment of investment		(7)
Add: Profit on disposal property	18	
Add: Capital (loss)/profit	(16)	2 393
Profit before taxation	1 090	3 161
Administrative costs include the following:		
Administration, management and technical fees paid	9	8
Consulting, insurance and other investor relation expenses	50	39
Non-executive director remuneration	24	18
Auditors' remuneration	9	15

Notes to the company financial statements continued

for the year ended 30 September 2024

3. Taxation

R million	2024	2023
Current tax		
Withholding taxation	(6)	(68)
Normal and capital gains tax		
Current year	(14)	(103)
Prior year	2	5
	(18)	**(166)**
Deferred tax		
Current year	2	(88)
Rate change		(3)
	2	**(91)**
Total taxation	**(16)**	**(257)**

%	2024	2023
Reconciliation of rate of taxation:		
South Africa normal taxation rate	27.0	27.0
Reduction in rate of taxation	(29.7)	(22.8)
Adjustment due to exemption for dividend income	(29.0)	(7.3)
Impairments and capital items taxation	(0.4)	(15.3)
Over provision of tax in respect of prior year	(0.3)	(0.2)
Increase in the rate of taxation	4.2	3.9
Disallowable charges ^	2.8	0.8
Impairments and capital items taxation		0.1
Under provision of tax in respect of prior year		0.1
Imputed income	0.9	0.8
Withholding taxation	0.5	2.1
Taxation as a percentage of profit before taxation	1.5	8.1

^ Disallowable charges mostly relates to non-deductible professional fees and other costs.

4. Investment property

R million	Cost	Accumulated depreciation	Net book value
2024			
Freehold land and buildings	89		89
	89		**89**
2023			
Freehold land and buildings	89		89
	89		**89**

R million	Freehold land and buildings
Movement of carrying value of investment property	
2024	
Carrying value at 1 October 2023	89
Carrying value at 30 September 2024	**89**
2023	
Carrying value at 1 October 2022	108
Disposal	(20)
Other additions	58
Reclassification as held for sale (note 9.)	(57)
Carrying value at 30 September 2023	**89**

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

Notes to the company financial statements continued

for the year ended 30 September 2024

4. Investment property continued

The fair value for the above freehold land and buildings amounted to R146 million (2023: R260 million (including property held for sale)) based on a valuation in September 2022. A valuation by an independent valuer has not been done in the current year and the next valuation will be done in the 2025 financial year.

The fair value measurement of the properties is considered a level 3 measurement in accordance with IFRS 13. A valuation was done in accordance with the International Valuation Standards by a chartered surveyor in accordance with The Royal Institution of Chartered Surveyors professional standards manual.

The fair values of the properties were calculated using the income approach method in which the estimated open market rent for the forward period is capitalised at an appropriate interest rate to reflect the perceived investment risk. The market approach is used for land valuation, which is based on a comparison of the asset with identical or similar assets that have available price information. There are no unobservable inputs for which a reasonable change in an input would result in a significantly higher or lower fair value measurement. There are also no significant unobservable inputs for which there are interrelationships which significantly influence the valuation. Where the income approach method is used for the valuation, a rate of 11.75% is used.

There are no known restrictions on the realisable value of the investment properties.

5. Investments

R million	2024	2023
Investment arising from initial recognition of financial guarantee	**67**	67
Investment in subsidiaries and joint ventures at cost less impairment	**2 329**	2 329
Unlisted investments at fair value*	**16**	16
Loan to joint venture	**186**	62
Total	**2 598**	**2 474**

* Refer to note 14.1 for the valuation methodology.

The movement in investments includes an increase of R124 million (2023: R37 million) relating to a loan to a joint venture.

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

Refer to note 38 (Principal subsidiary companies) of the consolidated annual financial statements.

6. Loans owing from/(to) subsidiaries

R million	2024	2023
Long-term loans	**7 955**	9 173
Amounts owing from subsidiaries *	**7 955**	**9 173**
Amounts owing to subsidiaries **	**(118)**	**(220)**

* Included in amounts owing from subsidiaries are interest-bearing loans amounting to R4 159 million to Barloworld South Africa Proprietary Limited (2023: R5 233 million). Non-interest-bearing loans are not repayable on demand but are long-term. The Khula Sizwe management trust was provided with a R207 million (2023: R207 million) interest-free loan held at a carrying value of R187 million (2023: R187 million). The borrowing rate was determined at JIBAR plus 1.95%. In the prior year, a loan due from a dormant group company with a the value of R7 million was impaired. Other than the above, there is no history of credit losses on loans to subsidiaries and management expects these loans to continue performing, therefore, no expected credit losses have been recognised on these loans. Management has also considered macroeconomic forward- looking factors relating to these loans, however, the ECL remains negligible and, as such, none has been recognised. The loans are classified as level 3 and the fair values approximate the carrying value.

** The R118 million (2023: 220 million) owing to subsidiaries is made up mainly of various group loans, which are interest free with no fixed repayment terms.

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

Notes to the company financial statements continued

for the year ended 30 September 2024

7. Cash and cash equivalents

R million	2024	2023
Cash and cash equivalent balances	**490**	**377**

8. Deferred taxation (liability)/asset

R million	2024	2023
Movement of deferred taxation		
Balance at the beginning of the year	**(3)**	88
Recognised in the statement of comprehensive income (note 3)	**2**	(91)
Balance at the end of the year	**(1)**	(3)
Analysis of deferred taxation by type of temporary difference		
Property	**(1)**	(3)
	(1)	**(3)**
Amount of deferred taxation recognised in the statement of comprehensive income		
Other temporary differences	**2**	(91)
	2	**(91)**

9. Assets classified as held for sale

R million	2024	2023
Movement of net book value of investment property		
Properties classified as held for sale		57
Properties at cost - 30 September		57

The property is related to the development of Barlow Park. The company contributed the property to the joint venture as part of the initial contribution, therefore, this transaction has no cash impact. The property transfer was registered on 30 May 2024 and the company recognised a profit of R18 million in the current financial year.

10. Share capital and premium

R million	2024	2023
Authorised share capital		
500 000 6% non-redeemable cumulative preference shares of R2 each (2023: 500 000)	**1**	1
400 000 000 ordinary shares of 5 cents each (2023: 400 000 000)	**20**	20
	21	**21**
Issued share capital		
375 000 6 % non-redeemable cumulative preference shares of R2 each (2023: 375 000)	**1**	1
189 641 787 ordinary shares of 5 cents each (2023: 189 641 787)	**10**	10
	11	**11**
Share premium	**(2 333)**	(2 333)
Total issued share capital and premium	**(2 322)**	**(2 322)**

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

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

Notes to the company financial statements continued

for the year ended 30 September 2024

11. Interest-bearing liabilities

R million	2024	2023
Total long-term borrowings	**4 071**	4 615
Financial liabilities*	**22**	33
Less: Current portion redeemable and repayable within one year (note 13)	**(1 130)**	(1 544)
South African Rand: Interest-bearing	**2 963**	3 104

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

Barloworld bonds

Certificate	Issued	Maturity	Comparable treasury stock	Spread bps	Yield %	Type	2024 R million	2023 R million
BAW33	13-Oct-20	13-Oct-23	Fixed	Fixed	6.15	Fixed rate (NACS)		330
BAW34	9-Oct-20	9-Oct-23	3-month Jibar	200	5.68	Floating rate		500
BAW36	18-Feb-21	18-Feb-24	3-month Jibar	169	5.37	Floating rate		714
BAW37	12-Jul-22	12-Jul-25	3-month Jibar	140	8.33	Floating interest	**315**	315
BAW38	12-Jul-22	12-Jul-27	3-month Jibar	160	8.33	Floating interest	**785**	785
BAW39	26-May-23	26-May-26	3-month Jibar	140	8.24	Floating interest	**430**	430
BAW40	30-Jun-23	30-Jun-25	Fixed	Fixed	9.92	Fixed rate (NACS)	**400**	400
BAWGL1	22-Aug-22	22-Aug-25	3-month Jibar	139	8.24	Floating interest	**415**	415
BAWGL2	22-Aug-22	22-Aug-27	3-month Jibar	157	8.24	Floating interest	**728**	728
BAW41	20-Oct-23	20-Oct-26	3-month Jibar	120	8.31	Floating interest	**485**	
BAW42	20-Oct-23	20-Oct-28	3-month Jibar	142	8.31	Floating interest	**515**	
Fees capitalised							**(2)**	(2)
							4 071	4 615

JIBAR is expected to be replaced by ZARONIA in future, which would require the company to update any agreements currently using JIBAR. At this stage, there is no fixed date at which the transition will be effective. The impact and risks associated with the transition will be analysed during 2025 and the transition process to ZARONIA will be finalised with the funding providers.

Notes to the company financial statements continued

for the year ended 30 September 2024

12. Provisions and accruals

R million	2024	2023
Current	**19**	6
	19	**6**

R million	2024	2023
Balance at the beginning of the year	6	6
Net movements		
Raised	**19**	**1**
Utilised	**(6)**	**(1)**
Balance at the end of the year	**19**	**6**

Provision mainly relates to professional fees and directors' fees accrued.

13. Amounts due to bankers and short-term borrowings

R million	2024	2023
Short-term loans^		500
Current portion of long-term borrowings *	**1 130**	1 544
	1 130	**2 044**

^ Short-term borrowings relates to the Future Growth facility repayable on demand of nil (2023: R500 million).
* Current portion of long-term borrowings relates to Barloworld bonds which will reach maturity within one year.

Notes to the company financial statements continued

for the year ended 30 September 2024

14. Financial instruments

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

14.1 Categories of financial instruments

R million	Notes	2024 Amortised cost	2024 Fair value through profit and loss	2024 Total amount	2023 Amortised cost	2023 Fair value through profit and loss	2023 Total amount
ASSETS							
Amounts due from subsidiaries (Debt instruments)	6	**7 955**		**7 955**	9 173		9 173
Cash and cash equivalents	7	**490**		**490**	377		377
Long-term financial assets*	5		**16**	**16**		16	16
Total assets		**8 445**	**16**	**8 461**	**9 550**	**16**	**9 566**

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

R million	Notes	2024 Amortised cost	2023 Amortised cost
LIABILITIES			
Interest-bearing non-current liabilities	11	**2 963**	3 104
Trade and other payables		**90**	103
Amounts due to subsidiaries (Debt instruments)	6	**118**	220
Amounts due to bankers and short-term loans	13	**1 130**	2 044
Total liabilities		**4 301**	**5 471**

Notes to the company financial statements continued

for the year ended 30 September 2024

14. Financial instruments continued

14.2 Financial risk management continued

a. Capital risk management

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

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

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

b. Market risk

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

2) *Interest rate risk*
The company manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach. Refer to note 33.3 for more detail regarding the group financial risk management.

R million	2024	2023
The interest rate profit of total borrowings is as follows:		
Interest rates		
Loans at fixed rates of interest	**400**	730
Loans linked to South Africa floating interest rates	**3 693**	4 418
	4 093	**5 148**

Interest rate sensitivity analysis
A change in interest rates by 1% would result in a change in profit or loss of R41 million (2023: 1%: R51 million). The impact will be the same on equity.

c. Credit risk

The potential area of credit risk is short-term cash investments, equity loans and inter group loans. It is company policy to deposit short-term cash investments with major banks and financial institutions with strong credit ratings. No collateral is held. The Company ensures that it only provides funding to entities that have submitted viable business plans indicating an ability to be able to meet their debt obligations.

	2024	2023
Maximum exposure to credit risk		
Financial assets*	**8 461**	**9 566**

* The financial assets mainly comprise of loans owed by subsidiaries trading in the earthmoving equipment and power industries in South Africa and a small concentration in Lesotho.

Notes to the company financial statements continued

for the year ended 30 September 2024

14. Financial instruments continued

14.2 Financial risk management continued

c. Credit risk continued

Each of the above operations have credit terms appropriate for their industry. It is group policy to deposit cash with major banks and financial institutions with strong credit ratings.

The ECL on cash and cash equivalents is considered immaterial due to the low credit risk associated with banking with financial institutions that have strong credit ratings.

d. Liquidity risk

Liquidity risk arises when the company cannot meet its contractual cash outflows as they fall due and payable. The company is mainly funded through the treasury department in Barloworld South Africa and dividends received by subsidiaries. Liquidity risk is monitored through forecast cash flows, maintaining a balance between long-term and short-term debt and ensuring that adequate unutilised borrowing facilities are maintained.

There has been no change to this approach in the current year.

Maturity profile of financial liabilities

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

		Repayable during the year ending 30 September	
R million	**Total owing 2024**	2025	2026-2029
Interest-bearing liabilities	**5 052**	1 508	3 543
Interest	**(958)**		
Total interest-bearing liabilities	**4 093**		

		Repayable during the year ending 30 September	
R million	Total owing 2023	2024	2025-2027
Interest-bearing liabilities	5 909	1 966	3 942
Interest	(761)		
Total interest-bearing liabilities	**5 148**		

	Repayable during the year ending 30 September			
R million	**Total owing 2024**	2025	2026-2028	>5 years
Financial guarantees on behalf of joint ventures and associates*	**626**	626		
Financial guarantees on behalf of subsidiaries**	**2 338**	387	1 885	66

	Repayable during the year ending 30 September			
R million	Total owing 2023	2024	2025-2027	>5 years
Financial guarantees on behalf of joint ventures*	887	887		
Financial guarantees on behalf of subsidiaries**	2 693	358	1 742	592

* For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

** For issued financial guarantee contracts related to rental payments payable by subsidiary companies, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called and would therefore follow the rental period.

Notes to the company financial statements continued

for the year ended 30 September 2024

15. Dividends

R million	2024	2023
Ordinary shares		
Normal dividend No 188 paid on 8 January 2024: 300 cents per share (2023: No 186 - 295 cents)	**569**	560
Special dividend No 186 paid on 9 January 2023: 550 cents per share		1 043
Interim dividend No 189 paid 24 June 2024: 210 cents per share(2023: No 187 - 200 cents per share)	**398**	379
Dividend in specie – Shares in Zeda Limited		3 167
Paid to Barloworld Limited shareholders	**967**	5 149

16. Related party transactions

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

R million	2024	2023
With related parties of the company		
Dividends from subsidiaries	**1 159**	835
Barloworld South Africa (Pty) Ltd	**63**	338
Zeda Limited		271
Barloworld Investments (Pty) Ltd	**965**	226
Barloworld Equipment Lesotho (Pty) Ltd	**31**	
Barloworld Equipment Namibia (Pty) Ltd	**100**	
Interest paid to subsidiaries	**12**	5
Barloworld South Africa (Pty) Ltd	**12**	5
Interest revenue from subsidiaries	**452**	439
Barloworld South Africa (Pty) Ltd	**452**	432
Zeda Car Leasing (Pty) Ltd		7

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

R million	2024	2023
Inter group loans and other amounts due from related parties as at the end of the year (note 6 and 7)	**8 445**	9 550
Barloworld South Africa (Pty) Ltd^	**5 063**	6 168
Khula Sizwe Management Trust	**187**	187
Barloworld Investments (Pty) Ltd	**3 068**	3 068
Barlows Cement Investments (Pty) Ltd	**119**	119
Other related parties	**8**	8

R million	2024	2023
Inter group loans and other amounts due to related parties as at the end of the year	**118**	220
Barloworld South Africa (Pty) Ltd	**118**	220

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

There are no doubtful debt provisions raised in respect of amounts due to/from related parties and no bad debts incurred during the year on these balances.

Details regarding directors' and key management remuneration and interest, share options, share appreciation rights and forfeitable shares are disclosed in note 34 of the consolidated annual financial statements.

^ The company does not own a bank account and as such it uses the bank accounts owned by Barloworld South Africa and the related entries are accounted for through the current loan account. Such loan accounts are used exclusively to account for the bank transactions and treated as cash and cash equivalents. Included in this amount is R490 million (2023: R377 million), which relates to the current loan accounts used to account for the bank transactions in the company.

Notes to the company financial statements

for the year ended 30 September 2024

17. Events after the reporting period

Refer to note 40 of the consolidated annual financial statements for events after the reporting date impacting the company.

The consolidated financial statements are available on **www.barloworld.com**

18. Disclosure relating to significant events

Refer to note 32 of the consolidated annual financial statements for disclosure relating to significant events impacting the company.

Notes to the company financial statements

for the year ended 30 September 2024

Public and non-public shareholding of ordinary shares

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	**15**	0.15	**11 868 268**	6.26
–Directors, prescribed officers and associates	**8**	0.08	**1 958 831**	1.03
–Company related and subsidiaries	**4**	0.04	**3 215 420**	1.70
–Empowerment	**1**	0.01	**6 578 121**	3.47
–Share plan	**1**	0.01	**81 955**	0.04
–Employee and educational trusts	**1**	0.01	**33 941**	0.02
Public shareholders	**10 153**	99.85	**177 773 519**	93.74
Total	**10 168**	**100**	**189 641 787**	**100**

Registered shareholder spread

Registered	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 - 1 000 shares	**8 403**	82.64	**1 671 829**	0.88
1 001 - 10 000 shares	**1 276**	12.55	**4 070 670**	2.15
10 001 - 100 000 shares	**351**	3.45	**12 122 005**	6.39
100 001 - 1 000 000 shares	**114**	1.12	**34 721 822**	18.31
1 000 001 shares and above	**24**	0.24	**137 055 461**	72.27
Total	**10 168**	**100**	**189 641 787**	**100**

Beneficial shareholdings 5% or more

Shareholder name	Total shareholding	% of issued capital
Government Employees Pension Fund	**39 519 673**	20.84
Zahid Tractor & Heavy Machinery Co Limited	**35 834 624**	18.90
Silchester International Investors International Value Equity Trust	**16 570 120**	8.74
Total	**91 924 417**	**48.47**

Investment managers holding 5% or more

Shareholder name	Total shareholding	% of issued capital
Public Investment Corporation (SOC)	**35 933 886**	18.95
Silchester International Investors, L.L.P.	**33 531 795**	17.68
Total	**69 465 681**	**36.63**

Geographic split of beneficial shareholders

Region	Total shareholding	% of issued capital
South Africa	**86 361 953**	45.54
United Kingdom	**36 057 028**	19.01
United States of America and Canada	**24 656 428**	13.00
Rest of Europe	**3 425 479**	1.81
Rest of World	**39 140 899**	20.64
Total	**189 641 787**	**100**

Public and non-public shareholding of ordinary shares continued

Breakdown of non-public shareholders

Non-public shareholders	Total shareholding	% of issued capital
Directors, prescribed officers and associates	**1 958 831**	**1.03**
Sewela, D	**653 207**	0.34
The Katlego Le Masego Trust (Sewela, D)	**401 096**	0.21
Leeka, E	**305 072**	0.16
Lila, N	**285 064**	0.15
Wierenga, C	**183 816**	0.10
Masemola, MMA	**76 168**	0.04
Menon, N	**52 908**	0.03
Lemmert, GA	**1 500**	0.00
Company related and subsidiaries	**3 215 420**	**1.70**
Barloworld South Africa (Pty) Ltd	**3 215 420**	1.70
Empowerment	**6 578 121**	**3.47**
Barloworld Empowerment Foundation	**6 578 121**	3.47
Share plan	**81 955**	**0.04**
Barloworld Limited FSP	**81 955**	0.04
Employee and educational trusts	**33 941**	**0.02**
Barloworld Education Trust	**33 941**	0.02

Breakdown of beneficial holdings

	Total shareholding	% of issued capital
Government Employees Pension Fund	**39 519 673**	**20.84**
Government Employees Pension Fund – Public Investment Corporation (SOC) Limited	**34 282 866**	18.08
Limited Government Employees Pension Fund – Coronation Fund Managers Limited	**3 691 420**	1.95
Government Employees Pension Fund – Aeon Investment Management (Pty) Ltd	**972 961**	0.51
Government Employees Pension Fund – All Weather Capital (Pty) Ltd	**542 872**	0.29
Government Employees Pension Fund – Differential Capital (Pty) Ltd	**29 554**	0.02

Issued share capital – 27 September 2024 189 641 787 shares

Number of shareholders 10 168

Corporate information

Barloworld Limited

(Incorporated in the Republic of South Africa)
(**Registration number:** 1918/000095/06)
(**Income Tax Registration number:** 9000/051/71/5)
(**JSE share code:** BAW)
(**JSE ISIN:** ZAE000026639)
(**Share code:** BAWP)
(**A2X code:** BAW)
(**JSE ISIN:** ZAE000026647)
(**Bond issuer code:** BIBAW)
("Barloworld" or the "company" or the "group")

Registered office and business address

Barloworld Limited
61 Katherine Street, Sandton 2196
PO Box 782248
Sandton 2146, South Africa
T +27 11 445 1000
E bawir@barloworld.com

Directors

Non-executive
NN Gwagwa (Chair), N Chiaranda^, NP Mnxasana,
NV Mokhesi, H Molotsi, V Nkonyeni, B Odunewu*, P Schmid
^ Italy, * Nigeria

Executive directors
DM Sewela (Group Chief Executive Officer), N Lila (Group Finance Director)

Group Company Secretary

Nomini Rapoo

Group Investor Relations

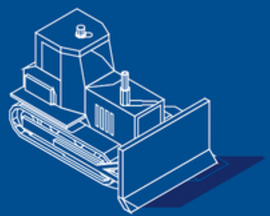
Kgaugelo Legoabe-Kgomari

Enquiries

Barloworld Limited
T +27 11 445 1000
E bawir@barloworld.com

Sponsor

Nedbank Corporate and Investment Banking,
a division of Nedbank



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