



UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

BKB

The Trusted Home of Agriculture
Die Betroubare Tuiste van Landbou

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SALIENT FEATURES



Value of business

-5.1% to **R6,69 BILLION**



Volumes in both Wool and Livestock Divisions were **SIGNIFICANTLY LOWER** due to extended restricted market access and effects of FMD



Trading branches, Grain storage and Sugar Divisions delivered **ONGOING GOOD RESULTS**



Raisin export markets **DEPRESSED**



Provident Group animal healthcare **BUSINESS ACQUIRED**



Bultfontein mill closed and its **ASSETS SOLD**



Global and domestic economic uncertainty - low growth, high inflation, **CONSUMER PRESSURE** and high interest rates



REBOUND IN FINANCIAL PERFORMANCE expected in the second half of FY23

ABOUT US

PROFILE

BKB Limited is a leader in the agri-industry. We are the Trusted Home of Agriculture. At its core, BKB is profit-driven in the interest of all stakeholders, with a major stake held by primary producers and agricultural groupings.

OUR VISION

To craft agri-business through trust and shared values.

OUR MISSION

Maximising value creation through innovation and efficiency.

OUR VALUES

Our values are simple, concrete, meaningful and capture the essence of our culture, who we are and how we interact with one another.

They speak of how we go to market and our commitment to delivering a culture of excellence to all stakeholders as the Trusted Home of Agriculture.

INTEGRITY

SERVICE EXCELLENCE

Service excellence is in our hands.

ENCOURAGE ENTREPRENEURSHIP

Opportunity is in our hands.

DRIVE EARNINGS

Prosperity is in our hands.

VALUE EMPLOYEES

Respect is in our hands.

CONSERVE THE ENVIRONMENT

The environment is in our hands.

FINANCIAL AND OPERATIONAL PERFORMANCE

The first six months of the current financial year have been very challenging for most of the BKB Group's business units. The Group's financial performance to 31 December 2022 largely reflects the scale of the direct and indirect effects of foot-and-mouth disease (FMD), restricted access to the world's major wool market (China) and severe supply chain disruptions. Both the Fibre Division and Livestock Division, usually the two largest profit earners in the Group, were hit very hard by these events. The difficult business conditions affecting the whole Group were characterised by unprecedented levels of load shedding, high producer inflation, rising living costs for consumers and increased interest rates.

BKB's diversified spread of services and products across several agricultural related sectors continues to enable the Group to be resilient in difficult times and better withstand the cyclical fluctuations which are inherent in the agricultural sector.

The reported value of business for the six months to December 2022 was 5.1% lower than the prior year at R6,69 billion. Operating profit of R45,6 million was 55% lower than that for the same period in the prior year. The Group reported a profit before tax of R2,26 million, 96.8% lower than the prior year. Given the events and the protracted adverse conditions described above, a reduction in profitability in the first six months of this financial year, while disappointing, is not unexpected. Earnings before interest, tax, depreciation and amortisation (EBITDA) decreased by 40.9% to R80,5 million. The Group reported a loss after tax of R933 thousand against a profit after tax of R48,6 million in the prior year.

Fibre sales, particularly wool, were restricted for most of the six months under review. Shipping restrictions, due to supply chain disruptions following the Chinese import ban on wool, resulted in auction catalogues being moved out to later dates, mostly in the second half of the current financial year. These limitations primarily related to vessel and container availability and stringent COVID-19 lockdowns in China for much of the reporting period. The later timing of producer wool receipts due to adverse weather conditions resulted in lower sales offerings through auctions and much lower sales volumes by Pinnacle Fibres. The volume of wool sold through auctions held in the first half of the financial year was 20% lower than during the same period last year. For the first six months the Fibre Division reported an operating loss of R4 million compared to a R30,9 million operating profit in the prior year.

The FMD outbreak resulted in reduced first quarter volumes traded in the Livestock Division, especially in the Northern parts of the country. Feedlots and abattoirs were directly affected and avoided auctions. Online/simulcast auctions continued. Sound biosecurity measures were in place but the movement restrictions on livestock nevertheless severely affected auctions. Only 645 out of the 745 planned calendar auctions were held between July and December 2022. On a positive note, the GWK livestock business has integrated well, especially in Humansdorp. The Livestock Division reported an operating profit of R24,4 million (down 19.5%) in a challenging six months.

The Group's Trading Division had a very good first six months and reported operating profit growth of 13.4% to R42,3 million. The division benefited from fuel price changes and well-managed timing of fuel stock purchases. Regarding BKB's network of trading branches, the recurring power disruptions due to load shedding are negatively affecting their operations and the servicing of customers. Management has a relentless focus on seeking cost-effective solutions to reduce network disruptions, excessive maintenance costs and security-related issues caused by the seemingly endless load shedding and poorly maintained municipal infrastructure.

PakHouse Brands had a mixed first half of the year and reported an operating profit of R17,5 million, significantly down from the prior half-year results of R43,8 million.

- The Grains Division reported a R13,9 million loss, mainly due to closure costs and losses on sale of assets relating to the Bulfontein mill operation. Production through the Bethlehem mill was lower than expected due to power supply disruptions. Grain storage performed well and took advantage of higher crop yields which resulted in more tonnage stored.
- Desert Raisins continues to be a challenging business, due to a combination of very tough export markets and operational matters at the plant. The division reported an operating loss of R8,3 million for the six months which, although still negative, was an improvement on last year.
- Atlanta Sugar maintained its excellent performance off a high prior-year base and reported an operating profit of R25 million, the same as for last year. The operation secured a consistent, high-quality sugar supply from Eswatini and benefited from competitor out-of-stock positions in the market.

Expenses and overhead costs were 6% lower than the previous year. Lower variable costs in the Livestock and Fibre Divisions, together with lower depreciation and lower maintenance costs were the main contributing factors. The direct cost of the continued load shedding is calculated at R6,5 million for the first half-year and is likely to double in the second half of the financial year. The indirect costs of load shedding due to its impact on productivity and operational efficiency are much higher. As in the prior year, stringent cost control measures are in force throughout the Group.

Finance costs increased by R12,2 million to R43,4 million, mainly as a result of the steadily increasing interest rates prevailing in South Africa.

The net working capital to value-of-business ratio increased to 9.7% (from 8.7%). The main reasons for the increase were the shipping delays in the Fibre and Desert Raisins Divisions which resulted in higher debtors and inventory positions at the end of December 2022. The Trading Division carried higher inventory levels to secure sufficient supply to service producers and customers.

Cash utilised by operations increased by 56% to R187,6 million as a result of the reduction in operating profit and increased finance charges. Capital expenditure for the six months was restricted to R32,9 million, against R86,25 million spent in the prior year.

OUTLOOK

Conditions for the Group in the second half of the year are looking better while the Group is looking forward to improved financial results.

Agricultural conditions are expected to remain stable to slightly negative in the immediate future. While the recent heavy rains improved grazing veld conditions, floods in parts of the country resulted in crop losses. Crop and livestock prices have come off their recent highs, with particularly severe pressure on livestock prices in the first two months of 2023. Global supply challenges remain a concern and will continue to put pressure on input costs of fuel, fertilisers and agro-chemicals in the coming months, thus placing producer profits under pressure.

The lifting of restrictive COVID-19 measures in China and reopening of the world's largest market for wool has supported fibre prices. This resulted in increased demand for wool as the wool supply chain has normalised. Most of the supply chain bottlenecks have cleared. Auctions for the remainder of the year have been carefully planned to make up for most of the auction volumes lost in the first half-year. The Fibre Division is confident that it can recover to near normal full-year operating profits, a view which seems to be supported by recent auction volumes sold, upward momentum in wool and mohair prices, as well as wool stock receipts in hand.

The Livestock Division's outlook for a recovery in the next six months is moderate. Livestock prices are currently under pressure, driven by shrinking disposable consumer income. Export markets are mainly open, but the effects of increased load shedding on abattoirs are still to be fully understood. Calendar and stud auctions are being held with sound bio-security measures in place.

The Trading Division is expected to generate further positive results until year end. The division has welcomed a new "bolt-on" acquisition, effective in February 2023. The businesses of the Provident Group, comprising Provident Animal Health, Cowdens and Farmer Vet, were acquired. These businesses supply animal health products in East London and the former Transkei areas. This acquisition complements BKB's current footprint and product offering and the aim is to maximise the potential of these well known, established and successful brands.

The sugar and grain storage businesses within PakHouse Brands are expected to replicate their good performance for the second half of FY2023, driven by strong sugar demand and crop yields. The Bethlehem grit mill has improved on its throughput efficiencies and management are determinedly working on solutions to limit the effects of load shedding on the business. Desert Raisins should see an improved second half, as the new season crop is of exceptional quality. The crop is expected to be around 35% smaller, which will result in reduced throughput. The smaller crop will, however, mean that supply and demand is more closely matched. It is hoped that this will result in more stable and better prices for our raisins, particularly in export markets. Desert Raisins is expected to remain a challenging business in BKB's portfolio. Management is evaluating different turn-around scenarios and considering a variety of possible options to make this a sustainable business.

The Group is rigorously monitoring current and forecasted performance, given the disappointing first half-year performance, coupled with the effects of increased load shedding and higher interest rates. The Group continues to focus on cost saving initiatives while making efficient use of its assets through prudent capital and financial management. All operations are regularly assessed to ensure strategic fit as well as their ability to generate positive and sustainable returns.

Positive operating cash flows are expected in the remaining six months of this financial year. The Group has sufficient liquidity and maintains a safe level of headroom on its undrawn banking facilities to service both its operating activities and ongoing investment strategy.

Given the outlook for continuing high levels of load shedding, BKB is considering further investment in energy self-sufficiency. This is unavoidable and is expected to come at a significant cost.

At Group level an improved second half of the year is expected. The negative effects of FMD will, however, not be fully recovered this year. Once-off costs of milling activity consolidation will not be recovered by improved milling operating margins, but should have a significant benefit in the next financial year. It is anticipated that interest rates will remain higher than in the previous two years. The Group's full year results for FY2023 are expected to be lower than those of FY2022, albeit not significantly so at an operating profit level.

The focus of management over the past three years has been to consolidate, improve margins and ensure that acceptable returns on funds employed are achieved at Group level as well as in each of the operating entities. While the Group's turnover has reduced somewhat this year, longer-term profitability has increased significantly, and on a smaller funding base. This bodes well for the long-term performance of the Group. Growth was not the main focus in this period. However, in line with BKB's strategy, small "bolt-on" acquisitions were done successfully along with the successful creation of a significant downstream business in the Fibre Division (BKB Pinnacle Fibres). Although the consolidation phase is not yet fully completed, the Group's focus will shift more towards growth in the next three years. Looking towards the immediate future, expansion activity will remain a mix of smaller acquisitive opportunities, creation of new businesses within the existing supply chains and some organic growth, e.g., the Livestock Division is looking at expanding its geographic area of operations. Larger acquisitions are not excluded, but should ideally align with supply chains BKB is currently involved in. BKB will continue to develop and enhance its existing portfolio, building on its unique capabilities and platforms to take advantage of growth opportunities within existing businesses and to pursue opportunities that create value for shareholders over the long term.

The connection with our producers, customers and clients remains critical to the success of BKB. All of our people in the BKB Group strive to provide relevant, innovative, and value-adding services and products.

DIRECTORS' REPORT

For the six months ended 31 December 2022

The condensed consolidated interim results of BKB Limited for the six months ended 31 December 2022 comprise those of the Company, its subsidiaries and jointly controlled entities (jointly referred to as the Group).

These interim results have not been audited or independently reviewed by the Group's external auditors. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2022.

The Group's performance is subject to seasonal trends. The Fibre Division generally performs better in the second half of the financial year, but performance is highly dependent on market price fluctuations, exchange rate movements, as well as the timing of fibre received from producers. The Trading Division normally benefits from higher feed sales in the generally drier first half of the financial year.

The reports and commentary which form part of the condensed consolidated financial statements contain forward-looking statements that are subject to risk factors associated with the agricultural industry, many of which are beyond the control of the Group. These forward-looking statements do not constitute a representation and no reliance should be placed on them, although every effort has been made to ensure the reasonableness thereof.

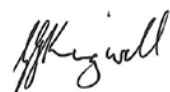
DIVIDENDS

On 14 September 2022 the Board declared a gross dividend of 42 cents per share for distribution to shareholders.

RESPONSIBILITIES AND APPROVAL

The preparation of the BKB Group's condensed consolidated interim results for the six months ended 31 December 2022 was supervised by the Group Financial Director, JA van Niekerk.

The condensed consolidated interim results for the six months ended 31 December 2022 were approved by the Board of Directors on 24 March 2023 and are signed on the Board's behalf by:



Geoff Kingwill
Chairman: BKB Board of Directors



Johan Stumpf
Managing Director

The results were made available publicly on 24 March 2023.

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

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BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2023

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDING 31 DECEMBER 2022**

	As at 31 Dec 2022 6 Months (Unaudited) R'000	As at 31 Dec 2021 6 Months (Unaudited) R'000	As at 30 Jun 2022 (Audited) R'000
ASSETS			
Non-current assets			
Property, plant and equipment	898 476	920 024	920 881
Right-of-use assets	75 407	62 758	51 983
Investment property	3 468	18 318	1 312
Intangible assets	105 115	104 924	106 731
Equity accounted investments	8 547	8 673	8 858
Trade and other receivables	21 740	18 384	18 168
Deferred tax assets	30 044	27 871	24 635
	1 142 797	1 160 952	1 132 568
Current assets			
Inventories	825 058	697 064	775 075
Trade and other receivables	1 117 138	965 733	942 876
Other financial assets	32 587	-	-
Current income tax assets	7 994	371	2 382
Cash and cash equivalents	60 432	185 411	65 778
	2 043 209	1 848 579	1 786 111
Assets classified as held for sale	13 811	10 957	19 157
Total current assets	2 057 020	1 859 536	1 805 268
Total assets	3 199 817	3 020 488	2 937 836
EQUITY			
Capital and reserves			
Share capital	4 420	4 420	4 420
Share premium	218 630	218 950	218 950
Treasury shares	(122 449)	(123 213)	(123 213)
Non-distributable reserves	156 497	132 264	145 372
Distributable reserves	1 074 852	1 038 721	1 108 981
Capital and reserves attributable to owners of the parent	1 331 950	1 271 142	1 354 510
Non-controlling interest	1 924	232	1 763
Total equity	1 333 874	1 271 374	1 356 273
LIABILITIES			
Non-current liabilities			
Borrowings	169 804	202 863	180 026
Lease liabilities	75 418	58 480	48 836
Post-retirement medical aid liabilities	5 808	6 302	5 808
Deferred tax liabilities	45 513	31 989	45 393
Provisions	8 809	8 295	8 809
	305 352	307 929	288 872
Current liabilities			
Trade and other payables	649 349	455 312	609 490
Borrowings	876 341	871 874	618 515
Other financial liabilities	-	48 816	31 738
Lease liabilities	9 404	11 838	9 509
Current income tax liabilities	7 508	5 348	5 476
Bank overdrafts	17 989	38 678	17 963
	1 560 591	1 431 866	1 292 691
Liabilities directly associated with assets classified as held for sale	-	9 319	-
Total current liabilities	1 560 591	1 441 185	1 292 691
Total liabilities	1 865 943	1 749 114	1 581 563
Total equity and liabilities	3 199 817	3 020 488	2 937 836

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2023

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDING 31 DECEMBER 2022**

	For the 6 months ending 31 Dec 2022 (Unaudited) R'000	For the 6 months ending 31 Dec 2021 (Unaudited) R'000	For the year ending 30 Jun 2022 (Audited) R'000
Revenue	2 947 234	3 076 721	6 093 786
Cost of sales	(2 403 452)	(2 448 125)	(4 809 558)
Gross profit	543 782	628 596	1 284 228
Other operating income	21 309	20 686	70 758
Operational expenses	(431 695)	(461 674)	(945 704)
Administrative expenses	(84 170)	(84 535)	(169 740)
Impairment of financial assets	(3 341)	(1 364)	(2 382)
Loss from equity accounted investments	(201)	(43)	(161)
Operating profit	45 684	101 666	236 999
Finance income	1 461	1 413	3 447
Finance costs	(44 879)	(32 569)	(68 815)
Profit before taxation	2 266	70 510	171 631
Income tax expense	(3 199)	(21 915)	(53 785)
(Loss)/profit for the period/year	(933)	48 595	117 846
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Movement in reserve on revaluation of properties	-	-	2 468
Gains/(losses) on property revaluations	-	-	629
Income tax relating to items that will not be reclassified	-	-	1 839
Items that will be reclassified to profit or loss:			
Movement in cash flow hedge reserve	11 021	(31 425)	(22 938)
Fair value adjustments to cash flow hedge reserve	819	(37 586)	(30 746)
Reclassification to profit or loss	14 278	(7 714)	(2 382)
Income tax relating to items that may be reclassified	(4 076)	13 875	10 190
Other comprehensive income/(loss) for the period/year net of taxation	11 021	(31 425)	(20 470)
Total comprehensive income for the period/year	10 088	17 170	97 376
Profit attributable to:			
Owners of the parent	(1 094)	48 122	116 613
Non-controlling interest	161	473	1 233
	(933)	48 595	117 846
Total comprehensive income attributable to:			
Owners of the parent	9 927	16 697	96 143
Non-controlling interest	161	473	1 233
	10 088	17 170	97 376
Basic earnings per share (cents)	(1.4)	61.0	148.1
Diluted earnings per share (cents)	(1.4)	61.0	146.6

BKB LIMITED AND ITS SUBSIDIARIES

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Interim Results 2023

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDING 31 DECEMBER 2022**

	As at 31 Dec 2022 6 Months (Unaudited) R'000	As at 31 Dec 2021 6 Months (Unaudited) R'000	As at 30 Jun 2022 (Audited) R'000
Share capital			
Balance at the beginning and end of the period/year	4 420	4 420	4 420
Share premium			
Balance at the beginning of the period/year	218 950	218 950	218 950
Premium on shares re-purchased	(320)	-	-
Balance at the end of the period/year	218 630	218 950	218 950
Treasury shares			
Balance at the beginning of the period/year	(123 213)	(120 713)	(120 713)
Shares sold/(purchased) by the trust	764	(2 500)	(2 500)
Balance at the end of the period/year	(122 449)	(123 213)	(123 213)
Non-distributable reserves			
<i>Reserve on revaluation of properties</i>			
Balance at the beginning of the period/year	155 545	153 205	153 204
Revaluations	-	-	629
Deferred tax on revaluations	-	-	(150)
Deferred tax: change in corporate tax rate	-	-	1 989
Transfer to distributable reserves	-	-	(127)
Balance at the end of the period/year	155 545	153 205	155 545
<i>Cash flow hedge reserve</i>			
Balance at the beginning of the period/year	(20 197)	2 741	2 741
Fair value adjustments to cash flow hedge reserve	819	(37 586)	(30 746)
Reclassification to profit or loss	14 278	(7 714)	(2 382)
Income tax relating to items that may be reclassified	(4 076)	13 875	10 190
Balance at the end of the period/year	(9 176)	(28 684)	(20 197)
<i>Share based payment reserve</i>			
Balance at the beginning of the period/year	7 585	3 094	3 094
Employee share scheme - value of employee services	104	1 577	4 491
Balance at the end of the period/year	7 689	4 671	7 585
<i>Black economic empowerment reserve</i>			
Balance at the beginning and end of the period/year	2 439	2 439	2 439
<i>Unissued share reserve</i>			
Balance at the beginning of the period/year	-	633	633
Transfer to distributable reserve	-	-	(633)
Balance at the end of the period/year	-	633	-
	156 497	132 264	145 372
Distributable reserves			
<i>Retained earnings</i>			
Balance at the beginning of the period/year	1 108 981	1 022 905	1 022 905
(Loss)/profit for the period/year	(1 094)	48 122	116 613
Dividends	(33 035)	(32 306)	(31 542)
Transfer from non-distributable reserve	-	-	1 005
Balance at the end of the period/year	1 074 852	1 038 721	1 108 981
Non-controlling interest			
Balance at the beginning of the period/year	1 763	(206)	(206)
Profit for the period/year	161	473	1 233
Acquired through business combination	-	(35)	(34)
Capital contribution	-	-	770
Balance at the end of the period/year	1 924	232	1 763
	1 333 874	1 271 374	1 356 273

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2023

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDING 31 DECEMBER 2022**

	For the 6 months ending 31 Dec 2022 (Unaudited) R'000	For the 6 months ending 31 Dec 2021 (Unaudited) R'000	For the year ending 30 Jun 2022 (Audited) R'000
Cash flow from operating activities			
Cash receipts from customers	6 580 575	6 994 098	14 293 873
Cash paid to suppliers and employees	(6 708 595)	(7 066 462)	(14 094 681)
Cash generated from operating activities	(128 020)	(72 364)	199 192
Interest received	1 461	1 413	3 447
Interest paid	(44 879)	(32 569)	(68 815)
Taxation paid	(16 142)	(16 691)	(40 867)
	<u>(187 580)</u>	<u>(120 211)</u>	<u>92 957</u>
Cash flow from investing activities			
Property, plant and equipment	(26 361)	(48 905)	(71 504)
Investment property	(2 355)	21 226	24 152
Held for sale	5 139	-	-
Intangible assets	(1 369)	(1 773)	(1 412)
Business combinations	-	(33 200)	(34 352)
Investment in associate	110	-	(569)
Non-current receivables	(3 573)	1 438	4 154
	<u>(28 409)</u>	<u>(61 214)</u>	<u>(79 531)</u>
Cash flow from financing activities			
Dividends paid	(33 035)	(32 306)	(31 542)
Cash (paid)/received on share movements	444	-	(2 500)
Borrowings	243 208	414 056	134 507
Non-controlling interest capital contribution	-	-	770
Principal elements of lease payments	-	-	(13 254)
	<u>210 617</u>	<u>381 750</u>	<u>87 981</u>
Total cash movement for the period/year	(5 372)	200 325	101 407
Net cash and cash equivalents at the beginning of the period/year	47 815	(53 592)	(53 592)
Net cash and cash equivalents at the end of the period/year	42 443	146 733	47 815

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2023

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

The accounting policies and principles applied in the preparation of the condensed consolidated interim financial statements for the six months ended 31 December 2022 are in all material respects consistent with those applied in the BKB Group's audited consolidated annual financial statements of the year ended 30 June 2022.

2 Segmental information

The Group has identified reportable segments which represent the structure used by the board of directors and executive management to make key strategic and operating decisions and assess performance.

The Group has eight reportable segments within which the Group's strategic business units (SBUs) fall.

These reportable segments as well as the products and services from which each of them derive revenue are set out below:

Reportable segment	Products and services
Natural fibre	Comprises marketing by auction, trading, warehousing and logistics of wool and mohair for both the producer and buyer.
Retail and fuel	Comprises retail trading branches throughout the country specializing in agricultural requisites and the supply of fuel.
Livestock and properties	Comprises the marketing and auctioneering of livestock, general farming implements and agricultural, commercial and residential properties.
Technology	Comprises the digital transformation business units.
Leasing of properties	The leasing of warehouse, office and retail space.
Fruit	Comprises the processing, distribution and marketing of dried fruits, predominantly in foreign markets. Includes interests in logistics for exports for the Group.
Grain and feed	Comprises the grain storage and handling, maize milling and lucerne processing.
Consumer goods	Comprises the packaging, distribution and sales of sugar and agro based consumer goods.

The SBUs offer different services and are managed separately as they require different skills, technology and marketing strategies.

Segmental revenue and results

The executive directors assess the performance of the operating segments based on a measure of value of business conducted, revenue and profit before tax.

Operating segments	Segment revenue - internal	Segment revenue - external	Profit/ (loss) before tax	Depreciation, amortisation and impairment	Human resource/ staff costs	Net finance (expense)/ income	Taxation
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
For the 6 months ending 31 Dec 2022 (Unaudited)							
Natural fibre	61 394	506 210	(26 717)	(6 584)	(52 956)	(22 702)	7 274
Retail and fuel	17 859	1 107 458	25 024	(3 603)	(48 698)	(17 284)	(6 778)
Livestock and properties	1 743	136 401	17 064	(5 732)	(72 128)	(5 816)	(4 629)
Technology	-	840	345	(47)	37	-	-
Leasing of properties	20 734	1 822	15 153	(626)	(270)	(580)	(4 101)
Fruit	10 818	140 647	(23 002)	(562)	(6 264)	(14 657)	6 125
Grain and feed	3 313	569 377	(4 387)	(1 125)	(19 735)	(5 443)	1 222
Consumer goods	397 031	482 775	25 098	(1 524)	(14 404)	444	(7 315)
All other segments	61 491	1 704	(26 312)	(1 535)	(30 564)	22 620	5 003
Total	574 383	2 947 234	2 266	(21 338)	(244 982)	(43 418)	(3 199)
For the 6 months ending 31 Dec 2021 (Unaudited)							
Natural fibre	71 200	582 922	18 608	(7 481)	(73 800)	(12 342)	(5 508)
Retail and fuel	11 431	1 057 833	26 408	(3 861)	(49 678)	(10 780)	(7 394)
Livestock and properties	1 935	134 317	22 818	(5 165)	(66 088)	(6 215)	(6 389)
Technology	2 228	15 421	(8 765)	(4 047)	(6 346)	(1 504)	-
Leasing of properties	20 332	1 597	17 340	(608)	(228)	(526)	(4 855)
Fruit	2 231	137 238	(18 645)	(595)	(5 210)	(5 813)	5 220
Grain and feed	17 757	655 953	20 158	(1 447)	(20 320)	(12 028)	(5 644)
Consumer goods	419 701	489 780	24 963	(925)	(14 699)	564	(7 698)
All other segments	40 458	1 660	(32 375)	(1 700)	(27 148)	17 488	10 353
Total	587 273	3 076 721	70 510	(25 829)	(263 517)	(31 156)	(21 915)

BKB LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/012435/06)

Interim Results 2023

NOTES TO THE FINANCIAL STATEMENTS

2 Segmental information (continued)

Segment assets and liabilities

The amounts provided to the board of directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

The amounts provided to the board of directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the Statement of Financial Position.

	As at 31 Dec 2022 6 Months (Unaudited)		As at 31 Dec 2021 6 Months (Unaudited)	
	Total assets R'000	Total liabilities R'000	Total assets R'000	Total liabilities R'000
Natural fibre	750 361	313 373	673 806	221 294
Retail and fuel	607 308	429 556	538 332	380 490
Livestock and properties	377 875	171 155	384 585	196 679
Technology	178	11 547	16 773	47 609
Leasing of properties	600 400	69 684	588 806	54 799
Fruit	322 748	371 174	194 556	233 161
Grain and feed	542 709	314 643	657 688	446 378
Consumer goods	293 420	121 523	228 177	75 327
All other segments	448 523	806 993	320 250	675 862
Total	3 943 522	2 609 648	3 602 973	2 331 599
Reconciling items				
Inter-segment loans	(743 705)	(743 705)	(582 485)	(582 485)
Total as per statement of financial position	3 199 817	1 865 943	3 020 488	1 749 114

Geographical information

	As at 31 Dec 2022 6 Months (Unaudited)			As at 31 Dec 2021 6 Months (Unaudited)		
	Revenue - internal R'000	Revenue - external R'000	Non-current Assets R'000	Revenue - internal R'000	Revenue - external R'000	Non-current Assets R'000
South Africa	168 229	2 940 775	1 085 224	161 470	3 076 582	1 097 881
Eswatini	396 468	6 459	57 573	419 139	139	63 071
Lesotho	9 686	-	-	6 664	-	-
Total	574 383	2 947 234	1 142 797	587 273	3 076 721	1 160 952



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