ANNUAL REPORT 24

#SustainabilitySynergised

PEOPLE | PLANET | PROFIT

SERVICE EXCELLENCE | ENTREPRENEURSHIP | EARNINGS | EMPLOYEES | ENVIRONMENT

#IntegrityIntegrated

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Salient features

BKB is a leading South African agricultural group with diversified activities and operations focusing on creating value for its shareholders and other stakeholders. The past financial year concluded a strategic rightsizing phase, positioning the Group for growth. Combined with solid performance and a strong balance sheet, the 2024 results set a positive tone for the future.

EBITDA[1,2]

increased by **21.3%** to **R395 million**

EBITDA losses relating to discontinued operations were **R74,3 million** (2023: R60,5 million)

Net interest-bearing debt

decreased from R1 billion (2023) to **R561 million**

Return[2] on funds employed (ROFE)

increased to **16%** (2023: 10.8%)

Gross dividend

of **33 cents** proposed (2023: 0 cents)

THE BKB SEGMENTS

Natural Fibre

Brokerage, financial services, warehousing, logistics and advisory services for wool and mohair producers

EBITDA contribution to the Group: 31% (2023: 37%)

Prices remained muted due to economic pressure in major wool consumer markets.

Pinnacle Fibres performed well despite harbour congestion challenges in the first half of the year.

Livestock and Properties

Auctioneering of livestock, agricultural equipment and properties and property leasing

EBITDA contribution to the Group: 6% (2023: 9%)

Livestock prices were at historic lows. An outbreak of foot-and-mouth disease (FMD) in the Eastern Cape impacted animal movements and auctions.

High interest rates affected producers and muted property demand.

Retail and Fuel

Trading of fuel and retail products through shops based in rural and farming areas

EBITDA contribution to the Group: 24% (2023: 21%)

The strong performance was based on retail shop renovations and an inventory optimisation project.

PaKHouse Brands

Consumer Goods

Supplier of sugar and consumer products to local wholesale and retail buyers

EBITDA[2] contribution to the Group: 17% (2023: 17%)

Improved productivity, strong customer growth and taking advantage of strategic opportunities in the sugar industry contributed to growth. All operating activities in Desert Raisins closed.

Grains

Grain storage for producers

Processing, sale, and distribution of yellow-maize products

EBITDA[2] contribution to the Group: 22% (2023: 16%)

The impact of lower grain storage volumes was countered by improved operational efficiency at the Bethlehem grit mill. AlphaAlfa lucerne operations fully closed.

[1] Earnings before interest, tax, depreciation and amortisation.
[2] Excluding discontinued operations.

Contents

Report scope and boundary

This annual report provides a view of BKB Limited's (BKB, the Group or the Company) results for the period 1 July 2023 to 30 June 2024 (the year or FY24), including material events up to the date of Board approval.

The reporting boundary is informed by the information needs of current and prospective shareholders, financial providers and other interested stakeholders such as employees, customers, producers, suppliers, industry bodies, shareholders, communities and government. The content of this report also fulfils the Group's statutory reporting responsibilities.

The reporting entity for financial and non-financial information is BKB Limited, which includes all subsidiaries listed in the annual financial statements on page 91. We report according to five segments as set out on page 38.

Content is informed by BKB's value-adding business model, strategy, risk assessments, opportunities, governance practices and operational and financial results.

The report contains a full set of the audited Group and Company annual financial statements.

Comparability and reliability

We built on 2024 disclosures in this report to include a business model, more details about our stakeholder groups, profiles for our Executive and ESG-related matters.

OUR ANNUAL REPORT

How we prepared this report

REPORTING FRAMEWORKS AND GUIDELINES

We prepared the report to meet the requirements of:

- The Companies Act, 71 of 2008, as amended (the Companies Act)
- IFRS Accounting Standards
- The listing requirements of the Cape Town Stock Exchange (CTSE)
- The King IV Report on Corporate Governance™ for South Africa (King IV)[1]

We also considered:

- The International Integrated Reporting (<IR>) Framework
- The United Nations (UN) Sustainable Development Goals (SDGs)

REPORTING PROCESS

1. The executive management team and members of the Board provided oversight and guidance on the reporting approach and content planning.
2. Information was sourced from management, operational teams and internal reporting mechanisms.
3. Executive management and the Audit and Risk Committee reviewed the report before it was recommended to the Board for approval.

INDEPENDENT ASSURANCE

Annual financial statements:
PwC audited the Company and the Group's annual financial statements for the year ended 30 June 2024. Their unqualified report appears on page 88.

Broad-based Black Economic Empowerment:
Moore was responsible for the external verification of BKB Limited and its subsidiaries' Broad-based Black Economic Empowerment (BBBEE) performance. The certificate is available on our website at https://www.bkb.co.za.

APPROVAL BY THE BOARD

The Board acknowledges its responsibility for the integrity of this annual report. The Board confirms it has applied its collective mind to the preparation and presentation of this report and believes that it provides a balanced representation of the performance of the Group. The Audit and Risk Committee supported the Board in its approval process.

The Board is aware of its responsibilities to comply with the listing requirements of the CTSE. The Board confirms that the Group complies with these requirements.

The Board approved the annual report and audited annual financial statements on 5 September 2024.

Forward-looking statements

This report contains certain forward-looking statements for BKB's prospects and performance. These are not guarantees or predictions of future performance. These statements and forecasts may be influenced by emerging risks, future events, changing circumstances and other important factors that cannot be predicted and are beyond BKB's control.

Actual future results may thus differ materially from our current expectations in this report. Readers are advised not to place undue reliance on these forward-looking statements. We do not undertake to update or revise any of these forward-looking statements. The forward-looking statements have not been audited or reviewed by PwC.

Feedback and contact

We value feedback from our stakeholders and use it to ensure we report appropriately on issues that matter to them. Please direct comments and suggestions to the Company Secretary at jo.oosthuizen@bkb.co.za or +27 41 503 3060.

"We considered materiality in determining the content for this report. Key risks, opportunities, strategic focus areas and topics of particular interest to our stakeholders inform materiality. These material themes are prioritised according to BKB's ability to create or preserve value."

[1] *Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

Geoff Kingwill

Chairman

Chairman's message

SALIENT FEATURES

- BKB's debt position improved significantly
- Credit risk increased, especially in the Livestock and Properties Division
- The Retail and Fuel Division enjoyed the best year on record
- Port infrastructure improvements became visible
- BKB is developing a pipeline of growth opportunities, including international prospects

What external factors had the most significant impact on BKB's performance in 2024?

The combination of high interest rates and a low-growth consumer environment continued to put pressure on the agricultural sector, with many BKB producers battling with high debt and constrained cash flows. Producers' successes and challenges have a significant impact on BKB, especially where volumes are concerned.

Consolidation in the agricultural sector continued with farmers aiming to gain more sustainable scale and efficiencies. Climatic conditions proved to be more favourable and FMD impacts were milder than in recent years. This resulted in lower input costs and additional market opportunities.

In this context, BKB's performance in its continuing operations was strong, with a 29.4% increase in operating profit to R327 million (2023: 252,6 million) in its continuing operations. The net debt-to-equity ratio decreased to 0,38 compared to 0,75 in 2023.

"These results are admirable, given that the Agbiz/IDC Agribusiness Confidence Index, which can be regarded as a lead indicator of the sector's performance, deteriorated by 10 points to 40 in the last quarter of 2023. This is its lowest level since the second quarter of 2020, at the height of the COVID-19 pandemic hard lockdown restrictions. Low confidence levels can be ascribed to numerous challenges, such as intensified delays and inefficiencies at the ports, deteriorating rail and road infrastructure, worsening municipal service delivery, increased geopolitical uncertainty and persistent loadshedding.[1]

We are hopeful that the new government of national unity will address these challenges."

How effective and efficient are the BKB governance structures?

BKB has a mature and well-embedded governance system with strong controls, balanced by appropriate flexibility. The latter serves us when the Board must deal with issues that need short-term attention while retaining focus on the decisions and deliberations that are material in the long term.

The Board is well-informed by management, and we have a good view of existing and emerging risks and opportunities. In the past year, high debtors and general credit risk remained our biggest risk factors. This has been evident for a wide spread of our customers. The Board is confident that care has been taken to put the necessary measures in place to reduce this risk, including provisions.

Cyber risk has become an increasingly worrying phenomenon and continues to receive focused attention. Good progress was made in strengthening our cyber risk defences and controls. We provide more detail on page 48.

Succession planning remains a priority as we continuously aim to improve the Board's composition, skills and experience. We also recognise the importance of retaining institutional knowledge for the Board and management. The Nominations and Remuneration Committee is in the process of recruiting a new Board member to replace Mhakama Mbikwana. She is taking up a new position in project financing within the banking environment. I would like to thank her for her input during her brief period of service on the Board and wish her well for the future.

[1] *https://agbiz.co.za/content/economic-research?page=market-research*

Chairman's message (continued)

How is the BKB strategy evolving?

The Board and management prioritised fixing the Group's underperforming businesses over the past few years. Having concluded these closures and divestments, we can focus on growth opportunities. We have developed more robust systems to evaluate growth opportunities, which should lead to better decision-making with regards to new investments in future.

Our new wool trading venture, Pinnacle Fibres, sustained early successes, and we continue exploring buying wool in the USA. We are also building relationships with businesses similar to BKB in Australia.

With a healthy balance sheet, BKB is now in a prime position to make strategic choices. Diversification efforts over the past few years delivered mixed results. As such, future diversification will likely be within our current value chains.

What are BKB's most significant social contributions and milestones?

From an operational sustainability point of view, we made significant strides to formalise and structure BKB's health and safety efforts. Key health and safety indicators have now been added to short-term incentive scheme performance criteria.

From an impact point of view, BKB continued a strong legacy of driving sustainability:

- BKB continued its partnership with H&M on the Biodiversity Restoration and Regenerative Land Management project.
- BKB continued driving regenerative agriculture for wool and mohair to enable farmers to better meet global market requirements. 105 farmers participated in FY24.
- BKB continued supporting farmers in obtaining responsible wool and mohair standard certification, confirming that their fibre comes from farms with a progressive approach to managing their land, and from sheep that have been treated responsibly. 18.6% of BKB producers are certified.

We are very proud of BKB's support to around 46 000 small and micro-producers in the Kei region and around 50 000 in Lesotho. This is evidence of our commitment to developing producers and supporting their success.

Last year no dividends were declared. Has the Board's position changed?

The BKB dividend policy has not changed and will remain at a 33% ratio, subject to Group performance. Last year, the Board decided against a dividend due to the Group's marginal profitability. The Board is proposing a gross dividend of 33 cents for FY24 based on solid performance and a healthy balance sheet.

What are the Board's priorities for the next financial year?

"The Board will drive a renewed focus on growth. Organic growth opportunities in South Africa are somewhat limited, but the international scope is attractive. Our aim will be to create value and scale."

In terms of divisions, the livestock business will likely receive the most attention, particularly related to debtors' management.

BKB has a strong executive management team and some new managers were appointed in key positions this year. The Board expects these leaders to be role models in living BKB's values and delivering on the Group's mission.

The Board will ensure that the Group maintains strict financial discipline and a strong ethical culture. This will build on work done by the Board in the past year to approve and implement ethics-related policies, including a new charter for the Social, Ethics and Sustainability Committee and codifying tight independence and conflict of interest policies for the Board and executive management. Ethics training is compulsory and will continue to form part of the campfire conversations with all our employees.

The Board is conscious that BKB's current low share price does not reflect the intrinsic value of its businesses. Low trading volumes, coupled with small parcels of shares actually traded, remain major factors affecting BKB's share price. We are, however, optimistic that the share price will rise and start reflecting the improved results over time, complemented by a pipeline of growth opportunities that will create value for all stakeholders.

I would like to thank the whole Board, especially the Vice-Chairman, Adrian Meyer, and the Chairman of the Audit Committee, Charles Staple, for their support and the contribution they made to BKB this past year. I would also like to sincerely thank management for a job well done.

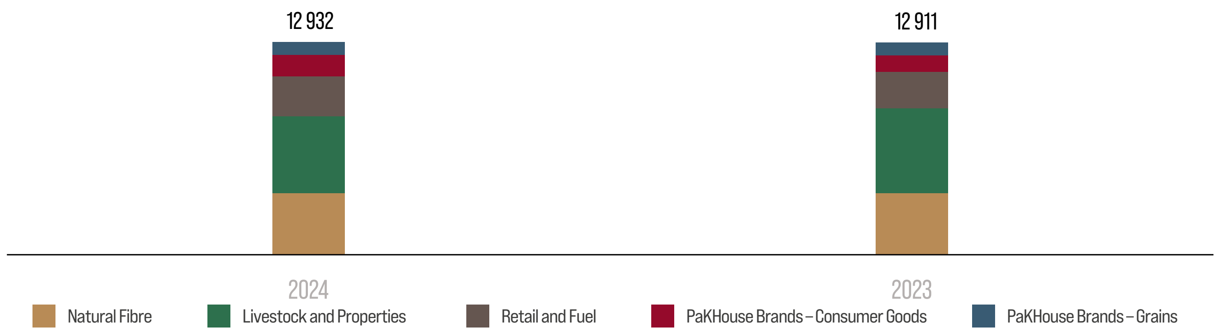
Geoff Kingwill

Geoff Kingwill
Chairman

Divisions and brands

BKB structures the Group into segments that are used by the Board and executive management to make key strategic and operating decisions and assess performance. In the narrative of this report, we distinguish between five segments. Read more about segment reporting on page 38.

Value of business contribution by major continuing operations (R'million)



Natural Fibre

Snapshot

The Natural Fibre Division aims to maximise returns for wool and mohair producers. BKB provides a marketplace, warehousing, logistics, and an advisory function for producers. We sell wool and mohair to international markets where it is processed further.

Scale of operations

- 143 200 m² total warehouse space
- 70 technical advisors

Services and products

- Wool and mohair brokerage
- Technical field services
- Fibre trading services
- Financing options
- Warehousing and logistical services
- Analytical data services

Our Brands

BKB Wool & Mohair

Selling wool and mohair primarily to international markets.

DSS Identify. Inspect. Improve.

Smartstock uses the Decision Support Services (DSS) management tool to provide an on-farm data analysis service to livestock farmers, assisting producers in analysing their production systems to improve efficiency and profitability.

BKB Pinnacle Natural Fibres

Our wool trading business was established to find and develop additional markets for South African animal fibres. It trades greasy and processed wool from South Africa, America, and Australia to various destinations.

The House of Fibre

Our bespoke mohair service provides brokerage and on-farm services to producers in South Africa and Australia.

Lihoai Consultancy Services

Our consultancy business that coordinates and facilitates logistics for Lesotho wool and mohair growers.

BKB AgriFin

We offer interest-bearing credit lines to producers and traders.

Divisions and brands (continued)

Livestock and Properties

Snapshot

The Livestock and Properties Division uses its extended regional footprint and auction infrastructure (open-cry and online) to facilitate market access for buyers and sellers of livestock, agricultural equipment and properties.

Scale of operations

- 10 livestock agent branches
- 50 livestock auction points
- 6 property agent branches

Services and products

- Calendar auctions
- Stud auctions
- Liaison transactions
- Digital and simulcast auctions
- Agricultural implements auctions
- Farm properties
- Residential properties
- Commercial properties
- Property rentals
- Financing services

Our Brands

BKB Livestock & Auctioneering

Marketing livestock, properties, and agricultural equipment through auctions and liaison transactions.

Home & Hectare Real Estate – At Home with Trust.

We specialise in residential and commercial property, estate living, agricultural land and farms.

BKB AgriFin

We offer interest-bearing credit lines to producers and traders.

Divisions and brands (continued)

Retail and Fuel

Snapshot

The Retail and Fuel Division provides a complete range of production inputs, production financing, fuel and other retail products to a broad spectrum of agricultural producers and the general public.

Scale of operations

- 54 agri-retail shops
- 5 commercial forecourts
- 2 distribution centres
- 1 veterinary wholesaler

Services and products

- Fuel
- Fertilizer
- Seed
- Veterinary products
- Animal feed
- Shearing equipment
- Irrigation equipment
- A wide range of essential farming requisites and consumer products
- Convenience stores
- Production financing
- Online shopping

Our Brands

BKB RETAIL

We have an online store and numerous physical shops across the country, especially in rural farming areas. Our extensive product offering includes agri-equipment, animal health products, and a diverse range of options for farmers and the general public.

BKB FUELS

We combine our fuel offering with our retail shops.

PaKHouse Brands – Consumer Goods

Snapshot

The Consumer Goods Division supplies sugar and related consumer products to local wholesale and retail buyers.

Scale of operations

- 1 processing plant

Services and products

- Procurement
- Packaging
- Logistics
- Marketing and selling

Our Brands

PAKHOUSE BRANDS

The holding company of the Grains and Consumer Goods subsidiaries within the Group.

ATLANTA

Atlanta pre-packs, sells and markets agri-based consumer goods in South Africa and Eswatini. Products include sugar and grain products sold mainly to South African wholesale and retail buyers.

Divisions and brands (continued)

PaKHouse Brands – Grains

Snapshot

This segment provides services to South African grain producers, millers, traders and processors. It also supplies intermediate manufactured yellow maize products to blue-chip local buyers.

Scale of operations

- 10 SAFEX-accredited grain depots
- 8 on-farm depots
- 1 maize mill

Services and products

- Storage and collateral management
- Procurement, packaging, manufacturing, logistics and selling

Our Brands

GRITCO

Gritco mills, sells and distributes yellow maize products, including grits, meal and flour, for the South African market. The by-product from the mill is sold as animal feed.

BKB GRAIN STORAGE

Storage and collateral management of grains for producers, enabled by strategically located depots within grain-producing regions in South Africa.

Refer to Appendix A on page 174 for a more detailed breakdown of the legal entities in the BKB Group structure.

Vision, mission and values

We have built a reputation as the Trusted Home of Agriculture in our home market by living our values. We take this reputation, built on long-lasting relationships, seriously and continue to deliver on our vision and mission.

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

Integrity is in our hands.

SERVICE EXCELLENCE

Service excellence is in our hands.

ENCOURAGE ENTREPRENEURSHIP

Opportunity is in our hands.

DRIVE EARNINGS

Prosperity is in our hands.

VALUE EMPLOYEES

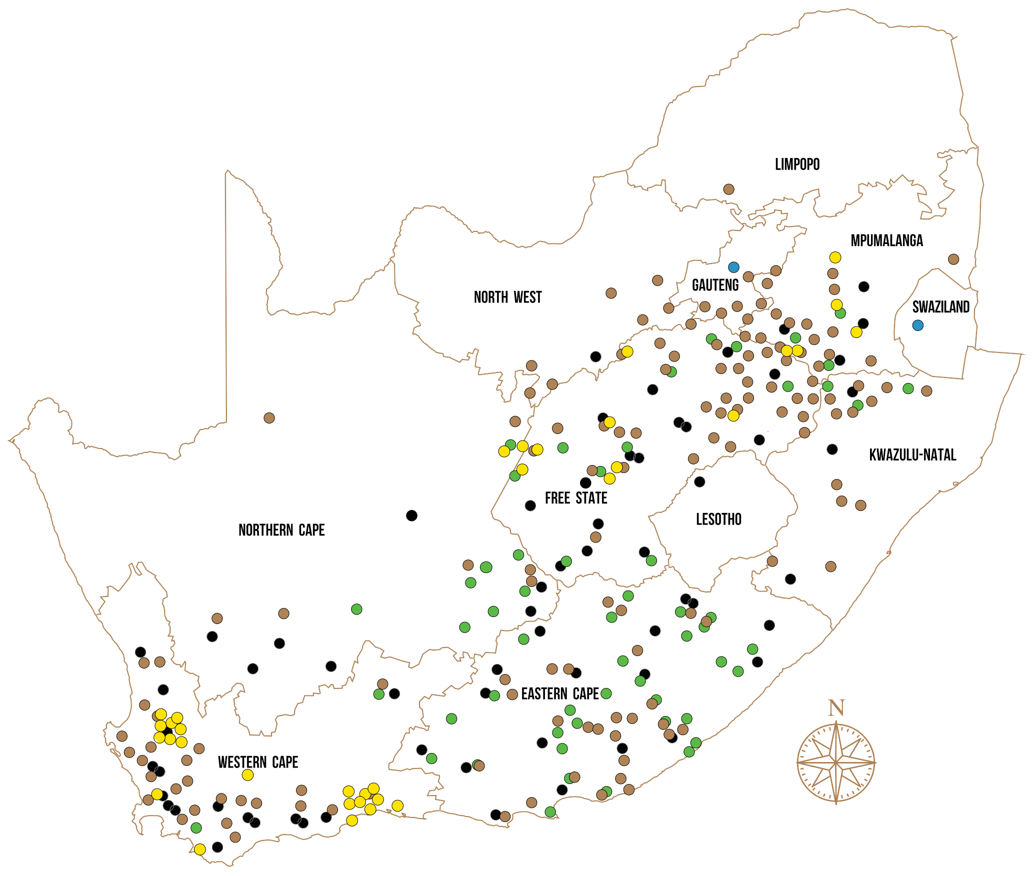
Respect is in our hands.

CONSERVE THE ENVIRONMENT

The environment is in our hands.

Our footprint

BKB has an extensive footprint that covers all South African provinces. Our network is particularly strong in rural and farming areas, where retail and fuel stores are often the only consumer touchpoint in small towns.



MAP KEY

- Natural Fibre
- Retail and Fuel
- Livestock and Properties
- PaKHouse Brands – Consumer Goods
- PaKHouse Brands – Grains

Our business model

Our extensive service offering supports stakeholders across the wool, mohair, red meat, grain and sugar value chains.

BKB's business model summarises how the Group's business activities transform inputs into outcomes. Inputs include resources and relationships and are structured according to six capitals. Outcomes illustrate where we created, preserved or mitigated the erosion of value according to those capitals. The business model demonstrates how we deliver on our mission to maximise value creation through innovation and efficiency.

Value can take the form of financial returns, employment, skills development and investments in the communities we serve. We also create value for the planet by optimising operational efficiency and by supporting our producers to advance sustainability practices on their farms.

Inputs and resources

Financial

We use revenues generated and retained, the Group's balance sheet and credit facilities to fund operations and growth. Disciplined cash flow and capital management enable us to achieve targets.

Manufactured

We have offices, branches, retail shops, warehouses, processing and packaging facilities and mills. Equipment includes presses, balers and vehicles. We rely on our auction facilities, those owned by business partners and public infrastructure such as ports and roads.

Intellectual

Our team has deep knowledge across the value chains in which we operate. We own consumer brands and branded systems related to auctions, data capturing, and physical and e-commerce retail shops. We depend on protocols such as biosecurity and health and safety. We also use external intellectual property such as the responsible wool and mohair standards (RWS[1] and RMS[2]), and other certifications.

BKB's values drive ethical behaviour.

Human

BKB depends on employees and their critical skills and experience, built over many years in our agri-related businesses. Training and development programmes, such as the BKB development centre, invest in enhancing current and potential employees' capabilities.

Social and relationship

We have strong relationships with producers, some of which span generations. Long-term relationships with customers are premised on delivering quality. We actively engage with other stakeholder groups, including communities, industry associations and government departments.

Natural

We use and track energy, water, and diesel consumption in our operations.

BKB and our producers are dependent on healthy livestock and ecosystems.

Business activities and outputs

BKB is an enabling partner to various stakeholders across the agri-value chain. The key stakeholders we do business with are our producers, livestock traders, international customers, retail consumers and food manufacturers.

Farming

At the farm level, we support producers with technical field services (e.g., growing advice, data management, and shearing) and offer a variety of agri-inputs through our retail shops.

Processing and storage

We transport, store, process and pack natural fibre, livestock, sugar and grain.

Finance

We offer producers and traders finance (e.g., advances and loans).

Sales and retail

Natural fibre, livestock, grain, sugar and properties are sold or leased through different mechanisms, including auctions, trading and retail. From this, BKB earns income, fees and commissions.

[1] Responsible Wool Standard.
[2] Responsible Mohair Standard.
[3] Return, excluding discontinued operations.
[4] Earnings per share.

Read more about the context and initiatives mentioned in the business model in the Managing Director's (MD) report from page 25, the sustainability impacts chapter from page 52 and operations reviews from page 38.

Outcomes

Financial

ROFE[3]	Net debt to EBITDA	Normalised EPS[4] growth
16% (2023: 10.8%)	1,8 (2023: 3,8)	54%

- Financial value increased compared to FY23
- The closure of Desert Raisins and AlphaAlfa resulted in a release of capital and reduced working capital requirements
- BKB proposed a gross dividend of 33 cents

Manufactured

- Retail optimisation efforts resulted in lower stock holding
- Capital investment in the Bethlehem mill added capacity and efficiency improvements increased utilisation and output

Intellectual

- 1 400 natural fibre producers farming with 3,4 million sheep and 484 000 goats on 8,4 million hectares comply with the RWS and RMS standards
- Increased data available with which to inform flock-related decisions
- 6 certifications

Human

- 1 838 people employed with a low turnover rate of 3.6%
- R487,3 million paid in salaries and wages
- 976 employees completed training and development programmes
- 126 bursaries, 18 learnerships and 19 internships were awarded

Social and relationship

- BKB handled more than 60% of the South African wool clip and 70% of the mohair clip
- R2,5 billion worth of animals were sold on auction, and 10 auctions, on average, were hosted daily across the country
- Our Natural Fibre Division handled the produce of 7 500 commercial farmers and 90 000 emerging and small farmers

Natural

- Responsible environmental, social and animal welfare practices were ensured through RWS-certified wool (11 million kgs) and RMS-certified mohair (1,5 million kgs)
- 100 000 litres rainwater capacity

Our history

Celebrating more than a century of milestones

Our story spans more than a century and is underpinned by lasting relationships, values and trust.

Over the past 105 years, achievements included BKB's expanding position as the leading natural fibre broker and livestock auctioneering business in Africa, along with the diversification of our business, locally and internationally.

In the coming years, we will accelerate growth through innovation, efficiency and by continuing to create value for our stakeholders.

1919

The first wool cooperative, FCU, was established in Gqeberha.

1920

BSB (wool cooperative) was founded in Cape Town and relocated to Gqeberha in the same year.

1925

WGA (wool cooperative) was founded in East London.

1927

KWB (wool cooperative) was founded with its head office in Belfast and moved to Durban.

1975

BKB was founded by amalgamating FCU, BSB and KWB.

1998

BKB converted and restructured from a cooperative to a public company.

2005

Acquired BKBLouwid (Livestock Marketing and Auctioneering).

BKB transferred 15% shareholding ownership to producer-owned trusts in Ciskei, Transkei and Lesotho.

2007

Acquired BKB van Wyk (Livestock Marketing and Auctioneering).

Acquired BKB GrainCo and Gritco (Grain storage, trading and milling).

2010

Established BKB Agrifin (Agri Finance).

2011

Merged with East Cape Agricultural Cooperative (ECAC).

Our history (continued)

2013

Established PaKHouse Brands and acquired Atlanta Sugar.

2016

Acquired 75% of Fruits du Sud (Pty) Ltd (Raisin processing and exports).

2017

Established AlphaAlfa (Lucerne processing and exports).

Acquired RFID Experts Africa (Radio frequency identification and data transfer systems).

2019

BKB Properties repositioned as Home and Hectare Real Estate and acquired Solomons Crafford Real Estate.

Acquired BKB Riverview (Livestock Marketing and Auctioneering).

Commissioned a second grit mill (Gritco) in Bethlehem.

BKB launched "BKB SHIFT" as a digital transformation business.

BKB celebrated 100 years of trust with a staff complement of 3 608 employees and 62 000 customers.

2020

Wolf Edmayr, CEO for 15 years, retired. Johan Stumpf (new MD) and Jannie van Niekerk, (FD), joined amid the COVID-19 pandemic.

The start of a consolidation phase.

PaKHouse Brands acquired the remaining 25% of Fruits du Sud and rebranded the business to Desert Raisins.

2021

Landbank financing settled and new commercial bank facilities secured.

BKB producers became the biggest suppliers of RWS wool and RMS mohair worldwide. (Responsible Wool and Mohair Standards).

2022

Listed successfully on the Cape Town Stock Exchange.

Acquired GWK's southern livestock business, including Humansdorp auction point.

Established BKB Pinnacle Fibres (fibre trading business).

Sold RFID Experts to Datamars and closed BKB SHIFT.

2023

Acquired the Provident Group of health retail companies in the former Transkei.

Sold the Bultfontein Gritco mill.

Discontinued Desert Raisins operations and AlphaAlfa's high-density press businesses.

2024

The consolidation phase initiated in 2020 concluded with the disinvestment from Desert Raisins and AlphaAlfa. Pinnacle Fibres partnered with American Wool Partners.

Our stakeholders

Through consistent engagement, we continue to strengthen our relationships and networks. We disclose the way we engaged with key stakeholder groups over the past year, the priorities that emerged, and actions we took in response.

Employees

Our employees include a diverse range of people, locations, skills and experience.

ENGAGEMENT APPROACH	KEY ISSUES RAISED	OUR RESPONSE
• "Campfire" sessions every second month for line managers and their teams to discuss relevant topics (e.g. ethics, health and safety, cyber security). Feedback gets collated, analysed and dealt with appropriately. • The response rate to our biannual employee engagement survey increased to 62% (2022: 42%). • Quarterly MD business performance feedback sessions for middle management. • We have union shop stewards in each division. • The Natural Fibre Division has structured quarterly meetings with unions.	• 70% of employees stated they get job satisfaction at BKB via the employee engagement survey. Communication and transparency around fair promotion were areas of improvement. • Losing critical skills and older employees with institutional knowledge. • Difficulty in attracting young talent with families to rural towns. • Medical aid offerings provide inadequate cover or irrelevant benefits in rural areas. • Recent wage negotiations were settled smoothly and amicably. • Several new and smaller unions have emerged.	• We nurture potential talent through a development centre that facilitates learning and includes mentoring as part of succession planning. • We announce annual values award winners recognising behaviours we strive for. • We are considering medical aid options that are better suited to our employees. • All divisions were tasked to create action plans that ensure fair promotion. • We are making continuous efforts to ensure remuneration parity. • We opened our MD's feedback sessions to include all employees. • We introduced WhatsApp functionality to broadcast to employees. • Our Down to Earth mailer is sent to all employees and contains information about BKB's sustainability initiatives. • We engage with smaller unions more regularly to ensure they become familiar with our business and industry. • Transparent communication over several months enabled retrenchments to take place amicably.

Read more in our social responsibility section on page 60.

Our stakeholders (continued)

Customers

BKB's customers range from international buyers of natural fibres for processing to local traders and processing specialists. We sell milled grain to large food companies, livestock to traders through auctions and consumer products to individuals and producers who buy from our retail and e-commerce shops.

ENGAGEMENT APPROACH	KEY ISSUES RAISED	OUR RESPONSE
• We engage with retail customers in our stores and online. • We work with H&M on the Biodiversity Restoration and Regenerative Land Management project. • We engage with customers at auctions and events.	• Our customers are taking strain due to challenging operating conditions and the prices of wool, mohair and red meat. The generally depressed economic conditions in South Africa contribute to the situation. • Sustainability requirements, especially in Europe, are advancing. Companies increasingly seek responsibly sourced materials and prefer South African wool because we can demonstrate traceability.	• We are recording environmental data at our sites, including at our grit mill, as required by internationally recognised accreditation standards, including ISO[1] for quality and environmental management and SMETA[2] for ethical trade practices.

[1] *International Organization for Standardization.*
[2] *Sedex Members Ethical Trade Audit.*

Producers and suppliers

Producers include wool, mohair, livestock and grain farmers. BKB's suppliers provide us with equipment, vaccines, fuel and many other items that we use or resell. These also include business partners such as auction facilities.

ENGAGEMENT APPROACH	KEY ISSUES RAISED	OUR RESPONSE
• We engage through advisory services on farms. • Our Down to Earth mailer shares sustainability information with external stakeholders. • Training through engagement on the standards at farms. • Events such as auctions, shows and property showcases. • Divisional Facebook groups. • Market research on wool and mohair.	• More structured sustainability practices aligned with global requirements. • Wool, mohair and red meat prices.	• We support producers to implement social, environmental and animal welfare best practices. This year, we piloted the NXT programme with producers. • BKB, producers, a global retailer and others collaborated to create a regenerative agriculture standard (read more on page 56). • We offer our producers advances on the stock we hold on their behalf. • The DSS system assisted producers to collect data and make informed decisions to maximise income per animal.

Our stakeholders (continued)

Industry bodies

We participate in, and have membership of, several industry associations that promote best practice in agriculture, influence policy or work with government to address national challenges.

ENGAGEMENT APPROACH	KEY ISSUES RAISED	OUR RESPONSE
• We participate in various producer organisations and groupings by attending meetings and other forums. • Organisations include Agbiz, Cape Wools SA, the National Wool Growers Association, the South African Mohair Growers Association, the Red Meat Producers' Organisation and the International Wool Textile Organisation.	• The state of South Africa's national infrastructure, including its ports. • Trading policy and regulations. • Alignment on industry standards and best practices.	• Through Agbiz, we engaged government departments to support the smooth running of Gqeberha's ports.

Investors, shareholders and capital providers

BKB is listed on the Cape Town stock exchange and has 4 271 shareholders. We attract investors who prefer long-term value creation, who understand agricultural cycles.

ENGAGEMENT APPROACH	KEY ISSUES RAISED	OUR RESPONSE
• We engage with our shareholders and investors through our annual report, annual general meeting, and by sharing updates on our website and social media. • We regularly have private engagements with our banks to maintain a strong and transparent relationship.	• Share liquidity and share price. • Responsible capital allocation. • Growth opportunities.	• We listed on the CTSE to make our shares easier to trade. • Our debt situation improved significantly. • We continue to have an open, constructive and transparent relationship with all our financiers.

Our stakeholders (continued)

An overview of BKB Limited

Communities

BKB is a strong brand in rural and farming communities, which we serve through our retail shops and branches.

ENGAGEMENT APPROACH	KEY ISSUES RAISED	OUR RESPONSE
• We regularly engage with the communities that surround and support our businesses through our retail shops, job creation and training.	• Food security, safety and service delivery are important themes in rural communities. • Retrenchments after the closing of operating businesses.	• Our socio-economic development spend was R1,1 million. • We had early engagement with our employees to ensure that they were forewarned about the potential family and community impacts of retrenchments.

Government

Government is an important enabler of trade and business growth, especially in the agricultural sector. We rely on local government for infrastructure and services.

ENGAGEMENT APPROACH	KEY ISSUES RAISED	OUR RESPONSE
• We engage with government primarily through industry bodies like Agbiz. • We engage with Department of Agricultural representatives who are present at our auctions and inspect our sites and producers' farms.	• Animal welfare, biosecurity, food security and exports.	• Through a partnership with the Department of Agriculture, farmers were able to redeem vaccinations from our shops.

OUR PERFORMANCE

Johan Stumpf
Managing Director

Managing Director's report

We concluded an important strategic rightsizing phase at BKB in the past year. We are now consolidating our position and preparing to enter a new growth phase.

1 RIGHTSIZING THE BUSINESS (2021 – 2023)

- Two- to three-year period to dispose of/discontinue underperforming businesses:
  - Desert Raisins operations closed
  - AlphaAlfa lucerne press business closed
  - Milling business turnaround
- Closure costs were higher than anticipated

2 CONSOLIDATION (2024)

- Strong balance sheet and good level of profitability
- AlphaAlfa lucerne business fully closed
- Addressed employee uncertainty following retrenchments
- Bethlehem Gritco mill is profitable and sustainable
- Sugar business is growing with good market response to the NuLife low glycaemic sugar brand
- Retail and Fuel Division had a record year with the same footprint

3 GROWTH (2024 ONWARDS)

- Responsible capital allocation based on rightsizing learnings
- Pipeline of growth opportunities to explore, including possible international ventures
- Continued support to Livestock and Properties, and Natural Fibre Divisions, which remain under pressure

STRATEGY IMPLEMENTATION FOCUS

Invest/divest | Manage for earnings and growth | Protect and build selectively

"Profit before tax from continuing operations amounted to R245,3 million (2023: R180,9 million). The Retail and Fuel Division, Atlanta Sugar and PakHouse Brands Grains were the strongest performers, whereas the Livestock and Properties Division was under pressure. Losses before tax from discontinued operations amounted to R113,5 million (2023: R161,1 million)."

Managing Director's report (continued)

A year of consolidation and resilience

Divergent global and local events impacted BKB's financial year. International markets were subject to geopolitical conflicts, elections and damaging weather events. In South Africa, we experienced similar disruptions, with global supply chain challenges compounded by port and harbour infrastructure difficulties.

Despite external turmoil, BKB successfully focused on internal performance drivers, stock management, financial discipline and people.

As a result, we outperformed all expectations. Revenue increased by 14.6% to R6,6 billion (2023: R5,7 billion), mainly driven by the Retail and Fuel and Consumer Goods divisions. Operating profit reached R327 million (2023: R252,6 million) on the back of prudent cost control.

Excellent performance in the Retail and Fuel Division was driven by a significant optimisation in stock levels and improved profitability. The acquisition of the Provident Group of health retail companies in the former Transkei in 2023, contributed to good performance.

The other star performer of the year was Atlanta Sugar. Consumers tend to choose cheaper energy sources when under financial strain, resulting in higher sugar demand. BKB has gained procurement advantage and market share due to recent changes in the sugar industry.

The PaKHouse Brands – Grains segment's performance remains directly linked to climate trends and events in terms of crop volumes and quality. The past few years have been favourable, with no major droughts in both winter and summer rainfall areas. This year, we experienced dry conditions in February and March, affecting volumes. The Bethlehem mill increased capacity with low investment and is now processing roughly the same yellow maize volume as the combined output of the two mills in the past. A strong management team delivered impressive efficiency gains.

Livestock performance context

Red meat prices for FY24 remained low due to muted consumer demand and a global oversupply of meat from Australia. The latter was caused by farmers reducing the size of their herds and flocks to limit feed costs during the drought. This affected export market demand for South African meat.

Following more favourable weather conditions in Australia, global prices are expected to normalise.

Red meat remains a good source of protein, but due to affordability challenges, consumers are substituting red meat with other forms of protein, thereby affecting demand.

Low meat prices and high interest rates put South African livestock farmers under significant debt pressure, resulting in late payments and defaults.

With the entire livestock value chain taking significant strain, auction volumes declined and trade margins were under pressure.

BKB took measures to manage increased credit risk and potential losses by appointing a new General Manager for the division and increasing financial controls at branch level. This includes tighter auction registration criteria for buyers and associated credit offerings. The loss allowance provision against livestock debtors increased by 64.6% to R54,1 million, driven by a major customer who is considering business rescue.

An FMD outbreak in the Eastern Cape towards the end of 2023 impacted negatively on the level of activity at the Humansdorp auction centre.

Prospects for this division are highly correlated to economic growth in South Africa and consumers' ability to afford red meat.

Natural fibre performance context

Wool prices are below their long-term averages as a result of worldwide economic conditions. Customer affordability constraints continued driving a preference for synthetic fibres, accounting for most of the world's fibre consumption growth in the past four decades. Although natural fibre production is still profitable, we believe these profit levels would be higher if trading conditions were more favourable.

Exports to China recovered this year, but are still subject to muted European markets. We are slowly diversifying our natural fibre exports. Pinnacle Fibres, BKB's fibre trading business established in 2022, is performing very well and is unlocking new markets.

Managing Director's report (continued)

New management and capacity

A new General Manager (GM) was appointed in the Livestock and Property Division, with the previous GM now focussing on key projects in the Group. We also appointed a Senior Manager for internal audit. This appointment will give fresh momentum to regular and specialised audits and equip internal audit to consider the application of new technology.

A further key appointment was a Senior Manager for legal compliance and sustainability, who will be responsible for health and safety, sustainability and labour relations, among other duties. His focus on safety awareness has improved reporting. Employees are actively encouraged and equipped to properly report health and safety-related incidents. This enables us to react quickly and put in place preventative measures to deal with any potential risks.

We regret the job losses during the business consolidation phase, where 186 employees were retrenched due to business closures and restructuring. We followed a formal, consultative process in this regard. Divesting from these loss-making businesses ensures stability for the staff in our continuing operations while positioning our business for future growth that will support employment opportunities.

People and culture

We are committed to empowering and developing our employees through our extensive training, learnership and internship programmes. BKB's development centre is becoming a key aspect of our employee value proposition. At the centre, candidates do psychometric assessments to develop targeted development plans. They are also assessed against BKB's competency framework through simulation exercises. This creates a robust internal succession pipeline. 18 candidates were tested by the development centre this year.

We also have post-retirement contracts where we tap into experienced people with institutional knowledge to help train and develop young talent.

BKB's quarterly employee engagement survey highlights areas where we can improve our relationship with employees. In the latest survey, our score level was similar to the previous survey, but the participation rate increased from 43% to 63%. This is very encouraging, as it tells us that employees experience that management is listening and addressing matters that are important to them.

Sustainability focus areas

We are mindful of BKB's potential impacts on all strategic decisions, particularly around capital allocation. As such, we track ESG risks and opportunities across our value chain.

The deterioration of small rural towns in South Africa is a particular concern with far-reaching effects on the business. Other than operational risk due to failing road and service infrastructure, these towns no longer attract young talent because of a lack of medical and educational facilities. This affects our ability to recruit employees and achieve transformation.

In terms of energy use, all retail shops and most offices and warehouses are now equipped with solar or backup facilities. The Bethlehem mill is the biggest user of energy in the Group and can also operate during loadshedding.

We maintain relationships with a wide range of stakeholders as our business impacts communities and livelihoods that are often exposed to poverty and unemployment. BKB recognises this responsibility and will always attempt to balance the needs and requirements of all stakeholders fairly.

As a member of Agbiz, BKB is an active industry participant. We engage with government directly where appropriate.

Outlook

BKB earns its reputation as the Trusted Home of Agriculture anew every day. We build our legacy through the hard work and commitment of our employees and with the support of our stakeholders. As such, we recognise the importance of a common purpose and strong communication. We will continue our bimonthly campfire chats and quarterly MD feedback sessions to track BKB's performance and progress.

In the next financial year the focus will be on growth initiatives, including opportunities in the USA and Australia. BKB has a strong balance sheet, proven ability to optimise working capital, and deep industry knowledge. This gives us a solid base to assess future strategic decisions.

In South Africa, we will continue to serve our producers, innovate, and prepare them for ever more onerous global market demands.

We are optimistic about the business and prospects for South Africa.

I would like to express deep gratitude to the Board for their continued support and guidance over the year. My sincere thanks to the executive team, every BKB employee and our producers for their collective efforts. Together, we look forward to another successful year ahead.

Johan Stumpf
Managing Director

BKB's strategic roadmap

We aim to continue building a resilient and diverse business, focusing on value chains we know, to support BKB to thrive over the next decade and beyond.

Our strategic approach

BKB has been in existence for more than 100 years and, in this time, has become a trusted agricultural brand. We know that maintaining and building on this legacy, which is underpinned by strong relationships and trust across our value chains, requires long-term thinking. Being in the agricultural industry, we are familiar with the cyclical nature of harvests, weather, market conditions, etc. Taking a long-term view is what sees us through these cycles.

As an operating agricultural Group, we are actively involved in the companies we buy and invest in. We continuously work to improve operating efficiencies.

Over the past four years, we focused on making high-potential businesses in our portfolio profitable. In addition, we also divested from loss-making businesses. We learnt valuable lessons from the experience and, in FY24, found ourselves having turned a corner. We have emerged from a phase of fixing and divesting as a business with a strong balance sheet, profitable divisions and a greater understanding of where our resources should be focused.

Our goal over the next five years is to carefully deploy capital and resources into the value chains where our core expertise lies. Our aim will be to remain one of the country's leading agricultural businesses, driving healthy growth and adding value to all stakeholders. To ensure the resilience of the business, we will also consider investment opportunities outside of South Africa to complement our strong foundation here.

2024 strategy implementation progress

	STRATEGIC DRIVERS		
2021 - 2024	PROTECT AND BUILD SELECTIVELY	MANAGE FOR EARNINGS AND GROWTH	DIVEST/ INVEST
2024 onwards	PROTECT AND BUILD SELECTIVELY	MANAGE FOR EARNINGS AND GROWTH	INVEST

BKB's strategic drivers remained largely unchanged from 2021. In FY24, we concluded the rightsizing of the business, resulting in the "invest/divest" driver becoming "invest".

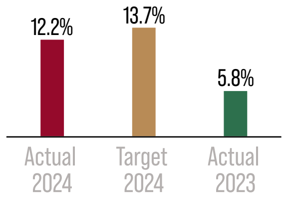
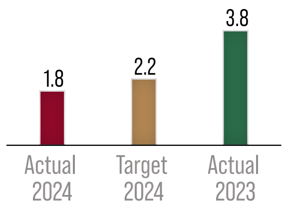
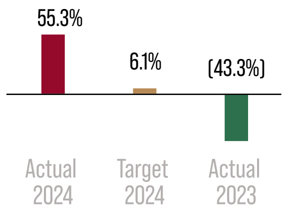
BKB's strategic roadmap (continued)

	PROTECT AND BUILD SELECTIVELY	MANAGE FOR EARNINGS AND GROWTH	DIVEST/ INVEST
Description	• BKB is a market leader in many of the markets we operate in, particularly fibre, livestock and retail. Our objective is to maintain our leading position and, in certain cases, build on this position.	• We invest in businesses to bring product and geographic diversification to the Group (including through export-based earnings). Because these acquisitions are primarily executed by leveraging the balance sheet of the target companies, they need to be well-managed to achieve profitability. We seek to exploit synergies between divisions within our Group and with external partners.	• We continually review investment opportunities. We identify future growth areas in value chains where we have expertise, including internationally. A strict due diligence process increases the probability of successful integration into BKB.
Progress in FY24	• We want to make our market-leading businesses even more effective and customer-orientated by exploiting synergistic opportunities and investing in newer technology (e.g., digital platforms). • We optimised our stock holding, ensuring fewer out-of-stock positions. This increased inventory turnover and profitability. Building on our leading position in many rural towns, we captured a market neglected by other retailers and now offer customers more everyday consumables and groceries.	• We improved earnings through efficiency, product innovation, product quality and brand development. • In FY24, we built on the consolidated milling operations in Bethlehem, which continues to yield positive results.	• The divestments from Desert Raisins and AlphaAlfa took longer than anticipated and were more costly than expected. • We are now exploring new opportunities in the USA and Australia. • We are also considering investing to expand the fibre trading business and a new agri-tech venture.

BKB's strategic roadmap (continued)

Key performance indicators

We monitor three financial metrics to measure the successful implementation of the Group's strategic drivers. General managers across the divisions use these metrics to drive decisions and performance throughout the Group.

STRATEGIC INDICATOR	WHY WE MEASURE THIS	TARGET	PERFORMANCE
ROFE	This ratio indicates how effectively funds available to the business are used. ROFE should outperform BKB's weighted average cost of capital (WACC).	Historically, BKB achieved returns of between 1.5% and 3% above WACC, which remains the goal.	
Net debt to EBITDA	This ratio indicates how much balance sheet risk is taken to generate returns. Careful use of debt ensures that we can take advantage of investment opportunities when they arise, repay debt when required to do so and manage our finance costs optimally.	Traditionally, BKB performed extremely well on this metric.	
Normalised earnings per share (EPS) growth	Growth in normalised EPS ensures the business continues to grow while effectively managing funds and debt.	BKB strives to achieve growth in normalised earnings of between 1% and 4% above CPI.	

Five-year financial summary

	CONTINUING OPERATIONS		ALL OPERATIONS				
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
Statement of profit or loss							
Value of business	12 932 483	12 910 850	13 240 925	13 557 205	14 277 492	13 213 136	11 100 715
Revenue/Turnover	6 561 802	5 725 105	6 870 244	6 371 460	6 093 786	5 544 979	4 992 180
EBITDA[1]	394 755	325 475	320 451	264 953	310 386	282 526	170 222
Depreciation and amortisation[2]	67 788	72 853	70 684	129 021	73 387	67 158	65 872
Operating profit	326 967	252 622	249 767	135 932	236 999	215 363	104 350
Finance expense (net)	81 682	71 722	117 955	116 107	65 368	66 517	85 582
Income tax expense	75 044	54 590	44 538	9 971	53 785	43 934	10 200
Profit for the year	170 241	126 310	87 274	9 854	117 846	104 917	8 568
Headline earnings	173 660	138 108	91 791	59 872	105 541	104 489	29 076
Statement of financial position							
Non-current assets			1 148 807	1 140 099	1 132 568	1 134 519	1 075 674
Current assets			1 735 302	1 962 982	1 805 268	1 701 637	1 724 960
			2 884 109	3 103 081	2 937 836	2 836 156	2 800 634
Total liabilities			(1 406 360)	(1 773 118)	(1 581 563)	(1 548 689)	(1 625 328)
Total shareholders' equity			1 477 749	1 329 963	1 356 273	1 287 467	1 175 306
Net interest-bearing debt			561 169	1 002 269	809 071	789 875	877 505
Statement of cash flows							
Cash flow from operating activities			474 230	(12 924)	92 957	188 869	177 306
Cash profit after tax from operations			223 333	134 927	168 015	192 070	51 011
Working capital changes			250 897	(147 851)	(75 058)	(3 201)	126 295
Cash flow from investing activities			(28 438)	(96 614)	(79 531)	(99 802)	(21 139)
Cash flow from financing activities			(426 362)	92 270	87 981	(145 229)	(44 354)
Net cash flows for the year			19 430	(17 268)	101 407	(56 162)	111 813

	2024	2023	2022	2021	2020
Ratios					
ROFE (%)[3]	12.2	5.8	10.7	10.6	5.8
Return on equity (%)	5.9	0.7	8.7	8.1	0.7
Dividend yield at closing price (%)	6.6	–	4.2	4.4	0.5
Total shareholders' equity: Total assets employed (%)	51.2	42.9	46.2	45.4	42.0
Net interest-bearing debt: Total assets employed (%)	19.5	32.3	27.5	27.9	31.3
Net interest-bearing debt: Total capital (%)	27.5	43.0	37.4	38.0	42.7
Net interest-bearing debt: Total shareholders' equity	0.4	0.8	0.6	0.6	0.7
Net interest-bearing debt: EBITDA (times)	1.8	3.8	2.6	2.8	5.2
Performance per share					
Number of shares in issue ('000)	88 407	88 407	88 407	88 407	88 407
Share price at 30 June (cents) (last traded price)	500	570	1 010	900	1 000
Headline earnings (cents)	117	76	134	133	37
Dividends (cents) (proposed gross)	33	–	42	40	5
Net asset value (cents)	1 672	1 504	1 534	1 456	1 329

[1] *Earnings before interest, taxation, depreciation, impairments, amortisation and revaluations.*
[2] *Includes cost of sales depreciation, impairments and revaluations.*
[3] *Return (Operating profit) on funds employed (Excludes cash, borrowings and taxation).*

Jannie van Niekerk

Chief Financial Officer

Financial Director's report

Key factors impacting FY24's financial performance

The continuing operations in the Group performed well this year. The Group produced solid overall performance, despite the negative impact of depressed commodity prices and higher than expected disinvestment costs.

In last year's annual report, we advised stakeholders that the winding down of the raisin operations will continue in FY24, but that we look forward to a significant improvement in profits as well as a reduction in working capital. We also disclosed an inventory optimisation project within the Retail and Fuel Division, which would further support an improved ROFE performance.

We are pleased to report results which are in line with expectations and plans. Robust cash generation enabled the Group to almost halve its net interest-bearing debt from R1 billion to R561 million. The Natural Fibre Division replicated its good performance of FY23, while the Trade and Fuel Division reported a record operational performance (operating profit grew 37%). Atlanta Sugar, within the Consumer Goods segment, continued its growth momentum for the third consecutive year, reporting an operating profit growth of 26.1% and continued to contribute significantly to the Group's profits. In the Grains segment, the Bethlehem grit mill had a strong turnaround performance driven by improved capacity, efficiency and excellent management.

Unfortunately, FY24 was again not spared from some inclement weather. The raisin operations negated the Group's overall performance, mainly due to margin losses and product write-offs through forced sales of the remaining product. We decided to close the AlphaAlfa lucerne operations entirely due to a poor strategic fit coupled with extremely adverse market conditions. The impact of discontinued operations on net earnings was significant, albeit lower than in FY23 (R83 million versus R116,5 million in the prior year). The net impact on equity, including cash flow hedge reserve movements, was R55 million compared to R135,5 million in FY23.

The Livestock and Properties Division experienced a consecutive challenging year. Weak consumer demand locally and abroad resulted in lower livestock prices. Doubtful debts for livestock remained high, but the division still managed to be profitable.

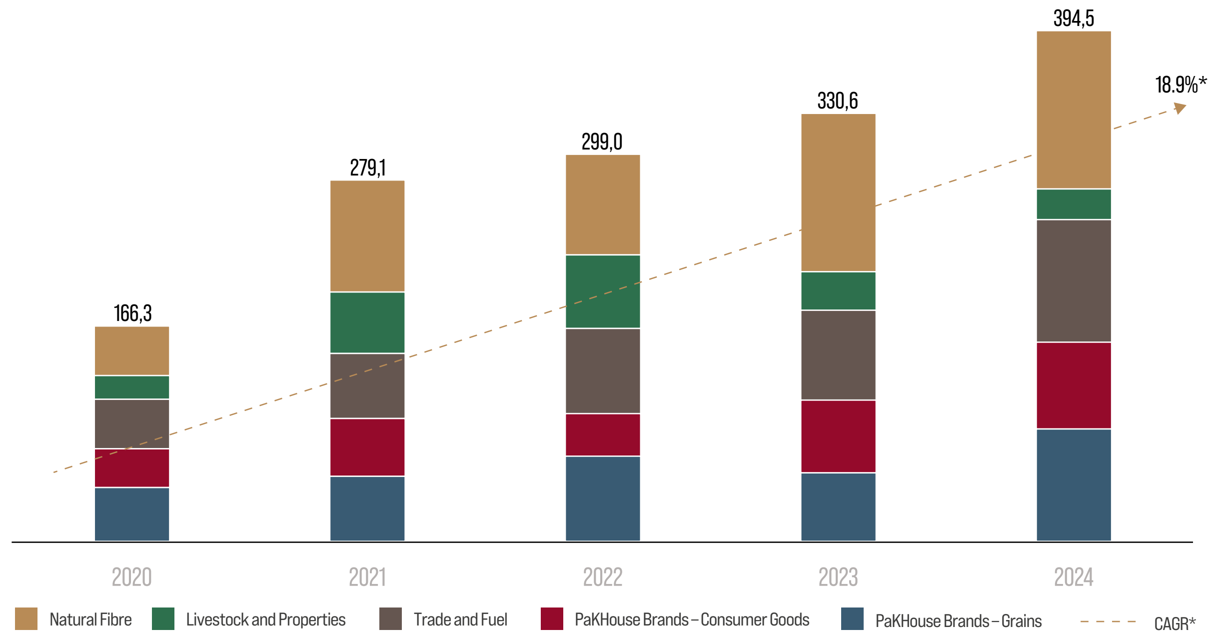
Net finance costs (including discontinued operations) marginally increased by 1.6% to R117,9 million. The positive impact of the lower average funds employed was negated by the increase in the monthly average prime lending rate of roughly 150 basis points year on year.

During the past year loadshedding cost the Group at least R12 million. At the time of writing, we are encouraged that we have not experienced loadshedding for numerous consecutive months. However, we will continue to invest in alternative energy sources such as solar to limit our exposure to product write-offs, lost business and lost production caused by an unreliable supply of electricity.

The graph below sets out Group EBITDA from continuing operations over the last five years and underscores the importance of our diversified business model.

Our financial performance aspects

EBITDA continuing operations (R'millions)



* CAGR = Compounded annual growth rate.

Financial Director's report (continued)

Trading and profitability (continued operations)

R12,9 billion
Value of business total, in line with the prior year

21.3%
EBITDA growth to R394,8 million
(2023: R325,5 million)

R173,7 million
Adjusted headline earnings[1]
(2023: R138,1 million)

222 cents
Adjusted headline earnings per share
(2023: 176 cents)

Cash and capital allocation

16%
ROFE[1]
(2023: 10.8%)

1.8 X
Net debt to EBITDA
(2023: 3.8 X)

0.38
Net debt-to-equity ratio
(2023: 0.75)

4 X
Adjusted interest cover ratio[1]
(2023: 3.52 X)

[1] *Adjusted to exclude discontinued operations.*

1. Our consolidated trading and profitability

Value of business – continuing operations

The Group uses value of business (transactions) as a key measure of performance rather than revenue. This is primarily due to the natural fibre brokerage and livestock divisions, which earn revenue through agent commissions.

The value of business for continuing operations was in line with the prior year. The Livestock and Properties Division's value of business was R4,7 billion (9.6%, less than the prior) year, while the Natural Fibre Division's value of business of R3,7 billion was slightly lower than the prior year due to lower average prices achieved. All the other continuing businesses reported double-digit value of business growth.

Gross margin – continuing operations

Gross margin, as a percentage of value of business, improved to 9.8% (2023: 9.0%). The Bethlehem grit mill contributed to the improvement through better procurement and utilising its increased capacity and efficiencies.

The Trade and Fuel Division improved margins through its inventory optimisation project and through product mix changes.

Expenses – continuing operations

The Group's operational and admin expense margin, as a percentage of value of the business, was 7.4% (2023: 7.2%) and 14.6% (2023: 16.3%) as a percentage of revenue. Overall expenses were 3.6% higher than the prior year.

Financial Director's report (continued)

Earnings per share and dividends

The table below outlines earnings per share and headline earnings per share performance.

	FY24 (CENTS)	FY23 (CENTS)	CHANGE (%)
EPS – Continuing operations	217	160	36
EPS – Discontinuing operations	(106)	(148)	
Earnings per share (EPS)	111	12	825
HEPS – Continuing operations	222	176	26
HEPS – Discontinuing operations	(105)	(100)	
Headline earnings per share (HEPS)	117	76	54

Losses on disposal, as well as impairments of property, plant and equipment, were the main adjusting items between earnings and headline earnings.

The Board is pleased to be able to propose a gross dividend of 33 cents per share (2023: 0 cents), which is in line with its targeted and historical dividend cover of approximately three times earnings.

2. Our consolidated cash and capital allocation

The Group uses ROFE as an internal measurement across the business. ROFE measures operating profit performance on funds employed, which excludes cash, short-term borrowings and taxation. This measure impacts behaviour at an operational level and is, each year, getting more ingrained within the Group's culture, which informs/governs its focus and decision-making.

The Group achieved a ROFE of 16%, using operating profit from continuing operations. This is a significant improvement on the prior year ROFE of 10,8%.

Operating profit for continuing operations increased by 29.4% to R327 million, while funds employed decreased by 14% to R2,0 billion. The lower funds employed were driven by the closure of the raisin operations and the inventory optimisation initiative in the Trade and Fuel Division. It was further supported by lower working capital levels in our Bethlehem milling operation through new initiatives from management.

Included in funds employed are investment properties as well as property plant and equipment with a book value of R66,6 million relating to discontinued operations, which we expect to recover in the future.

Working capital

At year end, inventory levels were 25.9% lower at R612,9 million (2023: R827,6 million), mainly driven by the winding down of the raisin operations and initiatives within Trade and Fuel Division and the Bethlehem mill bearing fruit.

Trade receivables of R1,1 billion were in line with the prior year and included receivables from the sale of raisin operational assets to the value of R59 million. R22,7 million of the raisin receivables were recovered after year end, while the remaining receivables are expected to be recovered within 12 months.

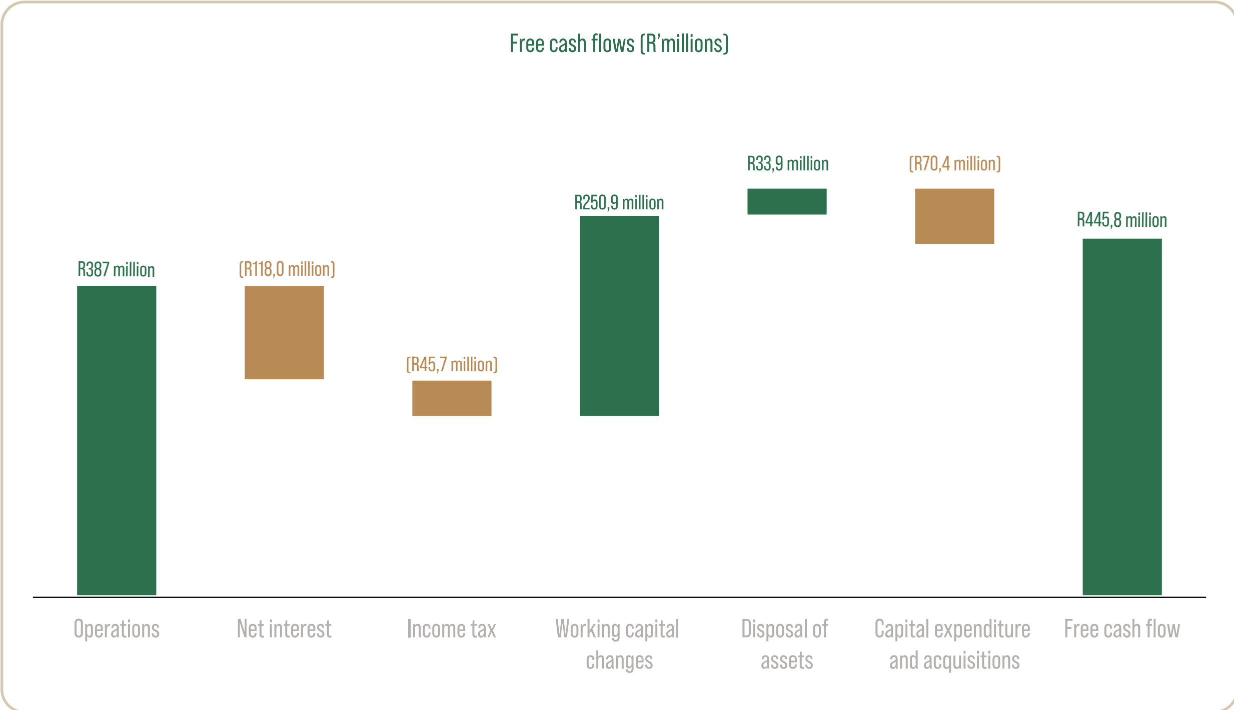
The total loss allowance for impairment, as a percentage of the gross debtors' book, was 7% (2023: 5.6%). The increase relates to a significant increase in doubtful customers in the Livestock Division.

A conservative credit appetite and strict approval criteria remain in place in response to the Group's assessment of the prevailing economic climate. The Group is continuously looking for opportunities to improve processes around credit approval and its monitoring.

Financial Director's report (continued)

Free cash flow

The Group reported free cash flow of R445,8 million driven by excellent performances in most of the ongoing operations and through working capital recovered in Desert Raisins.



Capital expenditure

Capital expenditure for the year was R70,4 million (2023: R73,7 million). Capital expenditure was mainly limited to maintenance-related spend. R119 million is planned for the new financial year, which includes further upgrades to trading branches and filling stations.

Gearing

As at 30 June 2024, the Group's net debt-to-equity ratio was 0.38, down from 0.75 in the prior year.

The Group has sufficient credit lines and liquidity for the foreseeable future and enjoys the continued support of its banks and financiers.

Outlook

The Group now marks the end of a consolidation phase and is well-positioned to selectively look for growth opportunities externally and organically.

All operational activities in the discontinued operations have now stopped, with minimal risk remaining in the discontinued asset book values at year end.

The Group remains committed to further improving ROFE, which aligns with management's long-term performance target range of WACC plus 1% to WACC plus 4%. The Group's current WACC is 14.3%.

Appreciation

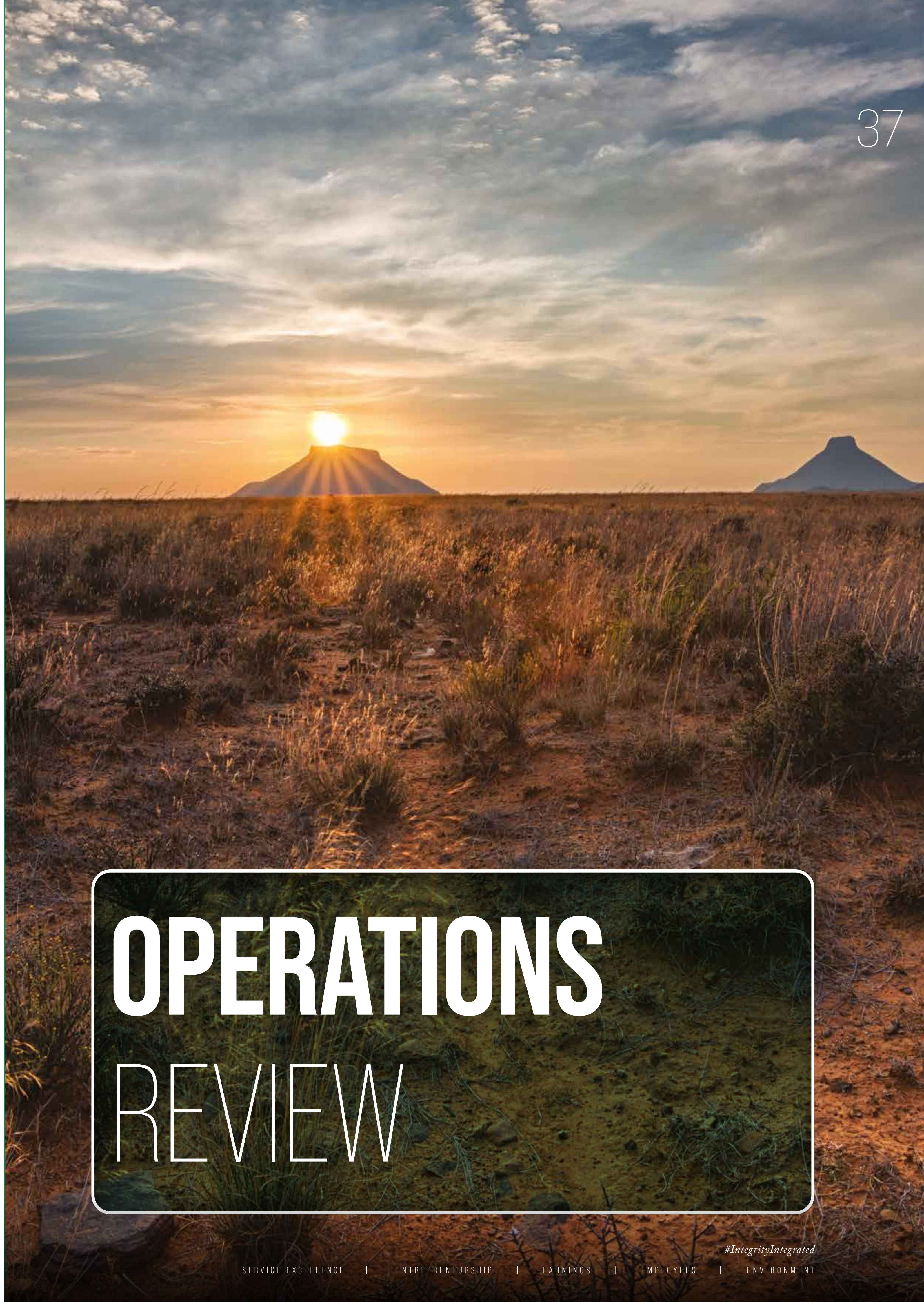
FY24 has been an emotional roller coaster year in many ways. Dealing with operational closures is draining on everyone, especially those directly affected. I want to thank the finance teams across the Group for their continuous commitment and support.

As always, I extend my thanks and gratitude to the Board, my colleagues, and our stakeholders, particularly financiers and bankers.

Jannie Van Niekerk

Jannie van Niekerk
FD

11 September 2024



Natural Fibre

Profile and strategic focus

BKB is the largest wool and mohair broker in South Africa. The Natural Fibre Division supplies brokerage, trading, warehousing, logistical and advisory services through a dedicated team of skilled professionals. The division maintains sustainability by:

- Ensuring an efficient and transparent marketplace for its products
- Developing and maintaining market access for its producers
- Providing efficient logistical services
- Advising producers on production efficiency, focusing primarily on genetic improvement
- Assisting producers with a range of other services to increase their profitability

Performance in 2024

Financial performance

The value of business of R3,7 billion was in line with the prior year (2023: R3,8 billion). The division had a challenging year, marked by a decrease in prices across all types of wool and mohair, resulting in reduced commissions earned.

	AVERAGE WOOL/FIBRE PRICE PER KG (RANDS)		
	FY 2024	FY 2023	VARIANCE (%)
Wool	90,17	94,98	(5)
Mohair	303,70	329,01	(8)

These declines were primarily due to depressed economic conditions in major wool consumer markets, notably China and Europe.

Auction activity was slow in the first half of the year, followed by a strong second half, fulfilling most of the backlog volumes. Pinnacle Fibres performed well, despite harbour congestion challenges in the first half of the year.

The division made further progress in lowering its fixed cost base. EBITDA was 2.3% down from the prior year.

Strategic performance

Despite challenging market conditions, the division has an ongoing drive to improve profitability for both the producer and BKB. The following were focus areas:

- Pinnacle Fibres experienced significant growth over the past year, becoming a major player in the South African wool market. The business expanded into America by partnering with American Wool Partners, bringing significant trading skills and access to the American wool supply system.
- The uptake of the DSS service has been gaining significant momentum, with over 80 000 individual animals being tracked for profitability.
- House of Fibre had a particularly challenging year. Despite this, the business performed well by innovating its approach to selling mohair.
- We continued working with the majority of our producers to improve the regenerative practices on South African wool and mohair farms. In addition to the RWS and RMS standards, we are now piloting the NXT programme with some of our producers (read more on page 56).

Natural Fibre (continued)

Outlook and priorities

The market for wool and mohair has remained largely flat since the pandemic. The Chinese economy is struggling to return to previous robust growth levels, and European consumers are still dealing with high energy inflation due to the war in Ukraine. Although the European Central Bank has started to lower interest rates, there will be a lag before consumers will start to see the effects. The wool market remains stable. However, the combination of low wool prices and low meat prices is putting producer income under pressure. The initiatives implemented to mitigate the impact of low wool prices on the business and its producers are beginning to show the intended effects.

New initiatives and priorities for FY25

The division will focus on:

- Exploring new opportunities through our trading business, Pinnacle Fibres
- Advancing our support services (economic analysis and DSS) to assist producers to improve their financial decisions
- Advancing the NXT programme and rolling it out to additional producers
- Marketing our G.R.O.W. wool pellets to drive sales

Case Study:

Enhancing livestock profitability through data

BKB continuously innovates to improve the profitability of our producers. These producers have to plan and forecast, despite high levels of uncertainty. Reliable, accurate data can enhance their decisions and enable them to track a variety of variables that can impact their herds and flocks.

Radio Frequency Identification and artificial intelligence (AI) have become more affordable and cost-effective. This has enabled BKB, through our DSS offering, to collect and analyse data from our producers, which means they can track the performance of individual animals. BKB appointed an animal scientist to enhance our insights while expanding our data support system for livestock producers.

Currently, the system supports about 80 000 animals and constantly evolves through inputs from producers and technical advisors. This data, which is still interpreted manually, will be used to leverage the system's reach through artificial intelligence.

As climate change will significantly impact livestock production in the future, we aim to make the cycle of collecting and interpreting data more "real-time" and efficient, thereby assisting producers to be more profitable.

Livestock and Properties

Profile and strategic focus

The Livestock and Properties Division operated under the BKB Brand for the first time for a full reporting year. This followed the merger of five livestock regions. The property business traded under the Home and Hectare Real Estate Brand. The division focused on marketing activities relating to livestock, agricultural equipment, and properties (including residential, farm and commercial properties) through auctions and direct transactions. An online trading platform forms part of the division's service offering.

Performance in 2024

Financial performance

The livestock business faced extremely challenging trading conditions. Livestock prices remain historically low, mainly due to lower red meat consumption levels in domestic and export markets. Lower prices were observed in most major southern hemisphere countries, some of which are South African red meat export destinations. Additionally, an outbreak of FMD occurred in the Eastern Cape during the last quarter of the financial year, negatively impacting animal movement and auctions.

The difficult trading conditions also adversely affected the division's debtors' portfolio, with bad debts continuing to impact performance. Despite these challenges, the division remained profitable and performed reasonably well.

The property business faced challenging trading conditions due to high interest rates, particularly affecting the residential market. The number of properties sold decreased 35% year on year compared to the post-COVID property boom. The number of farm properties sold increased slightly.

The value of business decreased from R5,2 billion to R4,7 billion, while EBITDA decreased by 23.2%.

Outlook and priorities

We expect the pressure on demand and pricing to continue to affect the livestock business into the next financial year. We also expect property trading conditions to remain similar for the next financial year.

New initiatives and priorities for FY25

Livestock

- We will continue to focus on well-designed auction infrastructure and enhancing bio-security measures.
- We will continuously consider growth opportunities as well as upgrades to existing facilities. Auction points in the Western Cape and Free State are our short-term focus.

Properties

- We strive to maintain an entrepreneurial culture.
- The business is focusing on acquisitions and technology-driven innovations as key components of Home and Hectare's future growth strategy.
- We are re-evaluating our traditional real estate model with an innovative approach to retain high-performing agents.

Retail and Fuel

Profile and strategic focus

The Retail and Fuel Division comprises a network of 62 business units consisting of retail shops, commercial forecourts across the country, and a veterinary wholesale business. The division aims to support both commercial and subsistence farmers. Although livestock farmers will remain a priority, the diversification in the product range caters to a broad spectrum of agricultural producers and the general public.

Performance in 2024

Financial performance

The value of business increased by 11.6% to R2,5 billion (2023: R2,2 billion). The division continued to perform well from the high base reported in recent years. These results can be attributed to various projects such as the retail shop renovations and inventory optimisation.

Fuel volumes grew year on year by 19.7%, driven by the improved look and feel of BKB retail and fuel sites. The division continues to improve its product diversification, waste reduction and working capital levels.

EBITDA increased by 36.2% from the prior year.

Strategic performance

The following strategic actions had a positive impact on the results:

- Ensuring uninterrupted business activities by installing solar systems at all branches. This guaranteed, among many other benefits, that the cold chain could be preserved to ensure high-quality veterinary products.
- Assisting subsistence farmers by partnering with the Presidential Stimulus Initiative to ensure the availability of agricultural inputs.
- Optimising inventory levels by using AI-backed software. This standardised product ranges and improved stock availability at competitive prices.
- Stimulating fuel volume growth by constructing new forecourts at strategic branches.

Outlook and priorities

High interest rates, high production costs and continued red meat price pressure will constrain disposable income. Consumers will be much more conscious about what they purchase.

The newly established government of national unity may have a positive impact on the economy, service delivery and infrastructure maintenance. This may lead to economic growth and a higher demand for fibre and meat and, subsequently, more money in the pockets of producers.

Although the international demand for electrical vehicles is gradually increasing, our view is that combustion engines will remain the main driver of vehicle sales in the foreseeable future. The demand for fuel will, therefore, remain constant in the next financial year.

Retail and Fuel (continued)

New initiatives and priorities for FY25

- Continue optimising inventory levels by involving AI principles to ensure improved stock availability at competitive prices
- Stimulating fuel volume growth by constructing new forecourts at strategic branches
- Increase product diversification through inputs offering for grain production
- Ensure better data connectively, especially at the rural branches

Case Study:

The right inventory at the right time

In a fast-moving consumer goods environment, high stock levels quickly tie up precious capital that could be invested elsewhere. It increases storage costs and can lead to cash flow issues, obsolete stock and quality issues.

BKB recognised the need for more effective inventory management at its retail shops. We embarked on an investigation to implement best practices in inventory management to optimise product availability across our network.

We introduced an automatic replenishment system that uses real-time data and analytics to maintain precise control over inventory levels. By continuously monitoring stock levels and sales data, we can accurately forecast demand and reduce the risk of overstocking and stockouts. This data also enabled us to understand sales trends, inventory turnover rates, supplier performance, the effectiveness of promotional activities, and to make better pricing decisions. The automatic reordering system also saved branch managers time so they could prioritise customer service.

Benefits include reduced inventory costs, reliable product availability and improved customer satisfaction. This translated into an impressive 18% reduction in inventory levels while sales increased.

Case Study:

Provident Group successes

Rural areas and the subsistence farmers operating in those areas are often underserved and neglected by national retailers. BKB is well-positioned to serve such farmers, and in 2022 identified the region between East London and Mthatha as a potential target area for expansion.

Our research identified the Provident Group, including Cowden's retail shops and Farmervet, as an ideal match. In February 2023, BKB acquired the family-owned business which had been operating in the Eastern Cape for more than 20 years.

This acquisition created unique benefits in FY24, while significantly contributing to profits in its first full year of trading:

- **Enhanced Wool Footprint:** BKB has a large natural wool footprint in the former Transkei. Cowden's branches, located in Mthatha, Engcobo, and Idutywa, provide BKB with the opportunity to serve communal wool farmers with animal feed and animal health products.
- **Veterinary Distribution:** Farmervet, a wholesale veterinary distributor, allows BKB to supply Act 101 schedule animal health products. This enables the distribution of these veterinary products to BKB's existing customers in surrounding areas.
- **Retail Expansion:** The new BKB Retail shop in East London, formerly known as Provident, allows the East London community to purchase a wider range of products at their preferred shop.

PaKHouse Brands

Profile and strategic focus

PaKHouse Brands is the holding company of the Group's agri-processing businesses. PaKHouse Brands supports BKB's aim to create long-term sustainable and profitable growth. We currently procure, store, process and market grains and consumer goods.

The operational restructuring at PaKHouse Brands over the past four years was concluded during the reporting year, which marks the end of a painful consolidation period. During this process, all the PaKHouse Brands businesses were analysed and assessed in terms of profitability and strategic fit. After careful consideration and repeated turn-around attempts, it was decided to discontinue the following operations:

- Grainco grain trading was closed in June 2021 due to poor strategic fit with the ongoing grain business model.
- The Bultfontein yellow maize mill was sold in July 2022. The Bultfontein area is no longer a primary yellow maize growing area, and it was unviable to operate both the Bultfontein and Bethlehem mills. The Bethlehem mill's capacity was upgraded, and the full demand for the Company's grit products can now be serviced from one site.
- The local consumer goods packing facility in Bultfontein did not achieve scale and optimal efficiencies and was closed in July 2022.
- Desert Raisins made recurring losses in recent years. The business disposed of its core assets during the reporting year and ceased all operations after servicing the last outstanding customer contracts.
- The AlphaAlfa lucerne division was closed in its entirety during the year. The business model for both the lucerne high-density press and the trading of lucerne did not meet profitability targets to support its continuation.
- Shearwater Logistics was sold during the year due to poor strategic fit with the ongoing business model.
- The Grainco Group headquarters building, consisting of 14 sectional title commercial units, was sold during different periods over the past four years. One unit that houses the grain storage division remains. The headquarters-based management structure was replaced by a decentralised management and support structure.

PaKHouse businesses were regrouped into two segments, which will ensure optimal focus and alignment of resources:

Consumer Goods:

- Atlanta Sugar

Grains:

- Gritco milling
- Grain storage and handling

The restructured division will result in improved profitability, cash flow and returns on funds employed. The continuing businesses possess world-class processing and storage facilities, all operating according to various accredited standards and best practices. Production and storage facilities are strategically located throughout South Africa and Eswatini.

PaKHouse Brands (continued)

Performance in 2024

Financial performance

Consumer Goods:

Revenue grew by 21.4% to R1,2 billion (2023: R1 billion), while EBITDA increased by 27.6% from the prior year. Improved productivity, strong customer growth and strategic planning to reduce the impact of a shortage in sugar supply during early 2024 were some of the key factors contributing to growth. Continued marketing and targeted brand-building activities improved the Atlanta brand market share. New products like the NuLife Low GI non-GMO sugar improved market penetration through various corporate and independent customers.

The relocation of our local packing operation for diverse products proved successful. The diverse Atlanta branded consumer product range increased sales by 48% compared to the previous year. Gross product margin and value of this product group also achieved good increases.

Grains:

EBITDA increased by 82.6% from the prior year.

The grain storage business handled less volume than expected mainly due to higher volumes being exported. Declining average commodity prices also negatively impacted results. An earlier summer crop mitigated some of these losses.

The successful restructuring of our milling operations resulted in improved efficiency, with the Bethlehem mill now a profitable and sustainable operation. The business made good progress through working capital improvements, growing revenue and strengthening its market share. The milling operation achieved improved overall equipment effectiveness (OEE) results after the enhancement and further upgrades of equipment. Implementing a comprehensive, tailored preventative maintenance project contributed to improved service levels and equipment efficiency.

Outlook and priorities

We foresee a stable local and global sugar industry with a positive outlook for the short term. Abnormal weather patterns continue to be one of the major factors impacting the stability of the industry.

El Niño weather conditions negatively affected current season maize and oilseed harvest volumes throughout the country. These conditions could also extend to impact the winter crop season. Given the below-average maize crop, we expect the current commodity price cycle will continue to have a substantial effect on end product cost at our grit mill. This, together with current slow economic growth, is expected to result in stagnant demand for milling products in the short term. In this regard, the process enhancements from the recent restructuring will be vital to maintain our market position.

New initiatives and priorities for FY25

A key focus for the Atlanta business will be to create scale from an already strong base. Priorities for the short and medium term include the development of complementary raw material supply to support the expansion of its distribution network, improvement of market penetration and continued growth in customer base and product range.

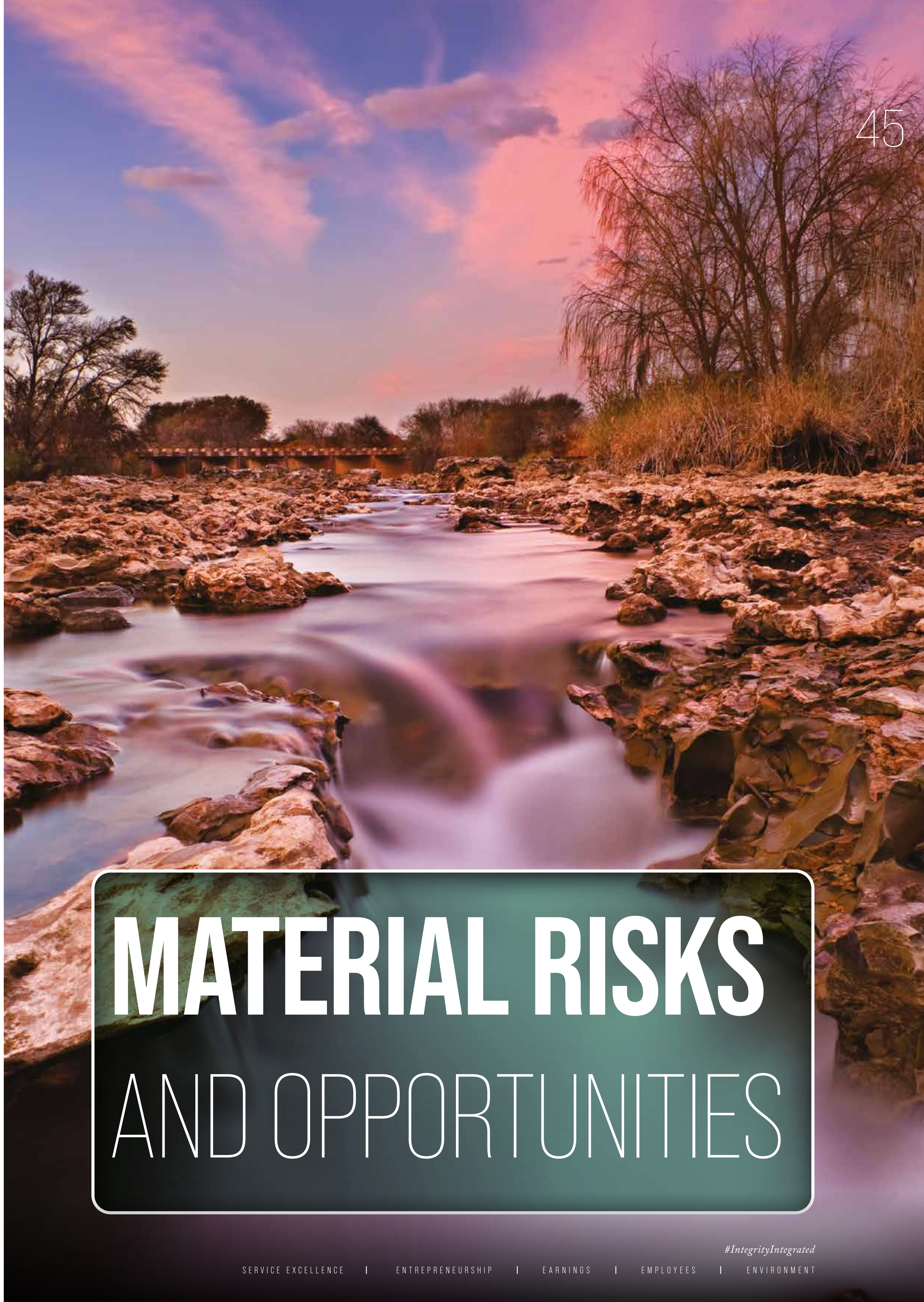
The grain storage business remains focused on improving intake speed and increasing capacity. Non-performing depots will be re-evaluated while the business also continues to investigate new locations to expand operations. The Bethlehem mill will implement further initiatives to improve production efficiency and customer service reliability. The priority for FY25 is to capitalise on its own grain storage ability.

Case Study:

NuLife Sugar continued to yield strong growth

NuLife Low GI Sugar is a new product and brand initiative in the Atlanta product basket. NuLife is all-natural raw sugar cane that is less refined than other sugars. This makes it rich in natural antioxidants with a low glycaemic index. This product continued to contribute positively to Atlanta Sugar's sales, achieving 128% year on year growth for FY24.

Atlanta is in the process of securing additional sugar cane from South Africa that will support the local industry and Atlanta's growth. Atlanta's operation is currently in Eswatini and procures sugar cane from the same region.



MATERIAL RISKS AND OPPORTUNITIES

Material business risks and opportunities

BKB is exposed to risks that might, individually or collectively, impact the achievement of our business objectives. The Group also considers a range of opportunities that evolve based on markets, relationships and capabilities.

Risk management

BKB continuously identifies, analyses and evaluates threats and monitors key risks to maximise opportunities and prevent or reduce losses. During the year, BKB appointed a Senior Manager to head up internal audit, develop an effective combined assurance model and strengthen risk management processes throughout the Group.

Combined assurance

A tailored combined assurance model is being developed for the Group. Strengthening internal audit is part of this process. During FY24, risk management was supported by internal and external assurance processes to the maximum extent possible, given the resources and skills that were available to the Group. Read more in the Audit and Risk Committee Report on page 78.

1. The Board has ultimate accountability for risk governance.
2. Risk oversight is delegated to the Audit and Risk Committee.
3. At management level, risk ownership resides with executive management.
4. Internal audit acts as an independent appraisal and assurance body, providing autonomous and objective assurance.
5. PwC acts as external auditors and is overseen by the Audit and Risk Committee.

The Audit and Risk Committee has reviewed and is satisfied with the effectiveness of the risk management processes applied in FY24.

Material business risks and opportunities (continued)

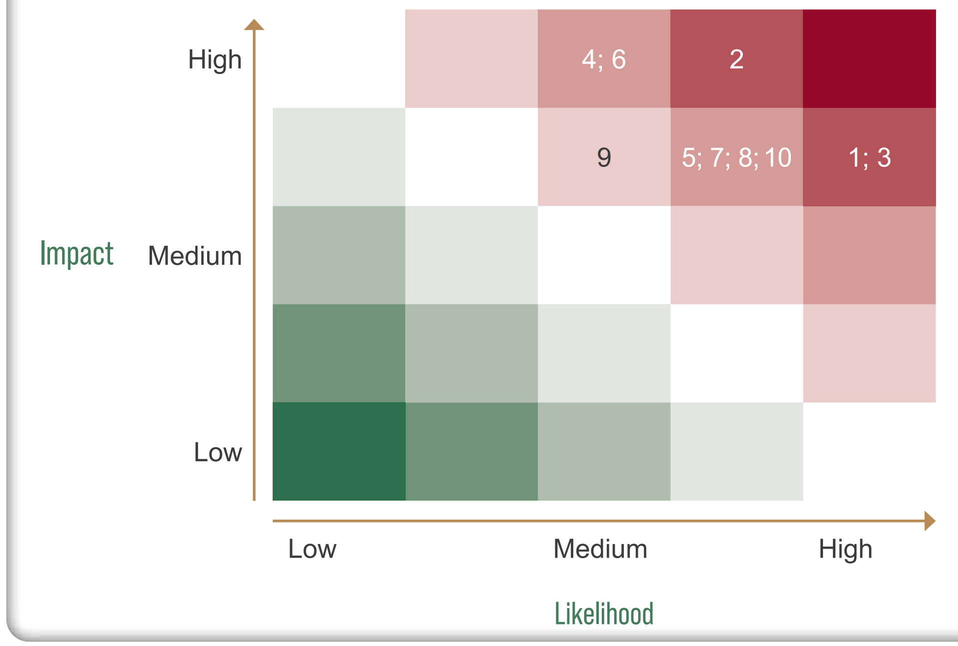
BKB's top risks

All risks are residually quantified, and the heatmap provides an overview of the risk rating in terms of impact and probability, considering the existing mitigating control measures.

SUMMARY OF RISKS

1	Animal diseases
2	Data security and cyber risk
3	Credit risk
4	Business continuity
5	Technological inefficiencies
6	Loss of key customers and/or products
7	Governance, compliance and regulatory matters
8	Political instability (infrastructure and service delivery)
9	Global conditions and country risks
10	Variable weather patterns

HEAT MAP



Material business risks and opportunities (continued)

Animal diseases

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
Failure to protect the safety and welfare of livestock under our control might result in business disruption, losses and reputational damage. The impact of FMD may limit the movement of livestock and wool exports, which directly impacts business operations and volumes.	< >	The Group cultivates good relationships with veterinary authorities and animal health suppliers. Biosecurity controls for livestock agents were developed and have been published in the Government Gazette. Our employees are trained in exercising biosecurity protocols, which have been extended to operations in Lesotho. BKB's national footprint lowers disease risk through geographic diversification. Our widely spread branch network enables us to allocate vaccination products to areas where outbreaks have been reported, thereby supporting producers as effectively as possible. The Group actively engages with the industry and other stakeholders to ensure effective lobbying and improved animal welfare practices.	Collaboration with a range of stakeholders to implement solutions. Reputational enhancement through industry leadership and training.

Data security and cyber risk

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
BKB's operations rely on information technology solutions, which expose the Group to the threat of cyber disruption and loss of data. More people are working remotely, increasing cyber-related risk. This is evident from ongoing cyber attacks on businesses.	^	We maintain a strong focus on information technology capabilities and continue to investigate and implement improved security measures. We made significant investment in cyber-related detective and preventative protocols and tools. Employee training and phishing attack awareness initiatives continued. BKB has a Virtual Chief Information Officer and relies on cyber awareness tools, third-party backup facilities, tightly restricted access to systems, data and infrastructure, intelligent password control and security software. Progress made over the past two to three years was evident from external cyber risk assessments, which included penetration testing and vulnerability scans.	Improved general employee awareness of cyber-related risks. Further investment in endpoint detection and response will enhance our response capability and monitoring.

Credit risk

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
Providing finance is an essential part of BKB's service offering. The default of one or more significant debtors could have a material impact on the Group. Debtors are impacted by the economic downturn and high interest rates, which increased livestock debtors' credit risk levels.	^	BKB has a sound credit policy and related risk evaluation process. An expert team backs its implementation, supported by centralised vetting. The Audit and Risk Committee receive quarterly reports in addition to Credit Committee review and oversight. We evaluate concentration risk on individual debtors and updated livestock mandates. Regional managers have increased their focus on livestock debtors. Appropriate securities are obtained, and credit default insurance is in place for selected debtors.	Rigorous monitoring coupled with prudent credit provisioning helps build sustainable businesses and strengthens the sector.

^ Increased | V Decreased | < > Unchanged

Material business risks and opportunities (continued)

Business continuity

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
Pandemics, disasters and other major disruptions can severely impact the Group's ability to conduct business. The safety of our people, customers, and the general community is at risk during such events.	< >	We constantly monitor emerging risks and major threats and develop mitigating control measures as part of our enterprise risk management process. Divisions all have disaster recovery and business continuity plans. We have an IT backup system and off-site storage. Safety protocols are in place to protect employees.	New software will improve business continuity reporting to the executive team.

Technological inefficiencies

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
Ineffective information technology (IT) systems can lead to operational disruptions, data breaches and inefficiencies. This can compromise the quality of information and service delivery, causing financial losses and reputational damage. We also risk over-reliance on third-party software.	< >	BKB has an IT Governance Master Framework which is managed quarterly by an IT Steering Committee. We mitigate IT risk by investing in robust IT infrastructure, regular system updates, and cyber security measures. Legacy systems are being replaced by new applications and new software options are investigated. Data backup facilities and systems are tested through simulations. Service-level agreements with service providers are reviewed annually. We provide ongoing employee training to ensure the effective use of IT systems.	Using suitable IT systems can streamline the integration of new operations that we invest in.

Loss of key customers and/or products

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
Some of our business units have a few large customers. Losing one of these customers can cause a dramatic reduction in revenue and operational capacity utilisation. BKB is dependent on selling large volumes of a few products. Changes in demand can result in significant losses.	< >	We foster strong relationships with customers and offer them exceptional service and tailored solutions. We develop new customer relationships, both locally and abroad. Livestock key accounts have been created. BKB increased processing capacity at facilities where customer demand is growing.	We continuously explore new customers, market segments and investment opportunities (including internationally).

^ Increased | V Decreased | < > Unchanged

Material business risks and opportunities (continued)

Governance, compliance and regulatory matters

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
Governance, compliance and regulatory requirements are becoming ever more onerous. Non-compliance can have very severe consequences, both monetary and reputational. We keep track of governance, compliance and regulatory changes such as POPIA, FICA, Employment Equity and B-BBEE, carbon taxes, etc.	< >	The Board provides oversight for all governance, compliance and regulatory matters. BKB appointed a Compliance Officer that is streamlining policies and ensuring all requirements are met. We are implementing software to assist with monitoring compliance. External experts assist where required.	We address these matters to improve the business and internal operations, not just to achieve compliance.

Political instability (infrastructure and service delivery)

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
BKB operates in a politically uncertain environment. Government's inability to provide basic services such as general safety, electricity, water, efficient ports and good roads poses a risk to BKB. The deterioration of rural infrastructure in South Africa is a major concern.	< >	BKB implemented solar energy solutions at all owned trading shops. Off-site IT backup systems, fibre upgrades to remote sites and generators help mitigate this risk. The Group engages with industry associations that lobby government. We have safety protocols in place to protect employees.	Mitigating service delivery risks (e.g., installing solar systems and rainwater tanks) helps BKB become more resilient and lessen our negative environmental impact.

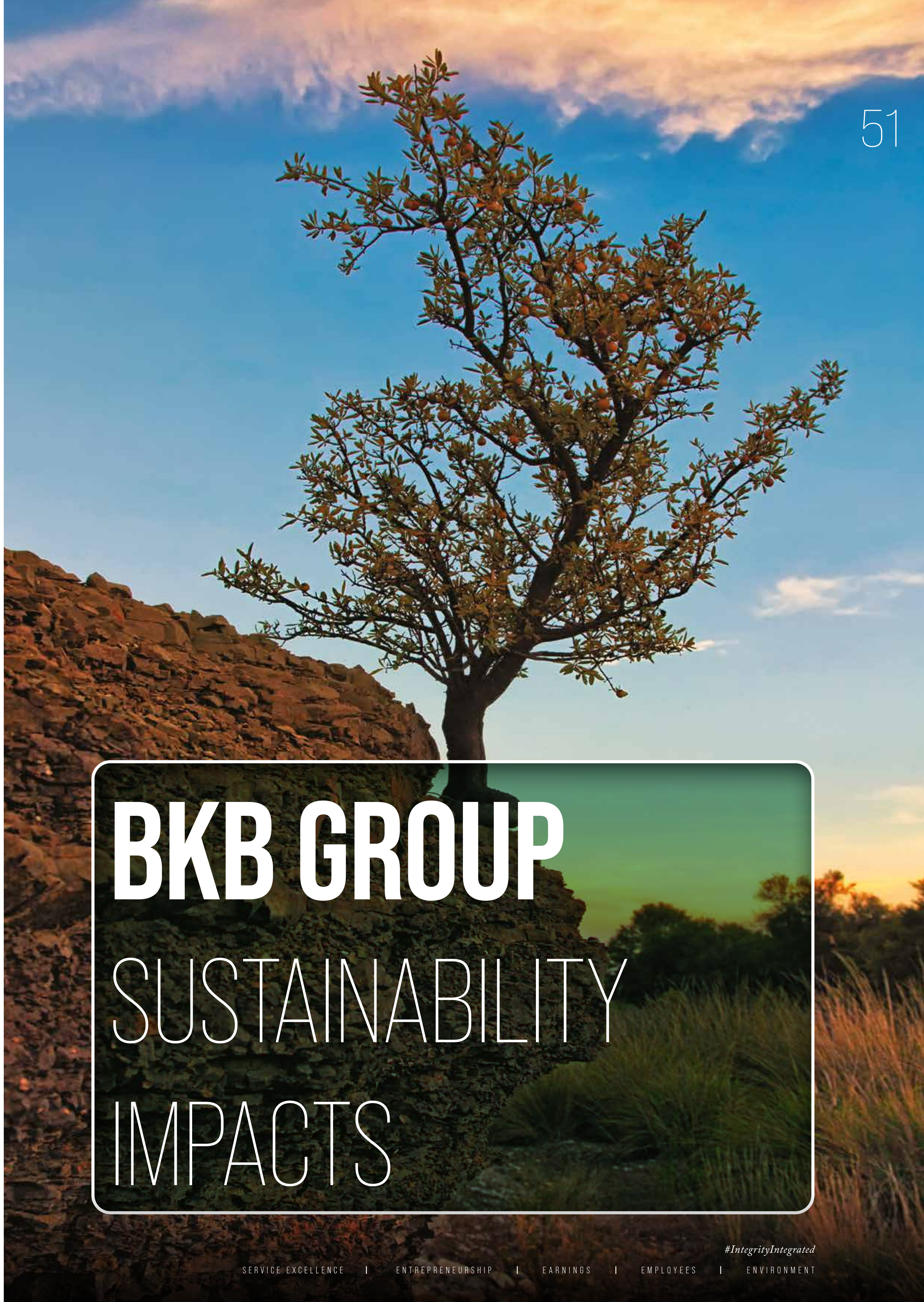
Global conditions and country risks

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
Ongoing geopolitical conflicts have disrupted supply chains and resulted in an increased focus on localisation. New trade barriers, such as Europe's Green Deal, highlight climate requirements that can impact markets for export products. This can affect our ability to trade, to service our customers and can lead to financial loss.	< >	BKB focused on proactive sourcing and securing products to sell. Export logistics are actively managed, and shipments are prioritised while focusing on cost savings across the business to mitigate increased logistical costs. BKB focuses on developing a climate-neutral, sustainable supply chain from farm to the end-consumer. BKB has appointed specialists and is working with various partners to mitigate this risk.	Potential cost savings. A proactive approach could lead to preferential market access, especially where climate requirements are used as a trade barrier.

Variable weather patterns

RISK DESCRIPTION	TREND	BKB'S RESPONSE	RELATED OPPORTUNITIES
The agricultural industry is directly exposed to extreme weather conditions. Changing and adverse weather patterns can negatively impact crops during harvest time. Drought conditions can affect livestock, with the recovery process taking years.	^	Geographic diversification can mitigate weather impacts. BKB's diverse product segments further assist in mitigating this risk.	Innovations to address climate risk as potential new products and services, for example, the new regenerative farming initiative.

^ Increased | V Decreased | < > Unchanged



BKB GROUP SUSTAINABILITY IMPACTS

Our approach to sustainability

Our long term existence requires continued nurturing of the natural environment, our people, and the local and global communities we serve. We acknowledge this interdependence by fully embracing the triple bottom-line concept of people, planet and profit.

To meet our commitment to the "people" aspect of the triple bottom line, we have a robust wellness programme for employees to ensure their physical and mental well-being. Beyond our employees, we invest in the continuous learning and development of our workforce and their children through an educational trust.

We measure our environmental footprint to address our responsibility toward the planet. We reduce any negative impacts through responsible resource consumption and waste reduction initiatives.

We recognise the symbiotic relationship between our business success and the well-being of our employees and the communities in which we operate. Under the "profit" commitment, we promote decent work and economic growth to create a harmonious balance that benefits BKB, society and the planet. Governance and transparency are underlying principles that support our ability to create profit.

BKB sustainability focus areas

PLANET ENVIRONMENTAL SUSTAINABILITY	
Responsible sourcing	15 Life on land; 17 Partnerships for the goals
Operational resource efficiency	13 Climate action; 15 Life on land
Conservation	15 Life on land; 17 Partnerships for the goals

PEOPLE SOCIAL RESPONSIBILITY	
Skills development	4 Quality education
Human resources practices (including remuneration and reward and employment equity)	3 Good health and well-being; 8 Decent work and economic growth
Socio-economic development	4 Quality education

PROFIT GOVERNANCE SUSTAINABILITY	
Board governance of ESG	17 Partnerships for the goals

Our approach to sustainability (continued)

Our sustainability contribution supports the following UN SDGs:

HOW OUR SUSTAINABILITY CONTRIBUTION SUPPORTS THE UN SDGS	
13 Climate action	**Take urgent action to combat climate change and its impacts.** BKB implements renewable energy projects to use less electricity sourced from fossil fuels. We also facilitate the development of renewable energy projects by our suppliers.
15 Life on land	**Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.** We promote regenerative agricultural practices among suppliers and source contracts for products produced in this manner.
3 Good health and well-being	**Ensure healthy lives and promote well-being for all at all ages.** We have several initiatives and programmes to promote the health and well-being of our people and communities.
4 Quality education	**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.** Employee training is a priority, and we promote further employee education opportunities. We assist with access to schools in rural areas.
8 Decent work and economic growth	**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.** We have a policy of equal pay for equal work. We prioritise transformation and inclusivity through Group targets.
17 Partnerships for the goals	**Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.** BKB is a member of the Global Partnership for Sustainable Development. We support local agricultural businesses and producer organisations and groupings. Internationally, we play a significant role in the International Wool Textile Organisation.

Our approach to sustainability (continued)

Sustainability milestones for FY24

ENVIRONMENTAL SUSTAINABILITY

BKB's Natural Fibre Division is a leader in responsible certification, regenerative agriculture and biodiversity conservation

85 farms (2023: 85)
benefit from BKB and H&M Group's Biodiversity Restoration and Regenerative Land Management project

40 000 (2023: 36 000)
nylon woolpacks recycled annually

105
producers in BKB NXT programme

11 million kg (2023: 10 million kg)
of certified wool

1,5 million kg (2023: 1,5 million kg)
of certified mohair

680 kw (2023: 460)
solar system at our head office

100 000 litres (2023: 10 000 litres)
water storage capacity at our head office

46 (2023: 21)
retail shops generate solar power

22 (2023: 19)
retail shops harvest rainwater

SOCIAL RESPONSIBILITY

1 838 (2023: 2 095)
employees

80.3% (2023: 77.9%)
workforce from designated groups

523 (2023: 640)
female employees

1 315 (2023: 1 455)
male employees

34 (2023: 32)
employees with disabilities

70%
employees that attest to a high level of job satisfaction

62.5%
employees that participated in the employee engagement survey

3.6% (2023: 3.9%)
employee turnover rate

BBBEE Level 8
(2023: level 6)

976 (2023: 663)
employees received training

89 (2023: 88)
employees benefit from our learnership initiatives

R1,1 million (2023: R1,04 million)
invested into BKB's Educational Bursary Trust supporting 176 (2023: 167) children with school and tuition fees

18
employees participating in our development centre

18 (2023: 15)
employees participating in further tertiary education

How we govern and manage sustainability

Strong governance underpins everything we do at BKB, including our sustainability efforts. The governance section on page 64 contains more detail about committee membership, attendance, mandate and key topics covered.

BKB Group Board
Ultimately responsible for sustainability governance and assigns responsibilities to committees.

Human Resources Committee
Mandated to monitor and report on employee matters, including remuneration, linked to sustainability key performance indicators.

Social, Ethics and Sustainability Committee
Oversees sustainability-related related matters.

Audit and Risk Committee
Responsible for the oversight of internal and external audits, risks and risk management, including sustainability-related risks. Also responsible for the oversight of external reporting.

Executive Committee
Ultimately accountable for implementing sustainability initiatives and reporting on these.

Executive: Human Resources
Responsible for employee-related matters, including BBBEE.

GM: Legal Compliance and Sustainability
Responsible for compiling quarterly reports with input from divisions for the Executive and SES Committees.

Senior Manager: Internal Audit
Responsible for monitoring internal controls and oversee risk management processes matters.

Divisions
HR managers are responsible for meeting employment equity targets and having succession plans in place for their divisions.

Divisions
Responsible for sharing sustainability data with the Executives and the Board and identifying sustainability risks and opportunities.

Divisions
Implement internal controls, manage their specific risks and prepare relevant audit and risk-related reports and data.

Environmental sustainability

BKB's environmental resource use is small relative to other parts of the value chain. This is why we have a dual (inward and outward) approach to our environmental sustainability initiatives.

Our external approach is where we believe we can facilitate more widespread and positive change by working with others in the value chain. Through our inward approach, we continuously maximise operational efficiency across all our sites.

Responsible sourcing

We are the world's largest single supplier of responsibly sourced wool and mohair, working with 1 400 producers in South Africa and Lesotho. Together, we solidify the reputation that the wool and mohair we handle is responsibly produced. This reputation ensures that we continue to enjoy access to international markets as regulation becomes more stringent.

In 2016, we started assisting our producers to become certified according to the global Responsible Wool Standards (RWS), and in 2020, we did the same with the Responsible Mohair Standard (RMS). This initially enabled producers to receive premium prices in a developing market. The certifications ensure transparency for materials as they move through a long supply chain. In FY24, we worked with our producers and global working groups to advance sustainability beyond the standards through the NXT programme.

Case Study:

BKB and the NXT programme

BKB started piloting the NXT programme with a group of producers this year. NXT strives to create positive outcomes, as opposed to penalising according to negative criteria. For example, NXT promotes initiatives that support farm workers and communities, such as gender-based violence training and schooling. NXT has three pillars that are aligned with the Textile Exchange's Regenerative Agriculture Outcome Framework[1].

NXT programme's three pillars

Planet NXT	People NXT	Animals NXT
Encourages farmers to improve ecosystem health, biodiversity, and resilience against climate change.	Celebrates producers' contributions to farmworkers and surrounding communities, fostering continuous empowerment and improved quality of life through capacity building.	Emphasises animal health and welfare, adopting a holistic approach to well-being and strengthening the symbiotic relationship between producers and animals.

NXT also promotes adaptive practices that allow for alignment with changing market requirements. Being non-prescriptive means it can accommodate the unique differences between geographies and even between farms.

A year into the pilot, more than a hundred producers are actively engaged in the programme and have provided extensive input to shaping it. South African farmers engaged in the NXT programme will undergo annual assessments to ensure adherence to the programme's pillars.

"In most cases, our farmers were already practising regenerative farming; NXT provided a structured way to measure, record, and support adaptive management decisions. The programme has allowed us to discuss our farmers' personal goals across all three pillars, revealing heartwarming stories of how they support their communities through education, soft skills coaching, and financial literacy, to name a few. We also recognised their dedication to enhancing the welfare and quality of life of their animals." – Isak Staats, Executive: Natural Fibre

[1] *The Textile Exchange is a global non-profit organisation working closely with every sector involved in the fashion and textile supply chain. https://textileexchange.org/*

Environmental sustainability (continued)

Case Study:

H&M Group and BKB's Biodiversity Restoration and Regenerative Land Management project

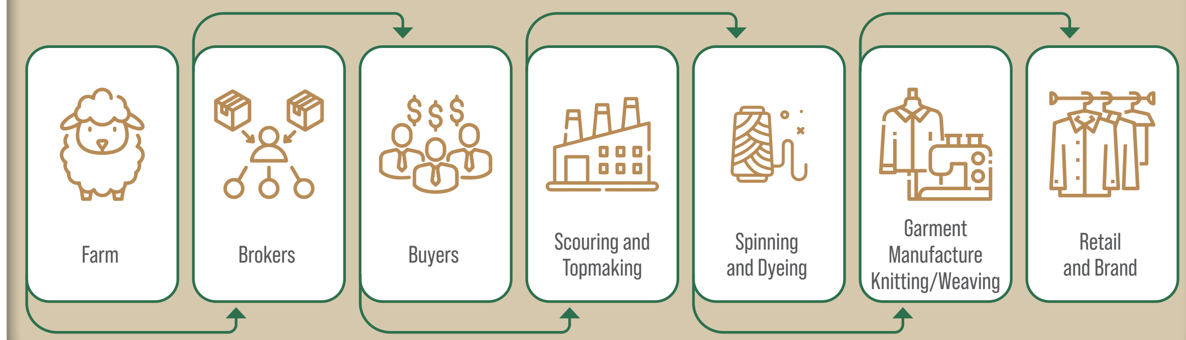
Consumers increasingly want to know about the origins of the products they buy, placing greater pressure on companies to ensure responsible practices in their supply chains. In response, the H&M Group, the world's second-largest fashion company, partnered with BKB on the Biodiversity Restoration and Regenerative Land Management project. The initiative aims to protect the high conservation value of grazing lands on farms belonging to our producers in the Albany Thicket Biome in the Eastern Cape.

A regeneration strategy was co-created by H&M, BKB and wool and mohair producers to conserve this biome. The project commenced in November 2022, with 35 producers starting to implement regeneration practices. This year (the second year of the three-year project), 50 farms were added. All the producers engaged with the project are enthusiastically continuing to use the regenerative practices, with many trying to advance their efforts of their own accord. Only one of the 85 farmers has opted to exit the project.

The project team collects numerous data points from all the farms we are working with to assess what works, what does not, and how to redefine the regeneration strategy going forward. We hope to extend the project with H&M for an additional four years based on its success.

A key outcome that emerged from this project was meaningfully connecting brand owner and producer. The wool supply chain, for example, is complicated, with roughly 17 players between the farm and the final product. Because of this, there was historically a disconnect between the brand and the producer's requirements. Through this project, H&M and producers were able to have robust discussions. As a result, strong connections were built and there was a realisation that both brand and producer had a shared objective.

THE WOOL SUPPLY CHAIN



Environmental sustainability (continued)

Operational resource efficiency

BKB measures diesel, electricity and water use as well as solar power generated. As some European customers now require external audits on our business units' ESG footprints, driven by new sustainability standards, BKB had to ensure the accuracy and quality of data. In addition to being able to sell to international customers, measuring and reducing our natural resource use reduces our costs and is good for the environment.

By quantifying our diesel and electricity usage, we can assess our carbon footprint and strategise on reducing the Group's dependency on fossil fuels. This includes initiatives related to increased efficiency and alternative energy sources, such as our solar power generation. Measuring water usage is equally critical, as it drives us to implement conservation practices and technologies to minimise waste and ensure sustainable water management. The generation of solar power is testament to our commitment to renewable energy, highlighting our progress in offsetting traditional energy consumption and reducing our overall environmental impact.

We want to take our employees with us on this journey. To this end, we share the Down to Earth mailer that includes data about our footprint, topical issues and practical tips to reduce resource use in everyday life. The mailer is distributed to the Board, employees and is used on social media to communicate with external stakeholders. Three mailers were distributed this year, and each had a topic:

- January 2024: energy conservation
- February 2024: water conservation
- March 2024: waste reduction
- April 2024: soil pollution
- May 2024: air pollution
- June 2024: water pollution

DOWN TO EARTH

More than just solar

We completed the installation of solar energy solutions at 46 retail branches. This was largely driven by unreliable national power supply, especially in rural areas where these branches are located. Benefits from the investment included a more reliable energy supply, producing clean energy and attracting more foot traffic to our shops. There was also a small benefit to the communities surrounding our shops as people could charge their cellphones – their access point to work and other opportunities – during periods of loadshedding.

"Our divisions continue to take steps to use resources sustainably while minimising environmental impacts."

Energy efficiency and emissions

We reduced energy use at our head office in Gqeberha by installing a solar system and energy-efficient lighting in 2023. In 2024, we built on this momentum by reducing our carbon footprint by 38 tons of CO_2. We completed the installation of solar systems at all our Retail and Fuel Division shops this year, which supplies them with approximately 22% of their energy requirements on average. We also installed solar systems at the Atlanta Sugar facility in Eswatini, which led to a 46% decrease in electricity costs.

Water conservation

The Group's head office building uses harvested rainwater, with a three-phase filtering system and 100 000 litre storage capacity. In addition, 22 of our Retail and Fuel Division shops use harvested rainwater. This reduces our dependence on the national water supply by 19%. At Wool Stores, we observed a 51% decrease in water use year on year due to the implementation of software designed to detect water leaks.

Waste reduction

The Natural Fibre Division reduces waste by recycling approximately 40 000 woolpacks each year. In 2024 the Division introduced a new wool pellet product that reduces waste. 34 ton CO_2 was saved through waste recycled and waste sent to the landfill decreased by 23%.

Case Study:

G.R.O.W. wool pellets

Wool fertilizer is high in nitrogen and micro-nutrients, is slow-releasing, and acts as a snail repellent. As a wool by-product, wool fertilizer is an innovative addition to the product life cycle of wool.

BKB launched new wool pellets to be sold in the South African garden and organic markets. Pellets are made from off-cut and low-grade wool and reduces waste.

This year, we focused on creating product awareness with positive early feedback.

Conservation initiative

By supporting conservation initiatives, we preserve natural resources and the biodiversity that our business ultimately depends on. This commitment aligns with the long-term view with which we make business decisions.

BKB has been contributing toward funding the management of the Mountain Zebra Camdeboo Protected Environment project since 2018. The project protects biodiversity in the valuable habitats between the two parks while stimulating conservation-friendly economic development in the region.

The project is a collection of private landowners who share a vision of collaborating with conservation organisations to promote the sustainable management of the area, the ecosystems that drive it and the species that call it home.

The initiative has become a model that effectively demonstrates a softer approach to securing priority areas for conservation, and it is greatly enabled by its natural landscape driven by natural rangeland management. It strives to recognise landowner efforts and is guided by the needs of these landowners to unlock opportunities to assist.

The Mountain Zebra-Camdeboo Protected Environment currently comprises 268 343 hectares.

Social responsibility

BKB's employee value proposition aims to attract, grow and empower talent. We are committed to interaction and engagement to create a safe workplace where employees can flourish and belong.

A vital part of our employee value proposition is employee engagement, which is evaluated every alternate year through an independent survey. Participation in the survey improved significantly this year and overall results were positive with the high level of job satisfaction remaining consistent compared to the previous period.

BKB continues to have a high retention rate for permanent employees. In FY24, turnover for permanent employees was 3.6% (2023: 3.9%). In FY24, our total number of employees was 1 838 (2023: 2 095).

Another element of our employee value proposition is ensuring our employees are fairly remunerated. Read more about remuneration and reward on page 76.

Skills development

Our business operates primarily in rural areas where skills are scarce. Our skills development programmes provide focused, practical and ongoing learning opportunities. These programmes also support employee retention, skill advancement, and diversity and transformation.

Development centre

BKB's development centre focuses on developing leadership talent to support succession planning and transformation. Employees with potential are identified, tested and receive targeted development plans.

IDENTIFY TALENT		BESPOKE TRAINING		ADVANCEMENT
Assessment against BKB's competency framework through simulation exercises	Psychometric assessment	Craft a specific development plan for the candidate	Assess the performance of the candidate	Possible promotion

In FY24, 18 individuals participated and attended courses that ranged from emotional intelligence and negotiation skills to observer training and finance. Four employees have been promoted to executive or senior management roles. Nine middle management employees are currently in the development pipeline.

Learnership programmes

We provide growth opportunities for employees at all phases of their careers and all levels of our business. In FY24, 89 employees were enrolled in learnership programmes.

PROGRAMME/TOPIC	NQF LEVEL	NUMBER OF EMPLOYEES
Business Administration	4	9
Generic Management	4	9
Visual Merchandising	3	11
Generic Management: Merchandising	4	9
Project Management	4/5	18
Business Practice	1	21
Production Technology	3	11
Grain Depot Manager	5	1

Social responsibility (continued)

Case Study:

BKB's programme for the hearing-impaired

Hearing-impaired individuals typically have superior sensory abilities, which are important skills in the wool warehouse. As this presented a unique job creation opportunity, BKB researched local and international examples to benefit those with hearing disabilities.

Finding nothing suitable, we collaborated with the Production Management Institute of South Africa to design bespoke training for hearing-impaired employees. The first training was implemented in the BKB wool warehouse in 2013. The programme supports the hearing-impaired to earn a living and celebrates their unique skills while enabling a qualification aligned with their training.

There are currently 23 culturally diverse hearing-impaired employees working in the warehouse, and a new intake of employees joins every two years. These individuals are best suited to a specific section of the wool process: some sort the wool, others work with the display boxes, and others handle the newly arrived fleece, transferring it to the different areas while they become acquainted with the fine techniques of wool handling.

Learn more about this programme on our website: https://www.bkb.co.za/bkbs-programme-for-the-hearing-impaired

Human resources practices

"We take a holistic view to offer employees value through our human resources practices. This includes fair and competitive remuneration, a healthy work environment (including wellness offerings), and driving diversity within our workplaces."

This year, we consolidated our remuneration and reward disclosure. Read more in our remuneration report on page 76.

Health and safety

Health and safety practices, procedures, awareness and training received particular attention this year. To this end, we used toolbox talks as informal engagement sessions on health and safety. Toolbox talks are enhanced by one-page summaries on specific topics, such as working at heights. These are displayed prominently in workplaces.

Health and safety representatives were empowered with a more detailed understanding of their roles. As a result, employees reported issues with more urgency. By benchmarking our health and safety performance, BKB can now measure lost time and the associated cost to the business. We are also able to respond more effectively to prevent incidents from reoccurring. Incident reporting is used as practical examples for all divisions.

Social responsibility (continued)

Case Study:

Safety always first

Our commitment to health and safety has yielded remarkable results, setting us apart in the industry. BKB's rigorous safety protocols and proactive measures significantly reduced workplace incidents, showcasing the effectiveness of our health and safety initiatives.

Incident frequency:

Our incident frequency rate stands at an impressive average of one incident every 31 days. This performance is testament to the robust safety culture we have cultivated. The comparable industry standard is 4 days.

Incident rate:

In addition to our low incident frequency, we maintained an incident rate of just 2% of our total workforce. This rate underscores BKB's ongoing efforts to ensure a safe working environment and reflects our dedication to minimising risks and addressing potential hazards proactively.

These achievements are not merely statistics but a reflection of our relentless focus on enhancing health and safety standards. By continuously evaluating and improving our safety measures, we strive to provide a secure and supportive environment for all our employees, reinforcing our position as a leader in workplace safety.

Employee wellness

Our commitment to employee wellness delivers numerous benefits to BKB and our people, including higher productivity, lower employee turnover and fewer health and safety incidents.

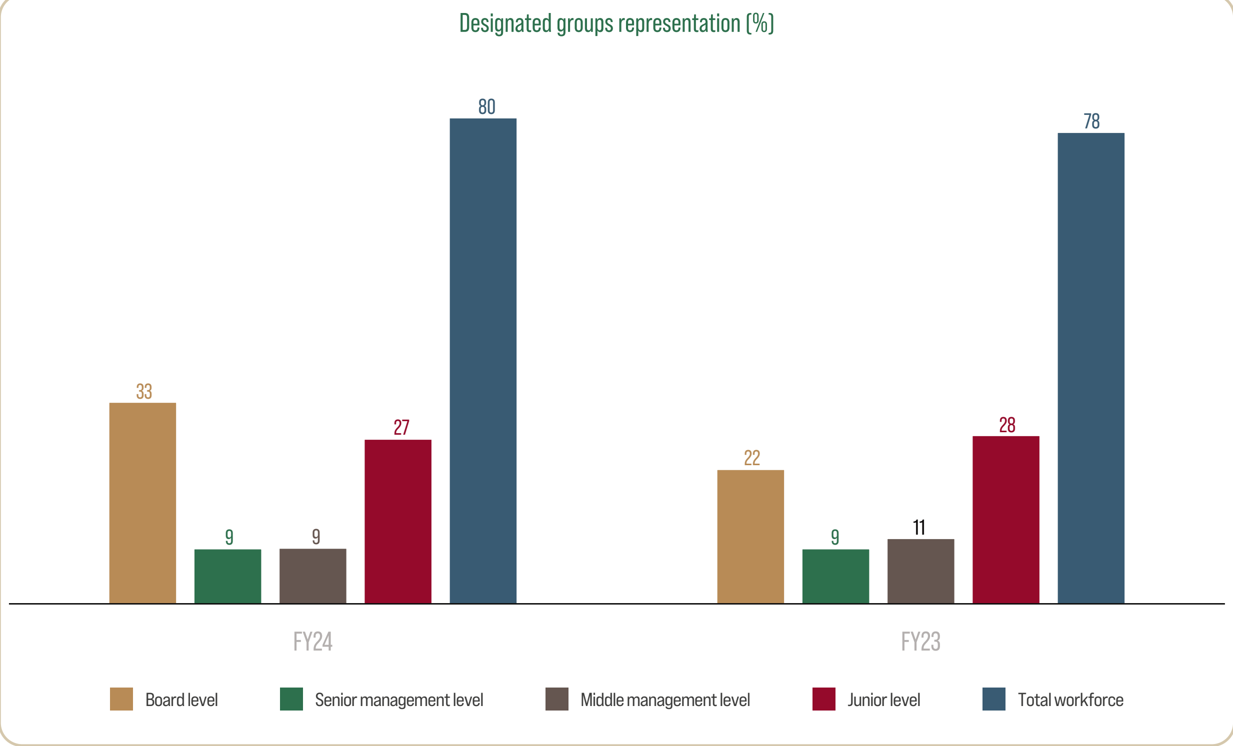
BKB's employee wellness offering includes free trauma counselling for employees and their families, an HIV/Aids Insurance Protector Plan and medical support, including free retroviral treatment. We also run quarterly wellness sessions in partnership with health and financial institutions, covering topics such as mental health challenges.

Social responsibility (continued)

Employment equity and transformation

BKB is committed to transformation and has an Employment Equity Committee chaired by the Executive: BKB Group Human Resources. The Committee provides a forum for representatives of labour, management, and other designated groups to review the progress and discuss the direction of BKB's employment equity plans and policies. Updates are submitted to the committee on a quarterly basis and employment equity reporting is done to the Department of Employment and Labour.

The Board's Social and Ethics and Human Resources Committees ensure conscious leadership, proper oversight and governance regarding human resource-related matters.



Socio-economic development

BKB prides itself on giving back to our employees' communities and those surrounding our businesses.

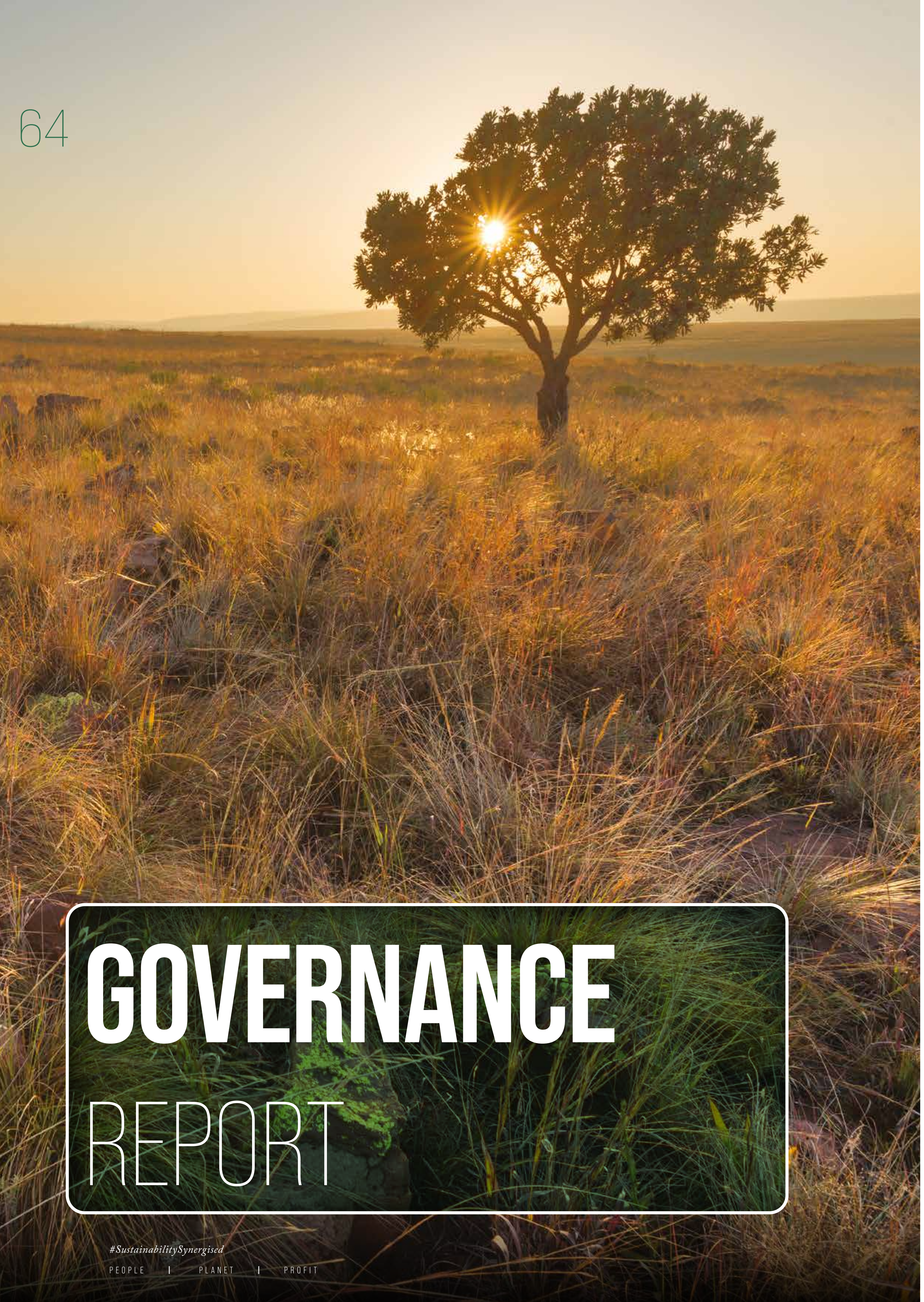
Our socio-economic development spend amounted to R1,1 million this year. To support supplier development, we provide an R3,5 million interest-free loan to an enterprise development agency based in Gqeberha.

The BKB Educational Trust invested R1,13 million (2023: R1,04 million) to support 176 (2023: 167) children with school and tuition fees.

Our Retail and Fuel Division makes regular grocery donations to children's homes nationwide.

The Group contributes to our communities and producers through different initiatives, for example:

- Donations to various charity organisations
- Training of farm workers
- Assisting with security measures in certain farming areas
- Facilitating transport for school pupils



GOVERNANCE REPORT

The Board of Directors

As oversight body, the Board upholds the principles of transparency and accountability throughout the business while supporting growth that is based on the Group's values, good governance and stakeholder-inclusivity.

This governance report outlines the key aspects of BKB's Governance Framework, practices and topics discussed and considered in FY24. The Board regularly reviews the framework against best practice and shareholder expectations.

The BKB Board is committed to providing satisfactory long-term returns to its shareholders while fulfilling its corporate governance obligations and responsibilities in the best interest of the Group and its stakeholders.

Key Board topics for FY24

Overseeing performance, strategy and implementation	The Board was satisfied with management's implementation of the strategy and strategic plans. The Board also reviewed and gave input into the business operations and divisional strategic plans that are likely to impact long-term shareholder value.
Discontinued operations	The Board provided oversight of the discontinuation of Desert Raisins and AlphaAlfa. Disinvesting from these businesses, including selling their assets, was more costly and time-consuming than expected.
Risk management	The Board reviewed the Group's Risk Management Framework and provided oversight of the implementation of risk management policies and practices. This included monitoring elevated credit risk and mitigation measures.
Growth opportunities	The Board monitored and evaluated new growth opportunities and potential acquisitions to complement the Group's existing portfolio of businesses.
Tracking external trends	The Board monitored changes and pressures in the domestic and global environments and actions taken to address emerging risks and opportunities.
Cash flow	The Board monitored the Group's cash flow performance, financial position and banking arrangements, including compliance with banking covenants and credit ratings.
Internal audit	The Board provided oversight for the development of an effective internal audit function.
Sustainability/ESG	The Board monitored the Group's sustainability initiatives and their implementation, including employment equity and black economic empowerment.
Remuneration	The Board provided oversight of the Group's remuneration policies and approved the remuneration for senior management.
Governance	The Board reviewed key aspects of the Group's corporate governance system, including updating processes and policies to strengthen governance.
Charters and policies	The Board approved the Board Charter and updated Charters of three Board committees. Policies relating to Director's Independence and Conflicts of Interest were also approved.

Board of directors

Members: 11 total, eight non-executive, three executives

Meets: Quarterly

Role and function: The Board's primary aim is to enhance the protection of shareholders' interests while also accounting for the interests of other stakeholders. The roles, functions and responsibilities of the Board are set out in a Charter, which is reviewed annually. The Charter also defines the roles of the Chairman and individual directors while differentiating between the responsibilities of the Board and the Executive Committee. The Managing Director, supported by his executive team, is responsible for the day-to-day management of BKB and its businesses. The Board maintains ultimate responsibility for the strategy and control of BKB and its business.

The Board's key responsibilities are:

- Approving the vision, mission, values and strategic direction of the BKB Group
- Setting the tone and leading BKB in an ethical, effective and responsible manner
- Guiding and monitoring the management of BKB and its businesses in accordance with the vision, mission, values and strategic plans
- Setting a high standard of corporate governance and fostering a culture of compliance with values related to ethical behaviour, integrity and respect for others
- Ensuring the sustainability and financial position of the business
- Setting the Group's risk appetite and putting appropriate risk management, internal controls and regulatory compliance policies and procedures in place

The Board of Directors (continued)

- Designating and assigning responsibility to sub-committees and providing terms of reference
- Defining levels of authority for management
- Providing governance and oversight over subsidiary companies' activities

BKB's governance frameworks, policies and procedures are guided by the principles outlined in King IV. The Board believes that the governance policies and practices applied by BKB during the reporting period ended 30 June 2024 reflected good practice and met stakeholder expectations.

"The Board provided effective leadership and direction in the best interests of the Group, its shareholders and other stakeholders in FY24. The Board is satisfied that it has properly executed its mandate."

Board composition

The Chairman is a non-executive director who is appointed as Chair for one year. The Chairman is subject to the same director re-election rules as other non-executive directors. The Chairman sets the tone for the Board, manages its activities and provides effective and ethical leadership. The Lead Independent Director strengthens the independence of the Board and acts as a sounding board to the Chairman and Vice-Chairman.

All non-executive directors are appointed for a specific period. There is no prescribed age for the retirement of non-executive directors.

The majority of BKB directors are non-executive. The Board shall comprise of no fewer than six and no more than fifteen directors as follows:

- A maximum of eight directors elected by the holders of the ordinary shares
- A maximum of four executive directors appointed by the abovementioned elected directors
- A maximum of three non-executive directors appointed by the elected non-executive directors based on their expertise and experience

The Board is committed to ensuring that its composition includes directors who bring an appropriate mix of skills, commitment, experience, expertise and diversity to Board decision-making. The Board believes that the current directors possess an appropriate mix of skills to enable the Board to discharge its responsibilities effectively and deliver the Group's strategic priorities as a diversified business.

Board induction and evaluation

New directors undergo a formal induction programme, which includes direction on expectations for their role and fiduciary responsibilities. We tailor this programme to their individual needs. The Chairman, Lead Independent Director and MD manage the induction programme.

The Board's performance is assessed internally on an annual basis. The Nominations and Remuneration Committee evaluates the performance of individual directors over their term of office.

Director independence

BKB's directors are expected to bring views and judgement to Board deliberations that are independent of management and free of any interest, position, business or other relationship that could materially interfere with the exercise of objective and independent judgement, having regard to the best interests of the Company as a whole.

Independence policies and guidelines for BKB's directors are outlined in the Board Charter and the separate policies on Independence of Directors and Conflicts of Interest. In terms of the CTSE Listings Requirements and the Companies Act, each director discloses any direct and indirect interest in the Company's share capital.

The Board has considered the position and relationships of all 11 directors as at the date of this report and considers that all non-executive directors are independent. The Board is satisfied that no individual director can exercise undue influence in its deliberations and decision-making.

"BKB's Business Ethics and Conduct Policy provides clear guidelines to everyone who works for the Group and its subsidiaries. The policy guides behaviour and helps ensure that laws, regulations and industry codes are adhered to while we conduct business fairly, honestly and ethically."

Board member profiles

Chairman and Vice-Chairman

Geoff Kingwill

Age: 62

B Mech Eng

Industry experience:
BKB Vice-Chairman, Cape Wools SA Chairman, International Wool Textile Organization: Chairman of Working Group, Armaments Corporation of South Africa (Armscor) Project Engineer

Skillset:
Agriculture, management, governance

Committee membership:
Human Resources Committee (Chairman), Social, Ethics and Sustainability Committee (Chairman), Nominations and Remuneration Committee (Chairman)

Adrian Meyer

Age: 62

B.Comm Honours, CA(SA)

Industry experience:
Cidel Bank & Trust Co-Founder and Director, National Trust Co Inc. (Canada) VP and Controller, Trans Canada Credit Loan Subsidiary of Norwest (now Wells Fargo) (Canada) CFO, Private Equity Investor, Farmer

Skillset:
Banking, private companies, trusts, agriculture

Committee membership:
Audit and Risk Committee, Nominations and Remuneration Committee, Investment Committee (Chairman)

Executive directors

Johan Stumpf

MD

Age: 56

B Eng (Industrial), B Eng Honours (Industrial), MBA

Industry experience:
Mpact Ltd Executive, Klein Karoo Group CEO, Sundays River Citrus Company CEO

Skillset:
Agriculture, manufacturing, management

Committee membership:
Investment Committee, Human Resources Committee, Social, Ethics and Sustainability Committee

Jannie van Niekerk

Financial Director (FD)

Age: 45

B Comm Acc Honours, CA(SA)

Industry experience:
Crown Food Group FD, Rhodes Food Group Financial Manager

Skillset:
Finance, administration, management, fast-moving consumer goods, manufacturing

Committee membership:
Investment Committee

André du Toit

Director: PaKHouse Brands

Age: 52

B Agric Administration, B Agric Honours, MBA

Industry experience:
PaKHouse Brands CEO, BKB General Manager: Trade, BKB General Manager: Livestock and Property, Kromco (Pty) Ltd Divisional CEO

Skillset:
Agriculture, manufacturing, international trade, management

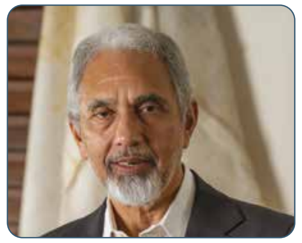
Committee membership:
Investment Committee

Board member profiles (continued)

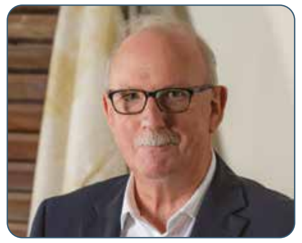
Non-executive directors

Jacques Louw
Age: 61
CA(SA); MBA; CISA; Farming diploma
Industry experience:
Telecommunications, banking, insurance, media and entertainment, synfuels and agriculture
Skillset:
Finance, banking, agriculture
Committee membership:
Audit and Risk Committee (co-opted)

Koos Janse van Rensburg
Age: 63
B Compt Hon, MBL
Industry experience:
VKB Group CEO, Kaap Agri Operations Director, Boland Agri Ltd CEO, Coopers & Lybrand Audit Partner
Skillset:
Finance, agriculture, management
Committee membership:
Audit and Risk Committee, Investment Committee



Ivan Pillay
Age: 71
Management Diploma
Industry experience:
Small Business Institute of South Africa Director, South African Revenue Services Deputy Commissioner, Public Affairs Research Institute Director, The Whistleblower House Director
Skillset:
Management, Public Administration, Investigations
Committee membership:
Human Resources Committee, Social, Ethics and Sustainability Committee



Charles Staple
Age: 72
B Com, CTA, NHEd, CA(SA), EDP(Wits)
Industry experience:
PwC – retired partner, Trustee of Ezethu Development Trust
Skillset:
Governance, assurance and risk management, finance
Committee membership:
Audit and Risk Committee (Chairman), Lead Independent Director

Chris Hobson
Age: 52
Nat Dip HR Management
Industry experience:
D&A Timbers (Pty) Ltd Owner and CEO, Iliad Africa (Pty) Ltd Managing Executive KZN, Trustee Mohair Trust, Councillor Kingswood College Council
Skillset:
Financial management, procurement, business development, people and stakeholder management, operations management, risk and compliance management, mergers and acquisition
Committee membership:
Human Resources Committee, Social, Ethics and Sustainability Committee, Investment Committee

Coenraad Fick
Age: 66
BSc Agricultural Economics
Industry experience:
Director in various companies: VKB Beleggings (Pty) Limited, Farmwise Marketing, Maluti Fruit (Pty) Limited and Grain Field Chickens (Pty) Limited
Skillset:
Agriculture
Committee membership:
Nominations and Remuneration Committee

Company Secretary

Johannette Oosthuizen
Age: 59
B Com (Law); CIS Intermediate Diploma – The Southern African Institute of Chartered Secretaries and Administrators; Associate Diploma – The Institute of Bankers in South Africa
Industry experience:
Legal and Economic Analyst/ Delta Motor Corporation; Senior Trust Officer/Standard Trust; Pension Fund administrator/NMBM
Skillset:
Local government, Banking, Motor industry and Agriculture

Executive team profiles

BKB's executives delivered on performance expectations and continued building the Group's reputation through expertise and ethical behaviour.

The executive team

Johan Stumpf
MD: BKB Group
Age: 56
Qualifications:
B Eng (Industrial), B Eng Honours (Industrial), MBA
Industry experience:
Mpact Ltd Executive, Klein Karoo Group CEO, Sundays River Citrus Company CEO
Skillset:
Agriculture, manufacturing, management

Jannie van Niekerk
FD: BKB Group
Age: 45
Qualifications:
B Comm Acc Honours, CA(SA)
Industry experience:
Crown Food Group FD, Rhodes Food Group Financial Manager
Skillset:
Finance, administration, management, fast-moving consumer goods, manufacturing

André du Toit
Executive: PaKHouse Brands
Age: 52
Qualifications:
B Agric Administration, B Agric Honours, MBA
Industry experience:
PaKHouse Brands CEO, BKB General Manager: Trade, BKB General Manager: Livestock and Property, Kromco (Pty) Ltd Divisional CEO
Skillset:
Agriculture, manufacturing, international trade, management

Isak Staats
Executive: Natural Fibre
Age: 53
Qualifications:
BBA MBA
Industry Experience:
General Manager: wool and mohair, Omnia Free State General Manager, Admin manager, Production manager
Skillset:
Agriculture, production, sales and marketing, management

Executive team profiles (continued)

The executive team (continued)

Casper Schmidt

Executive: Livestock and Properties

Age: 39

Qualifications:
B Comm Acc

Industry experience:
General Manager – BKB Grain Storage, Group Financial Manager – Grainco

Skillset:
Agriculture, finance, management

Jacques van Niekerk

Executive: Retail and Fuel

Age: 54

Qualifications:
B. Comm (Industrial Psychology), MBA

Industry experience:
EPKO Oil Seed Crushing (Pty) Ltd CEO, OPTI Feeds (Pty) Ltd General Manager, Henwil Chickens CEO, Earlybird Farm (Pty) Ltd Executive Manager

Skillset:
Trading, fuel, agriculture, manufacturing, management

Pholisa Monki

Executive: BKB Group Human Resources

Age: 43

Qualifications:
BA Human Resources Management, BA Sociology Honours

Industry experience:
Regional HR Manager Mpact, Human Resource Business Partner ABSA Bank, Human Resource Consultant and Training Practitioner Volkswagen Group South Africa, Skills Development Facilitator Shatterprufe

Skillset:
Human resources management, administration in manufacturing, banking

Board and committees

BKB BOARD OF DIRECTORS

The Board has a Chairman, Vice-Chairman and Lead Independent Director.
Eight of the eleven Board members are independent and non-executive.
Meets quarterly.

Audit and Risk Committee	Nominations and Remuneration Committee	Human Resources Committee	Investment Committee	Social, Ethics and Sustainability Committee
Four independent, non-executive members. The Chairman is independent.	Three independent, non-executive members. The Chairman is independent.	Three independent, non-executive members and one executive member. The Chairman is independent.	Three independent, non-executive and three executive members. The Chairman is independent.	Three independent, non-executive and three executive members. The Chairman is independent.
Meets quarterly.	Meets at least annually.	Meets quarterly.	Meets at least three times a year.	Meets quarterly.

The Board has established several committees to facilitate effective decision-making and to assist in the execution of its oversight duties and responsibilities. The committees have written terms of reference to assist and direct them in the execution of their duties. Committee chairmen report quarterly to the Board on the activities of their committees.

In FY24, the Board reviewed three committees' terms of reference to refine focus and enhance performance. The charters and terms of reference for the Audit and Risk, Human Resources and Social, Ethics and Sustainability Committees were reviewed, updated and approved by the Board.

"The Board is satisfied that all committees have properly fulfilled their mandated responsibilities during the year under review."

Board and committees (continued)

Audit and Risk Committee

Members: Four non-executive directors

Meets: Quarterly

Role and function: The Committee's roles and responsibilities are outlined in its Charter, which is reviewed annually.

Assists the Board in fulfilling its responsibilities in overseeing:

- The Group's financial reporting
- Compliance with legal and regulatory requirements
- Setting and reviewing risk appetite and risk management policies and procedures
- Overseeing the Group's internal control framework

The external and internal auditors have unlimited access to the committee, ensuring their independence is not compromised. Executive, senior management and internal audit members attend the meetings by invitation.

For the detailed Audit and Risk Committee report, see page 78.

Nominations and Remuneration Committee

Members: Three non-executive directors

Meets: At least annually

Role and function: Ensures that the recommended Board appointments are made considering the need for appropriate skills, competency, experience and diversity.

Responsible for:

- Board succession planning and ensuring that suitable candidates are identified and nominated for Board vacancies.
- Determining the independence requirements for non-executive directors and appointing a Lead Independent Director.
- Making recommendations regarding the composition of Board committees.
- Ensuring a proper evaluation of the performance of the Board, its committees and individual non-executive directors.
- Determining remuneration of executive directors and other members of the executive team. From time to time, an independent external consultant may facilitate the evaluation process.

Human Resources Committee

Members: Three non-executive directors and one executive

Meets: Quarterly

Role and function: Ensures that the appropriate human resources policies and procedures are in place and aligned with BKB's values, that the required talent is recruited and retained, and proper development and reward structures are in place.

Responsible for:

- Labour-related matters.
- Ensuring that the Group's remuneration policies and practices are benchmarked to be competitive and to attract and retain key talent and skills required to deliver BKB's goals and desired results.
- Overseeing and recommending the Group's annual remuneration adjustments for the wider body of employees (i.e. other than the executive team).
- Making recommendations to the Executive and Board on remuneration, reward and incentive strategies.
- Monitoring the implementation of incentive schemes.
- Ensuring that a proper employment equity plan is implemented.
- Monitoring the succession process within divisions to ensure that talent is developed to cover key positions.

Read more in the remuneration report on page 76.

Board and committees (continued)

Investment Committee

Members: Three executive and three non-executive directors

Meets: At least three times a year

Role and function:

- Considers new acquisitions or investments
- Informs and updates the Board on new and existing opportunities
- Ensures alignment between investment, acquisition and the business strategy
- Considers the alignment of funding options to investments and acquisitions
- Monitoring and review of post-implementation reports relating to new investments

Social, Ethics and Sustainability Committee

Members: Three non-executive and one executive directors

Meets: Quarterly

Role and function:

- Provides guidance on social, ethics and sustainability issues to the Board
- Has oversight of, and reports on, ethics-related matters and activities connected with good corporate citizenship
- Ensures adequate codes, policies and procedures are in place to manage social, ethical and sustainability risks
- Reviews and monitors Group-wide compliance with relevant policy guidelines and local and international standards and laws
- Ensures management allocates adequate resources to comply with relevant policies, codes of best practice and regulations
- Engages with internal and external stakeholders on social, ethical and sustainability issues
- Responsible for monitoring health, safety and environmental matters across the Group
- Responsible for BBBEE implementation

Read more in the sustainability impact chapter on page 52.

Board and committees (continued)

Meeting attendance

DIRECTOR	BOARD	COMMITTEES				
		AUDIT AND RISK	NOMINATIONS AND REMUNERATION	HUMAN RESOURCES	INVESTMENT	SOCIAL, ETHICS AND SUSTAINABILITY
Number of meetings	6	4	1	5	3	5
Non-executive:						
GEJ Kingwill (Chairman)	6/6		1/1	5/5	3/3#	5/5
CD Hobson	6/6				3/3	
JF Janse van Rensburg	6/6	4/4			3/3	
EA Meyer (Vice-Chairman)	6/6	4/4	1/1		3/3	
V Pillay	6/6			5/5		5/5
HC Staple	6/6	4/4				
J G Louw	6/6	4/4				
P Mbikwana##	5/6			3/3		3/3
CF Fick###	5/6		1/1	2/2		2/2
Executive:						
JE Stumpf (Managing)	6/6	4/4*		5/5	3/3	5/5
AS du Toit	6/6	4/4*			3/3	
JA van Niekerk (Finance)	6/6	4/4*			3/3	

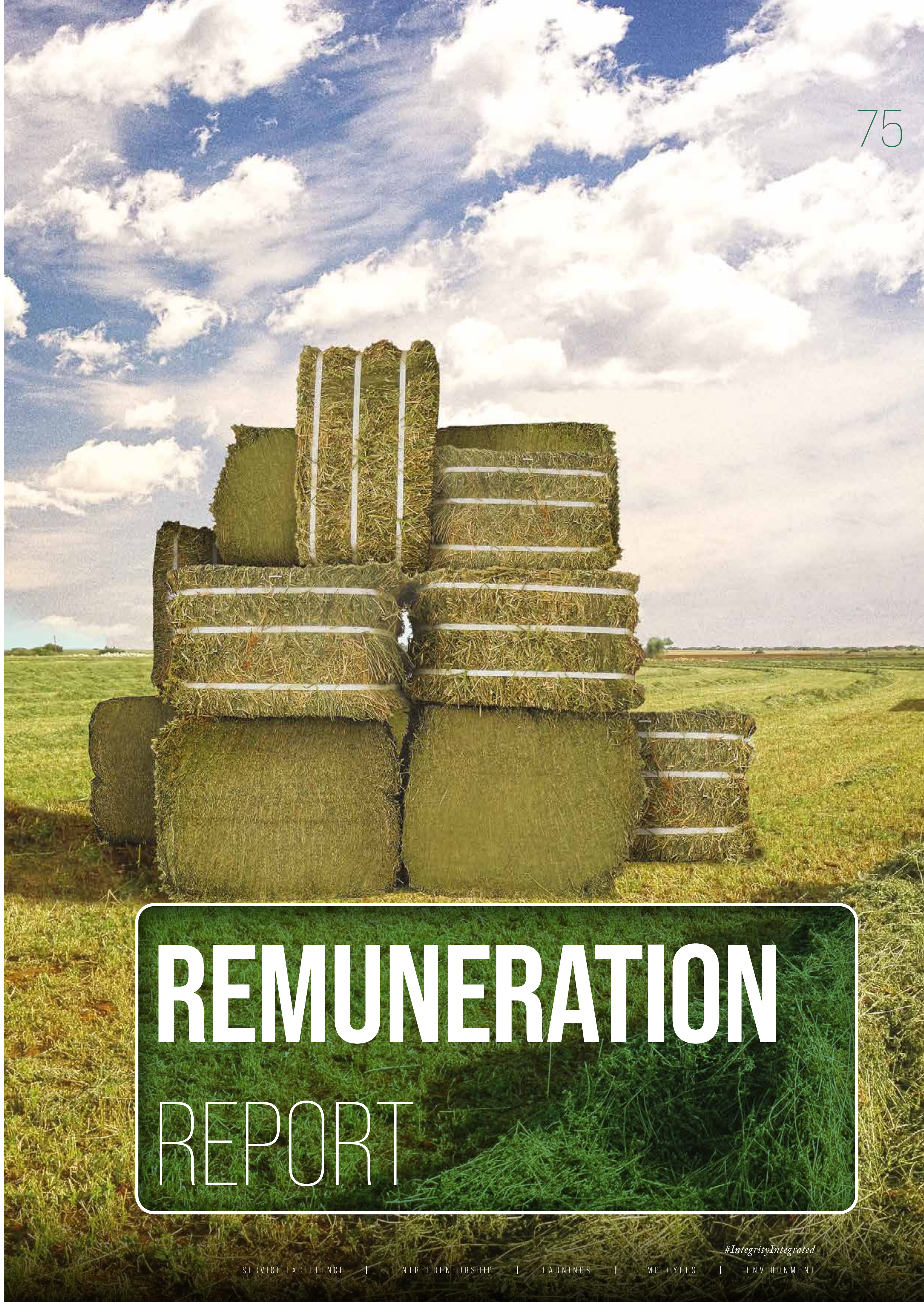
* *Ex officio*
\# *By invitation*
\## *Resigned in March 2024*
\### *Appointed to the Human Resources and the Social, Ethics and Sustainability Committee in April 2024*

Diversity and inclusion

BKB considers its diverse and inclusive workforce a key enabler of delivering satisfactory returns to its shareholders and satisfying the needs of other stakeholders. The Group employs a range of participative structures for issues that significantly and directly affect employees. These have been designed to maintain sound relationships between the employer and employees through the effective communication of relevant information, consultation, and the identification and resolution of conflict. The Group employs a policy of equal opportunities for all and promotes staff on merit. We provide a confidential 24/7 whistle-blowing service that operates 365 days a year and is managed by an independent party. All whistle-blower matters are reported directly to the Chairman of the Audit and Risk Committee.

Regulatory compliance

The Board is ultimately responsible for ensuring compliance with all applicable legislation and regulations. Compliance is monitored by the Company Secretary and Compliance Officer. All potential instances of non-compliance are reported to the Audit and Risk Committee. No material or significant instances of non-compliance with laws and regulations have been reported during the period under review and to the date of this report.



Remuneration report

Background statement

BKB's remuneration approach ensures that the Group is seen as the employer of choice in the industry. It seeks to create the appropriate environment that attracts and retains high-performing, talented employees and motivates them to perform optimally in alignment with the Group's goals.

This year, the average salary and wage increase was 6% and 7%, respectively. This was informed by the Department of Labour's specifications, inflation, agreements with union councils and individual performance evaluation.

Our remuneration structure, as underpinned by our remuneration policy and supplemented by benchmarking surveys, remains instrumental in ensuring internal and external reward parity. BKB remunerates employees in line with market dynamics and the context in which we operate. It aligns with the strategic direction of BKB. As such, remuneration is critical in attracting and retaining high-performing individuals.

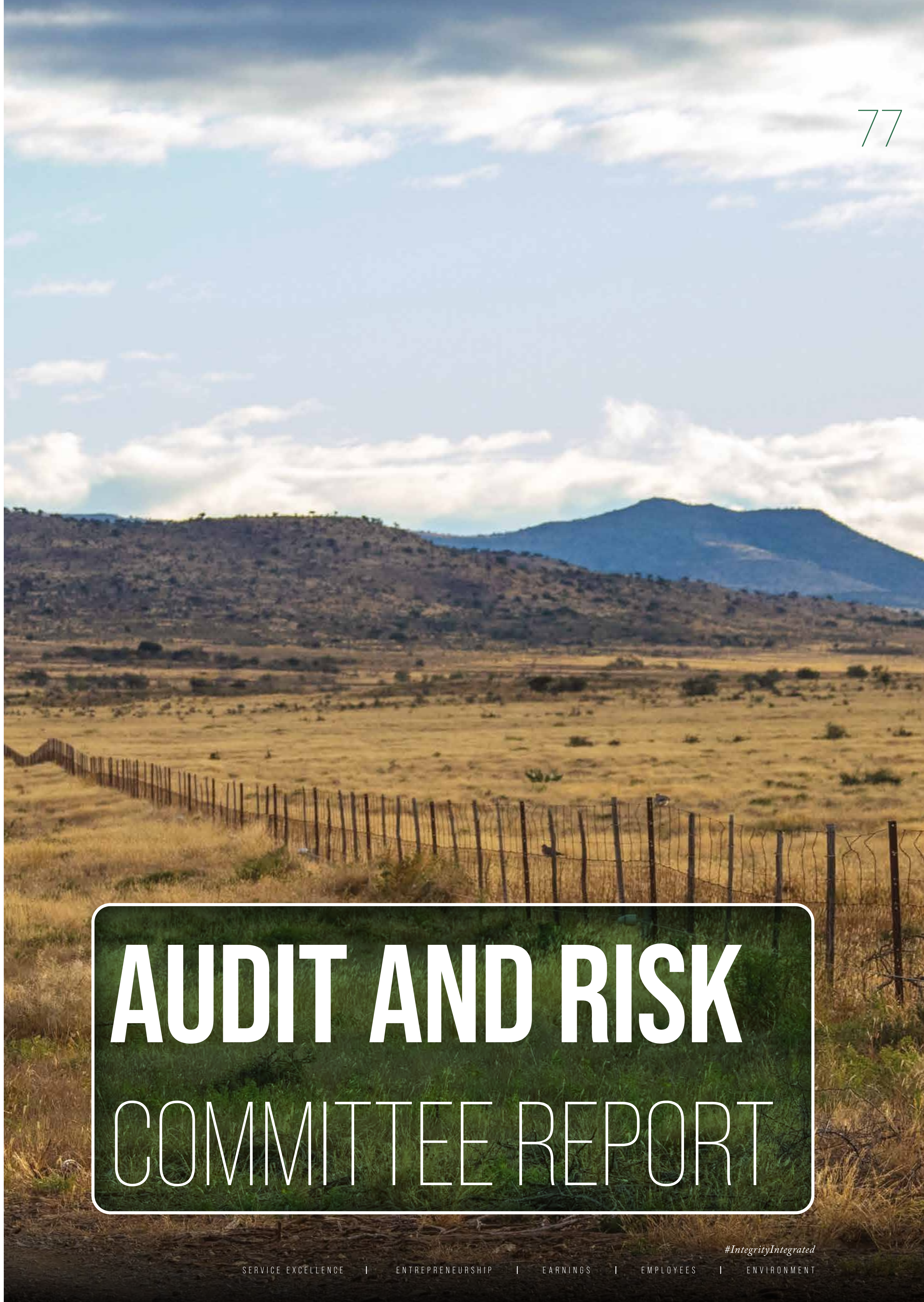
The key principles of our remuneration policy

Principle 1	We reward for outputs achieved rather than reward for tasks, duties and responsibilities.
Principle 2	Incentive/variable pay is visible and based on performance.
Principle 3	As pay is increasingly tied to competency, acquisition, teamwork and performance, the proportion of variable pay to guaranteed pay will increase, offering greater performance rewards. In line with the higher risk for the employee, the ability to earn more should also increase with higher productivity. This principle is important for creating a high-performance culture and retaining high performers.
Principle 4	The reward structure is an outcome of sound management practices, not a substitute for it.
Principle 5	The successful organisation assumes the required quality and volume levels are achieved. People should not be paid "extra" for achieving what they are paid to achieve. Output and quality levels are not voluntary.

Elements of remuneration

SALARY AND BENEFITS	SHORT-TERM INCENTIVE (STI) SCHEME	LONG-TERM INCENTIVE SHARE PARTICIPATION SCHEME
In addition to basic monthly salaries, the Group provides various benefits to its employees. These range from general benefits, such as medical aid and retirement fund schemes, with generous death and disability benefits, to overall employee care.	The STI scheme aims to share the organisation's success proportionately with key employees. The scheme establishes competitive earning opportunities, attracts and retains high-calibre employees, and reinforces organisational performance. It seeks to encourage exceptional performance. The STIs are based on the unique circumstances related to levels and divisions. Payment depends on achieving defined criteria at a divisional and collective business level. Targets are predominantly profit-driven, together with a reasonable ROFE. Personal and non-financial targets are also set.	A discretionary award applied to qualifying senior key employees, as recommended by the Human Resources Committee and the Nominations and Remuneration Committee and approved by the Board. The share scheme is designed to recognise service and performance and entitles eligible executive managers to participate in the potential growth of BKB. The potential earning opportunities are competitive, and performance criteria include ROFE, debt management in relation to EBITDA and growth in earnings per share.

Further information regarding remuneration is set out in Note 17 and Note 40 of the Annual Financial Statements.



Audit and Risk Committee report

The BKB Audit and Risk Committee is an independent statutory committee constituted under section 94(7) of the Companies Act. The committee acts as an audit committee for all companies in the BKB Group. The committee is accountable to the Board and to the shareholders of BKB Limited. The Board is satisfied that the Group Audit and Risk Committee is independent and that the members collectively have the required skills, expertise and experience to discharge the committee's responsibilities.

Duties and responsibilities

The duties and responsibilities of the committee are set out in its Charter. In terms of its Charter, the committee's role is to provide independent oversight of the effectiveness of the BKB's control environment, its assurance functions (both internal and external), risk management processes, the appointment of external auditors, the integrity of all interim financial reporting, and the integrity of the annual report and consolidated annual financial statements and related reporting. The Charter incorporates the committee's statutory responsibilities.

The committee's Charter was reviewed and updated in 2024.

Membership and meetings

The committee comprises four independent non-executive directors who shareholders appointed at the AGM in November 2023. The committee is chaired by Charles Staple. The composition of the committee and attendance of meetings are outlined in the Governance section of the annual report.

Regular invitees to the committee's meetings are the Chairman of the Board, the MD, the FD, the Executive Director, the General Managers of finance and internal audit. Other executives, general managers and senior managers are also invited from time to time.

The BKB Group's external auditors, PwC, attended all the committee's meetings.

The committee Chairman has regular meetings with the external auditors, the head of internal audit, and the Group's MD and FD. Additional closed meetings with these parties are held by the committee as and when necessary. The internal and external auditors have unrestricted access to the committee.

Key activities of the committee for the 2024 financial year

Financial statements and reporting

The committee reviewed the accounting policies, significant accounting matters, material judgements and estimates, and the going concern assessment applicable to the audited consolidated and Company annual financial statements for the year ended 30 June 2024. The committee is satisfied that the accounting policies adopted and applied by the Group are appropriate. After considering the Group's forecasts, liquidity and capital position, the committee concluded that the going concern basis for preparing the annual financial statements is appropriate.

The committee is satisfied that the annual financial statements comply with the requirements of the IFRS Accounting Standards and the Companies Act, and fairly present the financial position of the Company and the Group at the end of the financial year.

The committee considered the key audit matters identified by the external auditors in connection with the impairment of trade receivables. The committee is satisfied with the judgements and assumptions applied, and management's responses and the adequacy of impairment provisions raised.

The auditor's unqualified opinion is set out on pages 85 to 89 of the consolidated annual financial statements.

Internal controls and risk management

The committee reviewed the Group's risk and control environment assessments, including IT risks. Overall, the committee concluded that the Group's internal financial controls were adequately designed and operated effectively during the year under review. This conclusion is based on information and explanations provided by internal audit, external auditors and management. Notwithstanding this overall conclusion, there are some areas where internal controls require management's attention. These areas are limited and are not pervasive. The committee is satisfied with the steps management is taking to strengthen controls where required.

Cyber risk was an area of focus in FY24. The committee monitored the Group's IT security plans and steps taken to address the risk of material operational and disruptive incidents. The committee is satisfied with management's responses to findings and the actions taken to address and mitigate material cyber-related risks. In FY24, considerable progress has been made in addressing cyber risk.

The committee considered the results and findings of all audits, internal control reviews and investigations performed by both internal audit and external service providers. The committee ensured that control processes were put in place and the necessary corrective action was taken where control weaknesses and deficiencies had been identified. The committee is satisfied that appropriate actions have either already been taken or are in progress in respect of all significant or material findings.

Management continues to make progress with the development of the Group-wide risk management functions. The committee reviews the key business risks in detail at least once a year. Risk management is a standing item on the committee's agenda and is considered at every meeting, including new and emerging risks. The committee reports to the Board on risk-related matters after each meeting. In FY25, executive management will focus on further embedding risk management across the organisation. The strengthening of the internal audit function will add impetus and improve the Group-wide risk management processes.

The committee considered the adequacy of the processes in place to prevent, detect and monitor the occurrence of non-compliance with applicable laws and regulations. No material or significant occurrences were reported to the committee during the year under review.

The committee reviewed the adequacy of the Group's insurance arrangements to ensure appropriate levels of cover for operational and business risks.

Audit and Risk Committee report (continued)

The committee monitored the Group's tax compliance programme to ensure that its obligations are met in the jurisdictions where the Group operates.

Internal audit

The planned improvements to, and reorganisation of, internal audit at BKB were not completed in FY23 due to resource constraints and difficulty attracting and retaining personnel with the requisite internal audit knowledge and skills. A head of internal audit was appointed in FY24. Executive management and the committee are confident that further progress will be made in the coming year. The committee will ensure that there is sufficient focus on BKB's internal audit capacity and critical skills.

Developing an appropriate combined assurance model for the BKB Group remains high on the committee's agenda.

External Auditor

The committee is satisfied that PwC is independent of the Group, as defined by the Companies Act and the standards stipulated by the auditing profession. Assurance was provided by PwC that internal governance processes within their firm support and demonstrate appropriate independence. Based on its own assessment, together with information provided by PwC on the firm's internal quality-control procedures, the committee considered audit quality to be satisfactory.

The committee ensured that there were no scope limitations in respect of the audit work to be performed by PwC.

The committee, in consultation with executive management, agreed to the terms of the statutory audit engagement as well as the detailed audit plan for FY24. The audit fee for the external audit has been considered and approved, taking into consideration such factors as the timing of the audit and the scope and extent of the work required.

The committee considered and approved all non-audit services provided by the external auditor. The committee ensured that the scope of non-audit services rendered by the external auditors did not impair auditor independence.

The external auditor confirmed that no reportable irregularities were identified and reported in terms of the Auditing Profession Act, No.26 of 2005.

The committee recommended PwC for reappointment as external auditors, with Mrs. S Williams as the designated audit partner for the 2025 financial year.

Financial Director and the finance function

The committee is satisfied that the FD, Jannie van Niekerk, has appropriate expertise and experience. The committee is also satisfied with the expertise and adequacy of resources of the Group's finance function.

Other matters

The committee receives information on all whistle-blowing related matters, whether from within or outside the Group, and deals with them as appropriate.

The committee reviewed the interim report and the half-year results as at 31 December 2023. The committee was satisfied with the accuracy and integrity of the half-year results and reporting.

The committee oversaw the compilation of the annual report and reviewed its content. The committee recommended approval of the annual report by the Board.

Recommendation of the annual financial statements

The committee reviewed the audited annual financial statements of the Group and the Company and is satisfied that they comply with IFRS Accounting Standards in all material respects and with the Companies Act.

The committee recommended to the Board that the annual financial statements be adopted and approved at the Board meeting on 5 September 2024.

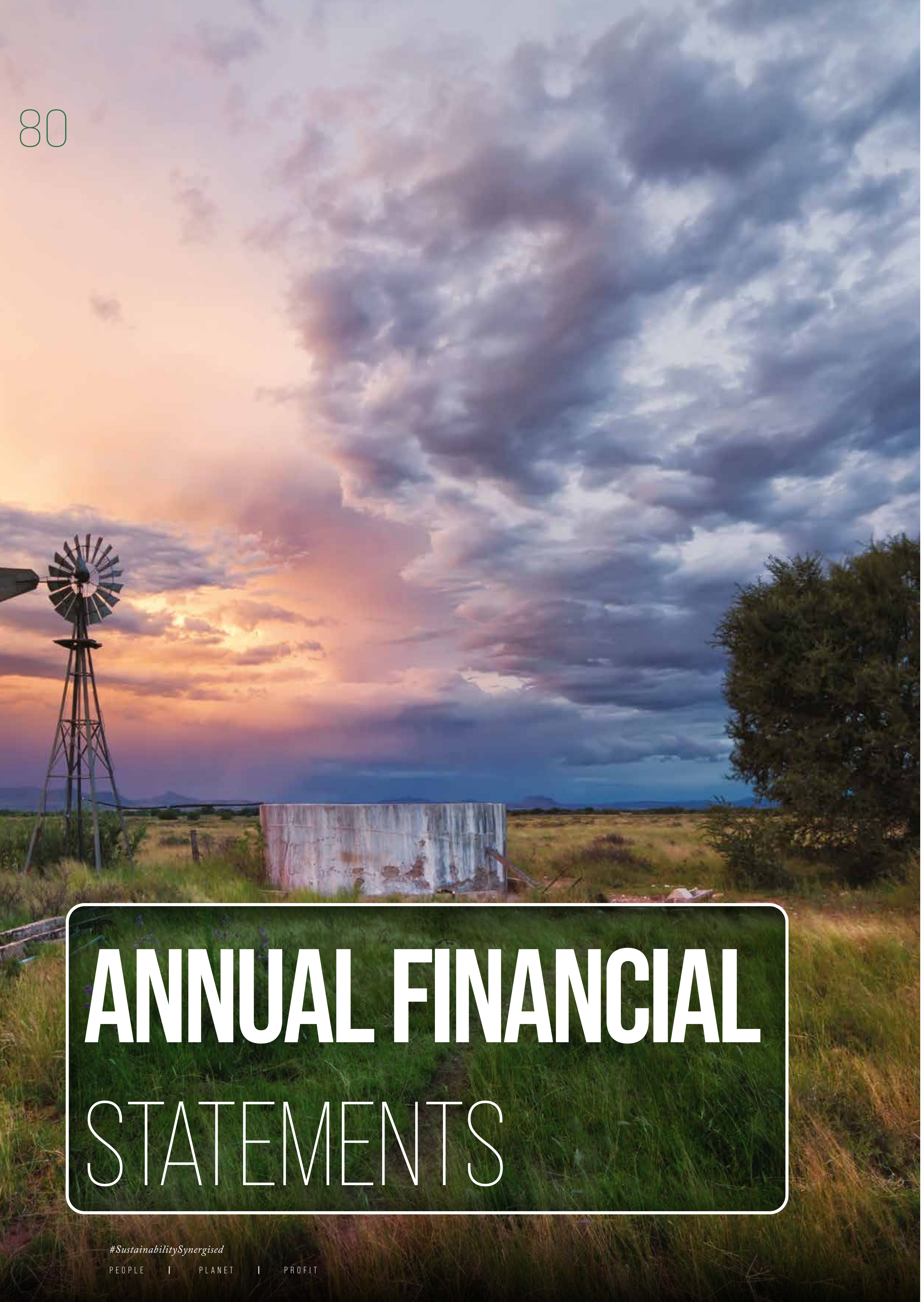
The committee is satisfied that, in respect of the period under review, it has conducted its affairs and discharged its duties and responsibilities in accordance with its Charter, CTSE listings requirements and Companies Act.

On behalf of the Audit and Risk Committee

Charles Staple

Charles Staple
Chairman: Audit and Risk Committee

11 September 2024



Directors' responsibilities and approval

The directors are responsible for the content, integrity and fair presentation of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Company and Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards. The external auditor is engaged to express an independent opinion on the financial statements.

The Financial Statements are prepared in accordance with IFRS Accounting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

Risk management in the Group focuses on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that, based on the information and explanations given by management, the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Company and Group's cash flow forecast for the year to 30 June 2025. In light of this review and the current financial position, they are satisfied that the Company and Group have access to adequate banking facilities and cash resources to continue their operations for the foreseeable future.

Based on the prevailing financial position of the Company and of the Group, budgets for the coming year and available banking facilities and credit lines, the directors have no reason to believe that the Company and Group will not be a going concern.

The annual financial statements for both the Company and the Group have therefore been prepared on a going concern basis.

The external auditor is responsible for independently auditing and reporting on the Company and Group's financial statements. The external auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors and committees of the Board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate.

The financial statements have been examined by the Company and Group's external auditor, and their unqualified report is presented on pages 85 to 89.

The Company and Group annual financial statements on pages 91 to 171 were prepared under the supervision of Mr. J A van Niekerk (CA (SA)).

The annual financial statements for the year ended 30 June 2024, set out on pages 91 to 171, were approved by the Board on 5 September 2024. The Board mandated the Chairman of the Audit and Risk Committee to approve any adjustments to the financial statements after 5 September 2024.

Approval of financial statements

Geoff Kingwill

Geoff Kingwill
Chairman

11 September 2024

Johan Stumpf

Johan Stumpf
Managing Director

11 September 2024

Group Company Secretary's declaration

In my opinion as Group Company Secretary, I hereby confirm, in terms of the Companies Act 71 of 2008, for the year ended 30 June 2024, that the Group has lodged with the Commissioner of Companies all returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

Johannette Oosthuizen

Ms J Oosthuizen
Group Company Secretary

11 September 2024

Directors' report

The directors have pleasure in submitting their report on the annual financial statements of the Company and the Group for the year ended 30 June 2024.

Nature of business

The Company is incorporated and domiciled in South Africa with interests in the agriculture industry. The activities of the Group are undertaken through the Company and its principal subsidiaries. The Group operates in South Africa, Lesotho and Eswatini.

The Group's business broadly entails the handling and marketing of agricultural products (wool, mohair, grain, consumer goods and livestock), the provision of farming requisites, sale of fuel, financing and other related activities.

There have been no material changes to the nature of the Group's continuing business from the prior year.

Review of financial results and activities

The Group reported a profit of R87,27 million (2023: R9,85 million). Total assets decreased to R2,9 billion (2023: R3,1 billion), while total liabilities decreased to R1,4 billion (2023: R1,8 billion).

The consolidated and separate Financial Statements have been prepared in accordance with the IFRS Accounting Standards and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Company and the Group are set out in these consolidated and separate annual financial statements. The results are further explained in the reports of the MD and FD on pages 25 to 27, and 33 to 36, respectively.

Share capital

	RAND		NUMBER OF SHARES	
	2024	2023	2024	2023
Authorised ordinary shares	–	–	200 000 000	200 000 000
Issued ordinary shares	4 420 354	4 420 354	88 407 075	88 407 075

There has been no change to the authorised and issued share capital during the year under review.

Authority to buy back shares

At the annual general meeting held on 22 November 2023, shareholders gave the Company or any of its subsidiaries a general approval in terms of section 48 of the Companies Act, by way of special resolution, for the acquisition of its own shares. No shares were bought back during the year.

Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act. This general authority remains valid until the next AGM.

Dividends

The Company's dividend policy is to consider a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends.

At the Board meeting on 5 September 2024 the Board proposed a gross dividend of 33 cents for the year ended 30 June 2024 (2023: no dividend declared).

Refer to Note 17 of the consolidated and separate annual financial statements for details of the Group Share Incentive Scheme.

Directors' report (continued)

Directorate

The directors in office at the date of this report are as follows:

	OFFICE	DESIGNATION	NATIONALITY	CHANGES
J E Stumpf	Managing Director	Executive	South Africa	
A S du Toit	Director	Executive	South Africa	
J A van Niekerk	Financial Director	Executive	South Africa	
G E J Kingwill	Chairman of the Board	Non-executive	South Africa	
E A Meyer	Vice-Chairman	Non-executive	South Africa	
H C Staple	Chairman of the Audit Committee	Non-executive	South Africa	
C D Hobson		Non-executive	South Africa	
J F J van Rensburg		Non-executive	South Africa	
V Pillay		Non-executive	South Africa	
C F Fick		Non-executive	South Africa	
J G Louw		Non-executive	South Africa	

Directors' interests in shares

As at 30 June 2024, the directors of the Company held direct and indirect beneficial interests in 0,57% (2023 0,47%) of its issued ordinary shares, as set out below.

	NUMBER OF SHARES	
	2024	2023
Executive directors	20 750	20 750
Non-executive directors	482 420	396 128
Total	503 170	416 787

Details of directors' shares in the Company are presented in the Financial Statements in Note 39.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

Directors' interests in contracts

No contracts were entered into during the financial year in which directors or officers of the Group had an interest and which significantly affected the business of the Group or Company.

Interests in subsidiaries, associates and joint arrangements

Details of material interests in subsidiary companies are presented in the Company financial statements in Note 7. Apart from Atlanta Investments (Pty) Ltd, Atlanta Products (Pty) Ltd, Oceanic Swaziland (Pty) Ltd and Lihoai Consultancy (Pty) Ltd, all subsidiaries are incorporated in South Africa.

There were no significant acquisitions or divestitures during the year ended 30 June 2024.

Events after the reporting period

The directors are not aware of any material events occurring after the reporting date and up to the date of this report that would have a material impact on these annual financial statements.

Independent auditor's report

To the Shareholders of BKB Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of BKB Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

BKB Limited's consolidated and separate financial statements set out on pages 91 to 171 comprise:

- the consolidated and separate statements of financial position as at 30 June 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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.

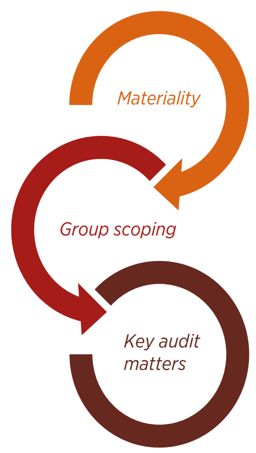
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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)*.

Our audit approach

Overview



Overall group materiality

- Overall group materiality: R25,700,000, which represents 0.4% of consolidated revenue from continuing operations.

Group audit scope

- Full scope audits were performed on six financially significant components;
- Audit of one or more account balances in respect of six components; and
- Review and analytical procedures were performed over the remaining non-significant components.

Key audit matters

- Impairment assessment of trade receivables, including producer advances

Independent auditor's report (continued)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R25,700,000
How we determined it	0.4% of consolidated revenue from continuing operations
Rationale for the materiality benchmark applied	We chose consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is mostly commonly measured by users. Consolidated revenue is a key driver of the business and contributes to the overall performance. Consolidated revenue has also remained fairly stable in recent years. We chose 0.4% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue as a benchmark in calculating materiality.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group's consolidated financial statements comprise of thirty-three components, being subsidiaries, joint ventures, associates and dormant entities. Full scope audits were performed on six components. Six components were deemed to be significant due to their financial significance to the Group based on scoping benchmarks such as the component's contribution to key financial statement line items (consolidated revenue and total consolidated assets). Audits of one or more account balances were performed for six components. Review and analytical procedures were performed on the remaining components considered as insignificant for group reporting purposes.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group engagement team, or component auditors from other PwC network firms performing work under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Independent auditor's report (continued)

Key audit matter

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment assessment of trade receivables, including producer advances *This key audit matter relates to the consolidated and separate financial statements.* As at 30 June 2024, the group's gross trade receivables, including producer advances, amounted to R1 018.5 million (2023: R1 009.6m) and a loss allowance for expected credit losses of R71.5 million (2023: R56.2m) was recognised. As at 30 June 2024, the company's gross trade receivables, including producer advances, amounted to R605.7 million (2023: R601m) and a loss allowance for expected credit losses of R61.9 million (2023: R42m) was recognised. This area required significant auditor attention and was considered to be a matter of most significance to the current year audit due to: • the significant judgements made by management in assessing the recoverability of trade receivables; and • the magnitude of the trade receivables balance. Significant judgements made by management includes the following assumptions: • Probability of default; • Forward looking information; and • Loss given default Management performs separate assessments for the specific and general provisions recognised. The general provision is based on two different methods: • Provision matrix (Trade receivables); and • 3 Stage expected credit loss ("ECL") model (Producer advances) Management firstly assess the trade receivables on an individual basis (specific) at the end of the financial year to determine if the group and company has no reasonable expectation of recovering the amount due by the debtor in full (or part thereof). Management determines the recoverability of trade receivables by assessing the total outstanding balance against the securities held for that debtor. Where management assesses that the debtor's account is not recoverable, a provision is raised in this regard. The remaining balance of trade receivables and producer advances are measured using a provision matrix or the 3 stage expected credit loss model. The 3 stage expected credit loss model, adjusted for forward-looking factors is determined using the following formula: Impairment = Total book x Probability of Default% (PD%) x Loss Given Default % (LGD%) x Forward Looking Adjustment	Our audit procedures included the following: Through discussions with management, we obtained an understanding of the process followed to determine the expected credit loss of trade receivables and producer advances. With respect to the expected credit loss models used by the group and company, the appropriateness of the modelling policies and methodologies used was independently assessed against the requirements of IFRS 9. No inconsistencies were noted. We assessed the appropriateness of the ageing categorisation by testing a sample of customers to underlying support to assess whether their outstanding debt was categorised correctly. No material exceptions were noted. We evaluated and challenged management's assessment for the specific provision by performing the following: • We filtered the debtors' listings for material debtors balances outstanding beyond their payment terms. • In respect of the debtors identified above and not specifically provided for, we investigated and corroborated by way of inspecting underlying documentation, such as payments received after year end, and discussions with management with regard to the reasons why these debtors have not been provided for. • We tested the individual debtors' provisions on a sample basis by obtaining explanations from management and inspecting underlying documentation for the respective provision raised against the debtors balances. • Based on the procedures performed, we did not note material exceptions. We evaluated and challenged management's assessment on the appropriateness of the models used in the ECL on a collective basis by performing the following: • We tested the mathematical accuracy of the ECL calculation and found no material exceptions. • We analysed the collection of receivables in the respective ageing categorisations and independently calculated the historical loss rates, which were compared to management's loss rates. Based on our work performed, we accepted management's loss rates and the application of the loss rates in the various ageing categorisations.

Independent auditor's report (continued)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
The provision matrix calculates the ECL using historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date. Refer to the following accounting policies and notes to the consolidated financial statements for disclosure: • Note 10 (Trade and other receivables); • Note 41.3.i (Credit risk); and • Note 46.10.2 (Trade and other receivables accounting policy).	• We assessed the appropriateness of the default rates assigned to the advances and production loans by assessing the interest rates charged and assessing this against the 'Annual Global Corporate Default Study and Rating Transitions' Report as issued by one of the Global Ratings Agencies. No material exceptions were noted. • We evaluated forward looking information by analysing management's assessment and making independent adjustments, taking into account the current industry and economic climate. No material exceptions were noted. We evaluated the presentation and disclosures relating to the impairment of trade receivables against the disclosure requirements of IFRS 9 and IFRS 7. We did not note material disclosure deficiencies.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "BKB Annual Report 24", which includes the Directors' Report, the Audit and Risk Committee Report and the Group Company Secretary's Declaration as required by the Companies Act of South Africa. 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 identified above 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 the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

Independent auditor's report (continued)

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and 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 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of BKB Limited for 33 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: S Williams
Registered Auditor

Gqeberha, South Africa
11 September 2024

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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(Registration number 1998/012435/06)
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CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	798 541	785 516	502 736	471 985
Right-of-use assets	3	68 966	82 106	30 265	37 244
Investment property	4	61 239	38 689	15 739	13 889
Intangible assets	5	131 021	134 195	85 497	90 116
Investments in subsidiaries	7	-	-	278 176	276 233
Equity accounted investments	8	9 082	9 903	1 203	1 203
Loans to group companies	9	-	-	121 790	204 941
Trade and other receivables	10	21 827	29 876	21 827	18 933
Deferred tax assets	11	58 131	59 814	-	-
		1 148 807	1 140 099	1 057 233	1 114 544
Current assets					
Inventories	12	612 918	827 584	384 517	429 317
Loans to group companies	9	-	-	260 645	447 950
Trade and other receivables	10	1 050 425	1 052 098	599 974	613 200
Other financial assets	13	5 325	1 522	-	-
Current income tax assets		844	2 189	-	-
Cash and cash equivalents	14	56 714	34 613	35 126	7 812
		1 726 226	1 918 006	1 280 262	1 498 279
Assets classified as held for sale	15	9 076	44 976	-	-
Total current assets		1 735 302	1 962 982	1 280 262	1 498 279
Total assets		2 884 109	3 103 081	2 337 495	2 612 823
EQUITY					
Capital and reserves					
Share capital	16	4 420	4 420	4 420	4 420
Share premium		218 212	218 630	197 583	197 583
Treasury shares	16	(125 702)	(126 278)	(99 562)	(99 716)
Non-distributable reserves		190 057	140 593	194 738	170 236
Distributable reserves		1 185 399	1 090 226	1 066 375	1 013 045
Capital and reserves attributable to owners of the parent		1 472 386	1 327 591	1 363 554	1 285 568
Non-controlling interest		5 363	2 372	-	-
Total equity		1 477 749	1 329 963	1 363 554	1 285 568
LIABILITIES					
Non-current liabilities					
Borrowings	18	138 498	162 693	129 497	144 530
Lease liabilities	3	66 117	80 292	26 444	34 319
Post-retirement medical aid liabilities		2 157	3 910	2 157	3 910
Deferred tax liabilities	11	49 652	36 486	25 251	22 786
Provisions	19	9 291	8 677	9 255	8 642
		265 715	292 058	192 604	214 187
Current liabilities					
Trade and other payables	20	711 264	667 377	323 825	318 330
Loans from group companies	21	-	-	54 526	27 908
Borrowings	18	389 142	774 890	382 502	751 961
Other financial liabilities	13	8 878	14 816	-	-
Lease liabilities	3	17 389	14 941	11 229	10 210
Current income tax liabilities		7 235	4 970	5 217	632
Bank overdrafts	14	6 737	4 066	4 038	4 027
Total current liabilities		1 140 645	1 481 060	781 337	1 113 068
Total liabilities		1 406 360	1 773 118	973 941	1 327 255
Total equity and liabilities		2 884 109	3 103 081	2 337 495	2 612 823

BKB LIMITED AND ITS SUBSIDIARIES
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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
		2024	2023	2024	2023
	Notes	R'000	R'000	R'000	R'000
Continuing operations					
Revenue		6 491 991	5 661 440	3 202 816	3 071 851
Interest revenue		69 811	63 665	67 650	60 848
Total revenue	22	6 561 802	5 725 105	3 270 466	3 132 699
Cost of sales	23	(5 295 026)	(4 560 133)	(2 492 011)	(2 370 667)
Gross profit		1 266 776	1 164 972	778 455	762 032
Other operating income	24	49 083	42 097	40 735	35 382
Operational expenses	25	(788 084)	(773 628)	(548 245)	(549 086)
Administrative expenses	25	(170 899)	(151 789)	(149 559)	(129 045)
Impairment of financial assets	25	(29 634)	(28 537)	(24 535)	(29 029)
Loss from equity accounted investments	8	(275)	(493)	-	(16)
Operating profit		326 967	252 622	96 851	90 238
Dividends from subsidiaries		-	-	7 936	144 859
Finance income	26	7 980	4 203	64 250	73 012
Finance costs	27	(89 662)	(75 925)	(97 100)	(102 451)
Profit before taxation		245 285	180 900	71 937	205 658
Income tax expense	28	(75 044)	(54 590)	(19 605)	(20 058)
Profit for the year from continuing operations		170 241	126 310	52 332	185 600
Discontinued operations					
Loss from discontinued operations	29	(82 967)	(116 456)	-	-
Profit for the year		87 274	9 854	52 332	185 600
Continuing operations					
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Movement in reserve on revaluation of properties		20 892	15 602	15 384	15 602
Gains on property revaluations		28 655	21 373	21 074	21 373
Income tax relating to items that will not be reclassified		(7 763)	(5 771)	(5 690)	(5 771)
Items that will be reclassified to profit or loss:					
Movement in cash flow hedge reserve		1 488	(823)	-	-
Fair value adjustments to cash flow hedge reserve		11 286	(19 120)	-	-
Reclassification to revenue		(9 030)	17 992	-	-
Income tax relating to items that may be reclassified		(768)	305	-	-
Other comprehensive income for the year net of taxation from continuing operations		22 380	14 779	15 384	15 602
Discontinued operations					
Other comprehensive income/(loss) for the year net of taxation from discontinued operations	29	27 804	(18 984)	-	-
Total comprehensive income for the year		137 458	5 649	67 716	201 202
Profit/(loss) attributable to:					
Owners of the parent					
From continuing operations		169 398	125 701		
From discontinued operations		(82 967)	(116 456)		
Non-controlling interest					
From continuing operations		843	609		
		87 274	9 854		
Total comprehensive income attributable to:					
Owners of the parent		134 632	5 040		
Non-controlling interest		2 826	609		
		137 458	5 649		
Basic earnings per share (cents)	30	110.6	11.8		
From continuing operations	30	216.7	159.9		
Diluted earnings per share (cents)	30	107.4	11.6		
From continuing operations	30	210.5	157.4		

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CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Group		Company	
		2024	2023	2024	2023
	Notes	R'000	R'000	R'000	R'000
Share capital					
Balance at the beginning and end of the year	16	4 420	4 420	4 420	4 420
Share premium					
Balance at the beginning of the year		218 630	218 950	197 583	197 583
Loss on sale of shares		(418)	(320)	-	-
Balance at the end of the year		218 212	218 630	197 583	197 583
Treasury shares					
Balance at the beginning of the year		(126 278)	(123 213)	(99 716)	(99 025)
Shares purchased by the trust		(129)	(4 202)	(129)	(372)
Shares sold by the trust		705	1 137	287	817
Other movement during the year		-	-	(4)	(1 136)
Balance at the end of the year		(125 702)	(126 278)	(99 562)	(99 716)
Non-distributable reserves					
Reserve on revaluation of properties					
Balance at the beginning of the year		157 739	155 545	155 757	145 184
Revaluations	2	28 655	9 895	21 074	21 373
Deferred tax on revaluations		(7 874)	(2 672)	(5 690)	(5 771)
Non-controlling interest on revaluations after tax		(1 983)	-	-	-
Realisation of revaluation reserve on sale of building		(2 573)	(515)	(1 367)	(515)
Deferred tax realised on sale of building		695	139	369	139
Transfer to distributable reserves		(6 864)	(4 653)	-	(4 653)
Balance at the end of the year		167 795	157 739	170 143	155 757
Cash flow hedge reserve					
Balance at the beginning of the year		(31 625)	(20 197)	-	-
Fair value adjustments to cash flow hedge reserve		33 157	(63 696)	-	-
Reclassification to revenue		8 214	25 270	-	-
Reclassification to profit or loss		(1 028)	22 437	-	-
Income tax relating to items that may be reclassified		(11 051)	4 561	-	-
Balance at the end of the year		(2 333)	(31 625)	-	-
Share based payment reserve					
Balance at the beginning of the year		12 040	7 585	12 040	7 585
Employee share scheme - value of employee services	17	10 116	4 455	10 116	4 455
Balance at the end of the year		22 156	12 040	22 156	12 040
Black economic empowerment reserve					
Balance at the beginning and end of the year		2 439	2 439	2 439	2 439
		190 057	140 593	194 738	170 236
Distributable reserves					
Retained earnings					
Balance at the beginning of the year		1 090 226	1 108 981	1 013 045	855 817
Combinations of entities under common control	36	-	-	-	(372)
Profit for the year		86 431	9 245	52 332	185 600
Dividends	34	-	(33 029)	-	(33 029)
Transfer from non-distributable reserve		8 742	5 029	998	5 029
Balance at the end of the year		1 185 399	1 090 226	1 066 375	1 013 045
Non-controlling interest					
Balance at the beginning of the year		2 372	1 763	-	-
Profit for the year		843	609	-	-
Other comprehensive income		1 983	-	-	-
Sale of subsidiary	36	165	-	-	-
Balance at the end of the year		5 363	2 372	-	-
		1 477 749	1 329 963	1 363 554	1 285 568

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CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Cash flow from operating activities					
Cash receipts from customers		13 297 505	13 502 854	9 304 132	9 201 880
Cash paid to suppliers and employees		(12 659 602)	(13 348 898)	(9 107 650)	(9 128 039)
Cash generated from operating activities	31	637 903	153 956	196 482	73 841
Interest received		8 208	4 566	64 250	73 012
Interest paid		(126 163)	(118 631)	(97 100)	(102 451)
Taxation paid	32	(45 718)	(52 815)	(18 245)	(29 144)
		474 230	(12 924)	145 387	15 258
Cash flow from investing activities					
Purchase of property, plant and equipment		(64 650)	(67 956)	(36 007)	(39 556)
Sale of property, plant and equipment		17 708	15 406	6 883	9 653
Purchase of investment property		(1 850)	(2 034)	(1 850)	(2 034)
Proceeds from assets held for sale		16 066	16 484	-	-
Purchase of other intangible assets		(3 921)	(3 688)	(1 689)	(1 556)
Business combinations	35	-	(46 692)	-	(47 035)
Additions through combinations of entities under common control net of cash acquired on acquisition	36	-	-	-	(83 753)
Sale of other intangible assets		160	136	158	112
Decrease in investment in subsidiaries		-	-	551	15 449
Increase in investment in associate		-	(1 538)	-	(16)
Advances of non-current receivables		(12 671)	(14 299)	(12 671)	(14 299)
Repayment of non-current receivables		20 720	7 567	9 777	7 047
Loans advanced to group companies		-	-	(370 797)	(914 303)
Loans repaid by group companies		-	-	648 138	863 904
Dividends received from group companies		-	-	7 936	108 789
		(28 438)	(96 614)	250 429	(97 598)
Cash flow from financing activities					
Dividends paid	34	-	(33 029)	-	(33 029)
Proceeds from borrowings	33	1 580 000	872 000	1 580 000	854 000
Repayment of borrowings	33	(1 989 943)	(732 958)	(1 964 492)	(713 596)
Loans repaid to group companies		-	-	(416 866)	(196 222)
Loans advanced by group companies		-	-	443 484	168 803
Principal elements of lease payments	33	(16 419)	(13 743)	(10 639)	(8 889)
		(426 362)	92 270	(368 513)	71 067
Total cash movement for the year		19 430	(17 268)	27 303	(11 273)
Net cash and cash equivalents at the beginning of the year		30 547	47 815	3 785	15 058
Net cash and cash equivalents at the end of the year	14	49 977	30 547	31 088	3 785

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NOTES TO THE FINANCIAL STATEMENTS

1 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 six 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. Acts as a trader in the wool export market.
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.
Leasing of properties	The leasing of warehouse, office and retail space.
Grains	Comprises grain storage and handling, and maize milling. Lucerne trading and lucerne press operations were discontinued.
Consumer goods	Comprises the packaging, distribution and marketing of sugar and agro based consumer goods in local and foreign markets. The raisins business was discontinued.

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, operating profit and profit before tax. The value of business conducted represents the value of sales transactions for the Group as well as those conducted in its capacity as an agent/broker. Income tax is managed on an entity level and is not allocated to the operating segments.

Operating segments 2024	Value of business - external R'000	Segment revenue - total R'000	Segment revenue - internal R'000	Segment revenue - external R'000	Interest revenue R'000	Human resource/ staff costs R'000
Continuing operations						
Natural fibre	3 736 973	1 869 908	(100 001)	1 769 907	12 674	(117 922)
Retail and fuel	2 474 775	2 541 084	(90 353)	2 450 731	24 044	(118 929)
Livestock and properties	4 665 529	220 541	(3 149)	217 392	29 614	(132 558)
Leasing of properties	2 862	47 741	(44 879)	2 862	-	(451)
Grains	830 827	837 322	(7 638)	829 684	1 143	(30 078)
Consumer goods	1 219 138	2 174 902	(955 764)	1 219 138	-	(26 126)
All other segments	2 379	2 277	-	2 277	2 336	(82 423)
Total	12 932 483	7 693 775	(1 201 784)	6 491 991	69 811	(508 487)

Operating segments 2024	EBITDA* R'000	Depreciation and amortisation** R'000	Impairments and revaluations R'000	Operating profit/(loss) R'000	Net finance (expense)/ income R'000	Profit/(loss) before tax R'000
Continuing operations						
Natural fibre	142 936	(13 674)	-	129 262	(65 636)	63 626
Retail and fuel	112 875	(14 512)	-	98 363	(45 879)	52 485
Livestock and properties	27 434	(10 750)	-	16 684	(8 663)	8 021
Leasing of properties	34 257	(1 429)	(1 764)	31 064	(1 271)	29 794
Grains	101 923	(18 730)	(642)	82 551	(3 763)	78 788
Consumer goods	83 131	(3 790)	(103)	79 238	2 278	81 516
All other segments	(107 801)	(2 274)	(120)	(110 195)	41 252	(68 945)
Total	394 755	(65 159)	(2 629)	326 967	(81 682)	245 285

	R'000
Reconciling items	
Taxation	(75 044)
Discontinued operations	(82 967)
Profit after discontinued operations and tax	87 274

1 Segmental information (continued)

Operating segments	Value of business - external R'000	Segment revenue - total R'000	Segment revenue - internal R'000	Segment revenue - external R'000	Interest revenue R'000	Human resource/ staff costs R'000
2023						
Natural fibre	3 762 103	1 618 076	(159 916)	1 458 160	13 388	(113 079)
Retail and fuel	2 217 111	2 254 666	(54 147)	2 200 519	16 592	(102 928)
Livestock and properties	5 158 889	236 177	(3 412)	232 765	29 475	(141 650)
Leasing of properties	3 709	45 415	(41 706)	3 709	-	(535)
Grains	760 882	782 387	(22 624)	759 763	1 118	(26 918)
Consumer goods	1 003 955	1 842 972	(839 017)	1 003 955	-	(26 397)
All other segments	4 201	2 569	-	2 569	3 092	(65 420)
Total	12 910 850	6 782 262	(1 120 822)	5 661 440	63 665	(476 927)

Operating segments	EBITDA* R'000	Depreciation and amortisation** R'000	Impairments and revaluations R'000	Operating profit/(loss) R'000	Net finance (expense)/ income R'000	Profit/(loss) before tax R'000
2023						
Natural fibre	146 288	(14 175)	-	132 113	(58 454)	73 659
Retail and fuel	82 855	(11 060)	-	71 795	(40 332)	31 464
Livestock and properties	35 734	(11 349)	(7 432)	16 953	(13 552)	3 401
Leasing of properties	31 466	(1 297)	(4 893)	25 276	(1 133)	24 143
Grains	55 821	(16 293)	-	39 528	(3 289)	36 239
Consumer goods	65 132	(3 561)	-	61 571	(2 767)	58 804
All other segments	(91 821)	(2 793)	-	(94 614)	47 805	(46 810)
Total	325 475	(60 528)	(12 325)	252 622	(71 722)	180 900
Reconciling items						
Taxation						(54 590)
Discontinued operations						(116 456)
Profit after discontinued operations and tax						9 854

* Earnings before interest, taxation, depreciation, impairments, amortisation and revaluations
** Includes cost of sales depreciation

1 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 Statements of Financial Position.

	2024		2023	
	Total assets R'000	Total liabilities R'000	Total assets R'000	Total liabilities R'000
Natural fibre	938 826	385 392	779 176	269 300
Retail and fuel	681 395	460 704	701 482	519 052
Livestock and properties	376 288	166 756	407 386	211 000
Leasing of properties	661 421	80 954	616 515	73 730
Grains	371 971	180 669	454 999	256 237
Consumer goods	404 661	261 944	717 526	639 804
All other segments	171 798	592 192	228 915	606 913
Total	3 606 360	2 128 611	3 905 999	2 576 036
Reconciling items				
Inter-segment loans	(722 251)	(722 251)	(802 918)	(802 918)
Total as per statements of financial position	2 884 109	1 406 360	3 103 081	1 773 118

Geographical information

	2024			2023		
	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	259 608	6 557 050	1 093 079	293 149	5 716 054	1 082 378
Eswatini	931 216	4 752	54 135	817 466	9 051	56 676
Lesotho	10 960	-	1 593	10 207	-	1 045
Total	1 201 784	6 561 802	1 148 807	1 120 822	5 725 105	1 140 099

2 Property, plant and equipment

	Land and buildings R'000	Plant and machinery R'000	Motor vehicles R'000	Furniture and fixtures R'000	Office equipment R'000	Computer equipment R'000	Total R'000
Group							
Year ended 30 June 2024							
Opening net book value	455 917	236 317	73 071	6 462	2 014	11 735	785 516
Additions	6 573	33 512	16 461	1 708	957	5 439	64 650
Disposals	(11 028)	(4 131)	(4 482)	(124)	(39)	(162)	(19 966)
Impairment	(1 764)	(1 873)	(122)	(28)	(2)	(79)	(3 868)
Transfers	(877)	(20 536)	795	(42)	(40)	-	(20 700)
Transfer from/(to) classified as held for sale	-	5 918	(250)	(5)	-	(10)	5 653
Revaluations	28 655	-	-	-	-	-	28 655
Depreciation	-	(24 029)	(9 462)	(1 089)	(741)	(6 078)	(41 399)
Closing net book value	477 476	225 178	76 011	6 882	2 149	10 845	798 541
At 30 June 2024							
Cost or fair value	477 476	338 111	125 102	16 042	10 689	41 575	1 008 995
Accumulated depreciation	-	(112 933)	(49 091)	(9 160)	(8 540)	(30 730)	(210 454)
Net book value	477 476	225 178	76 011	6 882	2 149	10 845	798 541
Year ended 30 June 2023							
Opening net book value	480 847	334 323	86 029	6 006	3 081	10 595	920 881
Additions	15 857	34 579	7 919	1 580	915	7 106	67 956
Acquired through business combinations	-	188	2 311	21	17	112	2 649
Disposals	(2 527)	(27 824)	(10 364)	(192)	(115)	(259)	(41 281)
Impairment	(16 963)	(31 601)	(1 577)	-	-	(1)	(50 142)
Transfers	(33 867)	950	(137)	139	(990)	38	(33 867)
Transfer from/(to) classified as held for sale	2 673	(43 975)	(647)	(21)	(56)	(277)	(42 303)
Revaluations	9 897	-	-	-	-	-	9 897
Depreciation	-	(30 323)	(10 463)	(1 071)	(838)	(5 579)	(48 274)
Closing net book value	455 917	236 317	73 071	6 462	2 014	11 735	785 516
At 30 June 2023							
Cost or fair value	455 917	336 053	119 136	14 822	10 282	40 032	976 242
Accumulated depreciation	-	(99 736)	(46 065)	(8 360)	(8 268)	(28 297)	(190 726)
Net book value	455 917	236 317	73 071	6 462	2 014	11 735	785 516

	Land and buildings R'000	Plant and machinery R'000	Motor vehicles R'000	Furniture and fixtures R'000	Office equipment R'000	Computer equipment R'000	Total R'000
Company							
Year ended 30 June 2024							
Opening net book value	353 675	49 582	52 869	5 551	1 684	8 624	471 985
Additions	5 404	14 044	9 687	1 503	909	4 460	36 007
Disposals	(2 278)	(566)	(3 327)	(16)	(40)	(84)	(6 311)
Transfers	-	99	(99)	-	-	-	-
Revaluations	21 074	-	-	-	-	-	21 074
Depreciation	-	(6 800)	(6 860)	(877)	(658)	(4 824)	(20 019)
Closing net book value	377 875	56 359	52 270	6 161	1 895	8 176	502 736
At 30 June 2024							
Cost or fair value	377 875	102 386	95 693	14 658	9 925	33 459	633 996
Accumulated depreciation	-	(46 027)	(43 423)	(8 497)	(8 030)	(25 283)	(131 260)
Net book value	377 875	56 359	52 270	6 161	1 895	8 176	502 736

2 Property, plant and equipment (continued)

	Land and buildings R'000	Plant and machinery R'000	Motor vehicles R'000	Furniture and fixtures R'000	Office equipment R'000	Computer equipment R'000	Total R'000
Company							
Year ended 30 June 2023							
Opening net book value	333 778	41 684	41 989	5 030	2 516	7 099	432 096
Additions	15 296	13 015	3 727	1 298	807	5 413	39 556
Acquired through business combinations	-	188	2 311	21	17	112	2 649
Additions through combinations of entities under common control	-	2 035	17 248	137	61	507	19 988
Disposals	(1 336)	(2 423)	(5 208)	(79)	(109)	(148)	(9 303)
Impairment	(6 369)	-	-	-	-	-	(6 369)
Transfers	(9 067)	879	-	-	(879)	-	(9 067)
Revaluations	21 373	-	-	-	-	-	21 373
Depreciation	-	(5 796)	(7 198)	(856)	(729)	(4 359)	(18 938)
Closing net book value	353 675	49 582	52 869	5 551	1 684	8 624	471 985
At 30 June 2023							
Cost or fair value	353 675	90 840	94 376	13 298	9 419	32 026	593 634
Accumulated depreciation	-	(41 258)	(41 507)	(7 747)	(7 735)	(23 402)	(121 649)
Net book value	353 675	49 582	52 869	5 551	1 684	8 624	471 985

Net carrying amounts of assets under instalment sale agreements

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Plant and machinery	4 573	41 206	-	-
Motor vehicles	2 872	683	-	-
	7 445	41 889	-	-

Properties to the value of R365 303 748 serve as security for the covering bonds. Refer to Note 18.

Revaluations
Revaluations are performed every three years on the Group's office building and fibre warehouse as well as on its processing and packaging plant buildings. Retail branches, residential buildings as well as shearing and auction facilities are valued every five years.

Refer to Note 42 for specific details regarding the valuation of the land and buildings.

The carrying value of the revalued assets under the cost model would have been:

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Land and buildings	292 475	293 605	145 980	141 487

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company.

The cost of assets includes assets in progress to the value of R2 502 014 (2023: R7 498 623) for the Group and R2 502 014 (2023: R7 039 624) for the Company.

Government grants
Government grants were obtained with regard to assets purchased between May 2015 to June 2019. Total cost included in plant and machinery for Group and Company is R60 194 047 (2023: R62 131 551) and the grants received amounted to R53 625 868. The carrying values of these assets are R25 635 244 (2023: R30 701 948) and the grant remaining value is R20 547 790 (2023: R25 214 826).

3 Leases

The Group leases offices, warehouses, retail stores, equipment and forklifts. Rental contracts are typically made for fixed periods of two to nineteen years. These leases can be extended or early terminated. This note provides information for leases where the Group is a lessee.

Amounts recognised in the Statements of financial position
The statements of financial position show the following amounts relating to leases:

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Right-of-use assets				
Buildings	58 533	69 291	23 504	30 341
Equipment	2 086	2 822	824	1 319
Forklifts	8 347	9 993	5 937	5 584
	68 966	82 106	30 265	37 244
Lease liabilities				
Current	17 389	14 941	11 229	10 210
Non-Current	66 117	80 292	26 444	34 319
	83 506	95 233	37 673	44 529

The maturity analysis of lease liabilities is set out in Note 41.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Additions to the right-of-use assets during the year	7 658	51 072	4 981	18 265
Additions through combinations of entities under common control	-	-	-	962
	7 658	51 072	4 981	19 227

Amounts recognised in the Statements of profit or loss
The statements of profit or loss show the following amounts relating to leases (Including discontinued operations):

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Depreciation charge of right-of-use assets				
Buildings (2 - 19 years)	13 927	13 656	9 032	8 916
Equipment (5 years)	1 231	1 527	495	495
Forklifts (4 - 5 years)	3 324	3 437	1 642	1 608
	18 482	18 620	11 169	11 019
Interest expense	7 307	8 134	3 927	4 337
Included in operating expenses:				
Expenses relating to short-term leases	5 478	5 551	2 534	1 793
Expenses relating to leases of low-value assets	4 381	7 133	2 209	1 530
Expenses relating to variable lease payments	2 151	4 092	5 268	6 810
Included in cost of sales:				
Expenses relating to short-term leases	520	-	-	-
Expenses relating to leases of low-value assets	3 188	5 913	-	-
Expenses relating to variable lease payments	734	346	-	-
Amounts recognised in the Statements of cash flows				
Total cash outflow for leases were:				
Included in financing activities	16 419	13 743	10 639	8 889
Included in operating activities	23 759	31 169	13 938	14 470

Variable lease payments
Some property leases contain variable payment terms that are linked to value of business generated at auctions. Lease payments are calculated on the basis of 1% of value of business. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for auctions held. Variable lease payments that depend on value of business are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
4 Investment property				
Balance at the beginning of the year	38 689	1 312	13 889	1 312
Additions	1 850	2 034	1 850	2 034
Transfers from property, plant and equipment	20 700	33 867	-	9 067
Fair value adjustments	-	1 476	-	1 476
Balance at the end of the year	61 239	38 689	15 739	13 889
Amounts recognised in profit and loss for the year				
Rental income	1 512	704	823	704
Direct operating expenses	(1 024)	(549)	(593)	(549)

Refer to Note 42 for fair value information used in fair value measurement of investment property.

Registers with details of investment properties are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
5 Intangible Assets				
Goodwill				
Balance at the beginning of the year	82 219	77 444	41 088	32 437
Acquired through business combinations (Note 35)	-	9 275	-	6 275
Additions through combinations of entities under common control (Note 36)	-	-	-	6 876
Impairment	(103)	(4 500)	-	(4 500)
Balance at the end of the year	82 116	82 219	41 088	41 088
Cost	82 219	86 719	41 088	45 588
Accumulated impairment	(103)	(4 500)	-	(4 500)
	82 116	82 219	41 088	41 088
Goodwill relates to the acquisitions of:				
Provident Group (Note 35)	8 525	8 525	5 525	5 525
BKB Van Wyk (Pty) Ltd	16 216	16 216	16 216	16 216
BKBLouwid (Pty) Ltd (Note 36)	6 876	6 876	6 876	6 876
KLK livestock division (Note 35)	750	750	750	750
GWK livestock division	11 721	11 721	11 721	11 721
GWK Properties	3 942	3 942	-	-
Wool and Mohair Exchange NPC	1 024	1 024	-	-
Grainco (Pty) Ltd	13 716	13 716	-	-
Atlanta Products (Pty) Ltd	19 346	19 346	-	-
Shearwater Logistics (Pty) Ltd (Note 36.2)	-	103	-	-
	82 116	82 219	41 088	41 088
Goodwill allocation per operating segment:				
Retail and fuel	8 525	8 525	5 525	5 525
Livestock and properties	39 505	39 505	35 563	35 563
Leasing of properties	1 024	1 024	-	-
Grains	13 716	13 716	-	-
Consumer goods	19 346	19 449	-	-
	82 116	82 219	41 088	41 088
Trade rights				
Balance at the beginning of the year	1 798	3 119	1 798	3 119
Impairment	-	(741)	-	(741)
Amortisation	(831)	(580)	(831)	(580)
Balance at the end of the year	967	1 798	967	1 798
Cost	3 202	5 152	3 202	5 152
Accumulated amortisation and impairment	(2 235)	(3 354)	(2 235)	(3 354)
	967	1 798	967	1 798

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
5 Intangible Assets (continued)				
Trade rights comprises of:				
Auction rights - Riverview Trading	-	430	-	430
Auction rights - Slabbert, Verster & Malherbe	967	1 368	967	1 368
	967	1 798	967	1 798
Brand names				
Balance at the beginning of the year	952	-	952	-
Acquired through business combinations (Note 35)	-	968	-	968
Amortisation	(65)	(16)	(65)	(16)
Balance at the end of the year	887	952	887	952
Cost	21 946	23 787	968	968
Accumulated amortisation and impairment	(21 059)	(22 835)	(81)	(16)
	887	952	887	952
Brand names comprises of:				
Provident Group (Note 35)	887	952	887	952
	887	952	887	952
Client lists and relationships				
Balance at the beginning of the year	42 938	21 016	42 938	21 016
Acquired through business combinations (Note 35)	-	27 129	-	27 129
Impairment	-	(2 191)	-	(2 191)
Amortisation	(3 951)	(3 016)	(3 951)	(3 016)
Balance at the end of the year	38 987	42 938	38 987	42 938
Cost	102 460	110 415	47 063	51 074
Accumulated amortisation and impairment	(63 473)	(67 477)	(8 076)	(8 136)
	38 987	42 938	38 987	42 938
Client lists and relationships comprises of:				
Provident Group (Note 35)	24 868	26 677	24 868	26 677
GWK livestock division	13 519	15 361	13 519	15 361
RobCaw Auctioneers	600	900	600	900
	38 987	42 938	38 987	42 938
Computer software				
Balance at the beginning of the year	6 288	5 152	3 340	3 541
Additions	3 921	3 688	1 689	1 556
Additions through combinations of entities under common control (Note 36)	-	-	-	5
Disposals	(160)	(136)	(158)	(112)
Impairment	(120)	(142)	(120)	-
Amortisation	(1 865)	(2 274)	(1 183)	(1 650)
Balance at the end of the year	8 064	6 288	3 568	3 340
Cost	25 707	29 814	19 388	25 059
Accumulated amortisation and impairment	(17 643)	(23 526)	(15 820)	(21 719)
	8 064	6 288	3 568	3 340
	131 021	134 195	85 497	90 116

The cost of computer software includes assets in progress to the value of R402 406 (2023: R1 224 005) for the Group and R402 406 (2023: R1 152 945) for the Company. The remaining useful lives for client lists and relationships relating to the GWK livestock division is seven years and fourteen years for the Provident Group.

6 Impairment of assets

Value in use

Goodwill is allocated to the Group's cash-generating units (CGU's) identified according to internal Company structure and/or business segment. The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. The calculations use cash flow projections based on financial budgets approved by management, and a terminal value, where applicable. The discount rates used in the impairment calculations were determined based on the weighted average cost of capital (WACC).

The period over which management has projected cash flows is based on financial budgets approved by management for the next financial year which was then further projected for another four years.

The growth rate used to extrapolate cash flow projections beyond the period covered in the calculation was based on most recent budgets.

Significant assumption used	Retail and fuel: Provident Group	Livestock and properties: South	Livestock and properties: North	Consumer goods: Atlanta Products	Grains: Storage and Handling Division
2024					
Value of business/revenue growth rate	7.0%	5.1%	5.1%	4.0%	5.1%
Terminal growth rate	3.5%	5.1%	5.1%	4.0%	5.1%
Gross profit percentage	14.3%	-	-	8.5%	-
Commission percentage	-	4.6%	5.0%	-	-
Bad debt as percentage of income	-	2.1%	3.6%	-	-
Pre-tax WACC	17.8%	17.8%	17.8%	18.5%	17.7%
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
Value in use (recoverable amount)	61 840	115 319	334 030	346 695	176 776
Value in use exceeds carrying amount by	7 387	34 302	168 237	253 922	62 317

Significant assumption used	Retail and fuel: Provident Group	Livestock and properties: South	Livestock and properties: North	Consumer goods: Atlanta Products	Grains: Storage and Handling Division
2023					
Value of business/revenue growth rate	5.0%	5.7%	4.2%	3.6%	6.0%
Terminal growth rate	2.5%	5.7%	4.2%	3.6%	6.0%
Gross profit percentage	20.7%	-	-	9.1%	-
Commission percentage	-	4.4%	5.1%	-	-
Pre-tax WACC	17.4%	17.5%	17.5%	18.2%	17.7%
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
Value in use (recoverable amount)	82 930	103 455	343 076	303 626	266 617
Value in use exceeds carrying amount by	44 316	25 060	98 912	190 280	173 855

The decrease in the value in use (recoverable amount) within the Retail and fuel - Provident Group CGU is mainly due to the increased competition in the area, economic conditions and stricter debtor control that resulted in lower results than anticipated.

The increase in the value in use that exceeds the carrying amount within the Livestock and properties: North CGU is mainly due to lower working capital requirements through better debtors management.

The decrease in the value in use (recoverable amount) in the Grains - Storage and Handling Division CGU is primarily impacted by a decrease in free cash flows projected due to lower profits in the current year and short term market conditions.

Management has considered the impact of the outbreak of foot and mouth disease in the Eastern Cape area on the Humansdorp cash-generating unit included in the Livestock and properties - South CGU. In the worst case scenario, if no revenue is earned for the entire 2025 financial year, the recoverable amount of the cash-generating unit would still exceed the carrying amount.

The impairment calculation of the Riverview Trading CGU at June 2023 resulted in an impairment of goodwill to the value of R4 500 000 and intangibles to the value of R2 932 000 (refer Note 5). The Riverview Trading CGU forms part of the Livestock and properties segment.

No other impairment of goodwill arose due to the value-in-use impairment calculations supporting current carrying values.

6 Impairment of assets (continued)

Sensitivity of key assumptions

The impairment tests were performed at 30 June 2024. The recoverable amounts were determined on the basis of the value-in-use using the discounted cash flow method. The basis for projecting future cash flows is the business plans prepared by management for the five years 2025 to 2029. These plans take into consideration historical empirical values and management's expectations regarding the future development of the relevant markets. The impairment tests took into account the assumptions tabled above.

The recoverable amounts of the cash-generating units would equal their carrying amounts if management assumptions were changed to the following rates or percentages:

Impact of changes in key assumptions	Retail and fuel: Provident Group	Livestock and properties: South	Livestock and properties: North	Consumer goods: Atlanta Products	Grains: Storage and Handling Division
2024					
Revenue growth rate	5.2%	0.2%	(0.4%)	(18.5%)	(2.0%)
Gross profit	13.7%	-	-	5.3%	-
Commission percentage	-	3.7%	4.1%	-	-
Bad debt as percentage of income	-	14.0%	15.6%	-	-
Pre-tax WACC	19.6%	23.6%	28.8%	47.5%	24.4%

Impact of changes in key assumptions	Retail and fuel: Provident Group	Livestock and properties: South	Livestock and properties: North	Consumer goods: Atlanta Products	Grains: Storage and Handling Division
2023					
Revenue growth rate	(4.4%)	1.7%	1.0%	(13.6%)	(36.8%)
Gross profit	15.7%	-	-	6.0%	-
Commission percentage	-	3.9%	4.6%	-	-
Pre-tax WACC	33.7%	21.3%	22.7%	40.8%	40.9%

7 Investments in subsidiaries

The following table lists the entities which are controlled by the Company, either directly or indirectly through subsidiaries.

	Company			
	2024 % holding	2023 % holding	2024 R'000	2023 R'000
BKB Shearing (Pty) Ltd	100%	100%	-	-
Lihoai Consultancy (Pty) Ltd	100%	100%	1	1
BKB Lesotho (Pty) Ltd	100%	0%	-	-
Anzomix (Pty) Ltd	100%	100%	-	-
The House of Fibre (Pty) Ltd	100%	100%	-	-
BKB Pinnacle Fibres (Pty) Ltd	100%	100%	13	13
BKB Fuels (Pty) Ltd	100%	100%	-	-
BKB Distribution Centre (Pty) Ltd	100%	100%	-	-
Farmervet (Pty) Ltd	100%	100%	3 001	3 001
Home & Hectare (Pty) Ltd	100%	100%	-	-
Veliciae Luxury Real Estate (Pty) Ltd	75%	0%	-	-
BKBLouwid (Pty) Ltd	100%	100%	-	-
BKB Van Wyk (Pty) Ltd	100%	100%	5	5
Hoëveld Veilingsentrum (Pty) Ltd	50%	50%	770	770
Shift Digital Acceleration (Pty) Ltd	100%	100%	1	1
Wool & Mohair Exchange of South Africa NPC	100%	100%	3 965	3 965
Billsons Coutts (Pty) Ltd	100%	100%	2 552	2 552
PaKHouse Brands (Pty) Ltd	100%	100%	266 054	264 473
Atlanta Sugar (Pty) Ltd (Deregistered 30/4/2024)	0%	100%	-	-
Atlanta Sugar SA (Pty) Ltd	100%	100%	-	-
Grainco Group Holdings (Pty) Ltd (Deregistration in progress)	100%	100%	-	-
AlphaAlfa (Pty) Ltd	100%	100%	-	-
BKB Grainco (Pty) Ltd (Deregistered 15/9/2023)	0%	100%	-	-
Grainco (Pty) Ltd	100%	100%	-	111
Gritco Properties (Pty) Ltd (Deregistered 17/5/2024)	0%	100%	-	-
Pakhouse Fruits Holdings (Pty) Ltd	100%	100%	-	-
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	100%	100%	1 814	1 341
Atlanta Investments (Pty) Ltd	100%	100%	-	-
Atlanta Products (Pty) Ltd	100%	100%	-	-
Oceanic Swaziland (Pty) Ltd	100%	100%	-	-
Shearwater Logistics (Pty) Ltd (Sold 1/1/2024)	0%	75%	-	-
			278 176	276 233

Apart from Lihoai Consultancy (Pty) Ltd and BKB Lesotho (Pty) Ltd in Lesotho, Atlanta Investments (Pty) Ltd, Atlanta Products (Pty) Ltd and Oceanic Swaziland (Pty) Ltd in Eswatini, all other subsidiaries are incorporated in South Africa. All entities have the same year-end as BKB Limited.

8 Equity accounted investments

The following table lists the entities which the Group and Company have significant influence over.

	Group			
	2024 % holding	2023 % holding	2024 R'000	2023 R'000
Nutopia Agri Developments (Pty) Ltd	50%	50%	7 879	8 700
Bethlehem Veilingskrale (Pty) Ltd	50%	50%	1 203	1 203
			9 082	9 903

	Company			
	2024 % holding	2023 % holding	2024 R'000	2023 R'000
Bethlehem Veilingskrale (Pty) Ltd	50%	50%	1 203	1 203
			1 203	1 203

8 Equity accounted investments (continued)

Summarised financial information for investments

The tables below provide summarised financial information of the entities. The information disclosed reflects the amounts presented in the financial statements of both relevant entities and not the Group's share of those amounts. They have been amended to reflect adjustments made by BKB holding the interest, including fair value adjustments and modifications for differences in accounting policy.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Summarised Statement of financial position				
Total assets	17 118	18 668	858	789
Total liabilities	(16 980)	(17 979)	(858)	(789)
Summarised Statement of profit or loss and other comprehensive income				
Revenue	2 491	2 478	771	791
Loss for the year	(550)	(986)	-	(31)
Included in Statement of profit or loss and other comprehensive income				
50% through profit and loss	(275)	(493)	-	(16)

9 Loans to group companies

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
The House of Fibre (Pty) Ltd	-	-	-	8 642
BKB Shearing (Pty) Ltd	-	-	-	5
BKB Pinnacle Fibres (Pty) Ltd	-	-	225 569	143 801
BKB Distribution Centre (Pty) Ltd	-	-	15 073	12 953
Farmervet (Pty) Ltd	-	-	16 770	12 020
Hoëveld Veilingsentrum (Pty) Ltd	-	-	15 823	12 828
Shift Digital Acceleration (Pty) Ltd	-	-	11 467	11 521
Wool & Mohair Exchange of South Africa NPC	-	-	4 776	4 591
Billsons Coutts (Pty) Ltd	-	-	1 077	1 059
AlphaAlfa (Pty) Ltd	-	-	-	67 054
Atlanta Products (Pty) Ltd	-	-	-	150
Pakhouse Fruits Holdings (Pty) Ltd	-	-	72 584	72 584
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	33 383	317 808
Shearwater Logistics (Pty) Ltd	-	-	-	8 847
	-	-	396 522	673 863
Expected credit loss allowance	-	-	(14 087)	(20 972)
Loans to group companies at amortised cost	-	-	382 435	652 891

Loans to subsidiaries are payable on demand and interest is charged at a prime related interest rate.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Non-current assets	-	-	121 790	204 941
Current assets	-	-	260 645	447 950
	-	-	382 435	652 891

Non-current portions consists of amounts that will be repaid after 12 months based on the next year's budget for the Group.

Exposure to credit risk

Intercompany loans inherently expose the Company to credit risk, being the risk of financial loss which the Company will incur if subsidiaries fail to make payments as they fall due.

All new credit extended to subsidiaries is first assessed according to the approved Group budget to assess the subsidiaries' credit quality, as well as the credit limit which the subsidiary qualifies for. The maximum exposure to credit risk at the reporting date is the fair value of loans mentioned above.

9 Loans to group companies (continued)

Expected credit loss

Intercompany loans are evaluated to identify the presence of certain indicators, e.g. future cash flows discounted at market related rates, to determine if there is a need for impairment allowance.

The Company measures the loss allowance by applying the three stage expected credit loss model. The amount of the respective allowances for Impairment losses is determined using the following formula:

Impairment = Total Gross Intercompany Loans x Probability of Default % (PD%) x Loss Given Default % (LGD%) x Forward Looking Factor

The Probability of Default is based on the S&P corporate rates per credit grading.

The Loss Given Default is the expected loss in the event that the subsidiary defaults and is based on the recoverability strategy of the loan. The Company has taken into account the financial position of the subsidiaries as well as future prospects in the industries in which the subsidiaries operate.

The forward looking factors include expectations on macro-economic factors, the country's credit rating and economical outlook as well as political risk.

In accordance with IFRS 9 Financial instruments, Intercompany loans are classified into the following stages for impairment purposes:

Stage 1: the loss allowance measured at an amount equal to 12-month expected credit losses.
This represents Intercompany loans which are within their payment terms and with no significant increase in credit risk since initial recognition.

Stage 2: the loss allowance measured at an amount equal to lifetime expected credit losses.
Intercompany loans whose credit risk has increased since initial recognition due to them falling outside of the payment terms agreed on initial recognition.

Stage 3: Intercompany loans that are credit-impaired.
These loans have an indicator of impairment and they have been provided for in full.

Company	2024 Gross carrying amount at default R'000	2024 Loss allowance R'000	2023 Gross carrying amount at default R'000	2023 Loss allowance R'000
Intercompany loans				
Stage 1	242 339	(190)	164 618	(132)
Stage 2	142 716	(2 430)	497 724	(9 319)
Stage 3	11 467	(11 467)	11 521	(11 521)
	396 522	(14 087)	673 863	(20 972)

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Expected credit loss allowance				
Balance at the beginning of the year	-	-	(20 972)	(12 516)
Remeasurement of loss allowance	-	-	6 885	(8 456)
Balance at the end of the year	-	-	(14 087)	(20 972)

The loss allowance comprise mainly of allowances on the loans to Shift Digital Acceleration (Pty) Ltd of R11 467 388 (2023: R11 520 511) and to Pakhouse Foods (Pty) Ltd of R2 314 288 (2023: R7 128 528).

A subordination agreement with the subsidiary BKB Distribution Centre (Pty) Ltd is in place.

	Group		Company	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
10 Trade and other receivables				
Financial instruments				
Trade receivables	875 807	889 308	497 220	503 016
Producer advances	142 702	120 313	108 526	97 896
Expected credit loss allowance	(71 491)	(56 157)	(61 939)	(42 004)
Trade receivables at amortised cost	947 018	953 464	543 807	558 908
Loans to employees net of loss allowance	25 583	22 525	25 583	22 493
Sundry receivables	40 595	40 506	26 130	27 371
Non-financial instruments				
VAT	44 037	50 117	17 530	15 776
Deposits	6 394	5 170	2 637	552
Prepayments	8 625	10 192	6 114	7 033
	1 072 252	1 081 974	621 801	632 133
Non-current assets	21 827	29 876	21 827	18 933
Current assets	1 050 425	1 052 098	599 974	613 200
	1 072 252	1 081 974	621 801	632 133

Trade receivables

Trade receivable accounts consist of the following types per segment:
Natural fibre - mainly 90 day export wool buyers.
Retail and fuel - seasonal and 30 day monthly accounts. Market related interest levied on seasonal accounts. Monthly accounts are interest free for the first 30 days after statement after which interest is levied on arrears.
Livestock and properties - 7 and 14 day accounts. Interest is levied on arrears at market related rates.
Leasing of properties - lease receivables payable on invoice.
Fruit - extended terms of up to 12 months on business closure sales. Interest is levied at market related rates.
Grains - mainly 30 day and 60 day accounts. Interest is levied on arrears.
Consumer goods - mainly weekly to 30 day accounts. Interest is levied on arrears.

Producer advances

Producer advances consist mainly of advances to fibre producers based on previous season's production achieved and current market prices for the fibre. Repayment terms of up to twelve months. Interest is levied at market related rates.

Loans to employees

Loans to employees consist mainly of motor vehicle loans with market related terms and repayment of up to five years.

Sundry receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Sundry receivables include loans to BEE shareholder trusts and accrued income.

Non-current assets

Non-current portion includes loans to employees and the non-current portion of trade and other receivables. The nature of the non-current trade receivables accounts are the same as normal trade debtors. These facilities vary in duration between two and five years, are suitably secured and bear market related interest in line with the policies regarding interest for all trade receivables.

10.1 Security

Trade and other receivables are ceded as security for borrowings as detailed in Note 18.

10 Trade and other receivables (continued)

10.2 Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk of financial loss which the Group will incur if customers fail to make payments as they fall due.

All credit extended to new and existing customers is first assessed according to the approved Group credit policy to assess the customer's credit quality, as well as the credit limit which the customer qualifies for. The maximum exposure to credit risk at the reporting date is the fair value of receivables mentioned above less securities held by the Group. In addition to the above, credit guarantee insurance cover is purchased on a portion of the debtors book to protect against possible non-payments.

The Group has no significant concentration of credit risk due to its wide spread customer base. The Group has policies in place to ensure that sales of products and services are only made to customers with an appropriate credit history, within approved credit limits and/or against appropriate securities.

Refer to note 41.3 for details on credit risk management.

10.3 Expected credit losses

Financial assets are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The objective of the impairment requirements is to recognise expected credit losses in respect of financial assets - whether assessed on an individual or portfolio basis. The impairment provision is monitored monthly by the Group Credit Committee, taking into account all reasonable and supportive information, including that which is forward-looking. The basis of impairment of a financial asset is dependent on the risk profile on initial recognition and on whether the credit risk of the financial asset has increased significantly since initial recognition. The Group measures the loss allowance by applying the three stage expected credit loss model to producer advances and loans to employees and the simplified approach, which is permitted by IFRS 9, for all trade receivables.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information including expectations on macro-economic factors such as commodity prices specifically applicable to each operating segment, animal diseases, access to international markets, the country's credit rating and economical outlook as well as political risk.

The following indicators are incorporated:

- internal credit rating
- external credit rating
- apparent financial problems or poor key financial ratios
- actual or expected significant adverse changes in the borrower's ability to meet its obligations
- non-compliance with arrangements or agreements
- significant changes in the value of the collateral supporting the obligation
- significant changes in the expected performance and behaviour of the borrower

Trade receivables

Trade receivables follow the simplified approach, where the lifetime expected credit losses are estimated using a provision matrix.

The Group establishes a provision matrix per operating segment, based on historical observed default rates, adjusted for forward-looking factors. The historical (or forecasted) credit loss experience shows similar loss patterns for the customer in each operating segment. Within each operating segment the trade receivables are defined in different categories based on the risk profile and the days past due. Historical observed default rates are calculated within each operating segment for each of these categories. The expected credit loss percentage applied to each category includes the forward-looking risk of default. Collateral held as securities includes suretyships, cession on fibre clips, notarial bonds, mortgage bonds, cession on crop and crop insurance and credit insurance. On foreign trade receivables covered by a letter of credit against A-rated banks as collateral, no loss allowance is recognised.

10 Trade and other receivables (continued)

10.3 Expected credit losses (continued)

The amount of the respective allowances for Impairment losses is determined using the following formula:

Portfolio impairment
Portfolio Impairment = Total book x Probability of Default % (PD%) x Loss Given Default % (LGD%) x Forward Looking Factor

The Probability of Default is based on historical loss percentages.
The Loss Given Default is the expected loss in the event that the debtor defaults.
The Forward Looking factors are adjusted per operating segment.

The different categories in trade debtors are defined as follows:

Normal - Accounts which are within payment terms agreed at the time of initial recognition.
Monitor - Accounts exceeding payment terms by less than 30 days, except for livestock accounts which represent accounts exceeding payment terms by less than 16 days.
Credit - Accounts exceeding payment terms by 30 to 60 days, except for livestock accounts which represent accounts exceeding payment terms by 17 to 32 days.
Risk - Accounts exceeding payment terms by more than 60 days, except for livestock accounts which represent accounts exceeding payment terms by more than 32 days.
Doubtful - Accounts where there is a possibility of default or potential bad debt.
Legal - Accounts that have been handed over to attorneys for collections.

Specific impairment
Specific impairment is determined based on inputs for each debtor and reflect the actual risk (LGD) for possible bad debt, taking into account all securities and the client's balance sheet.

Specific - Accounts with specific evidence of impairment and partially or fully provided for.

The increase in the expected credit loss allowance of R21m is mainly as a result of the increase in specific impairments (mostly in respect of livestock debtors) which is partly set off by the reduction of accounts in the Risk, Doubtful and Legal categories.

Producer advances

Producer advances represent advances and production loans which inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if the customer fails to make payment as they fall due. The maximum exposure to credit risk at the reporting date is the fair value of advances mentioned above, less securities held by the Group. Producer advances are assessed using a portfolio impairment assessment approach, where advances with similar credit risks and characteristics are grouped together and assessed for impairment. Collateral held as securities include cession on fibre clips.

10 Trade and other receivables (continued)

10.3 Expected credit losses (continued)

The Group measures the loss allowance by applying the three stage expected credit loss model, adjusted for forward-looking factors. The producer advances are assigned to internal risk rating grades based on the credit risk assessment by Agrifin (Group financial service department) at the time of granting the advance, which takes into account the inherent risk of the customer and securities provided for these advances. The amount of the respective allowances for impairment losses is determined using the following formula:

Impairment = Total book x Probability of Default % (PD%) x Loss Given Default % (LGD%) x Forward Looking Factor

The Probability of Default is based on the S&P corporate rates per credit grading.
Loss Given Default (LGD) is the exposure amount after taking into consideration any recovery, represented as a percentage of total exposure at the time of loss.
The Forward Looking factors are adjusted for producer advances.

In accordance with IFRS 9 Financial instruments, producer advances are classified into the following stages for impairment purposes:

Stage 1: the loss allowance measured at an amount equal to 12-month expected credit losses.
This represents advances which are within their payment terms and with no significant increase in credit risk since initial recognition.

Stage 2: the loss allowance measured at an amount equal to lifetime expected credit losses.
Advances whose credit risk has increased since initial recognition due to them falling outside of the payment terms agreed on initial recognition.

Stage 3: Producer advances that are credit-impaired
These advances have not been handed over for collection but there is an indicator of impairment and they have been provided for partially or in full.

Loans to employees

The Group measures the loss allowance by applying the three stage expected credit loss model as per producer advances. The vehicle serves as collateral for the loan advanced in respect of each agreement.

Sundry debtors

Sundry debtors has been assessed for impairment. In determining the amount of expected credit losses, the Group has taken into account any historic default experience, the financial position of counterparties, as well as future prospects. Collateral in the form of stock is held for accrued income and BKB shares for the loans to BEE shareholder trusts. The expected loss rate percentage for these accounts is insignificant.

10 Trade and other receivables (continued)

Set out below is the Group and Company carrying amounts at default mapped to the loss allowance provided:

Group	2024 Gross carrying amount at default R'000	2024 Loss allowance R'000	2023 Gross carrying amount at default R'000	2023 Loss allowance R'000
Producer advances				
Stage 1	114 716	(2 682)	95 161	(2 217)
Stage 2	26 020	(215)	22 096	(1 385)
Stage 3	1 966	(1 876)	3 056	(3 056)
Trade receivables				
Normal	488 051	(2 027)	406 364	(2 116)
Monitor	130 627	(506)	174 164	(571)
Credit	56 328	(463)	67 371	(524)
Risk	91 750	(1 456)	156 711	(1 613)
Doubtful	13 990	(2 038)	41 347	(4 339)
Legal	835	(35)	3 414	(1 229)
Specific	94 226	(60 193)	39 937	(39 107)
Total	1 018 509	(71 491)	1 009 621	(56 157)
Loans to employees				
Stage 1	23 092	(185)	20 220	(154)
Stage 2	3 210	(579)	2 596	(137)
Stage 3	275	(230)	244	(244)
	26 577	(994)	23 060	(535)

Company	2024 Gross carrying amount at default R'000	2024 Loss allowance R'000	2023 Gross carrying amount at default R'000	2023 Loss allowance R'000
Producer advances				
Stage 1	100 643	(2 682)	87 818	(2 217)
Stage 2	5 917	(215)	7 022	(1 385)
Stage 3	1 966	(1 876)	3 056	(3 056)
Trade receivables				
Normal	212 412	(855)	212 212	(1 172)
Monitor	67 109	(460)	79 987	(515)
Credit	32 220	(399)	29 353	(394)
Risk	87 456	(1 351)	128 146	(1 555)
Doubtful	13 583	(1 963)	22 038	(2 620)
Legal	183	(35)	3 175	(1 229)
Specific	84 257	(52 103)	28 105	(27 861)
Total	605 746	(61 939)	600 912	(42 004)
Loans to employees				
Stage 1	23 092	(185)	20 188	(154)
Stage 2	3 210	(579)	2 596	(137)
Stage 3	275	(230)	244	(244)
	26 577	(994)	23 028	(535)

10 Trade and other receivables (continued)

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Specific loss allowance				
Balance at the beginning of the year	(42 407)	(24 914)	(31 161)	(12 354)
Increase during the year	(33 426)	(34 244)	(34 076)	(19 847)
Provisions reversed on settled trade receivables	1 683	2 211	1 587	2 193
Provision utilised	11 851	14 540	9 439	5 221
Additions through combinations of entities under common control	-	-	-	(6 374)
Balance at the end of the year	(62 299)	(42 407)	(54 211)	(31 161)
Portfolio loss allowance				
Balance at the beginning of the year	(14 285)	(13 431)	(11 378)	(8 707)
Remeasurement of loss allowance	4 099	(854)	2 656	(727)
Additions through combinations of entities under common control	-	-	-	(1 944)
Balance at the end of the year	(10 186)	(14 285)	(8 722)	(11 378)
Total loss allowance	(72 485)	(56 692)	(62 933)	(42 539)

Concentrations of credit risk
Trade receivables and producer advances by segment:

	2024 Gross carrying amount at default	2024 Loss allowance	2023 Gross carrying amount at default	2023 Loss allowance
Group				
Natural fibre	290 533	(4 773)	168 782	(5 093)
Retail and fuel	208 426	(3 342)	205 220	(2 590)
Livestock and properties	293 672	(54 075)	298 418	(32 853)
Leasing of properties	1 015	(687)	891	(583)
Fruit	53 118	(531)	100 933	(531)
Grains	74 642	(6 180)	107 658	(11 549)
Consumer goods	96 709	(1 712)	119 439	(1 394)
All other segments	394	(191)	8 280	(2 099)
	1 018 509	(71 491)	1 009 621	(56 692)
Company				
Natural fibre	108 525	(4 773)	93 479	(5 093)
Retail and fuel	202 703	(2 573)	198 081	(2 470)
Livestock and properties	293 545	(54 075)	297 660	(32 655)
Leasing of properties	623	(325)	420	(222)
All other segments	350	(193)	11 272	(1 564)
	605 746	(61 939)	600 912	(42 004)

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Exposure to currency risk				
Rand	787 570	807 908	543 807	558 908
US Dollar	149 290	145 556	-	-
Chinese Yuan	10 158	-	-	-
	947 018	953 464	543 807	558 908

The carrying amounts of trade receivables denominated in US Dollars and Chinese Yuan have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date. Refer to Note 41.3 for Financial risk management on foreign currency risk.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
11 Deferred tax				
Analysis of deferred tax asset/(liability)				
Property, plant and equipment	(120 173)	(113 831)	(82 155)	(74 461)
Lease assets	(18 394)	(25 857)	(8 172)	(10 056)
Lease liabilities	22 304	29 422	10 172	12 023
Intangible assets	(5 509)	(6 006)	(3 650)	(4 147)
Provisions:				
Accrued leave pay	7 592	7 101	6 104	5 460
Accrued bonus	7 822	4 858	5 636	3 298
Provision for obsolete, slow moving and defective stock	3 928	5 156	3 928	5 152
Loss allowance	13 968	10 155	15 607	12 002
Provision for service bonus	2 499	2 333	2 499	2 333
Post-retirement medical aid liabilities	582	1 056	582	1 056
Other provisions	2 439	2 247	-	-
Realised capital loss	24 073	24 376	24 073	24 376
Prepayments	(140)	(195)	125	178
Tax losses available for set off against future taxable income	66 841	70 816		-
Cash flow hedge reserve	647	11 697	-	-
	8 479	23 328	(25 251)	(22 786)
The total deferred tax asset/(liability) comprises:				
Deferred tax asset	152 695	169 693	68 726	65 878
Deferred tax liability	(144 216)	(146 365)	(93 977)	(88 664)
	8 479	23 328	(25 251)	(22 786)

The Group expects the entities with tax losses to generate future taxable income based on the forecasts. The realised capital loss will be set off against future capital gains mainly in respect of land and buildings.

Deferred tax assets and liabilities have been offset at individual entity level where the income taxes relate to the same jurisdiction and the law allows net settlement.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Deferred tax comprises:				
Deferred tax assets				
Deferred tax assets recoverable within 12 months	41 327	50 292	34 470	32 236
Deferred tax assets recoverable after 12 months	111 368	119 401	34 256	33 642
Deferred tax liabilities				
Deferred tax liabilities payable within 12 months	(3 606)	(1 998)	(2 135)	(1 517)
Deferred tax liabilities payable after 12 months	(140 610)	(144 367)	(91 842)	(87 147)
	8 479	23 328	(25 251)	(22 786)
Reconciliation of deferred tax asset/(liability)				
Balance at the beginning of the year	23 328	(20 758)	(22 786)	(23 902)
Charge to profit or loss	3 965	42 531	3 225	6 887
Debit to other comprehensive income	(18 814)	1 555	(5 690)	(5 771)
Balance at the end of the year	8 479	23 328	(25 251)	(22 786)
For the purposes of Statement of financial position, deferred tax is presented as follows:				
Deferred tax asset	58 131	59 814	-	-
Deferred tax liability	(49 652)	(36 486)	(25 251)	(22 786)
	8 479	23 328	(25 251)	(22 786)

Deferred tax has been raised for all unused capital losses in the Group.

Deferred tax has not been raised for deductible temporary differences and unused tax losses in the Group, amounting to R12 667 511 (2023: R12 493 721) and Company Rnil (2023: Rnil).

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
12 Inventories				
Farming requisites and merchandise	397 484	459 085	351 481	392 562
Wool and mohair inventory	164 260	127 806	42 991	47 872
Fruit inventory	-	181 154	-	-
Grain inventory	79	744	-	-
Sugar inventory	50 052	51 298	-	-
Consumables	15 661	26 954	4 592	7 965
	627 536	847 041	399 064	448 399
Provision for obsolete, slow moving and defective stock	(14 618)	(19 457)	(14 547)	(19 082)
	612 918	827 584	384 517	429 317
Inventory included at net realisable value	32 053	27 414	16 440	13 331
Grain inventory included at market value	704	691	-	-

Inventory (excluding consumables) serve as security for the Security SPV Guarantor. Refer to Note 18.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
13 Other financial assets/(liabilities)				
At fair value through profit or loss				
Foreign exchange contracts				
Foreign exchange contracts (financial asset)	5 325	1 522	-	-
Foreign exchange contracts (financial liability)	-	(9 291)	-	-
Open forward contracts				
Comprise open forward contracts on the SAFEX. Open positions are valued using the SAFEX mark-to-market rate of a particular commodity at year end.	(8 878)	(5 525)	-	-
Net financial (liability)/asset	(3 553)	(13 294)	-	-
Current assets	5 325	1 522	-	-
Current liabilities	(8 878)	(14 816)	-	-
	(3 553)	(13 294)	-	-
Amounts recognised in comprehensive income				
Fair value gains/(losses) on other financial assets/(liabilities)				
At fair value through profit or loss recognised through profit or loss	3 532	4 528	(102)	(59)
At fair value through profit or loss recognised through other comprehensive income	2 256	(1 128)	-	-
At fair value through profit or loss recognised in loss from discontinued operations	1 028	(2 031)	-	-
At fair value through profit or loss recognised in OCI from discontinued operations	38 087	(14 861)	-	-
	44 903	(13 492)	(102)	(59)

The Group's exposure to various risks associated with the financial instruments is discussed in Note 41.3.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
14 Cash and cash equivalents				
For the purposes of the statement of cash flows, cash and cash equivalents comprise of the following:				
Cash on hand	615	465	583	419
Bank balances	56 099	34 148	34 543	7 393
Bank overdrafts	(6 737)	(4 066)	(4 038)	(4 027)
Net cash and cash equivalents	49 977	30 547	31 088	3 785
Current assets	56 714	34 613	35 126	7 812
Current liabilities	(6 737)	(4 066)	(4 038)	(4 027)
	49 977	30 547	31 088	3 785

The Group has structured its overdraft and borrowing facilities through a Security SPV Guarantor. These facilities are being provided in equal proportions by First National Bank and ABSA. The Group overdraft facility is R200 000 000 of which R120 000 000 is unsecured. R80 000 000 is secured as per the Security SPV Guarantor (Refer Note 18).

Credit ratings

ABSA Bank Limited	Baa3
First National Bank (Division of FirstRand Bank Limited)	Baa3

The bank overdrafts form an integral part of the Group's cash management. Bank overdrafts are thus included as a component of cash and cash equivalents. The Group's exposure to various risks associated with the financial instruments is discussed in Note 41.3.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
15 Assets classified as held for sale				
Reconciliation of assets				
Balance at the beginning of the year	44 976	19 157	-	-
Transferred from property, plant and equipment	6 372	44 976	-	-
Derecognised	(30 247)	(16 484)	-	-
Transferred to property, plant and equipment	(12 025)	(2 673)	-	-
Balance at the end of the year	9 076	44 976	-	-
Assets classified as held for sale				
PaKHouse Foods - plant and equipment associated with discontinued operations (Refer Note 29)	3 186	32 951	-	-
Grainco - plant and equipment associated with discontinued operations (Refer Note 29)	5 890	12 025	-	-
	9 076	44 976	-	-

During the previous financial year, the Board approved the decision to discontinue the loss-making Desert Raisins business (PakHouse Foods (Pty) Ltd) in Kanoneiland, as well as the lucerne press operation in Kimberley. During the current year, it was decided to also discontinue the lucerne trading operations in Grainco (Pty) Ltd (2023: AlphaAlfa (Pty) Ltd).

The lucerne press that was classified as held for sale at 30 June 2023 was transferred back to property, plant and equipment after it was determined that this asset will not be sold in the foreseeable future.

The production and ancillary assets of these operations are expected to be sold by 30 June 2025 and were classified as held for sale and remeasured to fair value less cost to sell.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
16 Share Capital				
Authorised				
200 000 000 (2023: 200 000 000) Ordinary shares with no par value				
Issued				
88 407 075 (2023: 88 407 075) Ordinary shares with no par value	4 420	4 420	4 420	4 420

	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
Reconciliation of number of shares in issue				
Balance at the beginning and end of the year	88 407 075	88 407 075	88 407 075	88 407 075

Treasury shares

Treasury shares have arisen through the BKB Personeel Aandele Trust. Details of the Trust's shareholding is as follows:

	2024 Number	2023 Number
Reconciliation of number of shares in issue		
Balance at the beginning of the year	10 256 980	9 801 852
Acquired by the Trust	25 858	545 871
Disposed of by the Trust	(57 462)	(90 743)
Balance at the end of the year	10 225 376	10 256 980

17 Share based payments

The BKB Limited Bonus and Performance Share Entitlement Plan

The BKB Limited Bonus and Performance Share Entitlement Plan was approved by the board of directors on 1 April 2021. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The plan is designed to provide long-term incentives for senior managers and executives to deliver long term sustainable returns acceptable to shareholders. Under the plan, annual conditional awards of Performance shares and Bonus shares will be allocated to eligible employees of the Group. Annual allocations of these awards are governed by BKB Limited's remuneration policies.

i. Performance shares

Annual conditional awards of performance shares will be made to participants at a zero strike price. Performance shares will vest after the fourth anniversary for their award to the extent that specified performance criteria over the intervening period (assessment period) have been met. In respect of performance shares, the date upon which such shares shall vest shall be the date immediately following the approval by the Board of Directors of the relevant BKB Group Annual Financial Statements for the last financial year of the applicable assessment period.

The board of directors will, prior to the commencement of each assessment period, set target ranges for performance criteria comprising minimum and maximum thresholds to be attained.

The performance conditions applied to the performance shares awarded in 2021 are as follows:

- 60% weighting: Return on Funds Employed (ROFE) outperforming BKB Limited's Weighted Average Cost of Capital (WACC)
- 40% weighting: Net Debt divided by Earnings Before Interest, Tax, Depreciation and Amortisation (Net Debt ratio) outperforming a benchmark of peer group companies

The performance conditions applied to the performance shares awarded from 2022 onwards, are as follows:

- 50% weighting: Return on Funds Employed (ROFE) outperforming BKB Limited's Weighted Average Cost of Capital (WACC)
- 25% weighting: Net Debt divided by Earnings Before Interest, Tax, Depreciation and Amortisation (Net Debt ratio) outperforming a benchmark of peer group companies
- 25% weighting: Growth in Normalised earnings per share outperforming Consumer Price Index

If an eligible employee ceases to be employed by the Group by reason of a "no fault termination" prior to vesting of performance shares, the number of performance shares available to vest, together with the settlement date, shall be determined by BKB Limited in consultation with the eligible employee and in terms of the share plan. (Ultimately at BKB Limited's discretion).

17 Share based payments (continued)

	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
Movements in number of shares awarded				
Balance at the beginning of the year	292 624	194 868	292 624	194 868
Granted	468 793	97 756	468 793	97 756
Balance at the end of the year	761 417	292 624	761 417	292 624
Share awards outstanding that is expected to vest in respect of the following years, conditional on continued employment:				
Year ending 30 June 2024	222 257	143 316	222 257	143 316
Year ending 30 June 2025	170 657	93 248	170 657	93 248
Year ending 30 June 2026	144 268	56 060	144 268	56 060
Year ending 30 June 2027	224 235	-	224 235	-
	761 417	292 624	761 417	292 624

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
IFRS 2 share based payment charge	3 795 341	790 630	3 012 617	611 885

ii. Bonus shares

Special allocations of bonus shares awarded vest after three years conditional on continued employment. Bonus shares are granted at a zero strike price. In respect of bonus shares, the date upon which such shares shall vest shall be a date 36 months after expiry of the applicable assessment period and which coincides with the date of vesting of the Performance Shares above.

If an eligible employee ceases to be employed by the Group by reason of a "no fault termination" prior to vesting of bonus shares, the bonus shares available to vest shall be deemed to have vested and settled to the employee in terms of the share plan with effect from the date of termination of employment.

	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
Movements in number of shares awarded				
Balance at the beginning of the year	955 472	599 867	955 472	599 867
Granted	647 299	442 389	647 299	442 389
Vested	(57 462)	(86 784)	(57 462)	(86 784)
Balance at the end of the year	1 545 309	955 472	1 545 309	955 472
Share awards outstanding that is expected to vest in respect of the following years, conditional on continued employment:				
Year ending 30 June 2024	834 194	625 646	834 194	625 646
Year ending 30 June 2025	385 276	284 308	385 276	284 308
Year ending 30 June 2026	95 952	45 518	95 952	45 518
Year ending 30 June 2027	229 887	-	229 887	-
	1 545 309	955 472	1 545 309	955 472

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
IFRS 2 share based payment charge	6 320 603	4 481 022	4 609 300	3 212 570

iii. Valuation of share incentive grants

The fair value of the shares granted in terms of the share plan is independently determined by an actuary of Financial Modelling Agency using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model.

17 Share based payments (continued)

iii. Valuation of share incentive grants

	Performance shares 2024	Performance shares 2023	Bonus shares 2024	Bonus shares 2023
Spot price per share at grant date (cents)	570	1 020	526	570
Discounted cash flow (DCF) valuation per share (cents)	891	928	1 083	938
Risk free rate (%)	8.4%	7.8%	7.8%	8.3%
Dividend yield (%)	3.5%	4.3%	3.3%	3.0%
Option life (years)	4	4	4	4
Forfeiture rate (%)	9.1%	9.1%	9.1%	9.1%
Volatility (%)	34.7%	40.6%	29.5%	34.7%
Fair value per share at grant date (cents)	773	857	1 083	938

The volatility input to the pricing model is a measure of the expected price fluctuations of the BKB share price over the life of the option structure. Volatility is measured as the annualised standard deviation of historical daily price changes of selected surrogates.

18 Borrowings

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Held at amortised cost				
Secured				
ABSA Bank Limited: Borrowing base loan facility The Group's borrowing facilities are structured through a Security Special Purpose Vehicle Guarantor structure (SPV). These facilities are currently being provided in equal proportions by ABSA Bank Limited and First National Bank Limited to the borrower, BKB Limited (BKB). Bears interest at a rate linked to prime and is renewed annually.	183 732	369 221	183 732	369 221
First National Bank Limited: Borrowing base loan facility The Group's borrowing facilities are structured through a Security Special Purpose Vehicle Guarantor structure (SPV). These facilities are currently being provided in equal proportions by ABSA Bank Limited and First National Bank Limited to the borrower, BKB Limited (BKB). Bears interest at a rate linked to prime and is renewed annually.	183 732	369 221	183 732	369 221
ABSA Bank Limited: Term loan The SPV includes a term loan which is repayable in monthly instalments of R1 296 308 (2023: R1 296 308) and bears interest at a rate linked to prime. The loan has a residual value of R54 000 000 and is repayable on 10 November 2026.	72 268	79 024	72 268	79 024
First National Bank Limited: Term loan The SPV includes a term loan which is repayable in monthly instalments of R1 296 308 (2023: R1 296 308) and bears interest at a rate linked to prime. The loan has a residual value of R54 000 000 and is repayable on 10 November 2026.	72 267	79 025	72 267	79 025
Standard Bank Limited: Term loan The term loan relates to Hoëveld Veilingsentrum (Pty) Ltd. It is repayable in monthly instalments of R367 360 (2023: R367 360) and is repayable in 49 months. It bears interest at a rate linked to prime.	11 608	15 977	-	-
Instalment sale agreements	4 033	25 115	-	-
	527 640	937 583	511 999	896 491
Non-current liabilities	138 498	162 693	129 497	144 530
Current liabilities	389 142	774 890	382 502	751 961
	527 640	937 583	511 999	896 491

18 Borrowings (continued)

The SPV facilities are secured by a guarantee issued by the Security SPV Guarantor (K2020830595 RF Pty Ltd). BKB and its Guarantors (The Obligors) indemnifies the security SPV against all claims in terms of the SPV Guarantee.

As security for the Obligors performing their indemnity obligation to the Security SPV, certain assets are bonded as security to the Security SPV:

Notarial covering bonds over movable assets (including inventory) of BKB Limited, BKB Pinnacle Fibres (Pty) Ltd, Grainco (Pty) Ltd and PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd). Refer to Note 12.

Continuous covering mortgage bonds over properties in BKB Limited. Refer to Note 2.

Cession of trade and other receivables (BKB Limited, Grainco (Pty) Ltd, PaKHouse Foods (Pty) Ltd, BKB Pinnacle Fibres (Pty) Ltd, The House of Fibre (Pty) Ltd, BKBLouwid (Pty) Ltd, BKB Van Wyk (Pty) Ltd) and BKB Distribution Centre (Pty) Ltd. Refer to Note 10.

The Obligors signed unlimited surety as guarantee for the SPV facilities. The Obligors are BKB Limited, BKB Pinnacle Fibres (Pty) Ltd, The House of Fibre (Pty) Ltd, BKBLouwid (Pty) Ltd, BKB Van Wyk (Pty) Ltd, BKB Distribution Centre (Pty) Ltd, PaKHouse Brands (Pty) Ltd, Grainco (Pty) Ltd, Pakhouse Fruits Holdings (Pty) Ltd, PaKHouse Foods (Pty) Ltd, Atlanta Investments (Pty) Ltd, Atlanta Products (Pty) Ltd and Oceanic Swaziland (Pty) Ltd.

Instalment sale agreements
Instalment sale agreements are payable over periods from three to four years at prime linked interest rates repayable in monthly instalments of between R10 302 and R199 209 (2023: R8 224 and R1 658 723).

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Minimum instalments due				
- within one year	2 991	20 859	-	-
- in second to fifth year inclusive	1 980	6 737	-	-
	4 971	27 596	-	-
Less: future finance charges	(938)	(2 481)	-	-
Present value of instalments	4 033	25 115	-	-
Present value of minimum instalments				
- within one year	2 270	18 521	-	-
- in second to fifth year inclusive	1 763	6 594	-	-
	4 033	25 115	-	-
Instalment sale security				
Motor vehicles	2 872	683	-	-
Plant and machinery	4 573	41 206	-	-
	7 445	41 889	-	-

Refer to Note 33 'Changes in liabilities arising from financing activities' for details of the movement in the borrowings during the reporting period and Note 41 'Financial instruments and financial risk management' for the fair value of borrowings.

19 Provisions

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Long term provisions				
Provision for service bonus				
Balance at the beginning of the year	8 677	8 809	8 642	8 809
Additions	1 233	523	1 232	489
Utilised during the year	(619)	(655)	(619)	(656)
Balance at the end of the year	9 291	8 677	9 255	8 642

Certain employees are entitled to long service bonuses upon retirement as per their employment contract. Provision is made for this eventuality.

20 Trade and other payables

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Financial Instruments:				
Trade creditors	612 784	566 024	264 950	250 903
Other accrued expenses	19 589	25 235	8 361	12 461
Other payables	8 094	22 026	7 030	22 253
Non-financial Instruments:				
Accrued bonus	28 847	17 629	20 875	12 491
Accrued leave pay	28 303	26 514	22 609	20 222
Amounts received in advance	3 524	2 386	-	-
VAT	10 123	7 563	-	-
	711 264	667 377	323 825	318 330

Refer to Note 41.3 for Financial risk management on foreign currency risk.

21 Loans from group companies

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
The House of Fibre (Pty) Ltd	-	-	4 608	-
Lihoai Consultancy (Pty) Ltd	-	-	3 690	4 121
Home and Hectare (Pty) Ltd	-	-	8 201	10 441
BKB Van Wyk (Pty) Ltd	-	-	5	5
PaKHouse Brands (Pty) Ltd	-	-	878	11 464
Grainco (Pty) Ltd	-	-	37 144	1 877
	-	-	54 526	27 908

Loans from subsidiaries are payable on demand and interest is charged at a prime related interest rate.

22 Revenue

Revenue	Revenue from contracts with customers			Other revenue		Total
Timing of revenue recognition	At a point in time		Over time			
Principal vs agent	Principal	Agent	Principal			
	Sale of goods	Commission received	Rendering of services	Rental income	Interest received	
	R'000	R'000	R'000	R'000	R'000	R'000
Group - 2024						
Natural fibre	1 554 320	121 100	94 487	-	12 674	1 782 581
Retail and fuel	2 438 442	-	10 374	1 916	24 044	2 474 776
Livestock and properties	-	214 323	-	3 068	29 614	247 005
Leasing of properties	-	-	-	2 862	-	2 862
Grains	760 286	962	68 426	10	1 143	830 827
Consumer goods	1 202 329	-	16 808	-	-	1 219 137
All other segments	-	-	2 278	-	2 336	4 614
	5 955 377	336 385	192 373	7 856	69 811	6 561 802
Group - 2023						
Natural fibre	1 222 031	132 094	104 015	20	13 388	1 471 548
Retail and fuel	2 189 970	-	8 858	1 691	16 592	2 217 111
Livestock and properties	-	230 065	-	2 700	29 475	262 240
Leasing of properties	-	-	-	3 709	-	3 709
Grains	689 721	-	70 042	-	1 118	760 881
Consumer goods	1 003 955	-	-	-	-	1 003 955
All other segments	-	-	2 569	-	3 092	5 661
	5 105 677	362 159	185 484	8 120	63 665	5 725 105
Company - 2024						
Natural fibre	397 132	101 582	94 924	-	12 443	606 081
Retail and fuel	2 403 998	-	10 361	1 916	23 257	2 439 532
Livestock and properties	-	191 197	-	34	29 614	220 845
Leasing of properties	-	-	-	1 672	-	1 672
All other segments	-	-	-	-	2 336	2 336
	2 801 130	292 779	105 285	3 622	67 650	3 270 466
Company - 2023						
Natural fibre	470 016	116 437	104 663	20	12 770	703 906
Retail and fuel	2 179 259	-	8 858	1 691	16 451	2 206 259
Livestock and properties	-	188 874	-	37	28 535	217 446
Leasing of properties	-	-	-	1 996	-	1 996
All other segments	-	-	-	-	3 092	3 092
	2 649 275	305 311	113 521	3 744	60 848	3 132 699

23 Cost of sales

	Cost of goods sold	Labour and other employee benefit costs	Depreciation and amortisation	Total
	R'000	R'000	R'000	R'000
Group - 2024				
Natural fibre	1 389 836	-	-	1 389 836
Retail and fuel	2 180 845	-	-	2 180 845
Grains	605 171	11 247	16 975	633 393
Consumer goods	1 089 609	-	1 343	1 090 952
	5 265 461	11 247	18 318	5 295 026
Group - 2023				
Natural fibre	1 076 598	-	-	1 076 598
Retail and fuel	1 979 500	-	-	1 979 500
Grains	584 086	11 052	14 566	609 704
Consumer goods	893 020	-	1 311	894 331
	4 533 204	11 052	15 877	4 560 133
Company - 2024				
Natural fibre	331 935	-	-	331 935
Retail and fuel	2 160 076	-	-	2 160 076
	2 492 011	-	-	2 492 011
Company - 2023				
Natural fibre	394 037	-	-	394 037
Retail and fuel	1 976 630	-	-	1 976 630
	2 370 667	-	-	2 370 667

24 Other operating income

	Group		Company	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
Management fees from subsidiary companies	-	-	479	314
Profit on sale of own use property	326	484	326	421
Profit on sale of plant and equipment	834	-	834	-
Profit on sale of subsidiary	496	-	-	-
Bad debts recovered	1 843	2 211	1 839	2 193
Fair value gains on property	-	1 476	-	1 476
Cash discounts received	9 648	9 120	8 855	8 591
Foreign exchange gains - hedge related	3 302	4 551	-	240
Foreign exchange gains - non-hedge related	334	-	2	-
Gain on modification of lease liability	430	153	407	(59)
Insurance recoveries	7 289	8 638	5 964	7 604
Unclaimed payables	12 125	5 347	12 125	5 347
Tax incentives	807	1 062	685	849
Other	11 649	9 055	9 219	8 406
	49 083	42 097	40 735	35 382

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NOTES TO THE FINANCIAL STATEMENTS

25 Operating profit

Operating profit for the year is stated after charging/(crediting) the following, amongst others:

	2024			2023		
	Operational expenses	Admin expenses	Total	Operational expenses	Admin expenses	Total
Auditor's remuneration - external	R'000	R'000	R'000	R'000	R'000	R'000
Group						
Approved audit fees	-	5 302	5 302	-	4 657	4 657
Adjustment for previous year	-	199	199	-	1 081	1 081
Tax and advisory services	-	918	918	-	382	382
	-	6 419	6 419	-	6 120	6 120
Company						
Approved audit fees	-	3 039	3 039	-	2 696	2 696
Adjustment for previous year	-	141	141	-	311	311
Tax and advisory services	-	413	413	-	31	31
	-	3 593	3 593	-	3 038	3 038

Employee costs

Group						
Salaries, wages, bonuses and other benefits	374 435	57 285	431 720	354 869	45 752	400 621
Share-based payment	4 664	5 452	10 116	2 451	2 821	5 272
Commission agents paid	45 954	-	45 954	52 294	-	52 294
Training and other expenses	12 269	2 353	14 622	11 584	2 337	13 921
Provision for service bonus	820	413	1 233	334	189	523
Retirement benefit plans: defined contribution expense	4 791	51	4 842	4 234	62	4 296
	442 933	65 554	508 487	425 766	51 161	476 927
Company						
Salaries, wages, bonuses and other benefits	287 306	57 285	344 591	269 428	45 752	315 180
Share-based payment	2 170	5 452	7 622	1 003	2 821	3 824
Commission agents paid	31 605	-	31 605	32 784	-	32 784
Training and other expenses	9 976	2 353	12 329	9 206	2 337	11 543
Provision for service bonus	819	413	1 232	300	189	489
Retirement benefit plans: defined contribution expense	3 479	51	3 530	3 040	62	3 102
	335 355	65 554	400 909	315 761	51 161	366 922

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25 Operating profit (continued)

Expenses by nature

The total operational and administrative expenses are analysed by nature as follows:

	2024			2023		
	Operational expenses	Admin expenses	Total	Operational expenses	Admin expenses	Total
Group	R'000	R'000	R'000	R'000	R'000	R'000
Advertising expense	30 134	-	30 134	25 708	-	25 708
Audit fees	-	5 501	5 501	-	5 551	5 551
Bank charges	-	18 764	18 764	-	17 363	17 363
Commission paid	13 055	-	13 055	15 208	-	15 208
Computer expenses	-	33 188	33 188	-	32 489	32 489
Depreciation	38 830	1 340	40 170	37 472	1 372	38 844
Amortisation	5 916	755	6 671	4 722	1 085	5 807
Employee costs	442 933	65 554	508 487	425 766	51 161	476 927
Impairment of own use property	1 764	-	1 764	6 369	-	6 369
Foreign exchange losses - hedge related	104	-	104	-	23	23
Impairment of intangible assets	103	120	223	7 432	-	7 432
Impairment of property, plant and equipment	642	-	642	-	-	-
Insurance cost	13 259	298	13 557	12 229	192	12 421
Lease charges	7 783	1 795	9 578	9 299	1 691	10 990
Legal expenses	-	1 320	1 320	-	815	815
Loss on sale of plant and equipment	2 787	-	2 787	1 531	87	1 618
Loss on sale of property	588	-	588	-	-	-
Losses on products	4 235	-	4 235	8 237	-	8 237
Non-executive directors' fees	-	3 752	3 752	-	3 591	3 591
Pressing and storage costs	16 805	-	16 805	14 826	-	14 826
Professional consulting fees	13 906	-	13 906	17 482	-	17 482
Property tax	6 069	-	6 069	5 730	-	5 730
Repairs and maintenance	29 228	61	29 289	25 487	-	25 487
Security	-	9 747	9 747	-	8 981	8 981
Subsistence and travel	13 665	-	13 665	15 094	-	15 094
Telephone and postage	-	8 213	8 213	-	8 789	8 789
Transport	72 051	-	72 051	72 288	-	72 288
Vehicle costs	49 342	-	49 342	45 016	-	45 016
Water and electricity	11 658	30	11 688	15 017	31	15 048
Other	13 227	20 461	33 688	8 715	18 568	27 283
	788 084	170 899	958 983	773 628	151 789	925 417

	2024 Total	2023 Total
Impairment of financial assets		
Bad debts written off	11 851	14 540
Impairment of trade and other receivables-specific	21 202	13 702
(Impairment reversal)/impairment of trade and other receivables-portfolio	(3 419)	295
	29 634	28 537
Loss from equity accounted investments	275	493

25 Operating profit (continued)

Expenses by nature (continued)

	2024			2023		
Company	**Operational expenses R'000**	**Admin expenses R'000**	**Total R'000**	**Operational expenses R'000**	**Admin expenses R'000**	**Total R'000**
Advertising expense	17 997	-	17 997	15 963	-	15 963
Audit fees	-	3 180	3 180	-	3 007	3 007
Bank charges	-	12 859	12 859	-	10 995	10 995
Commission paid	3 760	-	3 760	9 847	-	9 847
Computer expenses	-	29 091	29 091	-	27 773	27 773
Depreciation	29 848	1 340	31 188	28 585	1 372	29 957
Amortisation	5 275	755	6 030	4 177	1 085	5 262
Employee costs	335 355	65 554	400 909	315 761	51 161	366 922
Impairment of own use property	-	-	-	6 369	-	6 369
Foreign exchange losses - hedge related	104	-	104	-	-	-
Impairment of intangible assets	-	120	120	7 432	-	7 432
Insurance cost	6 645	298	6 943	5 951	192	6 143
Lease charges	8 220	1 795	10 015	8 442	1 691	10 133
Legal expenses	-	803	803	-	1 690	1 690
Loss on sale of plant and equipment	-	-	-	(16)	87	71
Loss on sale of property	588	-	588	-	-	-
Losses on products	2 566	-	2 566	5 674	-	5 674
Management fees	220	-	220	868	-	868
Non-executive directors' fees	-	3 752	3 752	-	3 591	3 591
Pressing and storage costs	13 243	-	13 243	12 509	-	12 509
Professional consulting fees	21 760	-	21 760	23 879	-	23 879
Property tax	5 573	-	5 573	5 146	-	5 146
Repairs and maintenance	15 148	61	15 209	13 124	4	13 128
Security	-	6 065	6 065	-	5 103	5 103
Subsistence and travel	9 928	-	9 928	10 703	-	10 703
Telephone and postage	-	6 489	6 489	-	7 245	7 245
Transport	5 616	-	5 616	7 144	-	7 144
Vehicle costs	45 431	-	45 431	39 944	-	39 944
Water and electricity	9 618	30	9 648	13 222	31	13 253
Other	11 350	17 367	28 717	14 362	14 018	28 380
	548 245	149 559	697 804	549 086	129 045	678 131

	2024 R'000	2023 R'000
Impairment of financial assets		
Bad debts written off	9 439	5 221
Impairment of trade and other receivables-specific	24 637	14 626
(Impairment reversal)/impairment of trade and other receivables-portfolio	(2 656)	727
(Impairment reversal)/impairment of loans to group companies	(6 885)	8 455
	24 535	29 029
Loss from equity accounted investments	-	16

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
26 Finance income				
Bank and other cash	4 287	2 746	2 753	1 682
Other financial assets	3 693	1 457	788	583
Subsidiaries	-	-	60 709	70 747
	7 980	4 203	64 250	73 012
27 Finance costs				
Interest paid borrowings*	82 392	68 120	91 289	96 554
Interest paid leases	7 270	7 805	3 927	4 337
Subsidiaries	-	-	1 884	1 560
	89 662	75 925	97 100	102 451

* Group finance costs is net of R36,2 million (2023: R44,7 million) relating to internal recovery of discontinued operations' borrowing costs.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
28 Taxation				
Current				
Local income tax - current period	42 930	50 347	22 167	25 368
Local income tax - recognised in current tax for prior periods	114	444	-	1 086
Withholding tax	6 284	1 711	663	491
	49 328	52 502	22 830	26 945
Deferred				
Originating and reversing temporary differences	25 716	2 653	(3 225)	(6 136)
Arising from prior period adjustments	-	(565)	-	(751)
	25 716	2 088	(3 225)	(6 887)
	75 044	54 590	19 605	20 058
Reconciliation of the tax expense				
Accounting profit	245 285	180 900	71 937	205 658
Tax at the applicable tax rate of 27% (2023: 27%)	66 227	48 843	19 423	55 528
Tax effect of adjustments on taxable income				
Under provision - prior year	114	444	-	1 086
Deferred taxation - prior year	-	(565)	-	(751)
Exempt income	(711)	(1 772)	(2 337)	(39 835)
Income taxed not included in profit or loss	-	1 256	-	-
Expenses not deductible for tax purposes	4 146	4 434	2 745	4 178
Withholding tax	6 284	1 711	663	491
Special income tax allowances	(754)	(962)	(727)	(861)
Capital gains tax rate differential	(277)	226	(162)	222
Income taxed at different rate	(399)	253	-	-
Deferred tax asset not raised	67	722	-	-
Deferred tax: change in corporate tax rate	347	-	-	-
	75 044	54 590	19 605	20 058
Discontinued operations				
Loss from discontinued operations	(30 506)	(44 619)	-	-
Estimated tax losses carried forward				
Estimated tax losses to be set off against future taxable profit	247 558	262 279	-	-

29 Discontinued operations

During the prior year, the Group decided to close and exit the maize meal milling operations at Bultfontein as the area is no longer a prominent yellow maize growing area. The mill and production assets were sold and activities were ceased during September 2022. These operations formed part of the Grains segment.

The Group further decided to discontinue the loss-making Desert Raisins business (PakHouse Foods (Pty) Ltd) in Kanoneiland which forms part of the Consumer Goods segment, as well as the lucerne press operation in Kimberley (AlphaAlfa (Pty) Ltd) within the Grains segment, during the prior year. The Group has made a decision to sell the production and ancillary assets of Desert Raisins as well as the lucerne press. Accordingly, these assets were reclassified as held for sale at the prior year-end.

During the current year, the Group decided to close and exit the AlphaAlfa lucerne trading operations (Grainco (Pty) Ltd (2023: AlphaAlfa (Pty) Ltd) in Kimberley due to adverse market conditions, coupled with the business not being aligned with the Group's strategic long term goals. Both the AlphaAlfa and Desert Raisins businesses have ceased activities before year end. The related production and ancillary assets were reclassified as held for sale at year-end.

The financial performance of these discontinued operations was as follows:

Summarised statement of profit or loss

	Bultfontein	Desert Raisins	AlphaAlfa	Total
Group - 2024	**R'000**	**R'000**	**R'000**	**R'000**
Revenue	-	206 632	101 572	308 204
Interest revenue	-	-	238	238
Total revenue	-	206 632	101 810	308 442
Cost of sales	-	(224 156)	(111 387)	(335 543)
Gross loss	-	(17 524)	(9 577)	(27 101)
Other operating income	-	6 375	(551)	5 824
Operational expenses	-	(34 540)	(17 565)	(52 105)
Administrative expenses	-	(2 617)	(1 508)	(4 125)
Impairment of financial assets	-	-	307	307
Operating loss	-	(48 306)	(28 894)	(77 200)
Finance income	-	171	57	228
Finance costs	-	(30 330)	(6 171)	(36 501)
Loss before taxation	-	(78 465)	(35 008)	(113 473)
Income tax credit	-	20 709	9 797	30 506
Loss for the year	-	(57 756)	(25 211)	(82 967)
Other comprehensive income:				
Movement in cash flow hedge reserve	-	18 943	8 861	27 804
Fair value adjustments to cash flow hedge reserve	-	11 220	10 651	21 871
Reclassification to revenue	-	17 224	20	17 244
Reclassification to profit or loss	-	(2 495)	1 467	(1 028)
Income tax relating to items that may be reclassified	-	(7 006)	(3 277)	(10 283)
Total comprehensive income for the year	-	(38 813)	(16 350)	(55 163)

29 Discontinued operations (continued)

Summarised statement of profit or loss

	Bultfontein	Desert Raisins	AlphaAlfa	Total
Group - 2023	**R'000**	**R'000**	**R'000**	**R'000**
Revenue	103 397	316 640	225 975	646 012
Interest revenue	85	-	258	343
Total revenue	103 482	316 640	226 233	646 355
Cost of sales	(103 553)	(288 788)	(203 661)	(596 002)
Gross profit/(loss)	(71)	27 852	22 572	50 353
Other operating income	(30)	15 971	5 472	21 413
Operational expenses	(20 202)	(102 550)	(51 996)	(174 748)
Administrative expenses	(973)	(4 152)	(2 020)	(7 145)
Impairment of financial assets	(606)	(5 772)	(185)	(6 563)
Operating loss	(21 882)	(68 651)	(26 157)	(116 690)
Finance income	207	84	72	363
Finance costs	(2 636)	(34 227)	(7 885)	(44 748)
Loss before taxation	(24 311)	(102 794)	(33 970)	(161 075)
Income tax credit	6 564	29 149	8 906	44 619
Loss for the year	(17 747)	(73 645)	(25 064)	(116 456)
Other comprehensive loss:				
Items that will not be reclassified to profit or loss:				
Movement in reserve on revaluation of properties	-	(8 379)	-	(8 379)
Losses on property revaluations	-	(11 478)	-	(11 478)
Income tax relating to items that will not be reclassified	-	3 099	-	3 099
Items that will be reclassified to profit or loss:				
Movement in cash flow hedge reserve	-	(2 646)	(7 959)	(10 605)
Fair value adjustments to cash flow hedge reserve	-	(28 539)	(16 037)	(44 576)
Reclassification to revenue	-	5 023	2 255	7 278
Reclassification to profit or loss	-	19 891	2 546	22 437
Income tax relating to items that may be reclassified	-	979	3 277	4 256
Total comprehensive loss for the year	(17 747)	(84 670)	(33 023)	(135 440)

	Group	
	2024	**2023**
	R'000	**R'000**
Summarised statement of cash flow		
Net cash from operating activities	143 124	(101 749)
Net cash from investing activities	17 006	15 521
Net cash from financing activities	(160 246)	76 534
Net cash movement for the year	(116)	(9 694)

30 Earnings per share

30.1 Number of shares and weighted average number of shares

	Group 2024 Number	Group 2023 Number
Number of shares in issue	88 407 075	88 407 075
Weighted average number of treasury shares	(10 246 503)	(9 764 931)
Weighted average number of ordinary shares used for basic earnings per share	78 160 572	78 642 144
Adjusted for:		
Performance shares to be issued	761 417	292 624
Bonus shares to be issued	1 545 309	955 472
Weighted average number of ordinary shares used for diluted earnings per share	80 467 298	79 890 240

30.2 Basic earnings

	Group 2024 R'000	Group 2023 R'000
Reconciliation of profit for the year to basic earnings		
Profit from continuing operations	170 241	126 310
Adjusted for:		
Non-controlling interest	(843)	(609)
Profit from continuing operations attributable to equity holders of the parent	169 398	125 701
Loss from discontinued operations	(82 967)	(116 456)
Profit for the year attributable to equity holders of the parent	86 431	9 245

30.3 Basic earnings per share

The calculation of basic earnings per share is based on earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year.

	Group 2024	Group 2023
Basic earnings per share		
Basic earnings per share from continuing operations (c per share)	216.7	159.9
Basic earnings per share from discontinued operations (c per share)	(106.1)	(148.1)
Basic earnings per share (c per share)	110.6	11.8

30.4 Diluted earnings per share

The calculation of diluted earnings per share is based on the earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year, plus the weighted average number of dilutive potential shares resulting from share options.

	Group 2024	Group 2023
Diluted earnings per share		
Diluted earnings per share from continuing operations (c per share)	210.5	157.4
Diluted earnings per share from discontinued operations (c per share)	(103.1)	(145.8)
Diluted earnings per share (c per share)	107.4	11.6

30 Earnings per share (continued)

30.5 Headline earnings

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

	Group 2024 Gross R'000	Group 2024 Net of tax R'000	Group 2023 Gross R'000	Group 2023 Net of tax R'000
Headline earnings/(loss)				
Reconciliation between earnings and headline earnings				
Profit from continuing operations attributable to equity holders of the parent		169 398		125 701
Adjusted for:				
Net loss on sale of property, plant and equipment	2 215	1 617	1 134	828
Loss on equity accounted investments	275	201	493	360
Fair value gains on investment property	-	-	(1 476)	(862)
Impairment of own use property	1 764	1 288	6 369	4 649
Impairment of intangible assets	223	191	7 432	7 432
Impairment of property, plant and equipment	642	469	-	-
Gain on the sale of subsidiary	496	496	-	-
		173 660		138 108
Reconciliation between earnings and headline earnings				
Loss from discontinued operations		(82 967)		(116 456)
Adjusted for:				
Net loss on sale of property, plant and equipment	43	31	8 441	6 162
Impairment of own use property	-	-	10 585	7 727
Impairment of intangible assets	-	-	142	104
Impairment of property, plant and equipment	1 462	1 067	33 188	24 227
		(81 869)		(78 236)
Adjusted profit for the year attributable to equity holders of the parent		91 791		59 872

30.6 Headline earnings per share

Headline earnings per share is determined by dividing headline earnings by the weighted average number of ordinary share outstanding during a period.

	Group 2024	Group 2023
Headline earnings per share		
Headline earnings per share from continuing operations (c per share)	222.2	175.6
Headline earnings per share from discontinued operations (c per share)	(104.7)	(99.5)
Headline earnings per share (c per share)	117.5	76.1

30.7 Diluted headline earnings per share

Diluted headline earnings per share is determined by dividing headline earnings by the diluted weighted average number of ordinary share outstanding during a period.

	Group 2024	Group 2023
Diluted headline earnings per share		
Diluted headline earnings per share from continuing operations (c per share)	215.8	172.8
Diluted headline earnings per share from discontinued operations (c per share)	(101.7)	(97.9)
Diluted headline earnings per share (c per share)	114.1	74.9

30.8 Dividends per share

	2024	2023
Final (c per share)	-	42.0

Dividends amounting to Rnil (2023: R37 million) were paid to shareholders of the Company. Proposed dividends after the reporting period amount to R29,3 million (Proposed dividends per share of 33 cents).

31 Cash generated from operations

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Profit before taxation	245 285	180 900	71 937	205 658
Adjustments for:				
Bad debts written off	11 851	14 540	9 439	5 221
Depreciation and amortisation	65 159	60 528	37 218	35 219
Dividend income	-	-	(7 936)	(144 859)
Finance income	(7 980)	(4 203)	(64 250)	(73 012)
Finance costs	89 662	75 925	97 100	102 451
Share based payment expense	10 116	4 455	7 622	3 027
Fair value gains on investment property	-	(1 476)	-	(1 476)
Impairment of own use property	1 764	6 369	-	6 369
Loss from equity accounted investments	275	493	-	16
Impairment of intangible assets	223	7 432	120	7 432
Impairment of property, plant and equipment	642	-	-	-
Increase in impairment of trade and other receivables	17 783	13 997	21 981	15 353
(Impairment reversal)/impairment of loans to group companies	-	-	(6 885)	8 455
Movement in provision for obsolete stock	(4 839)	7 164	(4 535)	7 072
Losses on products	4 235	8 237	2 566	5 674
Movement in retirement benefit liability	(1 753)	(1 898)	(1 753)	(1 898)
Movement in provision for service bonus	614	(132)	613	(167)
Movement in derivatives	(10 838)	(11 126)	-	-
Disposal of right-of-use asset and lease liability	(430)	(153)	(407)	59
Net loss/(profit) on sale of property, plant and equipment	2 215	1 134	(572)	(350)
Profit on sale of subsidiary	(496)	-	-	-
Discontinued operations (Note 29):				
Loss before taxation	(113 473)	(161 075)	-	-
Depreciation and amortisation	1 434	12 253	-	-
Finance income	(228)	(363)	-	-
Finance costs	36 500	44 748	-	-
(Impairment reversal)/impairment of trade and other receivables	(307)	6 563	-	-
Impairment of intangible assets	-	142	-	-
Impairment of property, plant and equipment	1 462	33 188	-	-
Impairment of own use property	-	10 585	-	-
Movement in derivatives	38 087	(14 861)		
Net loss on sale of property, plant and equipment	43	8 441	-	-
Changes in working capital				
Decrease/(increase) in inventories	215 270	(67 910)	46 769	(7 544)
Increase in current trade and other receivables	(15 328)	(139 815)	(18 040)	(184 025)
Increase/(decrease) in derivative financial instruments	3 353	(8 446)	-	-
Increase in trade and other payables	47 602	57 887	5 495	14 324
Acquisition of working capital through business combinations (Note 35)	-	10 433	-	8 384
Additions through combinations of entities under common control (Note 36)	-	-	-	62 458
	637 903	153 956	196 482	73 841

32 Tax paid

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Balance payable at the beginning of the year	(2 781)	(3 094)	(632)	(3 039)
Charged to profit or loss	(49 328)	(52 502)	(22 830)	(26 945)
Additions through combinations of entities under common control (Note 36)	-	-	-	208
Balance payable at the end of the year	6 391	2 781	5 217	632
	(45 718)	(52 815)	(18 245)	(29 144)

33 Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities set out below:

	Loans from group companies R'000	Borrowings R'000	Leases R'000	Total R'000
Group - 2024				
Opening balance	-	937 583	95 233	1 032 816
Acquisitions - leases	-	-	7 658	7 658
Leases terminated	-	-	(2 966)	(2 966)
Other charges				
Interest expense	-	89 618	7 307	96 925
Interest payments (presented as operating cash flows)	-	(89 618)	(7 307)	(96 925)
Cash flows				
Proceeds from borrowings	-	1 580 000	-	1 580 000
Repayments	-	(1 989 943)	(16 419)	(2 006 362)
Closing balance	-	527 640	83 506	611 146
Group - 2023				
Opening balance	-	798 541	58 345	856 886
Acquisitions - leases	-	-	51 072	51 072
Leases terminated	-	-	(2 483)	(2 483)
Other charges				
Interest expense	-	91 619	9 467	101 086
Interest payments (presented as operating cash flows)	-	(91 619)	(7 425)	(99 044)
Cash flows				
Proceeds from borrowings	-	872 000	-	872 000
Repayments	-	(732 958)	(13 743)	(746 701)
Closing balance	-	937 583	95 233	1 032 816
Company - 2024				
Opening balance	27 908	896 491	44 529	968 928
Acquisitions - leases	-	-	4 981	4 981
Leases terminated	-	-	(1 198)	(1 198)
Other charges				
Interest expense	1 884	86 419	3 927	92 230
Interest payments (presented as operating cash flows)	(1 884)	(86 419)	(3 927)	(92 230)
Cash flows				
Proceeds from borrowings	443 484	1 580 000	-	2 023 484
Repayments	(416 866)	(1 964 492)	(10 639)	(2 391 997)
Closing balance	54 526	511 999	37 673	604 198
Company - 2023				
Opening balance	55 327	756 087	35 037	846 451
Acquisitions - leases	-	-	18 265	18 265
Leases terminated	-	-	(865)	(865)
Cash flows - Additions through combinations of entities under common control (Note 36)	-	-	981	981
Other charges				
Interest expense	1 560	86 827	4 337	92 724
Interest payments (presented as operating cash flows)	(1 560)	(86 827)	(4 337)	(92 724)
Cash flows				
Proceeds from borrowings	168 803	854 000	-	1 022 803
Repayments	(196 222)	(713 596)	(8 889)	(918 707)
Closing balance	27 908	896 491	44 529	968 928

Other changes include non-cash movements, including accrued interest expense which will be presented as operating cash flows in the Statements of cash flows when paid.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
34 Dividends paid				
Dividends	-	(33 029)	-	(33 029)

35 Business combinations

Aggregated business combinations	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Property, plant and equipment	-	2 649	-	2 649
Client lists and relationships	-	27 129	-	27 129
Brand names	-	968	-	968
Investment in subsidiaries	-	-	-	3 001
Inventories	-	10 758	-	10 699
Trade and other receivables	-	11 908	-	9 636
Trade and other payables	-	(12 233)	-	(11 951)
Total identifiable net assets	-	41 179	-	42 131
Goodwill	-	9 275	-	6 275
	-	50 454	-	48 406
Acquisition date fair value of consideration paid				
Cash	-	(46 692)	-	(47 035)
Contingent consideration arrangement	-	(3 762)	-	(1 371)
	-	(50 454)	-	(48 406)

Provident Group

On 20 February 2023 the Group acquired the Provident group of companies, a provider of agriculture and animal health services in the Transkei region. The acquisition comprised acquiring the assets and liabilities of Cowdens Medicine Centre, with branches in Engcobo, Idutywa and Mthatha, as well as of Provident Animal Health with a retail branch In East London. The group also acquired 100% of the shares in Farmervet (a veterinary wholesaler based in East London).

Goodwill of R 8 525 000 arising from the acquisition consists largely of the returns expected from incorporating the former Kei region operations into BKB, where we have not previously enjoyed a significant footprint, as well as from intangible assets which did not qualify for separate recognition.

Fair value of assets acquired and liabilities assumed	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Property, plant and equipment	-	2 378	-	2 378
Client lists and relationships	-	27 129	-	27 129
Brand names	-	968	-	968
Investment in subsidiaries	-	-	-	3 001
Inventories	-	10 758	-	10 699
Trade and other receivables	-	11 908	-	9 636
Trade and other payables	-	(12 233)	-	(11 951)
Total identifiable net assets	-	40 908	-	41 860
Goodwill	-	8 525	-	5 525
	-	49 433	-	47 385
Acquisition date fair value of consideration paid				
Cash	-	(45 671)	-	(46 014)
Consideration outstanding	-	(3 762)	-	(1 371)
	-	(49 433)	-	(47 385)

35 Business combinations (continued)

Provident Group (continued)

Consideration outstanding

The purchase agreement requires BKB to pay the seller the actual debtors balances collected within 180 days of the acquisition date. BKB will recede to the seller the debtors balances which have not been collected after this period. At 30 June 2024 the Group has collected R11 113 965 of these debtors balances and R793 453 were receded. The gross fair value of debtors acquired was R9 635 964 within BKB Ltd and R2 271 454 within Farmervet.

Financial Results included in profit and loss:

	Group 2024 12 months R'000	Group 2023 4 months R'000	Company 2024 12 months R'000	Company 2023 4 months R'000
Revenue	145 601	42 613	100 285	28 255
Profit before tax	6 038	1 304	4 097	1 134

KLK livestock division

On 1 July 2022 the Group acquired the Stud Division department of KLK.

Goodwill of R750 000 arising from the acquisition consist largely of the returns expected from incorporating Stud Division operations in the Northern Cape, where BKB has not previously enjoyed a significant footprint.

Fair value of assets acquired and liabilities assumed	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Property, plant and equipment	-	271	-	271
Total identifiable net assets	-	271	-	271
Goodwill	-	750	-	750
	-	1 021	-	1 021
Acquisition date fair value of consideration paid				
Cash	-	(1 021)	-	(1 021)
	-	(1 021)	-	(1 021)

36 Transactions in respect of subsidiaries

36.1 Combinations of entities under common control

BKBLouwid

On 1 September 2022 the Company acquired the business of BKBLouwid (Pty) Ltd.

As at 1 September 2022, BKBLouwid (Pty) Ltd sold their business as a going concern to BKB Limited, together with the assets and liabilities, on a tax neutral basis in terms of section 45 of the Income Tax Act. BKBLouwid (Pty) Ltd is a wholly owned subsidiary of BKB Limited and both companies are part of the Group. The transaction was part of a restructure in the livestock division. The restructure was embarked on to ensure a more effective and efficient service delivery to its stakeholders.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Carrying amount of assets acquired and liabilities assumed				
Property, plant and equipment	-	-	-	19 988
Right-of-use assets	-	-	-	962
Goodwill	-	-	-	335
Intangible assets	-	-	-	5
Investment in associates	-	-	-	778
Trade and other receivables	-	-	-	90 979
Current income tax asset	-	-	-	208
Cash and cash equivalents	-	-	-	881
Lease liability				(981)
Trade and other payables	-	-	-	(28 521)
Total identifiable net assets	-	-	-	84 634
Acquisition date fair value of consideration paid				
Cash	-	-	-	(84 634)
Cash acquired	-	-	-	881
Net cash paid on acquisition	-	-	-	(83 753)

As a result of the transaction, goodwill of R6 541 089 and a reduction in retained earnings of R372 206 relating to the previous at acquisition amounts normally accounted for on consolidation was recognised.

36.2 Sale of subsidiary

Shearwater Logistics

On 1 January 2024, the Group disposed of its entire 75% shareholding in Shearwater Logistics (Pty) Ltd (The Company) at Rnil value.

The Company is incorporated in South Africa and is engaged in logistics and freight forwarding.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
The carrying amounts of assets and liabilities as at date of sale 1 January 2024 were:				
Property, plant and equipment	271	-	-	-
Trade and other receivables	3 430	-	-	-
Cash and cash equivalents	(647)	-	-	-
Trade and other payables	(3 715)	-	-	-
Total identifiable net assets/(liabilities)	(661)	-	-	-
Net carrying value of assets sold (net liabilities)	(661)	-	-	-
Non-controlling interest	165	-	-	-
Gain on sale	496	-	-	-
Impairment of Goodwill	(103)	-	-	-
Net gain included in profit or loss before tax	393	-	-	-

37 Contingencies

No contingent liabilities exist at year end.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
38 Commitments				
Already contracted	2 206	4 028	1 502	-
Authorised but not yet contracted	6 108	7 084	5 575	7 050
	8 314	11 112	7 077	7 050

39 Related parties

Relationships
Subsidiaries (Note 7)

Related party balances

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Loan accounts - owing by/(to) related parties				
Loans to key management*	620	75	620	49
Loans to group companies (Note 9)	-	-	382 435	652 891
Loans from group companies (Note 21)	-	-	(54 526)	(27 908)
Amounts included in trade receivables/(trade payables) regarding related parties				
BKB Distribution Centre (Pty) Ltd	-	-	(2 556)	(2 934)
Farmervet (Pty) Ltd	-	-	(3 679)	(3 255)
BKB Pinnacle Fibres (Pty) Ltd	-	-	521	304
Lihoai Consultancy (Pty) Ltd	-	-	219	202
Hoëveld Veilingsentrum (Pty) Ltd	-	-	(49)	(51)
Atlanta Products (Pty) Ltd	-	-	107	813
Grainco (Pty) Ltd	-	-	170	668
AlphaAlfa (Pty) Ltd	-	-	-	490
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	55	487
Shearwater Logistics (Pty) Ltd	-	-	-	73
Key management* and directors	289	1 698	289	1 698

* Key management includes the general managers of the Group.

39 Related parties (continued)

Related party transactions

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Interest received from/(paid to) related parties				
Billsons Coutts (Pty) Ltd	-	-	132	169
BKB Distribution Centre (Pty) Ltd	-	-	1 698	1 535
Farmervet (Pty) Ltd	-	-	1 905	248
The House of Fibre (Pty) Ltd	-	-	1 344	1 305
BKB Pinnacle Fibres (Pty) Ltd	-	-	26 431	20 145
Home and Hectare (Pty) Ltd	-	-	(899)	(661)
BKBLouwid (Pty) Ltd	-	-	-	165
Hoëveld Veilingsentrum (Pty) Ltd	-	-	1 658	1 421
Wool & Mohair Exchange of South Africa NPC	-	-	603	489
PaKHouse Brands (Pty) Ltd	-	-	(959)	(455)
Atlanta Sugar SA (Pty) Ltd	-	-	-	1 673
Grainco Group Holdings (Pty) Ltd	-	-	-	(262)
AlphaAlfa (Pty) Ltd	-	-	-	7 790
Grainco (Pty) Ltd	-	-	(940)	2 750
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	27 324	31 374
Shearwater Logistics (Pty) Ltd	-	-	528	1 068
BKB Personeel Aandele Trust	-	-	-	431
Key management* and directors	108	497	108	66
Sales to/(purchases from) related parties				
BKB Distribution Centre (Pty) Ltd	-	-	(36 863)	(38 257)
Farmervet (Pty) Ltd	-	-	(35 299)	(12 199)
The House of Fibre (Pty) Ltd	-	-	237	46 284
BKB Pinnacle Fibres (Pty) Ltd	-	-	86 164	95 979
Atlanta Sugar SA (Pty) Ltd	-	-	-	493
AlphaAlfa (Pty) Ltd	-	-	-	(3 400)
Grainco (Pty) Ltd	-	-	(2 017)	(6 874)
PaKHouse Foods (Pty) Ltd (previously Desert Raisins (Pty) Ltd)	-	-	(341)	-
Transactions with key management* and directors	2 808	2 634	2 808	2 634
Rent (paid to)/received from related parties				
Billsons Coutts (Pty) Ltd	-	-	-	(41)
Home and Hectare (Pty) Ltd	-	-	(32)	(15)
BKBLouwid (Pty) Ltd	-	-	-	66
Hoëveld Veilingsentrum (Pty) Ltd	-	-	(3 117)	(3 412)
Wool & Mohair Exchange of South Africa NPC	-	-	(126)	(320)
Grainco (Pty) Ltd	-	-	(487)	(484)
Service fees (paid to)/received from related parties				
The House of Fibre (Pty) Ltd	-	-	-	(5 095)
Lihoai Consultancy (Pty) Ltd	-	-	(10 960)	(10 207)
BKB Pinnacle Fibres (Pty) Ltd	-	-	2 716	2 633
Shift Digital Acceleration (Pty) Ltd	-	-	(42)	(1 085)

* Key management includes the general managers of the Group.

39 Related parties (continued)

Related party transactions (continued)

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Management fees (paid to)/received from related parties				
Farmervet (Pty) Ltd	-	-	(74)	-
The House of Fibre (Pty) Ltd	-	-	(80)	-
BKB Pinnacle Fibres (Pty) Ltd	-	-	-	(59)
BKB Shearing (Pty) Ltd - Shearer wages	-	-	-	787
Hoëveld Veilingsentrum (Pty) Ltd	-	-	90	90
Lihoai Consultancy (Pty) Ltd	-	-	153	203
Wool & Mohair Exchange of South Africa NPC	-	-	169	-
Dividends received from related parties				
Anzomix (Pty) Ltd	-	-	-	1 414
Lihoai Consultancy (Pty) Ltd	-	-	4 936	4 685
Home and Hectare (Pty) Ltd	-	-	3 000	684
BKBLouwid (Pty) Ltd	-	-	-	120 704
PaKHouse Brands (Pty) Ltd	-	-	-	17 372
Rebate fees (paid to)/received from related parties				
Home and Hectare (Pty) Ltd	-	-	(328)	108
Compensation to directors and other key management				
Short-term employee benefits	41 614	31 433	33 889	27 400
Termination benefits	207	-	-	-
Share-based payment	10 116	5 272	7 622	3 824
Non-executive directors fees and expenses reimbursed	3 998	3 724	3 998	3 724
	55 935	40 429	45 509	34 948

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

Total number of shares held by the directors and related shareholders in which they have declared a personal financial interest

	Group 2024 Number	Group 2024 %	Group 2023 Number	Group 2023 %
JE Stumpf	20 750	0.023	20 750	0.023
GEJ Kingwill	111 350	0.126	111 350	0.126
EA Meyer	343 827	0.389	270 498	0.306
CF Fick	24 113	0.027	11 150	0.013
V Pillay	3 130	0.004	3 130	0.004

NOTES TO THE FINANCIAL STATEMENTS

40 Directors' emoluments

	Date of appointment	Fees	Salary & employee benefits	Expense reimbursed	Bonus paid	Total
2024		R'000	R'000	R'000	R'000	R'000
Executive directors						
JE Stumpf	01-Feb-20	-	6 404	-	-	6 404
AS du Toit	01-Oct-17	-	4 211	-	-	4 211
JA van Niekerk	01-May-20	-	3 875	-	-	3 875
Non-executive directors						
GEJ Kingwill	23-Oct-14	818	-	56	-	874
EA Meyer	31-Aug-11	498	-	104	-	602
CF Fick	23-Nov-22	317	-	16	-	333
CD Hobson	23-Nov-16	309	-	25	-	334
JF Janse van Rensburg	01-Jul-19	371	-	23	-	394
JG Louw	24-Nov-22	346	-	22	-	368
P Mbikwana (Resigned March 2024)	23-Sep-22	255	-	-	-	255
V Pillay	28-Jun-18	340	-	-	-	340
HC Staple	28-Nov-12	498	-	-	-	498
		3 752	14 490	246	-	18 488
2023						
Executive directors						
JE Stumpf	01-Feb-20	-	6 056	-	1 701	7 757
AS du Toit	01-Oct-17	-	3 972	-	1 165	5 137
JA van Niekerk	01-May-20	-	3 545	-	727	4 272
Non-executive directors						
GEJ Kingwill	23-Oct-14	772	-	-	-	772
EA Meyer	31-Aug-11	410	-	14	-	424
HJ Swart (Deceased February 2023)	23-Oct-14	280	-	8	-	288
PG Carshagen (Retired November 2022)	01-Jul-19	116	-	15	-	131
CF Fick	23-Nov-22	177	-	15	-	192
CD Hobson	23-Nov-16	306	-	17	-	323
JF Janse van Rensburg	01-Jul-19	350	-	21	-	371
MH Jonas (Retired July 2022)	28-Jun-18	16	-	-	-	16
JG Louw	24-Nov-22	176	-	7	-	183
P Mbikwana	23-Sep-22	240	-	-	-	240
V Pillay	28-Jun-18	321	-	3	-	324
HC Staple	28-Nov-12	470	-	-	-	470
		3 634	13 573	100	3 593	20 900

Service contracts
Johan Edmund Stumpf was appointed as Managing Director on 1 February 2020 on a fixed term contract that will expire on 31 August 2025.

Executive directors are subject to written employment agreements. The employment agreements regulate duties, remuneration, allowances, restraints, leave and notice periods of these executives. All non-executive directors can get re-elected at the annual general meeting after their three year term has expired.

Share awards allocated to executive directors
The BKB Limited Bonus and Performance Share Entitlement Plan was introduced during the 2021 financial year and set out below are the number of shares allocated to executive directors during the financial years. The total group share based payment expense recognised for the 2024 financial year, relating to executive directors, amounted to R5 916 420 (2023: R2 540 003) and relates to four (2023: three) schemes which will vest on a yearly basis, depending on vesting conditions being met.

	JE Stumpf Number	AS du Toit Number	JA van Niekerk Number
2024			
Cumulative number of shares at 1 July 2023	390 990	160 130	169 786
Annual award of performance shares	146 838	56 281	68 957
Annual award of bonus shares	173 828	74 674	80 341
Cumulative number of shares at 30 June 2024	711 656	291 085	319 084
2023			
Cumulative number of shares at 1 July 2022	247 615	96 846	105 821
Annual award of performance shares	29 850	15 161	15 615
Annual award of bonus shares	113 525	48 123	48 350
Cumulative number of shares at 30 June 2023	390 990	160 130	169 786

NOTES TO THE FINANCIAL STATEMENTS

41 Financial instruments and risk management

41.1 Categories of financial instruments

Categories of financial assets

	Notes	Fair value through profit or loss	Amortised cost	Total
		R'000	R'000	R'000
Group - 2024				
Derivatives	13	5 325	-	5 325
Trade and other receivables	10	-	1 013 196	1 013 196
Cash and cash equivalents	14	-	56 714	56 714
		5 325	1 069 910	1 075 235
Group - 2023				
Derivatives	13	1 522	-	1 522
Trade and other receivables	10	-	1 016 495	1 016 495
Cash and cash equivalents	14	-	34 613	34 613
		1 522	1 051 108	1 052 630
Company - 2024				
Loans to group companies	9	-	382 435	382 435
Trade and other receivables	10	-	595 520	595 520
Cash and cash equivalents	14	-	35 126	35 126
		-	1 013 081	1 013 081
Company - 2023				
Loans to group companies	9	-	652 891	652 891
Trade and other receivables	10	-	608 772	608 772
Cash and cash equivalents	14	-	7 812	7 812
		-	1 269 475	1 269 475

Categories of financial liabilities

	Notes	Fair value through profit or loss	Amortised cost	Total
		R'000	R'000	R'000
Group - 2024				
Derivatives	13	8 878	-	8 878
Trade and other payables	20	-	640 467	640 467
Borrowings	18	-	527 640	527 640
Lease liabilities	3	-	83 506	83 506
Bank overdraft	14	-	6 737	6 737
		8 878	1 258 350	1 267 228
Group - 2023				
Derivatives	13	14 816	-	14 816
Trade and other payables	20	-	613 285	613 285
Borrowings	18	-	937 583	937 583
Lease liabilities	3	-	95 233	95 233
Bank overdraft	14	-	4 066	4 066
		14 816	1 650 167	1 664 983

41 Financial instruments and risk management (continued)

41.1 Categories of financial instruments (continued)

Categories of financial liabilities (continued)

	Notes	Fair value through profit or loss	Amortised cost	Total
		R'000	R'000	R'000
Company - 2024				
Trade and other payables	20	-	280 341	280 341
Loans from group companies	21	-	54 526	54 526
Borrowings	18	-	511 999	511 999
Lease liabilities	3	-	37 673	37 673
Bank overdraft	14	-	4 038	4 038
		-	888 577	888 577
Company - 2023				
Trade and other payables	20	-	285 617	285 617
Loans from group companies	21	-	27 908	27 908
Borrowings	18	-	896 491	896 491
Lease liabilities	3	-	44 529	44 529
Bank overdraft	14	-	4 027	4 027
		-	1 258 572	1 258 572

41.2 Capital risk management

The Group's objective when managing capital, (which includes share capital and reserves as well as borrowings less cash and cash equivalents) is to maintain a flexible capital structure, that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern, while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Group may adjust the amount of dividends paid to the shareholders, repurchase shares currently issued, issue new shares, acquire or repay debt, issue new debt to replace existing debt with different characteristics and dispose of assets and investments to reduce debt.

The Group monitors capital using the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

The capital structure and gearing ratio of the Group at the reporting date were as follows:

	Group		Company	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
Loans from group companies	-	-	54 526	27 908
Borrowings	527 640	937 583	511 999	896 491
Lease liabilities	83 506	95 233	37 673	44 529
Total borrowings	611 146	1 032 816	604 198	968 928
Cash and cash equivalents	(49 977)	(30 547)	(31 088)	(3 785)
Net borrowings	561 169	1 002 269	573 110	965 143
Equity	1 477 749	1 329 963	1 363 554	1 285 568
Gearing (debt/equity) ratio	0.38	0.75	0.42	0.75

The Group aims to maintain a gearing ratio of between 0.43 and 0.67. This target band equates to 0.30 to 0.40 of debt to capital (debt to capital is calculated as net borrowings divided by total capital (net borrowings plus equity)). The calculated gearing ratio of 0.38 (2023: 0.75) shows an improvement from the prior year, mainly due to cash generated from working capital in discontinued operations which resulted in lower borrowings required.

41 Financial instruments and risk management (continued)

41.2 Capital risk management (continued)

The Group must ensure that the following loan conditions (financial covenants) are met on a BKB Group level, by providing an annual compliance certificate to its lenders. The ratios were as follows at year end:

	Group	
	2024	2023
- Interest cover to be equal or exceed 2 (2024: EBITDA, 2023: EBIT)	2.72	1.17
- Total net debt to equity ratio be less than or equal to 1	0.38	0.75
- Total long term debt to EBITDA ratio be less than or equal to 1	0.43	0.61
- EBITDA to be at least R285 million	320	265
- The current ratio to be equal to or exceed 1	1.52	1.33
Ratios for continuing operations (excludes effect of discontinued operations)		
- Interest cover to be equal or exceed 2 (2024: EBITDA, 2023: EBIT)	4.83	3.52
- Total net debt to equity ratio be less than or equal to 1	0.38	0.75
- Total long term debt to EBITDA ratio be less than or equal to 1	0.35	0.50
- EBITDA to be at least R285 million	395	325
- The current ratio to be equal to or exceed 1	1.52	1.33

The Group has sufficient credit lines and liquidity for the foreseeable future and enjoys the continued support of its lenders.

41.3 Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:
Credit risk;
Liquidity risk; and
Market risk (currency risk, interest rate risk and price risk).

The board has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's risk exposure is considered by the committee on a quarterly basis.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet their contractual obligations.

The Group is exposed to credit risk on loans receivable, trade and other receivables, derivative financial instruments and cash and cash equivalents.

Credit risk for exposures other than those arising on derivative financial instruments and cash and cash equivalents, is managed by making use of credit approvals, limits and monitoring. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on derivative financial instruments and cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings. While these financial instruments are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Refer Note 13 and 14.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

i. Credit risk (continued)

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12-month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

When determining the risk of default, management consider information such as payment history to date, industry in which the customer is engaged, period for which the customer has been in business, external credit references etc. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Collateral held as securities includes suretyships, cession on fibre clips, notarial bonds, mortgage bonds, cession on crop and crop insurance and credit insurance. On foreign trade receivables covered by a letter of credit against A-rated banks as collateral, no loss allowance is recognised.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Making the determination on a collective basis helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

The maximum exposure to credit risk is presented in the table below:

	Notes	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost / fair value R'000
Group - 2024				
Trade and other receivables	10	1 085 681	(72 485)	1 013 196
Derivatives	13	5 325	-	5 325
Cash and cash equivalents	14	56 714	-	56 714
		1 147 720	(72 485)	1 075 235
Group - 2023				
Trade and other receivables	10	1 073 187	(56 692)	1 016 495
Derivatives	13	1 522	-	1 522
Cash and cash equivalents	14	34 613	-	34 613
		1 109 322	(56 692)	1 052 630
Company - 2024				
Loans to group companies	9	396 522	(14 087)	382 435
Trade and other receivables	10	658 453	(62 933)	595 520
Cash and cash equivalents	14	35 126	-	35 126
		1 090 101	(77 020)	1 013 081
Company - 2023				
Loans to group companies	9	673 863	(20 972)	652 891
Trade and other receivables	10	651 311	(42 539)	608 772
Cash and cash equivalents	14	7 812	-	7 812
		1 332 986	(63 511)	1 269 475

Amounts are presented at amortised cost less credit loss allowance where applicable. The fair value is equal to the carrying amount.

Credit risk for Company arises from intercompany loans receivable and has been assessed in Note 9.

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

ii. Liquidity risk

The Group is exposed to liquidity risk, which is the risk that the Group will encounter difficulties in meeting its obligations as they become due.

The Group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

	Less than 1 year R'000	2 to 5 years R'000	> 5 years R'000	Carrying amount R'000
Group - 2024				
Trade and other payables	640 467	-	-	640 467
Borrowings	403 023	154 966	-	527 640
Derivatives	8 878	-	-	8 878
Lease liabilities	23 503	50 927	34 427	83 506
Bank overdraft	6 737	-	-	6 737
	1 082 608	205 893	34 427	1 267 228
Group - 2023				
Trade and other payables	613 285	-	-	613 285
Borrowings	788 073	185 624	-	937 583
Derivatives	14 816	-	-	14 816
Lease liabilities	22 602	63 937	37 863	95 233
Bank overdraft	4 066	-	-	4 066
	1 442 842	249 561	37 863	1 664 983
Company - 2024				
Trade and other payables	280 341	-	-	280 341
Loans from group companies	54 526	-	-	54 526
Borrowings	398 576	147 805	-	511 999
Lease liabilities	14 212	22 940	11 281	37 673
Bank overdraft	4 038	-	-	4 038
	751 693	170 745	11 281	888 577
Company - 2023				
Trade and other payables	285 617	-	-	285 617
Loans from group companies	27 908	-	-	27 908
Borrowings	769 553	179 030	-	896 491
Lease liabilities	13 713	32 365	12 708	44 529
Bank overdraft	4 027	-	-	4 027
	1 100 818	211 395	12 708	1 258 572

The Group's borrowing base loan facility (Note 18) matures in March 2025. The Group expects to renew the facility on an annual basis.

The maturity analysis of gross contractual cash flows in terms of lease liabilities are as follows:

	Group		Company	
Lease liabilities	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Within one year	23 503	22 602	14 212	13 713
Two to five years	50 927	63 937	22 940	32 365
Greater than five	34 427	37 863	11 281	12 708
	108 857	124 402	48 433	58 786
Less finance charges component	(25 351)	(29 169)	(10 760)	(14 257)
	83 506	95 233	37 673	44 529
Non-current liabilities	66 117	80 292	26 444	34 319
Current liabilities	17 389	14 941	11 229	10 210
	83 506	95 233	37 673	44 529

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

iii. Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk, primarily the US dollar and Chinese Yuan. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the Group.

Foreign currency risk arising from future commercial transactions is measured through a forecast of highly probable future revenues ("hedged items") denominated in a foreign currency. The foreign currency exposure is hedged with the objective of minimising the volatility of the future revenues and its impact on profit or loss. The Group's exposure to other foreign currency related risk is not material.

The Group's foreign currency exposure is managed within approved risk management policy parameters utilising foreign forward exchange contracts and options contracts ("hedging instruments") where necessary. Under the Group policy, the critical terms of the hedging instruments used must align with the hedged items. The policy is to hedge highly probable future revenues at specific intervals during the business cycle. At 30 June 2024, 100% (2023: 100%) of forecast US dollar and Chinese Yuan revenues qualified as highly probable forecast transactions for hedge accounting purposes.

The Group only designates the spot component of foreign forward exchange contracts in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates.

Since the prior reporting period the Group has engaged a spesialised third party to assist with foreign currency risk management.

Exposures in Rand
The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

	Group		Company	
	2024	2023	2024	2023
US Dollar exposure	R'000	R'000	R'000	R'000
Trade and other receivables	149 290	145 556	-	-
Cash and cash equivalents	336	4 563	-	-
Trade and other payables	(57 782)	(2 979)	-	-
Net US Dollar exposure	91 844	147 140	-	-
Chinese Yuan exposure				
Trade and other receivables	10 158	-	-	-
Net Chinese Yuan exposure	10 158	-	-	-
Australian Dollar exposure				
Trade and other payables	(126)	-	-	-
Net Australian Dollar exposure	(126)	-	-	-

The net carrying amounts, in foreign currency of the above exposure was as follows:

	Group		Company	
	2024	2023	2024	2023
US Dollar exposure	$'000	$'000	$'000	$'000
Trade and other receivables	8 197	7 727	-	-
Cash and cash equivalents	18	242	-	-
Trade and other payables	(3 173)	(158)	-	-
Net US Dollar exposure	5 042	7 811	-	-

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

iii. Foreign currency risk (continued)

	Group		Company	
	2024	2023	2024	2023
Chinese Yuan exposure	¥'000	¥'000	¥'000	¥'000
Trade and other receivables	4 058	-	-	-
Net Chinese Yuan exposure	4 058	-	-	-

	Group		Company	
	2024	2023	2024	2023
Australian Dollar exposure	A$'000	A$'000	A$'000	A$'000
Trade and other payables	(10)	-	-	-
Net Australian Dollar exposure	(10)	-	-	-

	Group		Company	
Exchange rates	2024	2023	2024	2023
Foreign currency per Rand				
US Dollar	18.22	18.84	-	-
Chinese Yuan	2.50	-	-	-
Australian Dollar	12.15	-	-	-

Forward exchange contracts
The net market value of all forward exchange contracts disclosed in Note 13 is calculated by comparing the forward exchange contracted rates to the equivalent market foreign exchange rates at reporting date.

Group - 2024 **Exports**	Notes	Average contract rate	Contract currency amount	Notional amount
			$/€/¥'000	R'000
Sell US dollar - expiry July 2024 to December 2024	13	18.66	12 721	237 440
Buy US dollar - expiry July 2024 to December 2024		18.41	737	13 562
Sell Yuan - expiry July 2024 to September 2024		2.67	4 242	11 322
Sell Euro - expiry July 2024 to September 2024		20.40	200	4 084

Group - 2023 **Exports**	Notes	Average contract rate	Contract currency amount	Notional amount
			$/€'000	R'000
Sell US dollar - expiry July 2023 to October 2023	13	18.73	39 763	744 689
Sell Euro - expiry July 2023		21.28	9	181

Foreign currency options contracts
The Group does not have any foreign currency options contracts at year end.

Hedging activity
Forward exchange contracts are designated as cash flow hedges and have a hedge ratio of 1:1 (2023: 1:1). At 30 June 2024 unrealised cash flow hedges were 100% effective (2023: 100%). The effective portion of unrealised cash flow hedges are recorded in other comprehensive income as set out in Accounting Policy Section 46.10.11.

Foreign currency sensitivity analysis
The Group risk management policy aims to limit the impact of foreign currency movements on profit or loss to a material extent. The intervals at which exposure arise also trigger establishment of a hedging instrument. As a result, profit or loss is less sensitive to movements in the US dollar and Euro exchange rates. Equity is more sensitive to movements in the Group US dollar and Euro exchange rates in 2024 than 2023 because of the increased amount of foreign currency forwards. Hedge ineffectiveness arises where the Group closes designated hedging instruments due to a change in hedged item (forecast sale) pricing or occurrence and is recycled through OCI to profit or loss as non-hedge related gains/losses.

41 Financial instruments and risk management (continued)

41.3 Financial risk management (continued)

iii. Foreign currency risk (continued)

Group
At 30 June 2024, if the Rand/US Dollar exchange rate had been 2% (2023: 2%) higher or lower during the period, with all other variables held constant, the Hedge Reserve would have been R1 718 095 lower (2023: R9 706 460 lower) and R1 718 095 higher (2023: R9 706 460 higher). Any change in the Rand/Yuan and Rand/Euro exchange rates will not have a material impact on reported results.

iv. Interest rate risk

Interest rate risk is the risk that the Group's financial position may be adversely affected as a result of changes in the market interest rate. The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group's most significant interest bearing assets are its trade receivables, and cash and cash equivalents. The Group's most significant interest bearing liabilities are its loans with various financial institutions. The Company also has loans to and from Group companies.

The Group manages its interest rate risk by negotiating the best possible interest rates with relevant financial institutions, and through borrowing funds at floating interest rates.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate sensitivity analysis
The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group
At 30 June 2024, if the prime lending rate had been 1% per annum higher or lower during the period, with all other variables held constant, profit or loss before tax for the year would have been R2,5 million (2023: R3,9 million) lower and R2,5 million (2023: R3,9 million) higher.

Company
At 30 June 2024, if the prime lending rate had been 1% per annum higher or lower during the period, with all other variables held constant, profit or loss before tax for the year would have been R3,0 million (2023: R2,9 million) higher and R3,0 million (2023: R2,9 million) lower.

v. Price risk

The Group does not use derivatives to manage operational exposures to price risks relating to changes in livestock and wool and mohair prices.

The subsidiaries involved in grain-related activities enter into forward sales and purchase contracts with their customers and suppliers, as well as stock on hand. These contracts carry market price risk when the price of the contract is fixed, as underlying commodity markets continues to fluctuate. This can have the effect that the subsidiaries would incur a loss or realise a gain depending on the movement in the market. The price risk is directly linked with the tonnage of the commodity determined in the contract with the suppliers and customers.

The grain operations manage the risk by taking out futures on the SAFEX market, thereby negating the net exposure to fluctuations in commodity prices.

The grain operations are fully hedged on the SAFEX market and changes in SAFEX fluctuation will not be significant.

42 Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.
Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements	**Group**		**Company**	
	2024	**2023**	**2024**	**2023**
	R'000	**R'000**	**R'000**	**R'000**
Level 1				
Liabilities				
Other financial liabilities at fair value through profit or loss				
Open forward contracts	8 878	5 525	-	-
Level 2				
Assets				
Hedging derivatives				
Foreign exchange contracts	5 325	1 522	1 522	-
Liabilities				
Hedging derivatives				
Foreign exchange contracts	-	9 291	-	-
Level 3				
Assets				
Recurring fair value measurements				
Investment property				
Office buildings	5 339	5 339	5 339	5 339
Warehouses	45 500	24 800	-	-
Other	10 400	8 550	10 400	8 550
Total investment property	61 239	38 689	15 739	13 889
Property, plant and equipment				
Fibre warehouse (including offices)	189 055	177 156	189 055	177 156
Retail branches	163 460	152 071	163 460	154 431
Office buildings	14 135	15 109	2 095	2 095
Shearing and auction facilities	62 485	55 972	23 265	19 993
Processing and packaging plant buildings	48 341	55 609	-	-
Total property, plant and equipment	477 476	455 917	377 875	353 675
Assets classified as held for sale	9 076	44 976	-	-

The fair value of the following financial instruments is equal to the carrying amount: loans to group companies, trade and other receivables, cash and cash equivalents, borrowings, lease liabilities, trade and other payables and bank overdraft.

42 Fair value information (continued)

Valuation techniques used to derive level 1 fair values

The fair value of commodity derivatives are based on quoted market prices at the end of the reporting period. The quoted market price used for financial instruments held by the Group is the future price obtained from SAFEX (South African Futures Exchange).

Valuation techniques used to derive level 2 fair values

The Group's foreign currency forward contracts are valued using standard calculations/models that are primarily based on observable inputs, such as foreign currency exchange rates. The fair value of foreign exchange contracts are determined using quoted forward exchange rates at the reporting date.

Valuation techniques used to derive level 3 fair values

Retail branches, office buildings, shearing and auction facilities, processing and packaging plant buildings (including investment property)

Level 3 fair values of retail branches, office buildings, shearing and auction facilities, processing and packaging plant buildings have been generally derived using the yield method. The main Level 3 inputs used in this model are discount rates, terminal yields, expected vacancy rates, market rental rates and rental growth rates are estimated by independent external valuers based on comparable transactions and industry data.

No changes have been made to the valuation technique.

The most significant assumptions used in the valuation of the properties were the capitalisation rates, vacancy rates and market rental rates which are set out below for the various properties:

Significant assumptions	Capitalisation rate	Vacancy rate	Average market rental rate
Group - 2024			**R/m2**
Fibre warehouse (including offices)	11%	10%	26.72
Retail branches	10.5% to 13%	5% to 20%	5 to 63
Office buildings	10.5% to 11%	5% to 15%	34 to 71
Shearing and auction facilities	12%	5% to 10%	18 to 22
Processing and packaging plant buildings	9% to 11.5%	0% to 5%	7 to 35

Sensitivity analysis

Changes in the capitalisation and vacancy rates may impact the calculated fair value, the effect of a 1% change on the calculated fair values are as follows:

	+1%	-1%
Group - 2024	**R'000**	**R'000**
1% change in capitalisation rate	(35 469)	42 754
1% change in vacancy rate	(6 689)	6 689

42 Fair value information (continued)

Valuation processes applied by the Group

The Group engages external, independent and qualified valuers to estimate the fair value of the Group's office building and fibre warehouse as well on its processing and packaging plant buildings triennially. Retail branches as well as shearing and auction facilities are valued every five years as these are mostly in rural areas. Where comparable information is available, the comparable sales method is used and if not available the income capitalisation method of valuation is being used.

The property portfolio was valued as follows:

- All retail branches, shearing and auction facilities were revalued on 30 June 2023.
- Raisin processing plant building, Bloemsmond was revalued on 30 June 2023.
- Sugar processing plant building, Matsapha Industrial Estate, Swaziland was valued on 30 June 2022.
- Gqeberha office buildings and fibre warehouse were valued on 30 June 2024.
- Office buildings in Paarl and Wool & Mohair Exchange in Gqeberha were valued on 30 June 2024.
- Grain milling plant building, Bethlehem was valued on 30 June 2024. The valuation include unimproved land to the extent of 42 691 square meters valued at R4 269 100.

Andre Crouse of Koelro No57CC t/a Andre Crouse, who is a member of the South African Council of Property Valuers Profession is the independent valuer used for the valuations of the Group's properties in South Africa. Mr. A Crouse qualifications include (BCom(Hons), Dip Ind Eng (USA) and Nat Dip Tech (Prod Eng)). He has more than 30 years experience in his field of expertise.

Bongani Zwane of Springbok Property Valuations and Real Estate Consultants valued Matsapha Industrial Estate, Swaziland. Mr. B Zwane is a valuation surveyor with an (Hons) Degree in Property Studies, BTech Land Management (LIS), ND Land and Valuation @ Estate Management (Namibia).

The directors are of the opinion that the fair values as determined by the independent valuers during the last valuations performed, for properties listed above, represent the fair value of the investment properties and land and buildings.

43 Going concern

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the Group is in a positive net current asset position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

The Group structures its borrowing facilities through a Security SPV Guarantor. These facilities provide not only sufficient cash headroom for the foreseeable future, but also allows easier entry for new financiers.

44 Events after the reporting period

The Directors are not aware of any material events occurring after the reporting date and up to the date of this report that would have a material impact on these annual financial statements.

45 New Standards and Interpretations

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

45.1 Standards and interpretations effective and adopted in the current year

Standards/Interpretations:	Effective date:	Impact:
IFRS 17, 'Insurance contracts'	01-Jan-23	No impact
IFRS 17, Insurance contracts Amendments	01-Jan-23	No impact
Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.	01-Jan-23	No impact
Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction.	01-Jan-23	No impact
Amendments to IAS 12 International Tax Reform - Pillar Two Model Rules	01-Jan-23	No material impact

45.2 Standards and interpretations not yet effective

Standards/Interpretations:	Effective date:	Expected impact:
Amendment to IAS 1, Classification of Liabilities as Current or Non-Current	01-Jan-24	Unlikely there will be a material impact.
Amendment to IFRS 16 – Leases on sale and leaseback	01-Jan-24	Unlikely there will be a material impact.
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	01-Jan-24	Unlikely there will be a material impact.
Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)	01-Jan-25	Unlikely there will be a material impact.

46. Significant accounting policies

The annual financial statements for the year ended 30 June 2024 were approved by the board of directors on 5 September 2024.

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

46.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with IFRS ® Accounting Standards and International Accounting Standards (IAS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), and effective at the time of preparing these financial statements, and the Companies Act 71 of 2008 of South Africa, as amended.

The financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies. They are presented in thousands of Rand, which is the Group's presentation currency and Company's presentation and functional currency.

These accounting policies are consistent with the previous period.

46.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

The basis of segmental reporting has been set out in Note 1.

46.3 Consolidation

46.3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Holding Company.

The Holding Company has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases (disposal date).

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group. All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions are recognised in equity attributable to the owners of the Company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

46.3.2 Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

46.3 Consolidation (continued)

46.3.3 Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If the fair value of the net assets acquired is in excess of the consideration paid, then the gain is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

46.3.4 Combination of entities under common control

Predecessor accounting is applied for combinations of entities under common control. Assets and liabilities of the acquired entity are stated at predecessor carrying values. No fair value measurement is performed and therefore no new goodwill recognised. Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity in a separate reserve. The acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination between entities under common control occurred.

46.4 Equity Accounting

46.4.1 Investment in associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities.

46.4 Investments under Equity Accounting (continued)

46.4.1 Investment in associates (continued)

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is assessed for impairment annually.

46.4.2 Investments in Joint Ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is assessed for impairment annually.

46.5 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

46.5.1 Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

i. Lease term: IFRS 16

In determining the lease term, management considered all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Refer to Note 3.

ii. Expected manner of realisation for deferred tax

Management have reviewed the investment property portfolio of the Group in order to determine the appropriate rate at which to measure deferred tax. Investment property is measured at fair value. The manner of recovery of the carrying amount, i.e., through use or sale, affects the determination of the deferred tax assets or liabilities. IFRS assumes that the carrying amount of investment property is recovered through sale rather than through continued use. Management considered the business model of the portfolio and concluded that the assumption is not rebutted and that the deferred taxation should be measured on the sale basis. Refer to Note 11.

iii. Deferred taxation

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be affected. Refer to Note 11.

iv. Consolidation

Judgement was applied in assessing whether the Group has control over Hoëveld Veilingsentrum (Pty) Ltd through its 50% shareholding. It was concluded that the Group has power over the investee, a right to variable returns and the ability to use the power over the investee to affect the value of returns.

46.5 Significant judgements and sources of estimation uncertainty (continued)

46.5.1 Critical judgements in applying accounting policies (continued)

iv. Consolidation (continued)

BKB Limited has the right to variable return and the power to influence the return. The power was assessed based on the significance of the portion of the Company's revenue which is dependent on contracts with BKB Limited.

46.5.2 Key sources of estimation uncertainty

i. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets. Refer to Note 9 and 10.

ii. Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in profit or loss.

In the Retail division of the Company an allowance is recognised against slow moving trade inventory at reporting date. The products are categorized into three categories: seasonal, perishable, and non-perishable. All items are provided for, up to a maximum of 50%. Seasonal and perishable products reach the 50% provision by month 24, while non-perishable products reach the 50% provision by the 48th month.

iii. Fair value estimation

Several assets and liabilities of the Group are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs. Information about the specific techniques and inputs of the various assets and liabilities are disclosed in Note 42.

iv. Impairment testing (non-financial assets)

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value less cost of disposal calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

v. Useful life of property, plant and equipment

Management assesses the appropriateness of the useful life of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and fittings, plant and machinery, office equipment and computer equipment are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of property, plant and equipment is assessed annually based on factors including wear and tear, technological obsolescence, and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

46.6 Investment property

Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Investment property in the Group comprises office buildings and land, which are held for long-term rental yields and development, and are not occupied by the Group. Investment property is carried at fair value, representing open market value determined on an annual basis by the board of directors.

Fair value is based on active market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. Valuations are conducted triennially by an independent valuer. Changes in fair values are recorded in profit or loss.

46.7 Non-current assets (or disposal groups) held for sale and discontinued operations

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

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

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

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

The accounting and presentation of inter-company transactions between continuing and discontinued operations is determined by looking at the situation post-disposal to determine whether it is more appropriate to eliminate against the discontinued operation or the continuing business. The results of the discontinued operation will include only those costs and revenues that will be eliminated from the group on disposal.

46.8 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost except for land and buildings which are measured at fair value. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major maintenance and services, additions to or replacements of parts of property, plant and equipment is capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day maintenance costs are included in profit or loss in the year in which they are incurred.

Land and buildings comprise offices, warehouses, industrial, residential and trading branch buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Revaluations of land and buildings are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year. Revaluations are performed every three years on the Group's office building and fibre warehouse as well on its processing and packaging plant buildings. Trading branches as well as shearing and auction facilities are valued every five years as these are mostly in rural areas. Valuations are performed by an external, independent valuer.

Land and buildings are subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any increase in carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to a specific item of land and buildings is transferred directly to retained income when the asset is derecognised.

Depreciation of an asset commences when the asset is available for use. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

46.8 Property, plant and equipment (continued)

The useful life of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land and buildings	Straight line	50 years
Plant and machinery	Straight line	5 - 20 years
Furniture and fixtures	Straight line	5 - 15 years
Motor vehicles	Straight line	4 - 7 years
Office equipment	Straight line	5 - 10 years
IT equipment	Straight line	2 - 5 years

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. The directors consider the current values of properties to approximate their residual values.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

46.9 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Patents, trademarks and other rights	5 - 20 years
Brand names	5 - 20 years
Client lists and relationships	5 - 20 years
Computer software	2 - 8 years

46.10 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

The financial instruments held by the Group, based on their specific classifications, are set out in Note 41 Financial instruments and risk management.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

46.10.1 Loans receivable at amortised cost

i. Classification

Loans to group companies (Note 9), loans to directors, managers and employees (Note 10 and 39), and loans receivable (Note 10) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans.

ii. Recognition and measurement

Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative interest using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

iii. Application of the effective interest method

Interest income is calculated using the effective interest method and is included in profit or loss in finance income (Note 26).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

iv. Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12-month expected credit losses (12-month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12-month ECL, that is whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

v. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

46.10 Financial instruments (continued)

46.10.1 Loans receivable at amortised cost (continued)

An impairment loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in impairment on financial assets in profit or loss (Note 25).

46.10.2 Trade and other receivables

i. Classification

Trade and other receivables, excluding VAT, deposits and prepayments, are classified as financial assets subsequently measured at amortised cost (Note 10). Trade and other receivables comprise trade debtors, producer advances and finance arrangements.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

ii. Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

iii. Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method and is included in revenue as other revenue (Note 22).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

iv. Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided under Note 41 Financial instruments and risk management.

v. Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance by applying the three stage expected credit loss model to producer advances and employee loans. The simplified approach, which is presented by IFRS 9, is applied to all trade receivables.

vi. Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. The loss allowance is calculated per segment for all trade and other receivables.

46.10 Financial instruments (continued)

46.10.2 Trade and other receivables (continued)

An impairment loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in impairment on financial assets in profit or loss (Note 25).

46.10.3 Borrowings and loans from related parties

i. Classification

Loans from group companies (Note 21) and borrowings (Note 18) are classified as financial liabilities subsequently measured at amortised cost.

ii. Recognition and measurement

Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 27).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to Note 41 for details of risk exposure and management thereof.

iii. Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in Note 41 Financial instruments and risk management.

46.10.4 Trade and other payables

i. Classification

Trade and other payables (Note 20), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost. Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

ii. Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (Note 27).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to Note 41 for details of risk exposure and management thereof.

46.10 Financial instruments (continued)

46.10.5 Financial liabilities at fair value through profit or loss

i. Classification

Financial liabilities which are held for trading are classified as financial liabilities measured at fair value through profit or loss. Refer to Note 42.

Financial liabilities which are held for trading, consisting of foreign exchange contracts and open positions on the South African Futures Exchange (SAFEX), are initially measured at fair value on contract date and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise unless accounted for in terms of hedge accounting (refer to hedge accounting policy below).

When a financial liability is contingent consideration in a business combination, the Group classifies it as a financial liability at fair value through profit or loss. Refer to Note 42.

ii. Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the Group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the Group's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (Note 27).

iii. Financial liabilities denominated in foreign currencies

When a financial liability at fair value through profit or loss is denominated in a foreign currency, the fair value of the instrument is determined in the foreign currency. The fair value is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss. To the extent that the foreign exchange gain or loss relates to the portion of the fair value adjustment recognised in other comprehensive income, that portion of foreign exchange gain or loss is included in the fair value adjustment recognised in other comprehensive income.

Details of foreign currency risk exposure and the management thereof are provided in Note 41 Financial instruments and risk management.

46.10.6 Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. The bank overdrafts form an integral part of the Group's cash management. Bank overdrafts are thus included as a component of cash and cash equivalents.

46.10.7 Bank overdrafts

Bank overdrafts are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

46.10.8 Derecognition

i. Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

ii. Financial liabilities

The Group derecognises financial liabilities when the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

46.10 Financial instruments (continued)

46.10.9 Reclassification

i. Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

ii. Financial liabilities

Financial liabilities are not reclassified.

46.10.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterpart.

46.10.11 Hedge accounting

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship so that it meets the qualifying criteria again.

The Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. The forward points are recognised in profit or loss in other operating gains (losses) as it occurs.

The fair values of various derivative instruments used for hedging purposes and detail on movements in the hedging reserve are disclosed in the statement of changes in equity in the financial statements. The fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months after the reporting date and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months from this date.

i. Cash flow hedges

Cash flow hedges cover the exposure to variability in cash flows due to foreign currency risk associated with a recognised asset and/or a highly probable forecasted transaction. Cash flow hedging instruments are mainly used to manage foreign exchange risks and these instruments mainly comprise foreign exchange contracts.

The effective portion of changes in the fair value of qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss in other operating gains (losses).

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to revenue in the statement of profit or loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

46.10.11 Hedge accounting (continued)

i. Cash flow hedges (continued)

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

46.11 Tax

46.11.1 Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

46.11.2 Deferred tax assets and liabilities

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

46.11.3 Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

46.12 Leases

The Group leases offices, warehouses, retail stores, equipment and forklifts. Rental contracts are typically made for fixed periods of two to nineteen years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of property for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

46.12 Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

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

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

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

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs, and restoration costs.

Right-of-use assets are stated at cost less depreciation. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalued its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles, and all leases of low-value assets, are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office equipment.

Extension and termination options are included in several property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

46.13 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of wholesale inventories is stated at the actual cost of purchase of such inventories, or net realisable value, if lower. The cost of manufactured inventories are as follows:

- Raw Materials: Actual cost determined on a first-in-first-out basis.
- Finished Goods and Work-in-progress: Raw materials, direct labour, other direct costs and related production overheads (based on normal capacity).

Trading stock is generally determined on a weighted average basis and includes transportation and handling charges.

When inventories are sold the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

46.14 Impairment of assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, at the end of each financial year the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.
- tests goodwill acquired in a business combination for impairment.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating 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.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss on assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

46.15 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

Shares issued at below fair value to conclude BEE transactions, where control over the counterparty was not present, are accounted for in profit or loss at the difference between the fair value of the shares and the issue price. A BEE reserve, included in non-distributable reserves, is credited in the statement of financial position.

If the Group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those treasury shares is deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any consideration paid or received shall be recognised directly in equity.

Treasury shares are shares in BKB Limited that are held by the BKB Beperk Personeel Aandele Trust for the purpose of issuing shares under the BKB Limited employee share scheme. Where such shares are subsequently sold or re-issued, treasury shares are credited with the cost of the shares, the difference between the consideration received and the cost of these shares is accounted for in share premium.

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

46.16 Other reserves

The nature and purpose of other reserves.

46.16.1 Reserve on revaluation of properties

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of land and buildings. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

46.16 Other reserves (continued)

46.16.2 Hedging reserve

The hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate. The Group defers the changes in the forward element of forward contracts and the time value of option contracts in the costs of hedging reserve. These deferred costs of hedging are included in the initial cost of the related inventory when it is recognised.

46.16.3 Share based payment reserve

The share-based payments reserve is used to recognise:
• the grant date fair value of options issued to employees but not exercised
• the grant date fair value of shares issued to employees
• the grant date fair value of deferred shares granted to employees but not yet vested
• the issue of shares held by the BKB Beperk Personeel Aandele Trust to employees.

The Group operates an equity-settled share-based payment compensation plan. The fair value of bonus shares and performance shares granted to Group directors and senior executives are recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employee becomes unconditionally entitled to the equity instruments. The fair value of the instruments granted is measured using generally accepted valuation techniques, considering the terms and conditions upon which the instruments are granted excluding the impact of non-market vesting conditions.

Fair value is measured using the Monte-Carlo option pricing models where applicable. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of behavioral considerations such as volatility, dividend yield and the vesting period. The fair value considers the terms and conditions on which these incentives are granted and the extent to which the employees have rendered service to the reporting date.

Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. At each reporting date, the entity revises its estimates of the number of shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, for equity-settled share-based payments, in the income statement, with a corresponding adjustment to equity.

The grant by the Company of its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value of equity instruments granted, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts. The Group's net vesting impact on the vesting of share-based payment obligations is transferred to retained earnings within the statement of changes in equity.

46.16.4 Non-controlling interest

This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

46.17 Employee benefits

46.17.1 Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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.

46.17.2 Defined contribution plans

The Group provides retirement and income protection benefits through a defined contribution plan for all of its permanent employees. The plan is administered separately from the Group and is governed by the Pension Funds Act.

A defined contribution plan is a pension plan into which the Group pays fixed contributions into a separate entity (a Fund) and will have no legal or constructive obligations to pay further contributions if the fund does not have sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

46.17 Employee benefits (continued)

46.17.3 Defined benefit plans

BKB Limited provides post-retirement medical benefits to certain retired employees.

The post-retirement medical liability is valued annually by independent, qualified actuaries. The liability is determined by discounting the future benefits payable at interest rates of government bonds with approximately the same maturity dates as the medical liability.

The expected costs of these benefits are accrued over the period of employment, using the projected unit credit method. Re-measurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise.

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Past service costs are recognised immediately to the extent that the benefits are already vested and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs.

46.18 Provisions and contingencies

Provisions are recognised when:
- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 37.

46.19 Government grants

Government grants are recognised when there is reasonable assurance that:
- the Group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position as a reduction of the carrying amount of the asset, which results in reduced depreciation expense. Refer to Note 2.

46.20 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods and services provided in the normal course of business, net of trade discounts, volume rebates and value added tax.

Revenue from contracts with customers is measured based on the consideration specified in a contract and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

46.20 Revenue (continued)

The Group recognises revenue from the following major sources:
- Sale of goods - Wholesale (Fibre, Fruit, Grain and Sugar)
- Sale of goods - Retail and fuel
- Rendering of services (Fibre, Retail and Grain)
- Commission received (Fibre, Livestock auctioneering, Property transactions and Grain)

Other Revenue
- Rental income
- Interest income

The Group does not expect to have any contracts where the period between transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

46.20.1 Sale of goods - wholesale

For sales of goods to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location. Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered/shipped to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made in terms of credit terms, which are consistent with market practice.

Sale of wholesale goods comprises:
- Sale of processed maize and related products
- Margin on grain and related commodities
- Sale of lucerne and hay products
- Sale of surplus grain, upgrades and downgrades
- Sale of raisins
- Sale of sugar and related products
- Sale of wool and mohair

46.20.2 Sale of goods – retail and fuel

The Group sells goods directly to customers through its own retail outlets. Revenue is recognised at a point in time for sale of goods.

For sale of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods or based on credit terms negotiated for account holding customers. A receivable is recognised for account holding customers. No financing element is recognised as the payment terms are less than 6 months.

46.20.3 Rendering of services

Income is recognised at an amount that reflects the consideration to which the Group expects to become entitled for providing services to a customer. Income is measured based on the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties. The Group recognises revenue over time as the service is provided to a customer.

Rendering of services comprises:
- Handling, pressing and storage of wool and mohair
- Handling and storage of grain
- Shearing of animals
- Delivery of goods

46.20.4 Commission received

Commission income is recognised at an amount that reflects the consideration to which the Group expects to become entitled for providing services to a customer as an agent. Income is measured based on the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties. The Group recognises revenue at a point in time when the service is provided to a customer.

Commission received comprises:
- Commission on brokerage of wool and mohair
- Commission on sale of livestock, agricultural products and implements
- Commission on sale of residential (urban and rural), commercial and farm properties

46.20 Revenue (continued)

46.20.5 Rental income

The investment properties, residential properties and surplus space are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

46.20.6 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. Interest received from debtors is included in revenue.

46.21 Dividends received

Dividends received on equity investments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Dividend income is recognised when the right to receive payment is established.

46.22 Dividends paid

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

46.23 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related costs of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to return goods asset" which represents the Group right to recover products from customers where customers exercise their right of return under the Group returns policy.

46.24 Borrowing costs

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

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

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

46.25 Translation of foreign currencies

46.25.1 Foreign currency transactions

A foreign currency transaction is recorded on initial recognition in Rands by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

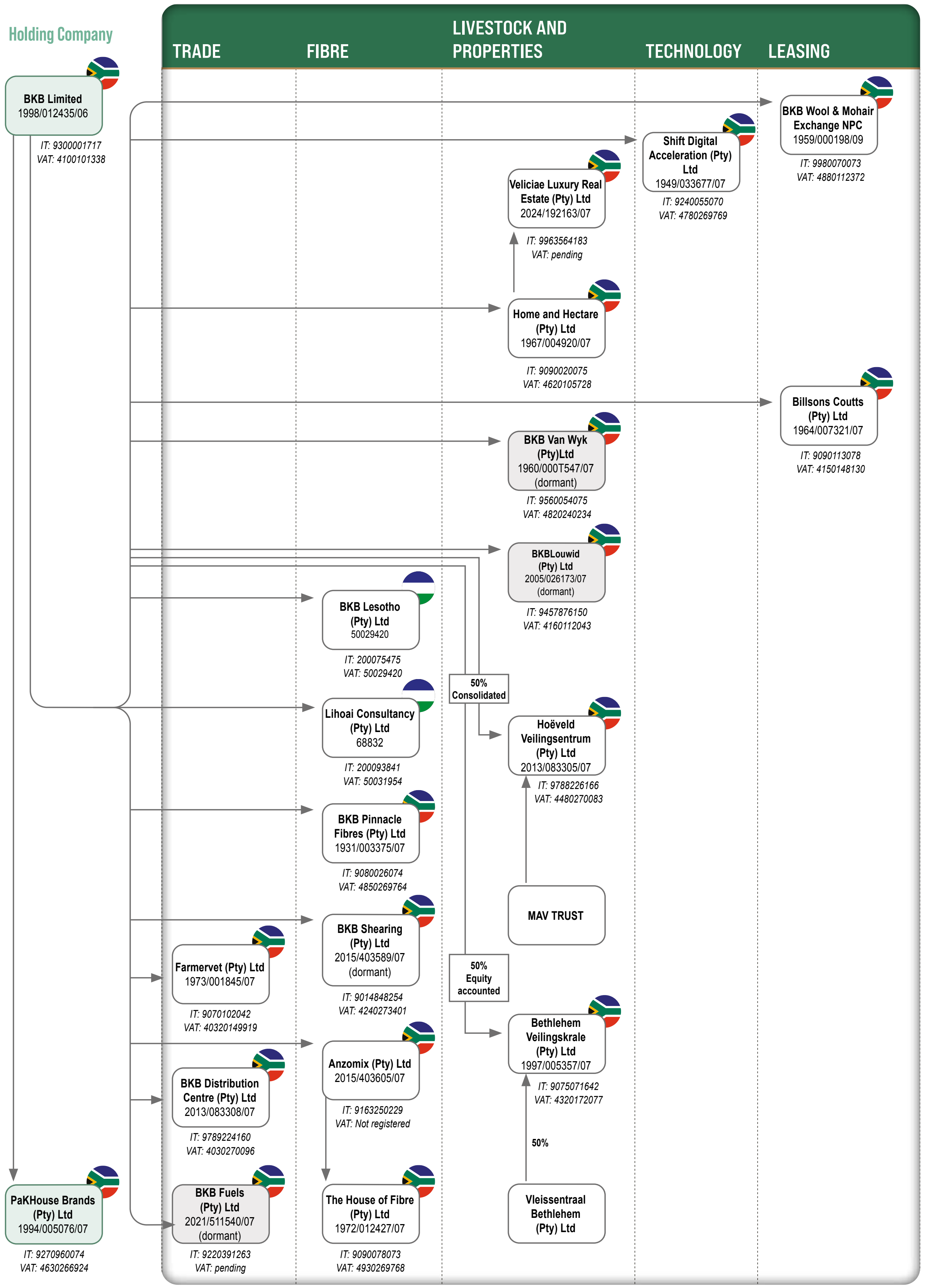
Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

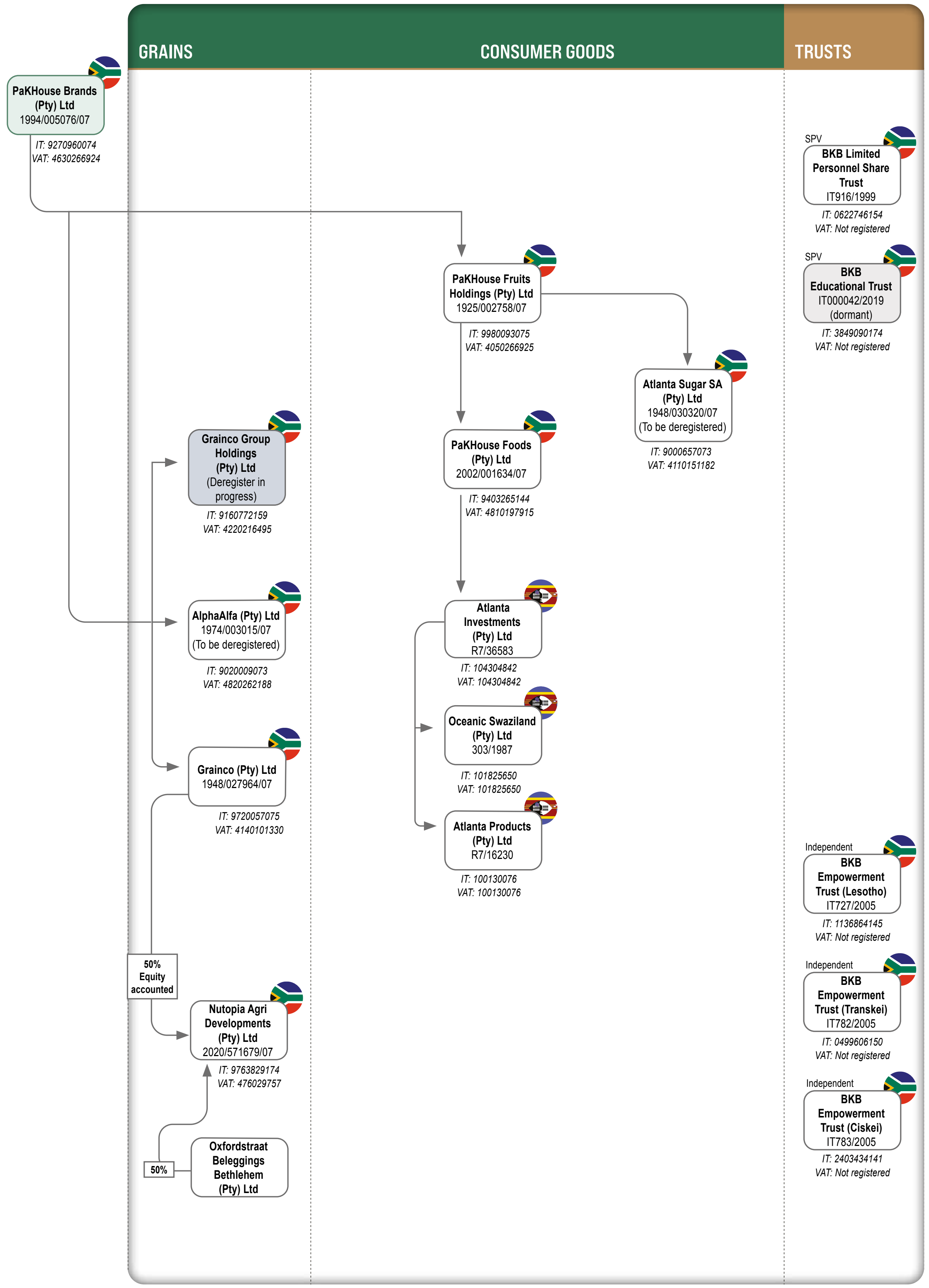
Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

APPENDIX A: GROUP SUBSIDIARIES AND STRUCTURE

BKB Group structure



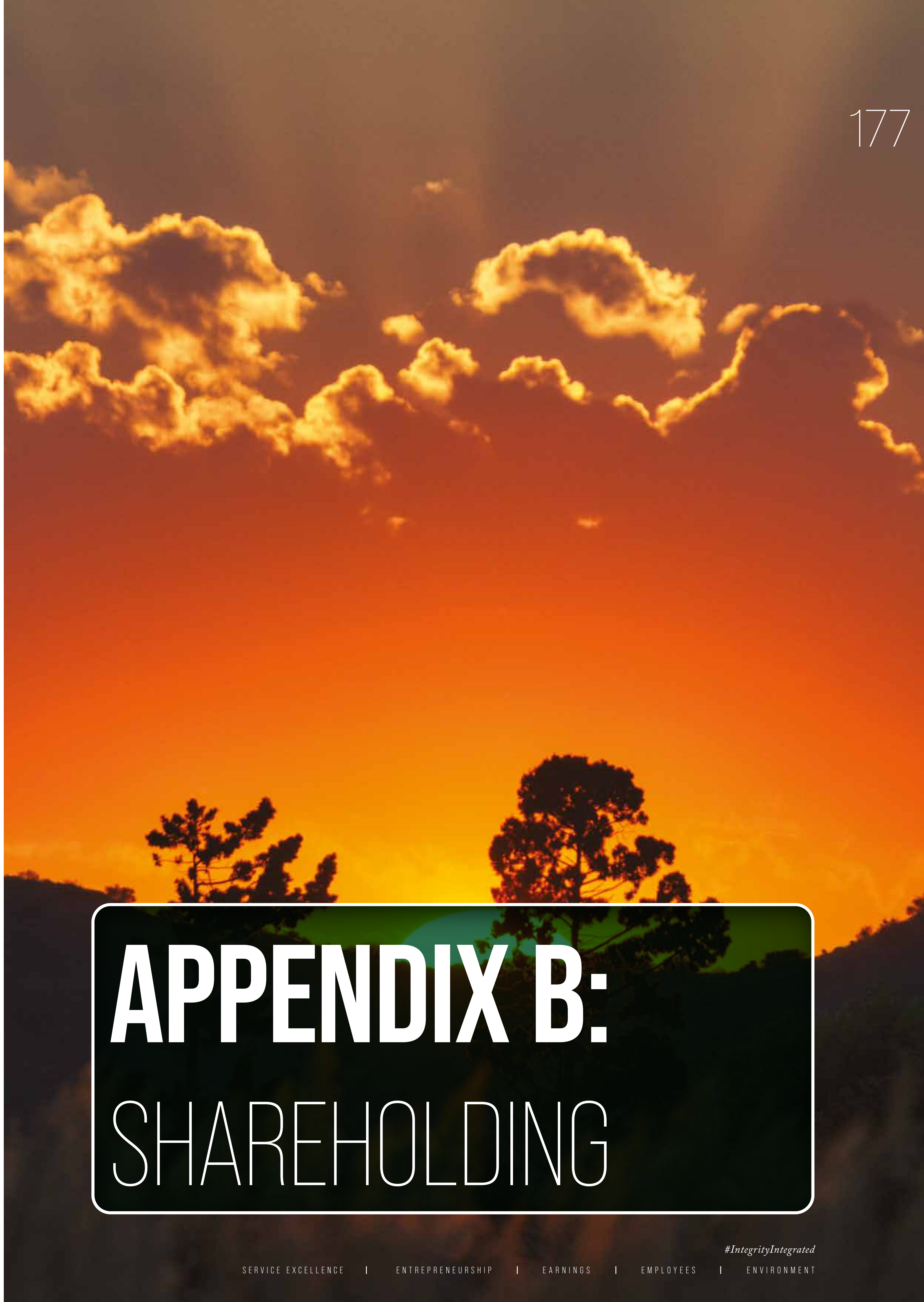
BKB Group structure (continued)



Subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

INVESTMENT IN SUBSIDIARIES	ISSUED SHARE CAPITAL (NUMBER OF SHARES)	INTEREST	DATE OF INCORPORATION
BKB Shearing (Pty) Ltd	120	100%	17/11/2015
Lihoai Consultancy (Pty) Ltd	1 000	100%	23/09/2019
BKB Lesotho (Pty) Ltd	1 000	100%	03/04/2018
Anzomix (Pty) Ltd	120	100%	17/11/2015
The House of Fibre (Pty) Ltd	1 000	100%	14/11/1972
BKB Pinnacle Fibres (Pty) Ltd	6 631	100%	08/09/1931
BKB Fuels (Pty) Ltd	74	100%	30/03/2021
BKB Distribution Centre (Pty) Ltd	100	100%	22/05/2013
Farmervet (Pty) Ltd	1 000	100%	15/02/1973
Home & Hectare (Pty) Ltd	200	100%	11/05/1967
Veliciae Luxury Real Estate (Pty) Ltd	100	75%	09/04/2024
BKBLouwid (Pty) Ltd	100	100%	26/07/2005
BKB Van Wyk (Pty) Ltd	720	100%	15/02/1960
Hoëveld Veilingsentrum (Pty) Ltd	100	50%	22/05/2013
Shift Digital Acceleration (Pty) Ltd	2 000	100%	20/05/1949
Wool & Mohair Exchange of South Africa NPC	n/a	100%	22/01/1959
Billsons Coutts (Pty) Ltd	1 000	100%	28/09/1964
PaKHouse Brands (Pty) Ltd	178 025	100%	13/07/1994
Atlanta Sugar (Pty) Ltd (Deregister 30/04/2024)			
Atlanta Sugar SA (Pty) Ltd	12 000 Ordinary shares 5 000 Preference shares	100%	01/07/1948
Atlanta Investments (Pty) Ltd	2 000	100%	08/05/2012
Atlanta Products (Pty) Ltd	100	100%	07/02/2000
Oceanic Swaziland (Pty) Ltd	100	100%	28/07/1987
Grainco Group Holdings (Pty) Ltd (Deregister in progress)	200 350 No par value 100 par value	100%	26/05/2004
AlphaAlfa (Pty) Ltd	23 722 500	100%	25/09/1974
BKB Grainco (Pty) Ltd (Deregistered 15/9/2023)	100 000	100%	15/06/2006
Grainco (Pty) Ltd	33 252 190	100%	03/01/1948
Gritco Properties (Pty) Ltd (Deregistered 17/05/2024)			
PaKHouse Fruits Holdings (Pty) Ltd	14 400	100%	27/05/1925
PaKHouse Foods (Pty) Ltd	7 120	100%	28/01/2002
Investments in Associates			
Bethlehem Veilingskrale (Pty) Ltd	100	50%	11/04/1997
Nutopia Agri Developments (Pty) Ltd	200	50%	22/07/2020



APPENDIX B: SHAREHOLDING

Shareholding

at 30 June 2024

TYPE	NAME	DIRECT SHARES	INDIRECT SHARES	TOTAL SHARES	% OF SHARES	INDIRECT SHAREHOLDING DETAILS
Member with more than 5% shares	VKB Beleggings (Pty) Ltd	26 746 908	0	26 746 908	30,25	
Member with more than 5% shares	BKB Beperk Personeel Aandeletrust	10 256 980	0	10 256 980	11,60	
Member with more than 5% shares	The BKB Empowerment Trust (Transkei)	4 861 216	0	4 861 216	5,50	
Member with more than 5% shares	The BKB Empowerment Trust (Ciskei)	4 861 216	0	4 861 216	5,50	
	Total	**46 726 320**	**0**	**46 726 320**	**52,85**	
Executive directors	Du Toit AS	0	0	0	0,00	
Executive directors	Stumpf JE	20 750	0	20 750	0,02	
Executive directors	Van Niekerk JA	0	0	0	0,00	
Non-executive directors	Fick CF	0	24 113	24 113	0,03	Fick & Seun BRDY BK – 1440 shares Fick & Seun Beleggings (Pty) Ltd – 22673 shares
Non-executive directors	Hobson CD	0	0	0	0,00	
Non-executive directors	Janse van Rensburg JF	0	0	0	0,00	
Non-executive directors	Kingwill GEJ	0	111 350	111 350	0,13	Geoff Kingwill Family Trust
Non-executive directors	Louw JG	0	0	0	0,00	
Non-executive directors	Meyer EA	0	343 827	343 827	0,39	Triple M Estates (Pty) Ltd
Non-executive directors	Pillay V	3 130	0	3 130	0,00	
Non-executive directors	Staple HC	0	0	0	0,00	
	Total	**23 880**	**479 290**	**503 170**	**0,57**	

Total shares on register: **88 407 075**