



AAAF

2024

Acorn Agri & Food
Annual Financial Statements

General information

Company registration number	1998/001018/06
Country of incorporation and domicile	South Africa
Directors	<div><div><div>DG de Kock</div><div>YJ Visser</div><div>P Malan</div><div>AL Geertsema</div><div>J van Zyl</div><div>RE Goff</div><div>CA Smith</div><div>DCH Uys</div><div>AJ van der Merwe</div><div>JCT Viljoen</div><div>CD Flemming</div><div>MR van Breda</div></div><div><div>^</div><div>°^</div><div>⌘</div><div>⌘</div><div>^</div><div>^</div><div>°^</div><div>°^</div><div>^</div><div>^*</div><div>^#</div><div>^&</div></div><div><div>Chairperson</div><div>Vice-chairperson</div><div>Chief executive officer</div><div>Chief financial officer</div></div></div>
	<div><div>^ = Non-executive directors</div><div>⌘ = Executive directors</div><div>° = Audit and risk committee</div><div>* = Appointed 2 October 2023</div><div># = Resigned 19 June 2023</div><div>& = Resigned 21 September 2023</div></div>
Company Secretary	A Steyn
Registered address	Unit C2, The Beachhead 10 Niblick Way Somerset West 7130
External Auditor	PricewaterhouseCoopers Inc. Registered Auditor
Internal Auditor	Moore Risk Services (Pty) Ltd
Attorneys	Van der Spuy and Partners Werksmans Attorneys
Bankers and Financiers	Nedbank Ltd Rand Merchant Bank, a division of FirstRand Limited
Website	www.acornagri.co.za

These financial statements were prepared by L de Villiers and supervised by AL Geertsema CA(SA).

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Contents

Directors' responsibilities and approval	2
Certificate of the company secretary	3
Audit and risk committee report	3
Independent auditor's report	4
Directors' report	6
Consolidated and separate Statements of financial position	8
Consolidated and separate Statements of profit or loss and other comprehensive income	9
Consolidated and separate Statements of changes in equity	10
Consolidated and separate Statements of cash flows	12
Accounting policies	14
Notes to the financial statements	14
Shareholders' information	57

Directors' responsibility and approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity 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 AAF 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 annual financial statements.

The annual financial statements are prepared in accordance with IFRS® Accounting Standards and are based upon 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 AAF and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 AAF and all employees are required to maintain the highest ethical standards in ensuring AAF's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in AAF is on identifying, assessing, managing and monitoring all known forms of risk across AAF. While operating risk cannot be fully eliminated, AAF endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The AAF audit and risk committee plays an integral role in risk management as well as overseeing AAF's annual reporting function.

The Code of Corporate Practices and Conduct has been integrated into AAF and its portfolio companies strategies and operations.

The Directors are of the opinion, based on the information and explanations given by management, that 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 group's and company's cash flow forecast for the year to 28 February 2025 and, in the light of this review and the current financial position, they are satisfied that the group and company has or has access to adequate resources to continue in operational existence for the foreseeable future. Refer to note 14.

The external auditor is responsible for independently auditing and reporting on the group's and company's annual financial statements. The annual financial statements have been examined by the group's and company's external auditor and their report is presented on pages 4 and 5.

The external independent auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during their audit are valid and appropriate.

The annual financial statements set out on pages 8 to 56 which have been prepared on the going concern basis, were approved and authorised by the board of directors and signed on its behalf by:



DG de Kock
Chairperson

17 May 2024



P Malan
Chief Executive Officer

Certificate of company secretary

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



A Steyn
Company Secretary

17 May 2024

Audit and risk committee report

This committee is responsible to fulfil certain duties in terms of the Companies Act of South Africa and function in accordance with the terms of an audit and risk committee charter. These duties include the nomination of the external auditor for appointment, the approval of the fees and terms of appointment of the external auditor, ensuring the appointment of the external auditor complies with the Companies Act of South Africa and other legislation, the approval of non-audit services that may be provided by the external auditor, the preparation of a statement to be included in the annual financial statements and to deal with any complaints or concerns relating to, amongst others, the accounting practices, financial statements, internal or external audit, financial controls, etc.

The committee reviewed and confirmed the independence of the external auditor, PricewaterhouseCoopers Inc., and recommended its reappointment as external auditor to the shareholders. The committee is satisfied that PricewaterhouseCoopers Inc. complies with the provisions of the Companies Act of South Africa and the code of Professional Conduct for Registered Auditors. After due consideration, the committee approved the fees and terms of appointment of the external auditor. The committee annually review a policy in terms of which the external auditor may perform certain non-audit services. This policy has been compiled to ensure the independence of the external auditor. No complaints or concerns have been received by the committee during the year under review on any of the matters within its area of responsibility.

The committee has evaluated the consolidated and separate annual financial statements for the year ended 29 February 2024 to ensure it complies in all material aspects with the Companies Act of South Africa and IFRS® Accounting Standards and has recommended the approval thereof to the board of directors. The board of directors has approved the financial statements which will be presented to the shareholders at the annual general meeting.

The committee is also responsible to assist the board with its risk management responsibility and is responsible to ensure the risk management policies, procedures and standards are applied.



CA Smith
Chairperson of the Audit and risk committee

17 May 2024

Independent auditor's report

to the shareholders of Acorn Agri and Food 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 Acorn Agri and Food Limited (the Company) and its subsidiaries (together the Group) as at 29 February 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

Acorn Agri and Food Limited's consolidated and separate financial statements set out on pages 8 to 56 comprise:

- the consolidated and separate statements of financial position as at 29 February 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)*.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "2024 Acorn Agri & Food Annual Financial Statements", which includes the Directors' report, the Audit and risk committee's report and the Certificate of the company secretary as required by the Companies Act of South Africa; and the document titled "2024 Acorn Agri & Food Annual Report". 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards 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.

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.

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 Acorn Agri and Food Limited for 69 years.

The business of Acorn Agri and Food Limited was previously transacted through Overberg Agri Limited and Acorn Agri (Pty) Ltd. The business of Overberg Agri Limited was previously conducted through BNK Landbou Group Beperk and Caledon-Riviersonderend Koöperasie Beperk (previously operating as Caledon Boeren Ko-operatiewe Vereniging). Based on available statutory records, PricewaterhouseCoopers Inc. and its predecessor firms was the auditor of Caledon-Riviersonderend Koöperasie Beperk for 69 years.



PricewaterhouseCoopers Inc.

Director: H Zeelie

Registered Auditor

Stellenbosch, South Africa

17 May 2024

Directors' report

for the year ended 29 February 2024

The Directors' annual report, which forms part of the Annual Financial Statements of Acorn Agri & Food Limited (AAF and the Company) for the year ended 29 February 2024, is presented below.

1. Review of activities

AAF is an investment vehicle that invests in companies that support food security – "Growing the Future". Our capital is deployed and used to the benefit of supporting and securing available-, affordable-, quality- and sustainable -food on the continent.

The AAF Investment Report for the financial year ended 29 February 2024, which can be found on AAF's website under <https://www.acornagri.co.za/financial-information/>, provides a review of the development, performance and outlook of the business and its portfolio of investments.

2. Investment Entity Status

It is important to note that, with effect from 28 February 2023, AAF changed status to that of an investment entity as defined in IFRS 10 *Consolidated Financial Statements* and detailed in the accounting policies to these annual financial statements impacting the comparative information particularly relating to the statement of profit and loss.

Such change required the Company to cease consolidating its subsidiaries (other than those providing services related to the Company's investment activities being AAF Services (Pty) Ltd) as of 28 February 2023 and instead carry such subsidiary investments at fair value, with subsequent changes in fair value being recognised in profit or loss.

3. Going concern

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

4. Directors

Refer to General Information.

Directors' interests

At year-end, the executive directors of AAF own a shareholding of 7%. The non-executive directors of AAF own or represent a shareholding of 18.9%.

Directors' employment contracts and trade limitations

The Executive Directors of AAF are appointed through AAF's investment management agreement with Acorn Venture Partners (Pty) Ltd.

Directors' remuneration

The Directors' remuneration for the year under review has been set out in note 16.

5. Company Secretary

The Company secretary of the Company is A Steyn:

Business address:
11 Donkin Street
Caledon
7230

6. Share capital

No shares were issued for the period under review.

The authorised share capital remained unchanged during the year. The authorised share capital consists of 10 000 000 000 ordinary shares of no par value. On the reporting date 122 191 596 (2023: 135 744 609) were in issue, and 109 380 207 (2023: 119 538 853) shares (net of treasury shares) in issue.

For the financial year ended 29 February 2024, AAF repurchased and AAF Invest (Pty) Ltd purchased a total of 10 476 672 (2023: 8 578 638) shares at a total value of R139 million (2023: R122.6 million). AAF repurchased 5 000 000 ordinary shares from AAF Invest (Pty) Ltd during the financial year in accordance with ordinary resolution 8 passed at the 2023 annual general meeting.

7. Financial results, dividends and other financial matters

Dividend and capital distribution

AAF Board resolved to declare an ordinary dividend of R0.60 per share based on the 29 February 2024 financial results to shareholders on register as at 17 June 2024, expected to be paid on or before 1 July 2024.

In the prior year, the AAF Board resolved to declare an ordinary dividend of R0.55 per share based on the 28 February 2023 financial results to shareholders on register as at 30 June 2023, paid on 17 July 2023.

Share trading

AAF manages the over-the-counter trading internally. Trading is regularly reviewed by independent Internal Auditors for compliance with the Memorandum of Incorporation and internal policies. Further information with regard to the Company's shares can be obtained on AAF's website.

The share trading procedures applied by AAF places the trading outside the ambit of the Financial Markets Act, 19 of 2012 (the Act) and requires bilateral negotiation between buyers and sellers. Unless the shares are ceded to Overberg Agri Bedrywe (Pty) Ltd, the buyer will pay the purchase price directly to the seller. The amended systems and procedures were implemented on the 17th of August 2015 to ensure AAF falls outside the requirements of the Act.

Financial results

AAF's net assets attributable to equity holders amounted to R3.3 billion (2023: R3 billion). The net asset value per share is **R29.93** per share (2023: **R25.77** per share).

During the financial year the following extraordinary transactions took place:

Share repurchase programme

- AAF repurchased (or purchased via a wholly-owned subsidiary, AAF Invest (Pty) Ltd) a total number of 10 476 672 Company shares during the period under review.

During the prior financial year the following extraordinary transactions took place:

Change in investment entity status

- With effect from 28 February 2023, AAF changed status to that of an investment entity as defined in IFRS 10 Consolidated Financial Statements, this resulted in a fair value gain of R298 million included in capital items.

Disposals

- AAF disposed of its full investment in Grassroots Group Holdings (Pty) Ltd on 1 December 2022 for R184.5 million, comprising of a dividend of R24 million and R160.5 million proceeds on the sale of our 65% equity interest.
- AAF disposed of its full investment in AgVentures (Pty) Ltd on 1 August 2022 for R86.6 million, comprising of R50 million cash and repurchase of 1 949 343 Company shares for R36.6 million.

Share repurchase programme

- AAF repurchased (or purchased via a wholly-owned subsidiary, AAF Invest (Pty) Ltd) a total number of 10 867 002 Company shares during the period under review (including the shares that formed part of the AgVentures transaction).

8. Events after the reporting period

AAF Invest (Pty) Ltd acquired a 36% stake in Interaction Marketing Services Holdings (Pty) Ltd (trading as RSA Group), subject to the fulfillment of the conditions precedent, for a purchase consideration of R214 million, settled with the issue of 10 480 000 AAF shares, held by AAF Invest (Pty) Ltd, for R16 per share, and a deferred consideration portion, to be settled with cash or AAF shares, that remains outstanding until November 2026 based on the outcome of certain contractual terms agreed.

AAF Invest have further purchased 1 268 429 AAF shares for a consideration of R14.6 million after year end.

The board is not aware of any other significant events after the reporting date that will have a material effect on AAF's results or financial position as presented in these financial statements.

9. Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90(6) of the Companies Act of South Africa.

Statements of financial position

at 29 February 2024

		GROUP		COMPANY	
	Note	29 February 2024 R'000	28 February 2023 R'000	29 February 2024 R'000	28 February 2023 R'000
Assets					
Non-current assets					
Investments in subsidiaries	2	2 728 859	2 383 684	2 818 347	2 524 582
Property, plant and equipment	6.1	594	1 221	–	–
Deferred tax asset	6.2	7 190	14 447	–	–
Loans to group companies	12	331 715	–	331 715	–
Total non-current assets		3 068 358	2 399 353	3 150 062	2 524 582
Current assets					
Trade and other receivables	7.2.1	2 811	2 544	–	–
Cash and cash equivalents	7.2.2	52 381	5 108	–	–
Loans to group companies	12	206 320	713 581	237 705	745 195
Total current assets		261 511	721 232	237 705	745 195
Total assets		3 329 869	3 120 585	3 387 767	3 269 777
Equity and liabilities					
Equity					
Net issued stated capital	8.1 – 8.2	1 145 904	1 265 313	1 240 693	1 413 597
Other reserves		–	–	(29 714)	(26 432)
Retained earnings		2 127 582	1 814 742	2 174 601	1 880 275
Total equity		3 273 486	3 080 055	3 385 579	3 267 440
Liabilities					
Non-current liabilities					
Lease liabilities	7.3	–	629	–	–
Total non-current liabilities		–	629	–	–
Current liabilities					
Lease liabilities	7.3	629	735	–	–
Loans from group companies	12	33 952	19 877	–	–
Current tax payable		886	–	–	–
Trade and other payables	7.4	20 916	19 289	2 187	2 337
Total current liabilities		56 383	39 901	2 187	2 337
Total liabilities		56 383	40 529	2 187	2 337
Total equity and liabilities		3 329 869	3 120 585	3 387 767	3 269 777

Statements of profit or loss and other comprehensive income

for the year ended 29 February 2024

	Note	GROUP		COMPANY	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
Fair value gains on investments at FVTPL	2	291 681	–	293 765	–
Dividend income	3	65 136	–	71 840	6 686
Investment income		356 817	–	365 605	6 686
Revenue	3	79 263	19 334 118	–	–
Fair value adjustment – biological asset: consumable		–	2 713	–	–
Cost of Sales	4.4	–	(17 877 374)	–	–
Gross profit		79 263	1 459 457	–	–
Interest revenue	4.1	–	175 604	–	–
Other income	4.2	712	110 196	–	3 482
Sales and marketing costs	4.4	(10)	(24 804)	–	–
Administration costs	4.4	(46 491)	(237 750)	–	–
Operating expenses	4.4	(229)	(1 060 405)	(229)	–
Operating profit before capital items		390 062	422 298	365 376	10 168
Capital items	4.3	(707)	223 925	–	1 084 682
Operating profit		389 355	646 223	365 376	1 094 850
Finance income	4.5	301	24 274	–	–
Finance costs	4.6	(78)	(247 733)	–	–
Share of net profit from associate		–	2 014	–	–
Profit before taxation		389 579	424 778	365 376	1 094 850
Income tax expense	5	(9 109)	(77 061)	–	–
Profit for the year		380 469	347 717	365 376	1 094 850
Profit attributable to:					
Owners of the parent		380 469	296 737	365 376	1 094 850
Non-controlling interests		–	50 980	–	–
		380 469	347 717	365 376	1 094 850
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations		–	153	–	–
Actuarial gains and losses on defined benefit plans		–	408	–	–
Income tax effect relating to these items		–	–	–	–
Items that will not be reclassified to profit or loss					
Net change in fair value of equity instruments at fair value through other comprehensive income		–	–	–	–
Income tax effect relating to these items		–	–	–	–
Other comprehensive income for the year, net of tax		–	561	–	–
Total comprehensive income for the year		380 469	348 278	365 376	1 094 850
<i>Total comprehensive income attributable to:</i>					
Owners of the parent		380 469	297 298	365 376	1 094 850
Non-controlling interests		–	50 980	–	–
		380 469	348 278	365 376	1 094 850

Statements of changes in equity

for the year ended 29 February 2024

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non- controlling interests R'000	Total equity R'000
Group						
Balance at 1 March 2022	1 720 671	(292 192)	(101 894)	1 688 069	346 066	3 360 718
Total comprehensive income						
Profit for the year	–	–	–	296 737	50 980	347 717
Other comprehensive income for the year	–	–	561	–	–	561
Total comprehensive income	–	–	561	296 737	50 980	348 278
Transactions with owners of the parent						
Contributions and distributions						
Share buy back (company shares)	(72 917)	–	–	–	–	(72 917)
Share purchase programme (AAF Invest (Pty) Ltd)	–	(90 249)	–	–	–	(90 249)
Share cancellations: Acorn Manco 2 (Pty) Ltd	(114 377)	114 377	–	–	–	–
Translation of foreign operations	–	–	112	–	–	112
Sale of investment in subsidiary	–	–	(418)	–	(106 776)	(107 194)
Non-controlling interest on acquisition of subsidiaries	–	–	–	–	6 980	6 980
Other movements	–	–	–	(3 351)	–	(3 351)
Transfer of reserves	–	–	101 639	(101 639)	–	–
Dividends paid (refer note 8.5)	–	–	–	(65 073)	(25 591)	(90 664)
Total contributions and distributions	(187 294)	24 128	101 333	(170 063)	(125 387)	(357 283)
Sub-Total	1 533 377	(268 064)	–	1 814 743	271 659	3 351 713
Change in investment entity status	–	–	–	–	(271 659)	(271 659)
Balance as at 28 February 2023	1 533 377	(268 064)	–	1 814 743	–	3 080 055
Total comprehensive income						
Profit for the year	–	–	–	380 469	–	380 469
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	–	380 469	–	380 469
Transactions with owners of the parent						
Contributions and distributions						
Share buy back (Company shares)	(112 906)	–	–	–	–	(112 906)
Share purchase programme (AAF Invest (Pty) Ltd)	–	(25 747)	–	–	–	(25 747)
Treasury share repurchase	(60 000)	74 857	–	–	–	14 857
Issue of shares in lieu of Overberg Agri loyalty scheme	–	2 889	–	–	–	2 889
Issue of shares to Acorn Agri (Pty) Ltd	–	1 497	–	–	–	1 497
Dividends paid (refer note 8.5)	–	–	–	(67 628)	–	(67 628)
Total contributions and distributions	(172 906)	53 496	–	(67 628)	–	(187 038)
Total transactions with owners of the parent	(172 906)	53 496	–	312 841	–	193 431
Balance at 29 February 2024	1 360 471	(214 568)	–	2 127 582	–	3 273 486
Notes	8.1	8.2				

	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non- controlling interests R'000	Total equity R'000
Company						
Balance at 1 March 2022	1 720 670	(234 156)	(40 240)	872 969	–	2 319 243
Total comprehensive income						
Profit for the year	–	–	–	1 094 850	–	1 094 850
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	–	1 094 850	–	1 094 850
Transactions with Company						
Contributions and distributions						
Share buy back (Company shares)	(72 917)	–	–	–	–	(72 917)
Share cancellations: Acorn Manco 2 (Pty) Ltd	(114 377)	114 377	17 434	(17 434)	–	–
Granting of share options	–	–	(3 626)	–	–	(3 626)
Dividends paid (refer note 8.5)	–	–	–	(70 110)	–	(70 110)
Total contributions and distributions	(187 294)	114 377	13 808	(87 544)	–	(146 653)
Total changes	(187 294)	114 377	13 808	1 007 306	–	948 197
Balance as at 28 February 2023	1 533 376	(119 779)	(26 432)	1 880 275	–	3 267 440
Total comprehensive income						
Profit for the year	–	–	–	365 376	–	365 376
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	–	365 376	–	365 376
Transactions with Company						
Contributions and distributions						
Share buy back (Company shares)	(112 906)	–	–	–	–	(112 906)
Treasury share repurchase	(60 000)	–	–	–	–	(60 000)
Granting of share options	–	–	(3 282)	–	–	(3 282)
Dividends paid (refer note 8.5)	–	–	–	(71 050)	–	(71 050)
Total contributions and distributions	(172 906)	–	(3 282)	(71 050)	–	(247 238)
Total changes	(172 906)	–	(3 282)	294 326	–	118 138
Balance at 29 February 2024	1 360 471	(119 779)	(29 714)	2 174 601	–	3 385 579
Notes	8.1	8.2				

Statements of cash flows

for the year ended 29 February 2024

		GROUP		COMPANY	
	Note	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash flows from operating activities					
Cash generated from operations	9.1	34 582	465 114	(378)	9 023
Finance income received	4.5	301	5 327	—	—
Dividends received		—	—	—	(3 626)
Finance costs paid		(78)	(247 733)	—	—
Tax paid	9.2	(966)	(97 181)	—	—
Net cash inflow/(outflow) from operating activities		33 839	125 527	(378)	5 397
Cash flows from investing activities					
Acquisition of property, plant and equipment	6.1	(56)	(147 269)	—	—
Proceeds on disposal of property, plant and equipment		—	9 244	—	—
Acquisition of investment properties		—	(2 835)	—	—
Proceeds on disposal of investment property		—	—	—	—
Acquisition of intangible assets		—	(14 075)	—	—
Proceeds from sale of intangible assets		—	1 376	—	—
Payment on acquisition of subsidiary net of cash paid		—	(6 693)	—	—
Loans to group companies repaid	11	238 218	—	238 447	103 851
Loans advanced to group companies	11	—	—	—	(4 460)
Loans to related parties repaid		—	230 481	—	—
Loans advanced to related parties repaid		—	(262 725)	—	—
Loans advanced to customers		—	(6 808)	—	—
Loans to customers repaid		—	4 343	—	—
Acquisition of financial assets		—	(35 886)	—	—
Proceeds from sale of investments		—	40 585	—	—
Purchase of biological assets		—	(9 685)	—	—
Sale of biological assets		—	5 987	—	—
Sale of investment in subsidiary		—	148 999	—	—
Change in investment entity status		—	(111 802)	—	—
Net cash inflow/(outflow) from investing activities		238 162	(156 763)	238 447	99 391
Cash flows from financing activities					
Repurchase of shares		(172 905)	(126 517)	(172 906)	(36 269)
Proceeds from borrowings		—	1 392 461	—	—
Repayment of borrowings		—	(1 345 825)	—	—
Proceeds from loans from group companies		71 200	—	—	—
Repayment of loans from group companies		(57 124)	—	—	—
Principle elements of lease payments		(735)	(36 049)	—	—
Dividends paid	8.5	(65 164)	(90 664)	(65 164)	(68 518)
Net cash outflow from financing activities		(224 728)	(206 594)	(238 069)	(104 787)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts					
		47 273	(237 830)	—	—
Cash, cash equivalents and bank overdrafts at the beginning of the year	7.2.2	5 108	242 938	—	—
Cash, cash equivalents and bank overdrafts at the end of the year	7.2.2	52 381	5 108	—	—

Contents of the notes to the financial statements

1	Accounting policies	14
	How numbers are calculated	16
2	Investments at fair value through profit and loss, and segment report	16
3	Revenue and investment income	23
4	Other income and expense items	24
5	Income tax expense	29
6	Non-financial assets and liabilities	30
7	Financial assets and liabilities	33
8	Equity – including earnings per share	39
9	Notes to the cash flow statements	42
	Risk	44
10	Financial risk management	44
	Group structure	48
11	Investment in subsidiaries	48
12	Related parties	50
	Unrecognised items	51
13	Contingencies	51
14	Going concern	51
15	Events after the reporting period	51
	Employee benefits and costs	
16	Directors' and prescribed officers' emoluments	51
	Other	53
17	Fair value estimation	53
18	New and amended standards	56
	Shareholders' information	57

Notes to the annual financial statements

for the year ended 29 February 2024

Accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are included in the specific notes to which they relate and are indicated with a gold background.

Significant accounting judgements and estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these annual financial statements, are included in the specific notes to which they relate and are indicated with a green border.

1. Significant accounting policies

1.1 Statement of compliance

The consolidated and separate annual financial statements are prepared on a going concern basis in compliance with the Companies Act of South Africa and IFRS Accounting Standards (IFRS).

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS® Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standards Interpretations Committee (SIC® Interpretations).

1.2 Basis of preparation

The accounting policies applied in the preparation of the standalone and consolidated financial statements of AAF are in terms of IFRS; however, the accounting policies applied are different from those previously applied as detailed below.

Refer to note 18 for details of new and amended standards issued but not yet effective in the current year.

The annual financial statements are expressed in South African rand (ZAR or R), rounded to the nearest thousand, unless otherwise stated.

1.3 Application of the Investment Entity Exemption in terms of IFRS 10 Consolidated Financial Statements

1.3.1 Investment entity status

Critical Accounting Judgement – AAF's classification as an investment entity

Management concluded that, with effect from 28 February 2023, the Company met the criteria to be classified as an investment entity.

During the 2023 financial year significant changes pertaining to strategy and structure were implemented within the Company and AAF Group that have necessitated the Company to reassess its investment entity status in terms of IFRS10.

An investment entity is typically an entity that i) obtains funds from one or more investors for the purpose of providing such investor(s) with investment management services, ii) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and iii) measures and evaluates the performance of substantially all of its investments on a fair value basis.

IFRS 10 lists typical characteristics of an investment entity as i) it has more than one investment, ii) it has more than one investor, iii) it has investors that are not related parties of the entity, and iv) it has ownership interests in the form of equity or similar interests. The Company strongly exhibits all of these characteristics.

The performance of the Company's investment portfolio is constantly measured by the board with reference to the fair value of such investment (i.e. sum-of-the-parts (SOTP) value) rather than the consolidated profitability of the Group (i.e. recurring earnings) with effect from 28 February 2023 in the AAF's strive to meet its objective of value creation through capital appreciation, investment income, or both. Fair value (i.e. SOTP value) is ultimately dependent on a range of factors such as the investee's market rating, industry, growth prospects, operational performance, profitability and marketability.

1. Significant accounting policies (continued)

1.3 Application of the Investment Entity Exemption in terms of IFRS 10 Consolidated Financial Statements (continued)

1.3.2 Accounting treatment under IFRS10 Investment Entity

IFRS 10 contains special accounting requirements for an investment entity. Where an entity meets the definition of an Investment Entity, it does not consolidate its subsidiaries, but rather measure subsidiaries at fair value through profit or loss (FVTPL). However, an investment entity is still required to consolidate subsidiaries that provide services related to the investment entity's investment activities. As at 28 February 2023 and 29 February 2024, AAF had a subsidiary, AAF Services (Pty) Ltd, providing these investment management services, and thus presenting consolidated financial statements in addition to separate financial statements.

IFRS 10 requires a parent that becomes an investment entity to account for the change in its status prospectively from the date at which the change in status occurred. Having considered various factors, including the timelines and decision-making processes leading up to aforementioned strategy and structure changes, the Company's application of the investment entity exception became effective on 28 February 2023. Accordingly, on such date the group's existing subsidiaries (other than aforementioned wholly-owned head office subsidiaries providing investment activities to the Company, i.e. AAF Services (Pty) Ltd were deemed to be disposed of and re-acquired at fair value, with the resultant R298 million gain being recognised as a non-headline item in the income statement. Such investments will be subsequently measured at FVTPL.

1.4 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rand (ZAR or R), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions and balances are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured, respectively. Foreign exchange gains and losses are recognised in the statement of profit or loss within "other net gains and losses".

1.5 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of 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 cash-generating unit is the higher of its fair value less costs of disposal and its value-in-use.

1.6 Common control transactions

A business combination of entities or businesses under common control is a business combination where all the entities or businesses being combined, is ultimately controlled by the same party or parties before and after the business combination, and where the control is not of a temporary nature.

Business combinations under common control is accounted for using the "acquisition accounting" principle. Under this principle, all assets and liabilities acquired are initially recognised at its fair value. The difference between the fair value of the net assets and consideration will be recognised as goodwill or as a gain on bargain purchase.

1.7 Transactions with minority shareholders - "economic entity approach"

The Group applies a policy of treating transactions with minority shareholders as transactions with equity owners of the Group. For purchases from minorities, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to minority shareholders are also recorded in equity.

1.8 Financial Guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

1. Significant accounting policies (continued)

1.9 Significant accounting judgements and estimates

The preparation of the Group's annual financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying value of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are highlighted below with more detail provided in the specific notes to which they relate:

(a) Estimates

- AAF's determination of fair value pertaining to its unlisted investments – note 2

(b) Judgements

- AAF's classification as an investment entity – note 1.3
- Recognition of deferred tax on subsidiary investments at fair value through profit and loss – note 2

How numbers are calculated

2. Investments at fair value through profit and loss and segment report

Subsidiaries other than those rendering services related to AAF's investment activities are measured at FVTPL.

Financial assets at FVTPL are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise. Interest and dividend income arising on financial assets at FVTPL is recognised in the income statement as part of investment income.

Where available, AAF measures the fair value of an instrument using the quoted price in an active market for that instrument. The fair values of quoted investments are based on current prices at the close of business on the reporting date. If the market for a financial asset is not active, or if it is unquoted, AAF establishes fair value by using valuation techniques as detailed below. The group's main valuation techniques incorporate all factors that market participants would consider and make maximum use of observable market data.

Critical Accounting Estimate – AAF's determination of fair value pertaining to its unlisted investments

Where AAF has used a discounted cash flow model in estimating fair value of a unlisted investment, critical assumptions are used in discounted cash flow methodology that determine value. Financial budgets approved by management are used to calculate the cash flow projections for a five-year period.

Assumption	Approach used to determine values
Sales volume	An annual average growth rate extended over the five-year forecast period is used; this is based on past performance and management's expectations of market development.
Budgeted gross margin	Based on past performance and management's expectations for the future.
Other operating costs	These costs are forecasted by management adjusted for inflationary increases, non-cash flow items and once-off isolated expenses. These costs will generally reflect the fixed costs which are not expected to vary significantly with sales volumes or prices.
Annual capital expenditure	Expected capital expenditure approved by the board of directors for planned refurbishment. This is determined based on historical experience and expectations set by management.
Medium term growth	This is the weighted average growth rate used to extrapolate the cash flows over the budgeted period.
<i>Most subjective measures</i>	
Long term growth rate:	This is the terminal growth rate applied to extrapolate growth rates in perpetuity in the terminal year.
Post-tax discount rate	This is a discount rate determined by the Group that best reflects the specific risks relating to the cash-generating units against the target capital structure, derived by direct comparison to peers of the Company or division.

2. Investments at fair value through profit and loss and segment report (continued)

Critical Accounting Judgement – Recognition of deferred tax on subsidiary investments at FVTP

Any potential capital gains tax on the disposal of subsidiary investments at FVTPL is ultimately dependent on the method of realisation (e.g. unbundling, outright sale) and to what extent such capital gains may be offset against available capital losses, with management expecting any capital gains tax payable upon realisation of the investment portfolio to be limited at present. Furthermore, AAF controls the timing of the reversal of the temporary differences pertaining to its subsidiary investments at FVTPL and it is not foreseen that the timing differences will reverse within the next 12 months.

Acorn Agri & Food Ltd holds investments in two subsidiaries (namely AAF Invest (Pty) Ltd and AAF Services (Pty) Ltd).

AAF Invest (Pty) Ltd is an investment entity itself and is not consolidated, details of its investment, other assets and liabilities are disclosed below.

AAF Services (Pty) Ltd is the investment support function to the company and its portfolio of investments and is consolidated.

	Carrying value 28 February 2023 R'000	Gain on investments held FVPL R'000	Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Investments at fair value through profit and loss:				
Direct shareholding				
Investment in AAF Invest (Pty) Ltd	2 524 582	293 765	2 818 347	2 524 582
Investment in AAF Services (Pty) Ltd	–	–	–	–
	2 524 582	293 765	2 818 347	2 524 582
			Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Detail of the investments held by AAF Invest (Pty) Ltd at fair value through profit and loss:				
Indirect investments:				
Kyron Holdings (Pty) Ltd and its subsidiaries	2.1	100%	846 110	660 076
Overberg Agri Bedrywe (Pty) Ltd and its subsidiaries	2.2	100%	964 835	995 575
Moov Fuel (Pty) Ltd and its subsidiaries	2.3	69%	599 806	497 338
ACG Fruit (Pty) Ltd and its subsidiaries	2.4	100%	215 669	208 590
Boltfast (Pty) Ltd	2.5	75%	12 991	5 162
Bontebok Limeworks (Pty) Ltd	2.6	74%	98 635	110 867
Montagu Dried Fruit and Nuts (Pty) Ltd and its subsidiaries	2.7	100%	41 389	42 188
Overberg Meat (Pty) Ltd	2.8	100%	44 483	55 722
Other assets/liabilities:				
Loan to Acorn Agri & Food Limited			(538 035)	(713 581)
Investment in Acorn Agri & Food Company shares		4.7%	78 486	130 318
Investment in associate investment: Lesotho Milling Company		34%	61 650	61 473
Net loans receivable: shareholding funding			323 534	402 955
Other loans (including loan to AAF Services (Pty) Ltd)			40 876	30 250
Cash & cash equivalents			1 302	21 248
Other			26 616	16 402
Fair value at Company level			2 818 347	2 524 582
Reconciliation to carrying value at Group level				
Investment held by AAF Invest (Pty) Ltd in Acorn Agri & Food Ltd shares classified as treasury shares			(78 486)	(130 318)
Investment held by Overberg Agri Bedrywe (Pty) Ltd in Acorn Agri & Food Ltd shares classified as treasury shares			(11 002)	(10 580)
			2 728 859	2 383 684

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

2. Investments at fair value through profit and loss and segment report (continued)

2.1 Kyron Holdings (Pty) Ltd and its subsidiaries

Kyron Holdings (Pty) Ltd is a leading animal health business and operates within Southern Africa.

AAF Invest (Pty) Ltd holds 100% of Kyron Holdings (Pty) Ltd ordinary shares of which the rights and rewards of the shares have been transferred. 49% of the shareholding is held through the Kyron Empowerment Fund LP (managed by Kyron Fund GP (Pty) Ltd as the General Partner), and the remaining shares held directly by AAF Invest (Pty) Ltd. 14% shares held by management are subject to outstanding finance provided by the company & employment lock-in periods and consequently all rights and rewards relating to the ordinary shares have not transferred to management and accounted for as a management incentive scheme in terms of IAS19 Employee Benefits impacting profit/loss.

Kyron Holdings (Pty) Ltd holds 100% of Kyron Group (Pty) Ltd (operating as Kyron Vet and Kyron Labs divisions), 100% of Kyron Animal Health (Pty) Ltd, 100% of Kyron Prescriptions (Pty) Ltd, 100% of Agrivital (Pty) Ltd and 55% of Anipharm (Pty) Ltd.

Valuation methodology:	Discounted cash flows over a 5 year period Post-tax discount rate: 15.8% (2023: 15.7%)
Implied multiple:	Implied historical EV/EBITDA multiple of 6.2x (2023: 6.0x)
Category:	Unlisted
IFRS13 fair value:	Level 3

	Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Equity value: Kyron Holdings (Pty) Ltd and its subsidiaries	846 110	660 076
Shareholder funding (included in net loans receivable from investments)	—	14 690
	846 110	674 766

2.2 Overberg Agri Bedrywe (Pty) Ltd and its subsidiaries

Overberg Agri Group is a supplier of agricultural inputs and services, grain and business partner of choice, and operates in South Africa, predominantly the Western Cape.

AAF Invest (Pty) Ltd holds 100% of the ordinary share capital of Overberg Agri Bedrywe (Pty) Ltd and its subsidiaries. Overberg Agri Bedrywe (Pty) Ltd holds 70% of Overberg Wealth and Risk Management (Pty) Ltd and valued separately to that of Overberg Agri Bedrywe (Pty) Ltd.

	Overberg Agri Bedrywe (Pty) Ltd	Overberg Wealth & Risk Management (Pty) Ltd
Valuation methodology:	Discounted cash flows over a 5 year period Post-tax discount rate: 20.2% (2023: 19.7%)	Discounted cash flows over a 5 year period Post-tax discount rate: 19.4% (2023: 18.9%)
Implied multiple:	Implied historical EV/EBITDA multiple of 6.3x (2023: 5.6x)	Implied historical EV/EBITDA multiple of 6.9x (2023: 6.6x)
Category:	Unlisted	Unlisted
IFRS13 fair value:	Level 3	Level 3

	Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Equity value: Overberg Agri Bedrywe (Pty) Ltd and its subsidiaries	964 835	995 575
Shareholder funding (included in net loans receivable from investments)	—	48 311
	964 835	1 043 886

2. Investments at fair value through profit and loss and segment report (continued)

2.3 Moov Fuel (Pty) Ltd and its subsidiaries

Moov Fuel Group supplies and delivers the highest quality fuel, lubricant and liquefied petroleum gas (LPG) products and operates in Southern Africa.

AAF Invest (Pty) Ltd holds an effective 69% of the ordinary share capital of Moov Fuel (Pty) Ltd indirectly. Our effective interest is held through AAF Invest (Pty) Ltd's subsidiary Moov Holdings (Pty) Ltd (holding a controlling stake of 51% in Moov Fuel (Pty) Ltd) and remaining interests through the Kyron Empowerment Fund LP and AEE Fund LPs' investment in Weijo Investments (Pty) Ltd (holding a 49% stake in Moov Fuel (Pty) Ltd). Moov Fuel (Pty) Ltd holds a 51% interest in Bachmus Oil and Fuel (Pty) Ltd (a company incorporated in Namibia) and is valued separately.

	Moov Fuel (Pty) Ltd	Bachmus Oil and Fuel (Pty) Ltd (Namibia)
Valuation methodology:	Discounted cash flows over a 5 year period Post-tax discount rate: 17% (2023: 17%)	Discounted cash flows over a 5 year period Post-tax discount rate: 19.7% (2023: 21.9%)
Implied multiple:	Implied historical EV/EBITDA multiple of 6.4x (2023: 6.9x)	Implied historical EV/EBITDA multiple of 5.5x (2023: 3.9x)
Category:	Unlisted	Unlisted
IFRS13 fair value:	Level 3	Level 3

	Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Equity value: Moov Fuel (Pty) Ltd and its subsidiaries	599 806	497 338
Shareholder funding (included in net loans receivable from investments)	—	—
	599 806	497 338

2.4 ACG Fruit (Pty) Ltd and its subsidiaries

Primary producer of table grapes and citrus in Limpopo, Northern Cape and Western Cape for export markets.

AAF Invest (Pty) Ltd holds 100% of the ordinary share capital of ACG Fruit (Pty) Ltd directly.

Valuation methodology:	Asset based valuation Underlying properties subject to external annual valuation process
Category:	Unlisted
IFRS13 fair value:	Level 3

	Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Equity value: ACG Fruit (Pty) Ltd and its subsidiaries	215 669	208 590
Shareholder funding (included in net loans receivable from investments)	232 246	232 246
	447 915	440 836

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

2. Investments at fair value through profit and loss and segment report (continued)

2.5 Boltfast (Pty) Ltd

Supplier of fastener solutions to industries throughout Africa.

AAF Invest (Pty) Ltd holds 75% of the ordinary share capital of Boltfast (Pty) Ltd directly and indirectly, 26% through Umthi Umkhulu Empowerment Fund LP (managed by Acorn Venture Partners (Pty) Ltd as general partner) and the remainder directly by AAF Invest (Pty) Ltd. The other 24% of the interest is held by Woza Phambili Enterprises (Pty) Ltd, a subsidiary of Overberg Agri Development Trust.

Valuation methodology:	Asset based valuation Underlying properties subject to external annual valuation process
Category:	Unlisted
IFRS13 fair value:	Level 3

	Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Equity value: Boltfast (Pty) Ltd	12 991	5 162
Shareholder funding (included in net loans receivable from investments)	71 261	81 014
	84 252	86 176

2.6 Bontebok Limeworks (Pty) Ltd

Supplier of agricultural lime products, building and construction lime or other products, including water-related lime products and road building lime.

AAF Invest (Pty) Ltd holds 74% of the ordinary share capital of Bontebok Limeworks (Pty) Ltd directly.

Valuation methodology:	Discounted cash flows over a 5 year period Post-tax discount rate: 18.6% (2023: 19.6%)
Implied multiple:	Implied historical EV/EBITDA multiple of 10.9x (2023: 11.1x) (2024: forward multiple of 5.2x)
Category:	Unlisted
IFRS13 fair value:	Level 3

	Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Equity value: Bontebok Limeworks (Pty) Ltd	98 635	110 867
Shareholder funding (included in net loans receivable from investments)	20 027	18 802
	118 662	129 669

2. Investments at fair value through profit and loss and segment report (continued)

2.7 Montagu Dried Fruit & Nuts (Pty) Ltd and its subsidiaries

A trusted South African brand, known for our moreish array of dried fruit and nuts.

AAF Invest (Pty) Ltd holds 100% of the ordinary share capital of Montagu Dried Fruit & Nuts (Pty) Ltd directly.

Valuation methodology:	Asset based valuation
Category:	Unlisted
IFRS13 fair value:	Level 3

	Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Equity value: Montagu Dried Fruit & Nuts (Pty) Ltd and its subsidiaries	41 389	42 188
Shareholder funding (included in net loans receivable from investments)	–	5 037
	41 389	47 225

2.8 Overberg Meat (Pty) Ltd

Supplier of best quality, Overberg certified free-range meat products. Operates within South Africa and exports to the Middle-East.

AAF Invest (Pty) Ltd holds 100% of the ordinary share capital of Overberg Meat (Pty) Ltd directly.

Valuation methodology:	Discounted cash flows over a 5 year period Post-tax discount rate: 16.9% (2023: 18.3%)
Implied multiple:	Implied forward EV/EBITDA multiple of 8.2x (2023: 6x)
Category:	Unlisted
IFRS13 fair value:	Level 3

	Fair value 29 February 2024 R'000	Fair value 28 February 2023 R'000
Equity value: Overberg Meat (Pty) Ltd	44 483	55 722
Shareholder funding (included in net loans receivable from investments)	–	2 854
	44 483	58 576

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

2. Investments at fair value through profit and loss and segment report (continued)

2.9 Segment report

The segments of AAF have been identified per material investment in our portfolio. Individual business performance 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, and for which discrete financial information is available to make strategic decisions. Operating segments which display similar economic characteristics are aggregated for reporting purposes.

The chief operating decision-maker monitors the operating results of the business segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. They primarily assess the performance of the operating segments based upon a measure of revenue, earnings before depreciation, interest and tax (EBITDA) and net profit after tax.

Inter-segment pricing is determined on an arm's-length basis in a manner similar to transactions with third parties.

	Revenue (own balances) 2024 R'000	Operating profit before capital items** (own balances) 2024 R'000	Net profit after tax (own balances) 2024 R'000
Kyron Holdings (Pty) Ltd and its subsidiaries	765 149	189 514	86 110
Overberg Agri Bedrywe (Pty) Ltd and its subsidiaries (excluding OWRM)	4 757 302	185 785	40 143*
Overberg Wealth and Risk Management (Pty) Ltd (OWRM)	63 150	19 861	11 306
Moov Fuel (Pty) Ltd and its subsidiaries (excluding Bachmus)	8 829 024	178 557	80 704
Bachmus Oil and Fuel (Pty) Ltd (Namibian Dollar)	2 380 474	45 033	31 993
ACG Fruit (Pty) Ltd and its subsidiaries	374 219	49 547	(11 830)
Boltfast (Pty) Ltd	129 708	7 528	725
Bontebok Limeworks (Pty) Ltd	221 989	23 390	(1 631)
Montagu Dried Fruit and Nuts (Pty) Ltd and its subsidiaries	171 570	14 907	(1 990)
Overberg Meat (Pty) Ltd	310 018	2 996	530
Total	18 002 604	717 117	236 059

* This amount excludes a discretionary management fee of R45 million, net of tax; and including a dividend income of OWRM of R10 million (2023: R8.7 million).

** From continuing operations excluding depreciation and amortisation.

	Revenue (own balances) 2023 R'000	Operating profit before capital items** (own balances) 2023 R'000	Net profit after tax (own balances) 2023 R'000
Kyron Holdings (Pty) Ltd and its subsidiaries	647 136	168 889	77 230
Overberg Agri Bedrywe (Pty) Ltd and its subsidiaries (excluding OWRM)	4 766 413	162 896	65 420
Overberg Wealth and Risk Management (Pty) Ltd (OWRM)	56 646	18 901	10 125
Moov Fuel (Pty) Ltd and its subsidiaries (excluding Bachmus)	8 720 929	141 586	64 115
Bachmus Oil and Fuel (Pty) Ltd (Namibian Dollar)	3 636 770	51 508	36 674
ACG Fruit (Pty) Ltd and its subsidiaries	515 548	(46 088)*	(222 363)
Boltfast (Pty) Ltd	111 164	(3 118)	(7 225)
Bontebok Limeworks (Pty) Ltd	189 131	25 798	2 761
Montagu Dried Fruit and Nuts (Pty) Ltd and its subsidiaries	164 874	(701)	(15 968)
Overberg Meat (Pty) Ltd	269 180	708	(895)
Total	19 077 792	520 379	9 874

* This amount excludes impairments of loans and other receivables (amounting to R70 million) and impairment on biological assets (amounting to R11 million).

** From continuing operations excluding depreciation and amortisation.

3. Revenue and Investment income

Revenue from contracts with customers

Revenue is recognised when the group satisfies performance obligations and transfers control of goods and services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation. Revenue is measured at the fair value of the consideration received or receivable.

The main categories of revenue and the basis of recognition are as follows:

Sale of Goods – wholesale

The Group manufactures and sells a range of products, including (i) lime products, (ii) petroleum and petroleum products, (iii) the buying and slaughtering of cattle and sheep; the selling of a range of meat, by-products and livestock, (iv) industrial fasteners, (v) fresh fruit and (vi) health and other snacks, dried fruit and nuts. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products.

Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from the sale of goods is recognised when the Group has supplied products to the customer, the customer has accepted the goods and recoverability of the debtor concerned is relatively certain.

Sale of Goods – retail

The Group operates a chain of retail stores selling agricultural supplies, dried fruit, nuts, industrial fasteners, grocery and convenience items. Revenue from the sale of goods is recognised when a group entity sells a product to the customer. Sales are recognised when control of the products has transferred, being when the products are collected by the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Payment of the transaction price is due immediately when the customer purchases the goods.

Services rendered

Timing of recognition: Revenue from services consist of various services for which a fee is charged. This includes transport, slaughtering fees, commission and administration fees. Revenue from services is recognised in the accounting period which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a portion of the services to be provided.

Measurement of revenue: Estimates of revenue, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Rental income

Income from leases in respect of property is recognised in profit or loss on a straight-line basis over the lease term.

Financing income

The Group does not expect to have any contracts where the period between the transfer of the service to the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Administration fees received

Revenue is recognised as services are rendered with reference to the completion of the specific transaction. In terms of IFRS 15, revenue is recognised either at a point in time or over time, depending on when the performance obligations are satisfied.

Revenue is recognised either when the performance obligation has been satisfied ("point in time") or when control of the goods or service is transferred to the customer ("over time"). This requires an assessment of the group's performance obligations and of when control is transferred to the customer. Where revenue is recognised over time, this is in general due to the group performing and the customer simultaneously receiving and consuming the benefits over the life of the contract as services are rendered. For each performance obligation over time, the group apply a revenue recognition method that faithfully depicts the group's performance in transferring control of the service to the customer. If performance obligations in a contract do not meet the "over time" criteria, the group recognises revenue at a point in time.

Mineral Royalty tax

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) imposes a royalty tax on refined and unrefined minerals. The Mineral Royalty tax is deducted from revenue.

Investment Income

Dividend income

Recognised when the right to receive payment is established and included in investment income in the income statement.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

3. Revenue and Investment income (continued)

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Revenue from contracts with customers:				
Gross revenue from contracts with customers	79 263	19 869 440	—	—
Net revenue from contracts with customers*:				
Sale of goods: Retail sales	—	4 940 630	—	—
Sale of goods: Wholesale sales	—	13 113 472	—	—
Sale of goods: Grain trading	—	923 556	—	—
Rendering of services: Administration fees received	79 263	13 359	—	—
Rendering of services: Retail services	—	8 003	—	—
Rendering of services: Wholesale services	—	56	—	—
Rendering of services: Commission	—	49 585	—	—
Rendering of services: Grain	—	219 918	—	—
Rendering of services: Transport	—	42 414	—	—
Rendering of services: Other	—	10 614	—	—
Revenue from contracts with customers	79 263	19 321 607	—	—
Timing of revenue recognition				
At a point of time	—	18 977 658	—	—
Over time	79 263	343 949	—	—
	79 263	19 321 607	—	—
Revenue other than from contracts with customers:				
Rental income	—	12 511	—	—
Revenue other than from contracts with customers	—	12 511	—	—
Investment income				
Dividend income	65 136	—	71 840	6 686
Investment income	65 136	—	71 840	6 686
Total	144 399	19 334 118	71 840	6 686

* Gross revenue of goods and services include 100% of the income received in respect of sales where the Group also acts as an agent. Net revenue only includes the commission earned on the transactions where the group acts as an agent, representing the revenue attributable to the group.

4. Other income and expense items

4.1 Interest revenue

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Interest on trade and other receivables	—	103 256	—	—
Interest on instalment sale agreements	—	50 866	—	—
Other interest received	—	21 482	—	—
	—	175 604	—	—

4. Other income and expense items (continued)

4.2 Other income

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Administration fees received	—	10 704	—	—
Bad debts recovered	—	526	—	—
Commission received	—	520	—	—
Foreign exchange gains	—	1 210	—	—
Franchise fees	—	1 251	—	—
Insurance claims received	—	9 787	—	—
Packaging income	—	37 860	—	—
Rebates	—	3 686	—	—
Recoupment of utilities	—	8 257	—	—
Rental income	—	—	—	—
— Investment properties	—	2 260	—	—
— Other properties	712	7 494	—	—
SARS Employee tax incentive	—	3 569	—	—
Transport expenses recovered	—	5 387	—	—
Other	—	17 685	—	3 482
	712	110 196	—	3 482

4.3 Capital items

Capital items

Capital items disclosed in the Statement of profit or loss are disclosed separately as they are not deemed to form part of the Group's trade operations. Included in capital items are profits and losses realised on non-current assets, and impairment losses and reversals on non-current assets.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
(Loss)/Profit on disposal of property, plant and equipment	—	(1 692)	—	—
Net profit/(loss) on sale of investments	—	754	—	—
Net profit on sale of subsidiary	—	28 856	—	—
Change in investment entity status	—	298 317	—	1 084 682
Fair value adjustments (note 7)	—	2 387	—	—
Other fair value adjustments	—	(79)	—	—
Fair value adjustment on biological assets	—	447	—	—
Gain on lease modification	—	717	—	—
Impairment on loans and other receivables (note 7.3.4)	—	(69 871)	—	—
Impairment on biological assets	—	(10 903)	—	—
Long-term incentive schemes	—	(17 684)	—	—
Purchase price adjustment	—	667	—	—
Professional fees	(707)	(3 139)	—	—
Relocation costs	—	(5 338)	—	—
Other	—	486	—	—
	(707)	223 925	—	1 084 682

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

4. Other income and expense items (continued)

4.4 Expenses by nature

Leases

Payments associated with short-term leases, low-value assets and variable payments 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 furniture. Variable payments are determinable on revenue recognised in profit or loss.

Employee benefits

Retirement obligations

The Group participates in defined contribution retirement funds, in terms of which the Group pays contributions to the fund and related policies to a private and state-operated administrator on a contractual and compulsory basis. The Group has no legal or derivative obligation to pay any further contributions if the funds does not have sufficient assets to pay benefits to its members.

Post-employment medical obligations

The Group provides post-employment medical benefits in terms of a fixed contribution plan to a specific group of participating former employees by means of a contribution to their monthly costs. The post-employment medical benefit obligation and the cost of the benefit are determined annually by an independent actuary. Any surpluses or deficits between the actuarially determined obligation and the amounts provided during the year, are recognised in the liability and the Statement of profit or loss in the relevant year. The assumptions used include long-term estimates in the consumer price index and applicable discount rates. Actuaries use the projected credit unit method to determine the liability.

Performance incentive scheme

A performance incentive scheme was approved by the Board of Directors. The aim of the performance incentive scheme is to encourage employees to achieve specified agreed upon objectives and to acknowledge excellent performance. A liability for the performance incentive scheme is recognised under trade and other payables if an enforceable legal or contractual right exists to settle the liability. It is expected that the liability will be settled within twelve months. Financial goals must first be achieved before the liability is recognised.

Profit bonus

The Board of Directors of one of the subsidiaries in the Group may, if that Board is of the opinion that there is sufficient headline earnings of a operating entity, approve a profit bonus for distribution to clients in some of the subsidiaries who, through their purchases, enabled the subsidiaries in the Group to achieve sufficient headline earnings. The profit bonus policy is determined and approved by the Board of Directors of one of the subsidiaries in the Group. The profit bonus is recognised as an expense in the Statement of profit or loss as operating expenses.

Quality upgrading

The Board of Directors of one of the subsidiaries in the Group may, if that Board is of the opinion that there is sufficient headline earnings of a operating entity, approve a payment based on the actual additional income earned from outloading a better quality of grain than the actual quality at intake, which enabled the Group to achieve sufficient headline earnings. The quality upgrading policy is determined and approved by the Board of Directors of one of the subsidiaries in the Group. The quality upgrading is recognised as an expense in the Statement of profit or loss within operating expenses.

4. Other income and expense items (continued)

4.4 Expenses by nature (continued)

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Expenses by nature				
Changes in inventory of finished goods and work in progress	—	53 882	—	—
Purchase of goods	—	17 228 348	—	—
Employment remuneration and benefit expense				
Salaries and wages	21 779	657 713	—	—
Performance incentive scheme and share based payments	591	29 633	—	—
Retirement benefit cost	—	34 772	—	—
Other costs	234	21 403	—	—
Depreciation, amortisation & impairments				
Depreciation pertaining to property, plant and equipment	684	129 802	—	—
Depreciation on biological assets	—	12 725	—	—
Amortisation relating to intangible assets	—	43 801	—	—
External and internal auditors' remuneration				
Statutory external audit fee*				
– Current year provision	1 748	10 515	—	—
– Prior year under-/ (over-) provision	1 337	1 334	—	—
– Consulting, tax advisory and other fees paid	—	1 390	—	—
Internal audit fee	66	1 791	—	—
Advertising and marketing	—	25 382	—	—
Agent fees	—	14 503	—	—
Bad debts written off	—	3 264	—	—
Provision for impairment of trade receivables	—	5 185	—	—
Bank charges	—	15 149	—	—
Commission paid	—	30 616	—	—
Computer expenses	—	16 091	—	—
Delivery expenses	—	22 063	—	—
Entertainment	—	3 068	—	—
Foreign exchange losses	—	4 846	—	—
Fuel expenses	—	127 784	—	—
Freight on purchases	—	5 630	—	—
Guarantee premium	—	9 400	—	—
Handling fees	—	8 677	—	—
Insurance	—	30 666	—	—
Licence fees	751	12 891	—	—
Maintenance	—	87 462	—	—
Management fee paid to Acorn Private Equity (Pty) Ltd	—	29 895	—	—
Fund manager fee paid to Acorn Venture Partners (Pty) Ltd	8 109	—	—	—
Motor vehicle expenses	—	14 490	—	—
Packaging	—	143 191	—	—
Performance incentive provision	8 072	—	—	—
Printing and stationary	—	4 581	—	—
Professional, legal and consulting fees	864	37 445	—	—
Protective clothing	—	2 303	—	—
Rates and taxes	—	6 254	—	—
Rental paid (short term & variable)	—	27 300	—	—
Royalties paid	—	3 714	—	—
Safety expenses	—	2 797	—	—
Security	—	8 176	—	—
Subscriptions	—	5 422	—	—
Telephone expenses	—	5 241	—	—
Transportation expenses	—	75 369	—	—
Travel and accommodation	—	6 635	—	—
Water and electricity	—	53 213	—	—
Other costs	2 495	156 549	229	—
Total	46 730	19 200 333	229	—
Presented as:				
– Cost of Sales	—	17 877 374	—	—
– Sales and marketing costs	10	24 804	—	—
– Administration costs	46 491	237 750	—	—
– Operating expenses	229	1 060 405	229	—
Total	46 730	19 200 333	229	—

* The total external auditors' remuneration paid by the Company and its subsidiaries consist of the following:

- Current year provision
- Prior year under-(over-)provision
- Consulting, tax advisory and other fees paid

GROUP	
2024 R'000	2023 R'000
11 881	10 515
1 408	1 334
136	1 390

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

4. Other income and expense items (continued)

4.5 Finance income

Finance income is recognised in profit or loss using the effective interest method.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Bank	301	24 274	–	–
Total finance income	301	24 274	–	–

4.6 Finance costs

Finance costs are calculated using the effective interest rate method and included in profit or loss.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Bank	–	184 081	–	–
– Less interest capitalised on seed & property, plant & equipment	–	(1 226)	–	–
Shareholders loans	–	34 406	–	–
Lease liabilities	78	19 536	–	–
Instalment sale agreements	–	1 610	–	–
Other interest paid	–	9 326	–	–
	78	247 733	–	–

5. Income tax expense

The income tax expense for the period comprises current and deferred income tax. Income tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it will also be recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Major components of the tax expense				
Current				
Local income tax				
Current year	1 852	84 876	—	—
Prior year	—	73	—	—
Withholding tax	—	27	—	—
	1 852	84 976	—	—
Deferred				
Deferred income tax				
Current year	7 257	(8 813)	—	—
Prior year	—	898	—	—
	7 257	(7 915)	—	—
	9 109	77 061	—	—
Tax rate reconciliation				
Standard tax rate (%)	27.0	28.0	27.0	28.0
Permanent differences (%)	(24.8)	(9.9)	(27.0)	(28.0)
Non-deductible expenses (%)*	0.9	0.4	—	—
Exempt and non-taxable income (%)**	(25.7)	(0.7)	(27.0)	(28.0)
Prior year adjustments for income tax (%)	—	0.3	—	—
Impairments (%)	—	6.1	—	—
Accounting profit on sale of subsidiaries (non-taxable) (%)	—	(2.0)	—	—
Tax rate adjustment (%)	—	(0.2)	—	—
Net derecognition of deferred tax assets (%)	—	3.8	—	—
Deferred tax not provided for (%)	—	1.9	—	—
Change in investment entity status (%)	—	(19.7)	—	—
Other (%)	—	0.20	—	—
Effective rate (%)	2.3	18.1	—	—

* Includes legal fees, which are not in the production of income and thus non-deductible.

** Item relates to dividend income and fair value gains on investments at FYTPL

For details on deferred tax, refer to note 6.2.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

6. Non-financial assets and liabilities

6.1 Property, plant and equipment

All property, plant and equipment are shown at cost (including borrowing costs) less accumulated depreciation and impairment, except for land, which is shown at cost less impairment. The cost price includes costs directly attributable to the acquisition of the assets. Additional costs are either included in the carrying amount of the existing asset or recognised as an individual asset, as the case may be, only if it is probable that future economic benefits relating to the item will flow to the Group and the cost price of the item can be reliably measured. All repair and maintenance costs are recognised in the Statement of profit or loss in the financial period in which they were incurred.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. The result thereof is that all leases assets have been recognised on the balance sheet as Right of Use assets which had been previously been classified in profit or loss under the principles of IAS 17: Leases.

Depreciation is calculated according to the straight-line basis to decrease the cost price of each asset to the residual value of the asset over the expected useful life of the asset, as follows:

Machinery and equipment 4 to 30 years

The residual values and useful lives of assets are reviewed and adjusted, if necessary, on each reporting date. The carrying amount of an asset is immediately written down to the realisable amount thereof if the carrying amount of the asset exceeds it.

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 period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The useful life of the mining assets equals the estimated useful life of the mine. Depreciation of the capitalised costs of mining assets start at the time when the mining activities commence on the acquired mining assets.

Right-of-use assets

Right-of-use assets are presented within property, plant and equipment on the Statement of Financial Position.

On initial recognition the right-of-use asset is measured equal to:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease. Depreciation is calculated according to the straight-line basis.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment.

Buildings 5 years

The residual value, useful life and depreciation method of each asset are 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. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately. The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Group	2024			2023		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Machinery, motor vehicles and equipment	225	(114)	112	169	(72)	97
Right-of-use assets	3 211	(2 729)	482	3 211	(2 087)	1 124
Total	3 436	(2 843)	594	3 380	(2 159)	1 221

6. Non-financial assets and liabilities (continued)

6.1 Property, plant and equipment (continued)

Analysis of movements in carrying value:

Group – 2024	Opening carrying value R'000	Additions R'000	Depreciation R'000	Closing carrying value R'000
Machinery, motor vehicles and equipment	97	56	(42)	112
Right-of-use assets	1 124	–	(642)	482
Total	1 221	56	(684)	594

Group – 2023	Opening carrying value R'000	(Impairment loss)/ reversal of impairment loss R'000	Disposal of subsidiaries R'000	Additions R'000	Additions through Business Combinations R'000	Transfers R'000	Disposals R'000	Depreciation R'000	Change in investment entity status R'000	Closing carrying value R'000
Land and buildings	474 041	–	(15 398)	24 699	1 042	977	(9)	(14 395)	(470 957)	–
Machinery, motor vehicles and equipment	756 949	–	(76 450)	107 290	655	29 350	(7 524)	(80 465)	(729 708)	97
Right-of-use assets	107 414	–	–	89 198	–	–	(3 403)	(34 923)	(157 162)	1 124
Capital work in progress	41 215	–	–	32 173	–	(28 331)	–	–	(45 057)	–
Decommissioning assets	1 044	–	–	–	–	–	–	(19)	(1 025)	–
Total	1 380 663	–	(91 848)	253 360	1 697	1 996	(10 936)	(129 802)	(1 403 910)	1 221

	GROUP	
	2024 R'000	2023 R'000
Depreciation expense:		
– Cost of Sales	–	19 302
– Administration costs	684	1 293
– Operating expenses	–	109 207
Total	684	129 802
Leases:		
Right-of-use assets (carrying amounts)		
Land and buildings	482	1 124
Machinery, motor vehicles and equipment	–	–
Total	482	1 124
Depreciation charge of Right-of-use assets		
Land and buildings	642	34 477
Machinery, motor vehicles and equipment	–	446
Total	642	34 923

For additional disclosures on the lease expense, interest expense and lease liability refer to notes 4.4, 4.6 and 7.3 respectively.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

6. Non-financial assets and liabilities (continued)

6.2 Deferred tax

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. Management applies judgment to determine whether sufficient future taxable profit will be available after considering, amongst others, factors such as profit histories, forecasted cash flows and budgets.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Accelerated wear and tear allowances for tax purposes	49	85	—	—
Tax losses available for set-off against future taxable income	2 789	10 198	—	—
Provisions	4 352	4 164	—	—
	7 190	14 447	—	—

Analysis of movement in deferred tax balance

Group	February 2023			Recognised in profit or loss (Note 5)	February 2024		
	Assets	Liabilities	Total		Assets	Liabilities	Total
Accelerated wear and tear allowances for tax purposes	85	—	85	(36)	49	—	49
Tax losses available for set-off against future taxable income	10 198	—	10 198	(7 409)	2 789	—	2 789
Provisions	4 164	—	4 164	188	4 352	—	4 352
Total	14 447	—	14 447	(7 257)	7 190	—	7 190

Deferred taxation is calculated on all temporary differences according to the liability method and at a normal taxation rate of 27.00% (2023: 27.00%) for temporary differences and capital gains tax rate of 21.60% (2023: 21.60%).

7. Financial assets and liabilities

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Financial assets				
Financial assets at fair value through profit or loss (refer to note 7.1)	2 728 859	2 383 684	2 818 347	2 524 582
Financial assets at amortised cost (refer to note 7.2 and 12)	593 226	721 232	569 420	745 195
	3 322 085	3 104 916	3 387 767	3 269 777
Reconciliation of financial assets through profit or loss				
Opening balance	2 383 684	68 432	2 524 582	—
Investments acquired	—	35 886	—	—
Investments derecognised/sold	—	(40 585)	—	—
Fair value adjustments (note 4.3)	291 681	2 387	293 765	—
Investment held in AAF classified as treasury shares (note 2)	53 494	—	—	—
Sale of subsidiaries	—	(22 709)	—	—
Change in investment entity status	—	(43 411)	—	—
Change in investment entity status: Recognition of investment in subsidiaries	—	2 383 684	—	2 524 582
	2 728 859	2 383 684	2 818 347	2 524 582

The Group classifies its financial assets in categories dependent on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

7.1 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise of:

- Investments in subsidiaries (refer to Note 2)

Investments in equity instruments measured at fair value through profit or loss are recognised when the Company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition at fair value. Transactions costs are recognised through profit or loss. Investments in equity instruments are subsequently measured at fair value through profit or loss.

Changes in the fair value of financial assets at FVPL are recognised in profit or loss and presented separately.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Non-current assets				
Investments in subsidiaries (refer to Note 2)	2 728 859	2 383 684	2 818 347	2 524 582
Total financial assets at fair value through profit or loss	2 728 859	2 383 684	2 818 347	2 524 582

Refer to note 17 for details of fair value estimation.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

7. Financial assets and liabilities (continued)

7.2 Financial assets and liabilities at amortised cost

Financial assets at amortised cost comprise assets held for collection of contractual cash flow comprising solely payments of principal and interest.

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 direct transaction costs, if any.

Interest on these financial assets is calculated using the effective interest method and recognised in the statement of profit or loss as part of "finance income".

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

- (i) For trade receivables only, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
- (ii) For instalment sale receivables, the Group applies the general model due to the significant finance component.
- (iii) For loans to customers, as these are classified as loan receivables, the Group applies the general model for expected credit losses.

7.2.1 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. They are subsequently measured at amortised costs using the effective interest method, 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.

An impairment gain or 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 'other operating expenses' in profit or loss as a movement in credit loss allowance.

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Trade receivables at amortised cost (refer to 7.2.1.1 below)	2 711	2 544	—	—
Deposits	100	—	—	—
Less: Allowances for credit losses	—	—	—	—
Total trade and other receivables	2 811	2 544	—	—

Classification of trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

7. Financial assets and liabilities (continued)

7.2 Financial assets and liabilities at amortised cost (continued)

7.2.1 Trade and other receivables (continued)

Exposure to credit risk

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

In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, are continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

7.2.1.1 Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The loss allowance provision as at 29 February 2024 is determined as follows; the expected credit losses below also incorporate forward looking information.

	29 February 2024		28 February 2023	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 100% (2023: 100%)	2 711	—	2 532	—
More than 30 days due: 0% (2023: 0%)	—	—	—	—
More than 60 days due: 0% (2023: 0%)	—	—	8	—
More than 120 days due: 0% (2023: 0%)	—	—	3	—
Total	2 711	—	2 544	—

7.2.2 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value; these are classified as financial assets measured at amortised cost.

For purposes of the cash flow statements, cash and cash equivalents comprise cash and cash equivalents defined above, net of outstanding bank overdrafts.

Bank overdrafts are classified as financial liabilities at amortised cost.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash and cash equivalents consist of:				
Bank balances and cash on hand	52 381	5 108	—	—
	52 381	5 108	—	—
Current assets	52 381	5 108	—	—
Current liabilities	—	—	—	—
	52 381	5 108	—	—

Bank overdrafts & facilities available

Bank overdraft facility: AAF Invest (Pty) Ltd: Rand Merchant Bank – R100 million facility

AAF Invest (Pty) Ltd has approved facilities available amounting to R100 million (of which R50 million is uncommitted and R50 million committed). This facility has not been drawn upon as at 29 February 2024.

The general banking facility has the following terms:

- Security provided in terms of a revisionary pledge of shares in Kyron Holdings (Pty) Ltd and its equity interests;
- Cession and pledge on cash or receivable balances of AAF Invest (Pty) Ltd; and
- Acorn Agri & Food Limited remains publicly traded and Acorn Agri & Food Limited remains the sole shareholder of AAF Invest (Pty) Ltd.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

7. Financial assets and liabilities (continued)

7.3 Lease liabilities

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

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease required a significant judgement, the relevant disclosures are provided in the critical accounting assumptions and judgements section of these accounting policies.

Group as the lessee

A lease liability and corresponding right-of-use asset are recognized at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense (note 4.4) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the Group is a lessee are presented in note 7.3 (Group as lessee).

Lease liabilities are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable;
- exclude variable lease payments;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; 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.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 4.6).

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.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

7. Financial assets and liabilities (continued)

7.4 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Trade payables	7	45	–	–
Accrued expenses				
– audit fees	1 741	960	–	–
– leave	452	323	–	–
– performance incentive schemes	8 072	516	–	–
Deferred revenue	–	–	–	–
Loans to related parties	–	–	–	–
Other payables	8 142	16 006	2 187	2 337
Trade and other payables – financial liabilities (refer note 10)	18 414	17 850	2 187	2 337
Taxes and other statutory liabilities	2 502	1 439	–	–
Employee related accruals	–	–	–	–
Total trade and other payables	20 916	19 289	2 187	2 337

8. Equity – including earnings per share

8.1 Stated capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown as a decrease, after the deduction of income tax, of the returns in equity. Incremental costs directly attributable to the issue of new shares, or for the acquisition of a business, are recognised as a decrease of equity.

Ordinary shares are classified as equity.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Authorised 10 000 000 000 (2023: 10 000 000 000) ordinary shares with no par value	–	–	–	–
Issued 122 191 596 (2023: 135 744 609) ordinary shares with no par value	1 360 471	1 533 377	1 360 471	1 533 377
Analysis of movement in value of ordinary shares:				
Opening balance	1 533 377	1 720 671	1 533 377	1 720 671
Share repurchase programme	(112 906)	(36 269)	(112 906)	(36 269)
Treasury share repurchase	(60 000)	–	(60 000)	–
Shares exchanged for AgVentures shares	–	(36 648)	–	(36 648)
Cancellation of Acorn Manco 2 (Pty) Ltd share scheme	–	(114 377)	–	(114 377)
Closing balance	1 360 471	1 533 377	1 360 471	1 533 377
Less: Treasury shares (note 8.2)	(214 567)	(268 064)	(119 779)	(119 779)
Closing balance	1 145 904	1 265 313	1 240 693	1 413 597

	GROUP		COMPANY	
	2024	2023	2024	2023
Analysis of movement in number of ordinary shares:				
Opening balance	135 744 609	144 687 400	135 744 609	144 687 400
Issued during the year	–	–	–	–
Purchased during the year	(8 553 013)	(4 474 931)	(8 553 013)	(4 474 931)
Treasury share repurchase	(5 000 000)	–	(5 000 000)	–
Cancellation of Acorn Manco 2 (Pty) Ltd share scheme	–	(4 467 860)	–	(4 467 860)
Closing balance	122 191 596	135 744 609	122 191 596	135 744 609
Less: Treasury shares (note 8.2)	(12 811 389)	(16 205 756)	(6 221 688)	(6 221 688)
Closing balance	109 380 207	119 538 853	115 969 908	129 522 921

All shares issued by the Company were fully paid. Shares held by Acorn Manco (Pty) Ltd have been included as treasury shares.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

8. Equity – including earnings per share (continued)

8.2 Treasury shares

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Value of treasury shares				
Shares held by AAF Invest (Pty) Ltd, subsidiary of the Group	(84 262)	(138 370)	–	–
Shares held by Acorn Manco (Pty) Ltd, not a subsidiary of the Group	(119 779)	(119 779)	(119 779)	(119 779)
Shares held by Overberg Agri Bedrywe (Pty) Ltd, subsidiary of the Group	(10 526)	(9 916)	–	–
	(214 567)	(268 064)	(119 779)	(119 779)

	GROUP		COMPANY	
	2024	2023	2024	2023
Analysis of movement in number of treasury shares:				
Opening balance	16 205 756	14 281 545	6 221 688	10 689 548
Issued during the year	(318 026)	–	–	–
Purchased during the year	1 923 659	6 392 071	–	–
Treasury share repurchase	(5 000 000)	–	–	–
Cancellation of Acorn Manco 2 (Pty) Ltd share scheme	–	(4 467 860)	–	(4 467 860)
Closing number of treasury shares	12 811 389	16 205 756	6 221 688	6 221 688

The Acorn Manco 2 (Pty) Ltd long-term incentive bonus scheme was dissolved during the prior year, and the issue of the Company shares and the Acorn Manco 2 (Pty) Ltd preference shares were voided. No compensation was paid to the shareholders of Acorn Manco 2 (Pty) Ltd to dissolve the scheme, nor any amount since initiation of the scheme.

As part of the amalgamation between Overberg Agri Ltd and Acorn Agri (Pty) Ltd on 2 May 2018 a structured entity (Acorn Manco), owned by the new executive management of Acorn Agri and Food Limited (AAF Group), purchased shares (approximating 7.5% of issued share capital at date of amalgamation). Acorn Manco funded this purchase by issuing preference shares that were subscribed to by the AAF Group at the same price as the share issue of R25.60 per share. The funding, in the form of preference shares, provides for a cumulative preference share dividend at a coupon rate of 6% per annum and redeemed at the nominal value over a set period of 10 years.

For IFRS disclosure purposes, AAF Group has in substance given the shareholders of Acorn Manco an option to acquire shares in the AAF Group as part of a long term incentive strategy. Due to the limitation of the recovery of the preference share funding provided by the AAF Group that the shareholders of Acorn Manco are exposed to, the risks and rewards of the AAF shares do not, according to IFRS disclosure requirements, transfer to the shareholders of Acorn Manco. The AAF shares held by Acorn Manco is therefore classified as treasury shares and the preference share funding are shown against the treasury shares in the AAF Group financial statements resulting in no financial implication for the AAF Group for disclosure purposes.

Additionally, AAF Invest (Pty) Ltd and Overberg Agri Bedrywe (Pty) Ltd, both 100% subsidiaries of the company holds shares in AAF Group that gives rise to additional treasury shares in the consolidated financial statements. During the current and previous year the board approved a share repurchase scheme whereby company shares to the value of R139 million (2023: R159 million) was repurchased from shareholders, or exchanged as part of the AgVentures (Pty) Ltd disposal in the prior year.

8. Equity – including earnings per share (continued)

8.3 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the financial year.

	GROUP	
	2024 000	2023 000
Number of weighted shares in issue		
Total shares in issue – weighted	130 546	139 148
Treasury shares – weighted	(12 943)	(10 068)
Net weighted shares in issue	117 603	129 080
Weighted average number of net shares in issue	117 603	129 080
Adjusted for effect of future share-based compensation payments*	–	–
Diluted weighted average number of shares	117 603	129 080

* Acorn Manco (Pty) Ltd dilutive impact has not been disclosed due to the fact that this company is currently in a net liability position and would thus not result in a dilutive event as at 29 February 2024.

8.3.1 Earnings per share

	GROUP	
	2024	2023
<i>Continuing operations:</i>		
Profit attributable to ordinary shareholders (rand)	380 469	296 737
Earnings per ordinary share (cents)	323.5	229.9

8.4 Net asset value (NAV) per share

	GROUP	
	2024 000	2023 000
Number of shares in issue		
Total shares in issue	122 192	135 745
Treasury shares	(12 811)	(16 206)
Net shares in issue – at year end	109 380	119 539
Shareholders' funds attributable to owners of the parent (rand)	3 273 486	3 080 055
Total NAV per share (cents)	2 993	2 577

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

8. Equity – including earnings per share (continued)

8.5 Dividends paid

Dividends declared to the Group's shareholders are recognised in the Group's financial statements in the period in which dividends are approved by the Group's directors.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Balance at the beginning of the year	–	–	–	–
Distribution to shareholders	(67 628)	(65 073)	(71 050)	(70 110)
Balance at the end of the year	–	–	–	–
	(67 628)	(65 073)	(71 050)	(70 110)
The company has declared the following cash distributions to shareholders:				
Ordinary dividend (cents)			55.0	50.0

9. Notes to the cash flow statements

9.1 Cash generated from operations

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Profit before tax	389 579	424 778	365 376	1 094 850
Change in investment entity status	–	(298 317)	–	(1 084 682)
Adjustments for:				
Depreciation and amortisation	684	187 485	–	–
Loss (profit) on sale of assets	–	1 692	–	–
Fair value adjustments	(291 681)	(2 387)	(293 765)	–
Profit on sale of investment in subsidiary	–	(28 856)	–	–
Income from equity accounted investments	–	(2 014)	–	–
Finance income received	(301)	(24 274)	–	–
Finance costs	78	247 733	–	–
Reversal of impairment on biological assets	–	10 903	–	–
Reversal of impairment on loans	–	69 871	–	–
Change in fair value of biological assets	–	133 081	–	–
Provision for post-employment medical benefits	–	(885)	–	–
Accrual for performance incentive	–	(9 484)	–	–
Accrual for profit bonus	–	3 879	–	–
Movement in long term incentive	–	25 172	–	–
Provision for impairment of receivables	–	5 185	–	–
Bad debts written off	–	3 264	–	–
Provision for rehabilitation of mining land	–	138	–	–
Foreign exchange gains	–	3 636	–	–
Provision for stock write-offs	–	86	–	–
Dividends received: non-cash	(65 136)	–	(71 840)	–
Other non-cash flow items	–	(3 705)	–	–
Changes in working capital:				
Decrease in inventories	–	(96 686)	–	–
Decrease/(increase) in trade and other receivables	(274)	(853 675)	–	–
Increase/(decrease) in trade and other payables	1 633	447 395	(150)	(1 145)
Production borrowings	–	221 099	–	–
	34 582	465 114	(378)	9 023

9. Notes to the cash flow statements (continued)

9.2 Tax paid

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Opening balance as per statement of financial position	—	15 408	—	—
Current tax for the year recognised in statement of profit or loss (refer note 5)	(1 852)	(84 976)	—	—
Acquired through business combinations	—	(126)	—	—
Disposal of subsidiaries	—	(74)	—	—
	(1 852)	(69 768)	—	—
Change in investment entity status	—	(27 413)	—	—
Closing balance in statement of financial position	887	—	—	—
	(966)	(97 181)	—	—

9.3. Net debt reconciliation

Analysis of net debt and movements of net debt for each period presented:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash and cash equivalents	52 381	5 108	—	—
Lease liabilities	(629)	(1 364)	—	—
Loans from group companies	(33 952)	(19 877)	—	—
Net debt	17 800	(16 133)	—	—

	Cash and cash equivalents R'000	Lease liabilities R'000	Loans from group companies R'000	Total R'000
Net debt as at 01 March 2022	4 182	—	(11 876)	(7 694)
Cash flows	926	—	—	926
Advances	—	—	(70 751)	(70 751)
Repayments	—	—	62 750	62 750
Interest expense	—	—	—	—
Interest paid	—	—	—	—
Additions: non-cash flows	—	(1 364)	—	(1 364)
Net debt as at 28 February 2023	5 108	(1 364)	(19 877)	(16 133)
Cash flows	47 273	—	—	47 273
Advances	—	—	(71 200)	(71 200)
Repayments	—	735	57 124	57 859
Interest expense	—	(78)	—	(78)
Interest paid	—	78	—	78
Non-cash flows	—	—	—	—
Net debt as at 29 February 2024	52 381	(629)	(33 952)	17 800

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

Risk

10. Financial Risk Management

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

	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Financial instruments by category				
Assets as per statement of financial position				
Financial assets at amortised cost				
Trade and other receivables (refer note 7.2.1)	2 811	2 544	–	–
Cash and cash equivalents (refer note 7.2.2)	52 381	5 108	–	–
Loans to subsidiaries (refer note 12)	538 035	713 581	569 420	745 195
Total financial assets	593 226	721 233	569 420	745 195
Liabilities as per statement of financial position				
Financial liabilities at amortised cost				
Lease liability (refer to 7.3)	629	1 364	–	–
Loans from subsidiaries (refer note 12)	33 952	19 877	–	–
Trade and other payables (refer note 7.4)	18 414	17 850	2 187	2 337
Total financial liabilities	52 995	39 091	2 187	2 337

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of market prices. Market risk comprises equity price risk, interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include other financial assets, trade and other receivables, cash and cash equivalents and borrowings.

Hedging is conducted in very limited circumstances.

10. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Equity price risk

The Group is exposed to equity price risk in respect of the investments held in in shares. Refer to note 7.1.

Sensitivity analysis

A variation of 20% change in the carrying amount of the following investments would result in the following effect on total comprehensive income:

	Statement of financial position	Statement of comprehensive income	
	R'000	Movement in basis points	Effect on total comprehensive income after tax R'000
2024			
Group			
Financial assets at fair value through profit or loss (FVPL) (refer note 2 and 7.1)	2 728 859	+20%	398 413
		-20%	(398 413)
2023			
Group			
Financial assets at fair value through profit or loss (FVPL) (refer note 2 and 7.1)	2 383 684	+20%	343 251
		-20%	(343 251)

(ii) Interest rate risk

The Group's interest rate risk arises from other loans receivable, cash and cash equivalents, borrowings and other financial liabilities as set out in note 7. Cash and cash equivalents invested and borrowings obtained at variable interest rates expose the Group to cash flow interest rate risk.

The Group's policy is to invest cash and cash equivalents and to obtain borrowings at variable interest rates and not to make use of any interest rate derivatives, which expose the Group to cash flow interest rate risk in South Africa.

Sensitivity analysis

Interest rate risks are presented by way of sensitivity analysis in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense, other income components and, if appropriate, shareholders' equity.

The Group measures sensitivity to interest rates as the effect of a change in the Reserve Bank repo rate on the profit after tax based on the Group's exposure at reporting date. The Group regards a 100 basis points (2023: 100 basis points) change in the Reserve Bank repo rate as being reasonably possible at the end of the reporting periods.

	Statement of financial position	Statement of comprehensive income	
	R'000	Movement in basis points	Effect on profit after tax R'000
2024			
Group			
Cash and cash equivalents	52 381	+100	382
		-100	(382)
2023			
Group			
Cash and cash equivalents	5 108	+100	37
		-100	(37)

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

10. Financial Risk Management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risks from its operating activities. Credit risk arises principally from accounts receivable and, to a lesser extent, from other third-party contractual financial obligations such as other financial assets and short-term bank deposits in note 7.

The Group did not consider there to be any significant credit risk exposure which has not been adequately provided for.

The maximum exposure to credit risk is presented in the table below:

	Gross Carrying amount	2024 Credit loss allowance	Amortised cost/fair value	Gross Carrying amount	2023 Credit loss allowance	Amortised cost/fair value
Total financial assets at amortised cost	593 226	–	593 226	721 233	–	721 233
Trade and other receivables	2 811	–	2 811	2 544	–	2 544
Cash and cash equivalents	52 381	–	52 381	5 108	–	5 108
Loans to group companies	538 035	–	538 035	713 581	–	713 581

The Group's concentration of credit risk is limited to South Africa.

(i) Trade receivables

For exposure to credit risk identified by the Company, refer to note 7.2.1 for further details disclosed.

(ii) Cash and cash equivalents

The Group limits its counterparty exposure arising from bank accounts/call deposits by only dealing with well-established financial institutions of high credit standing. Credit exposure is controlled by counterparty limits that are reviewed and approved by the board annually.

The group invests surplus cash with approved Baa3 national short-term rated (according to Moody's short-term rating) financial institutions:

Financial Institution:	Credit rating		Amount	
	2024	2023	2024	2023
Nedbank	Baa3	Ba1	52 381	5 108
			52 381	5 108

(iii) Financial guarantees

Credit risk arises in relation to financial guarantees given to certain parties.

Refer to note 13 for details of guarantees provided.

(iv) Other financial assets

Refer to note 7 for details.

10. Financial Risk Management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities, when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its cash flow requirements through monthly cash forecasts which includes the servicing of financial obligations, but excludes the potential impact of extreme circumstances that cannot reasonably be predicted. To assist, strict credit control and debt monitoring processes are applied.

Surplus cash over and above the balance required for working capital management, is transferred to the Group treasury. Group treasury invests surplus cash in interest-bearing current accounts and call deposits to provide sufficient headroom as determined by the abovementioned forecasts.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The following table details the Group's undiscounted contractual maturities for its financial liabilities:

Group	Carrying values R'000	Total cash flows R'000	Less than 1 year R'000	Between 1 and 5 years R'000	More than 5 years R'000
At 29 February 2024					
Lease liabilities	629	646	646	—	—
Trade and other payables	20 916	20 916	20 916	—	—
Loans from group companies	33 952	33 952	33 952	—	—
	55 497	55 513	55 513	—	—
At 28 February 2023					
Lease liabilities	1 364	1 458	812	646	—
Trade and other payables	19 289	19 289	19 289	—	—
Loans from group companies	19 877	19 877	19 877	—	—
	40 529	40 623	39 977	646	—

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

Group structure

11. Investment in subsidiaries

Basis of consolidation

(a) Basis of consolidation

Group financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Statement of profit or loss, and its share of post acquisition movements in other comprehensive income of the investee is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

In some cases, the group has a joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations with that type of joint arrangement. A joint arrangement is either a joint operation or a joint venture. A joint operation is an arrangement whereby the parties have joint control where decisions about the relevant activities requires unanimous consent of the parties sharing control and have rights to the assets, and obligations for the liabilities relating to the arrangement. A joint venture is whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Management applies significant judgement in determining this classification. A joint operation accounts for the assets, liabilities, revenues and expenses relating to its involvement in a joint operation. A joint venture recognises its interest in a joint venture as an investment and account for that investment using the equity method in accordance with IAS 28, Investments in Associates and Joint Ventures.

Intergroup transactions, balances and unrealised surpluses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are in line with the Company. Similar transactions within the Group are accounted for in the same manner.

The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements shall have the same reporting date. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so. If it is impracticable to do so, the parent shall consolidate the financial information of the subsidiary using the most recent financial statements of the subsidiary adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements. In any case, the difference between the date of the subsidiary's financial statements and that of the consolidated financial statements shall be no more than three months, and the length of the reporting periods and any difference between the dates of the financial statements shall be the same from period to period.

Company financial statements

Investments in subsidiaries are initially recognised at cost.

Investments in subsidiaries are subsequently measured at cost less any accumulated impairment.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between the share acquired of the carrying value of net assets of the subsidiary and the purchase consideration is recorded in retained earnings within equity.

Gains or losses on disposals of ownership interests to non-controlling interests are also recorded in retained earnings within equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

11. Investment in subsidiaries (continued)

Company

Name of entity	% holding 2024	% holding 2023	Carrying amount 2024 R'000	Carrying amount 2023 R'000
<i>Investments held directly by the company</i>				
AAF Invest (Pty) Ltd	100%	100%	2 818 347	2 524 582
AAF Services (Pty) Ltd	100%	100%	–	–
<i>Movement for the year</i>				
Opening balance			2 524 582	1 439 900
Fair value adjustment (Note 2)			293 765	1 084 682
Closing balance			2 818 347	2 524 582
Analysis of non-current assets and current assets:				
Non-current assets				
Investments in subsidiaries			2 818 347	2 524 582
Loans to subsidiaries				
– AAF Invest (Pty) Ltd			331 715	–
Current assets				
Loans to subsidiaries			569 420	745 195
– AAF Invest (Pty) Ltd			206 320	713 581
– AAF Services (Pty) Ltd			31 385	31 614
			3 387 767	3 269 777

These loans are unsecured, interest-free and are repayable on demand. The carrying value represents the fair value of the loans.

Name of entity	Carrying amount 2024 R'000	Carrying amount 2023 R'000
Non-current assets		
Loans to subsidiaries		
– AAF Invest (Pty) Ltd	331 715	–
Current assets		
Loans to subsidiaries		
– AAF Invest (Pty) Ltd	206 320	713 581
Current liability		
Loans from group companies		
– AAF Invest (Pty) Ltd	33 952	19 877

These loans are unsecured, interest-free and are repayable on demand. The carrying value represents the fair value of the loans.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

12. Related parties

Individuals or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel are defined as all directors of Acorn Agri and Food Limited.

Subsidiaries

During the year under review, the Company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with related parties. For a list of the Group's subsidiaries, refer to note 11.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Related party balances				
Loans (from)/to related parties				
AAF Invest (Pty) Ltd	538 035	713 581	538 035	713 581
AAF Invest (Pty) Ltd	(33 952)	(19 877)	—	—
AAF Services (Pty) Ltd	—	—	31 385	31 614
	504 082	693 704	569 420	745 195
Investment in subsidiaries				
AAF Invest (Pty) Ltd	—	—	2 818 347	2 524 582
	—	—	2 818 347	2 524 582
Trade receivables				
Portfolio companies of AAF Invest (Pty) Ltd	2 685	—	—	—
Trade payables				
Portfolio companies of AAF Invest (Pty) Ltd	7	—	—	—
Related party transactions				
Sale of goods and services				
Packing material sold to Berekisanang Empowerment Farm (Pty) Ltd (a joint venture of ACG Fruit (Pty) Ltd)	—	40 065	—	—
Directors	—	31 600	—	—
Purchases of goods and services				
Portfolio companies of AAF Invest (Pty) Ltd	29	—	—	—
Commission received				
Berekisanang Empowerment Farm (Pty) Ltd – payable	—	7 698	—	—
Key personnel remuneration				
Short term employee benefits	—	3 808	—	—
Dividends received from subsidiaries				
Intergroup dividends received on shareholding	—	—	71 840	6 686
Interest paid				
Shareholders	—	34 406	—	—
Interest received				
Berekisanang Empowerment Farm (Pty) Ltd	—	18 947	—	—
Administration fees received				
Portfolio companies of AAF Invest (Pty) Ltd	79 263	—	—	—
Berekisanang Empowerment Farm (Pty) Ltd	—	1 964	—	—
Administration fees paid				
Portfolio companies of AAF Invest (Pty) Ltd	8 124	—	—	—
Fund manager fees paid				
Acorn Venture Partners (Pty) Ltd	8 109	—	—	—

12. Related parties (continued)

Directors

Remuneration

Details relating to executive and non-executive directors' remuneration are disclosed in note 16.

Treasury shares

Refer to Note 8.2.

Unrecognised items

13. Contingencies

Guarantees

Acorn Agri & Food Ltd provided a surety to Moov Fuel (Pty) Ltd pertaining to a short-term debtors facility amounting to R123 million.

14. Going concern

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

15. Events after the reporting period

The board is not aware of any significant events after the reporting date that will have a material effect on the group's results or financial position as presented in these financial statements, other than:

AAF Invest (Pty) Ltd acquired a 36% stake in Interaction Marketing Services Holdings (Pty) Ltd (trading as RSA Group), subject to the fulfillment of the conditions precedent, for a purchase consideration of R214 million, settled with the issue of 10 480 000 AAF shares, held by AAF Invest (Pty) Ltd, for R16 per share, and a deferred consideration portion, to be settled with cash or AAF shares, that remains outstanding until November 2026 based on the outcome of certain contractual terms agreed.

AAF Invest have further purchased 1 268 429 AAF shares for a consideration of R14.6 million after year end.

Employee benefits and costs

16. Directors' and prescribed officers' emoluments

Directors' and prescribed officers' basic salary and allowances

2024

Executive

The Executive Directors of AAF are appointed through AAF's investment management agreement with Acorn Venture Partners (Pty) Ltd. Refer to Note 12.

	Fees for services R'000	Total R'000
Non-executive		
DG de Kock	601	601
CD Flemming	107	107
RE Goff *	—	—
CA Smith	353	353
DCH Uys	359	359
MR van Breda	319	319
AJ van der Merwe	228	228
J van Zyl *	—	—
JCT Viljoen	288	288
YJ Visser	569	569
Total	2 824	2 824

* These non-executive directors of AAF are appointed through AAF's investment management agreement with Acorn Venture Partners (Pty) Ltd. Refer to note 12.

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

16. Directors' and prescribed officers' emoluments (continued)

Directors' and prescribed officers' basic salary and allowances (continued)

2023

	Guaranteed package R'000	Performance incentive R'000	Employment termination and contracting fees R'000	Other allowances R'000	Total R'000
Executive					
LE Coetzer	2 139	259	4 000	55	6 453
AL Geertsema	2 000	270	—	6	2 276
P Malan	1 716	156	—	—	1 872
AC Neethling	1 246	—	—	—	1 246
AJ Uys	2 907	733	6 000	107	9 747
	10 008	1 418	10 000	168	21 594
				Fees for services R'000	Total R'000
Non-executive					
DG de Kock				562	562
CD Flemming				314	314
RE Goff				323	323
CA Smith				314	314
DCH Uys				314	314
MR van Breda				408	408
JHP van der Merwe				131	131
AJ van der Merwe				224	224
J van Zyl				79	79
YJ Visser				527	527
				3 196	3 196

Directors' shareholding

Please refer to the directors' report for further disclosure regarding the directors respective shareholding in the Company.

Other

17. Fair value estimation

Items measured at fair value on the statement of financial position are classified according to a fair value hierarchy. The fair value hierarchy is identified in levels as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value:

	GROUP			
	Level 1	Level 2	Level 3	Total balance
At 29 February 2024				
Assets				
<i>At fair value through profit or loss</i>				
Investment in subsidiaries (refer to Note 2)	–	–	2 728 859	2 728 859
Total assets	–	–	2 728 859	2 728 859
At 28 February 2023				
Assets				
<i>At fair value through profit or loss</i>				
Investment in subsidiaries (refer to Note 2)	–	–	2 383 684	2 383 684
Total assets	–	–	2 383 684	2 383 684

The Group's fair value pertaining to investment in subsidiaries requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities included in the forecasts. Other estimates pertain to macro economic forecasts including long term growth rates, inflation rates and the weighted cost of capital. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying value of the asset or liability affected in the future.

	COMPANY			
	Level 1	Level 2	Level 3	Total balance
At 29 February 2024				
Assets				
<i>At fair value through profit or loss</i>				
Investment in subsidiaries (refer to Note 2)	–	–	2 818 347	2 818 347
Total assets	–	–	2 818 347	2 818 347
At 28 February 2023				
Assets				
<i>At fair value through profit or loss</i>				
Investment in subsidiaries (refer to Note 2)	–	–	2 524 582	2 524 582
Total assets	–	–	2 524 582	2 524 582

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

17. Fair value estimation (continued)

The following changes in fair value pertaining to key assumptions would result in a difference in fair value as at 29 February 2024:

Indirect investments: Valuation based on discounted cash flow

	Change in weighted average cost of capital	Impact on profit or loss	Change in long term growth rate	Impact on profit or loss
Kyron Holdings (Pty) Ltd and its subsidiaries	+1%	(102 560)	+0.5%	35 694
	-1%	124 437	-0.5%	(32 478)
Overberg Agri Bedrywe (Pty) Ltd and its subsidiaries	+1%	(76 162)	+0.5%	25 924
	-1%	87 457	-0.5%	(24 244)
Moov Fuel (Pty) Ltd and its subsidiaries	+1%	(66 415)	+0.5%	23 145
	-1%	78 906	-0.5%	(21 293)
Bontebok Limeworks (Pty) Ltd	+1%	(13 250)	+0.5%	4 064
	-1%	15 464	-0.5%	(3 771)
Overberg Meat (Pty) Ltd	+1%	(3 574)	+0.5%	1 043
	-1%	4 258	-0.5%	(962)
Total	+1%	(261 961)	+0.5%	89 870
Total	-1%	310 522	-0.5%	(82 749)

Indirect investments: Valuation based on asset valuation

	Change in value of underlying external property valuations	Impact on profit or loss
ACG Fruit (Pty) Ltd and its subsidiaries	+ 5%	14 739
	- 5%	(14 739)
Boltfast (Pty) Ltd	+ 5%	1 046
	- 5%	(1 046)
Total	+ 5%	15 786
Total	- 5%	(15 786)

17. Fair value estimation (continued)

The following changes in fair value pertaining to key assumptions would result in a difference in fair value as at 28 February 2023:

Indirect investments: Valuation based on discounted cash flow

	Change in weighted average cost of capital	Impact on profit or loss	Change in long term growth rate	Impact on profit or loss
Kyron Holdings (Pty) Ltd and its subsidiaries	+1%	(96 223)	+0.5%	34 437
	-1%	117 953	-0.5%	(31 218)
Overberg Agri Bedrywe (Pty) Ltd and its subsidiaries	+1%	(64 322)	+0.5%	22 338
	-1%	74 350	-0.5%	(20 810)
Moov Fuel (Pty) Ltd and its subsidiaries	+1%	(62 107)	+0.5%	21 998
	-1%	74 183	-0.5%	(20 207)
Bontebok Limeworks (Pty) Ltd	+1%	(14 711)	+0.5%	4 562
	-1%	17 051	-0.5%	(4 250)
Overberg Meat (Pty) Ltd	+1%	(3 797)	+0.5%	1 125
	-1%	4 453	-0.5%	(1 040)
Total	+1%	(241 160)	+0.5%	84 459
Total	-1%	287 990	-0.5%	(77 525)

Indirect investments: Valuation based on asset valuation

	Change in value of underlying external property valuations	Impact on profit or loss
ACG Fruit (Pty) Ltd and its subsidiaries	+ 5%	15 235
	- 5%	(15 235)
Boltfast (Pty) Ltd	+ 5%	1 550
	- 5%	(1 550)
Total	+ 5%	16 785
Total	- 5%	(16 785)

Notes to the annual financial statements (continued)

for the year ended 29 February 2024

18. New and amended standards

Standards, interpretations and amendments to published standards effective in 2024

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:

Amendment to IAS 1, Presentation of Financial Statements on Classification of Liabilities as Current or Non-current (effective from 1 January 2022). The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.

Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023 and earlier application is permitted). The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Narrow scope amendments to IAS 1, Presentation of Financial Statements, Practice statement 2 and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (effective from 1 January 2023 and earlier application is permitted). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

The aggregate impact of the initial application of the new effective standards and interpretations on the Group's annual financial statements is immaterial.

Standards, interpretations and amendments to published standards not yet effective

The following standards, interpretations and amendments to published standards are compulsory for and applicable to the Group's future accounting periods beginning on or after 1 March 2024:

Amendments to IAS 1, Non-current liabilities with covenants (effective from 1 January 2024). The amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to IFRS 16, Leases on sale and leaseback (effective from 1 January 2024). The amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Management does not anticipate that any of these changes will have a material impact on the financial statements of the Group, however, management will consider the full impact of these standards published but not yet effective up until the date of adoption. The Group expects to adopt the amendment for the first time in the 2025 annual financial statements.

Shareholders' information

Introduction

Acorn Agri & Food's shares are traded over the counter as share transactions are negotiated directly and bilaterally between willing buyers and sellers of shares. Our share administration desk facilitates the identification of willing buyers and sellers and acts as an administrator. This includes providing parties with the required documentation and updating the securities register after the conclusion of transactions.

Shareholder Analysis

Share price performance

Opening price – 1 March 2023	R10.80
Closing price – 29 February 2024	R13.70*
High for the period	R14.00
Low for the period	R10.40
Total number of shares traded	10 872 467**
Total value of shares traded	R142 818 197**
Total number of shares traded (excluding shares purchased and repurchased)	675 795**
Total value of shares traded (excluding shares purchased and repurchased)	R7 666 158**
Total number of issued shares	122 191 596
Total number of issued shares – net of shares held by subsidiary companies as defined by the Companies Act	115 601 895
Total number of issued shares – net of treasury shares as reported per IFRS Accounting Standards	109 380 207
Total number of shares traded as % of total issued shares (average liquidity)	8.90%
Total number of shares traded as % of total issued shares, excluding the shares purchased or repurchased pursuant to a share repurchase programme (liquidity)	0.55%

* Closing share price includes the shares purchased and repurchased pursuant to the share repurchase programme implemented at the end of February 2024.

** Excludes trades made within nominee companies, off-the-market transactions, the 5 million shares repurchased from AAF Invest (Pty) Ltd and the transfer of the 100 000 post-consideration shares to Acorn Agri (Pty) Ltd.

For the financial year ended 29 February 2024, AAF repurchased and AAF Invest (Pty) Ltd purchased a total of 10 476 672 (2023: 8 578 638) shares at a total value of R139 million (2023: R122 million). AAF repurchased 5 000 000 ordinary shares from AAF Invest (Pty) Ltd during the financial year in accordance with ordinary resolution 8 passed at the 2023 annual general meeting. In addition, Overberg Agri purchased 280 000 (2023: 339 021) Acorn Agri & Food Ltd shares in lieu of its customer loyalty programme during the year.

Shareholder distribution

Public shareholders	68.66%
Non-public shareholders	31.34%
Non-executive directors	18.91%
Executive directors	7.04%
Shares held by subsidiaries*	5.39%

* AAF Invest (Pty) Ltd and Overberg Agri Bedrywe (Pty) Ltd hold Acorn Agri & Food Ltd shares.

Major beneficial shareholders

The following beneficial shareholders owned 5% or more of the issued ordinary shares as of 29 February 2024:

UBI General Partner (in its capacity as the General Partner of the ARC Fund)	12.12%
Agulhas Nominees (Pty) Ltd	9.82%
Emfam Beleggings (Pty) Ltd	8.18%
Bremer Investments (Pty) Ltd	5.78%
Acorn Manco (Pty) Ltd	5.09%

Corporate information

Acorn Agri & Food Limited

Incorporated in the Republic of South Africa
Registration number: 1998/001018/06
Income tax number: 9038032026
Telephone number: +27 (0)21 852 2887
Website: www.acornagri.co.za

Registered Address

Unit C2 The Beachhead
10 Niblick Way
Somerset West 7130

Postal Address

P O Box 3360
Somerset West 7129

Company Secretary

Annmarie Steyn
Email: annmarie@acorn.co.za

Auditors

PricewaterhouseCoopers Inc.

Principal Bankers

Nedbank Ltd
Rand Merchant Bank, a division of FirstRand Limited



www.acornagri.co.za