



INTEGRATED REPORT

FOR THE YEAR ENDED 30 JUNE 2021

AH-VEST LIMITED



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CHIEF EXECUTIVE OFFICER'S REPORT

It gives me great pleasure to present the Chief Executive Officer's report for the year ended 30 June 2021.

Impact of Covid-19

As we went into the second year of the COVID-19 pandemic there was an impact on the business during the period under review in that the customers tightened their buying patterns, resulting in reduced turnover in this year. The business was fortunate to be in this position where turnover only reduced by 8.3%. There was financial pressure on consumers as many lost their jobs and some had their remuneration reduced as businesses struggled to stay afloat.

We continued to focus on the health and wellness of our staff and the safety of our customers. We continued to ensure the continuity of our operations, safeguarding liquidity, and strengthening the balance sheet. Generating and preserving cash in our working capital management continues to be paramount. Non-essential capital expenditure and costs have been deferred.

The Group has considered the JSE COVID-19 related guidance notes, as well as the related educational documents prepared by SAICA regarding the impact of COVID-19 on the application of IFRS, in the preparation of these financial statements. Inventory and debtor provisions have been reviewed, without any material movements in income statement adjustments compared to the prior year.

July Riots

The civil unrest that occurred in Gauteng and KZN in July did not have a direct impact on the business as no property or assets were damaged during the looting and destruction that was witnessed by the nation. However, a lot of damage was suffered by some of our customers in both the retail and the independent trade. We have been assisting the customers that have been impacted to rebuild their businesses according to our ability.

Capital Raising Road Show

Management requested permission from the Board to proceed with a R30m capital raise, R20m which will be applied to working capital and the remaining R10m to fixed assets including plant and equipment, particularly end of line equipment for the factory. The capital was to be raised by means of a private placement and AcaciaCap assisted the Group in this regard. Some interested investors decided not to proceed due to a variety of reasons. Currently there are 3 interested parties who have signed Non-Disclosure Agreements.

Transformation and BBBEE – Broad Based Black Economic Empowerment and employment equity

The business obtained a Level 3 BBBEE rating. Management is focused on improving this rating further to at least a level 2 in the short term. The implementation of the employment equity plan continues as set out in our submissions to the Department of Labour.

Corporate Governance

The Board remains resolute in its principles on corporate governance. King IV recommendations continue to be implemented in the culture of the business as well as across all the governance structures of the business. The Board is responsible for ensuring that the business adheres to the requirements of the Companies Act 2008 as well as the JSE Listings Requirements. A separate report on corporate governance is included in the integrated report.

Financial Review

A review of the financial performance of the Group the year ended 30 June 2021 is set out below.

Revenue has decreased from R196.5m from the year ended 30 June 2020 to R180.2m for the year ended 30 June 2021, a decrease of 8.3%. This can be attributed to a decrease in demand after consumers settled from the panic buying observed in the prior year. Demand has now stabilised. The Group also improved its service levels in the period under review from 89% to 91.5%, in the prior year. The target service level expected by our major customers is 95% and remains the target for management going forward.

Gross profit margins increased from 37.7% to 41.9% in the current year. This was mainly attributable to improved production efficiencies and stringent cost control in the facility.

Management continues to improve on production capacity and is anticipating a further improvement in performance in the next period as demand remains strong for the Group's products. Synergies continue to be realised from the Group's controlling shareholder, the Eastern Trading Group, as processes continue to be rationalised as well as improvement in shared services are bearing fruit.

Operating expenses increase by 7.3%, 2.4 percentage points higher than inflation. The main increase related to costs associated with training and development, otherwise operating expenses were well contained.

Other operating income increased from R0.8m to R4.8m an increase of R4m. This was mainly made up of a training grant from the FoodBev SETA to train both employed and unemployed youths.

Investment revenue increased from R0.6m to R1.2m, an increase of R0.6m. The interest income is from the shareholder loan.

The profit before taxation increased from R10.4m to R12.8m, an increase of R2.4m (22.9%). Profit after taxation increased from R8.1m to R10.2m, an increase of R2.1m (25.6%). This was mainly due to the improved gross profit margin, training grants received and decrease in finance costs.

During the year, the Group purchased property plant and equipment for R0.3m compared to R6.8m in 2020. The Group's expansion plans were curtailed as the business navigated the pandemic and focussed on conserving cash. Overall, the carrying amount of the property plant and equipment decreased by 6.2% being depreciation charges and a disposal of a motor vehicle with a carrying value of R0.3m. Depreciation for the period was R2.7m.

The right of use assets that was recognised from the adoption of IFRS 16 accounting for leases increased from R27.7m to R29.7m due to increased present value of the rental recognised over the remaining lease period of R3m, following an increase in the rental from R0.25m to R0.28m per month. This was the first increase in rental following a freeze in escalation for a period of 6 years. Depreciation for the period was R1.9m. A motor vehicle with a carrying value of R0.8m was purchased during the period.

Inventories increased from R11.2m in 2020 to R14.6m an increase of 29.2% in the period under review. This was mainly attributable to an increase in raw materials.

Trade and other receivables increased from R31m to R32.3m, an increase of 3.9% over the prior period. This was mainly due to increased sales in the last quarter of the period under review.

The loan to shareholder increased from R8.3m to R21.7m an increase of 161.4%. This loan facility was established to assist the parent company in financing the tomato out-grower scheme in the Limpopo Province and to secure the purchasing of tomatoes by the Group for the season as tomato paste is the key ingredient for many of the Group's products and reduces the reliance on imported product and exposure to adverse price changes and foreign exchange movements.

The long and short-term lease liabilities have increased from R26.5m to R28.6m an increase of 7.9% this was mainly due increase in present value on the factory lease of R3m and a new motor vehicle lease of R08.m.

Deferred income decreased from R5.4m to R5m a decrease of 7.4% due to the amortisation of the Department of Trade, Industry and Competition (dtic) grant deferred over the useful life of the assets for which the grant was awarded.

Provisions have decreased by 11% from R0.9m (2020) to R0.8m in the period under review. The decrease was due a reduction in the provision for growth incentive requirements for certain customers due to reduced revenue.

Trade and other payables increased from R41m to R45.1m, an increase of 9.9% due to increased raw material stock holding.

Other financial liabilities (long and short term) being a bank term loan have decreased by 12.1% from R15.7m (2020) to R13.8m. This was due to repayments made during the period under review of R1.9m. No new loans were taken in this period.

The bank overdraft increased by 83.3% from R0.6m (2020) to R1.1m. Bank balances decreased from R1.7m to R0.8m. This was mainly due to an increased need for working capital.

Dividends

The Group declared a maiden gross final cash dividend of 0.79640 cents per share during the period under review attributable to the year ended 30 June 2020, which was paid to shareholders on 23rd November 2020.

The Group also declared a gross final cash dividend (Number 2) of 1.0 cent per share attributable to the year ended 30 June 2021, which was paid to shareholders on the 25th October 2021. No interim dividends were declared for both financial periods.

Subsequent Events

There were no material subsequent events after the period under review.

Change in Directors

The removal of Mr Maslamony Pather as a director of AH-Vest

Mr Marci Pather was removed from the board on the 27th January 2021 at an Extraordinary General Meeting convened at the request of the major shareholder Eastern Trading Proprietary Limited (Eastern Trading).

The passing of the Chairman of the board, Mr Ismail Ebrahim Darsot

Mr. Ismail Ebrahim Darsot, my father and the Chairman of the board, passed away on the 16th July 2021. Mr Darsot who was the founder of Eastern Trading built up a successful business in the manufacturing of food products, particularly canned foods under the Dursots brand. Eastern Trading won numerous awards over several years and acquired control of AH-Vest in August 2012. He was instrumental in the successful turnaround of the Group, including the relocation of the factory, the expansion of production lines and improvement in reporting and efficiencies, which led to the declaration of a maiden dividend last year under his Chairmanship. He will sadly be missed by our family, friends and colleagues.

The appointment of a new Chairman will be advised in due course.

Future Prospects and Strategy

The Group concluded an agreement with Eskom to install additional power on a self-build basis. This will cost the Group in the magnitude of R15m. It was anticipated that this project will be completed already, however it has been delayed and we believe it will be completed within the next 12 months. This should resolve the power problems that have plagued the business for some time and enable the Group to expand its production capacity without interruption. There are some production lines that are not being run to full capacity due to power constraints.

The Group has resumed its focus on growing its exports in strategically targeted countries after the opening up of most countries after the closures caused by the COVID-19 pandemic. The Group is optimistic about continued growth prospects for the future but is still cautious of the new challenges presented by the global COVID-19 pandemic. The steps taken over the past 5 years to relocate the factory, expand product lines and capacity, strengthen the balance sheet, grow revenue, and market share, develop new products and achieve sustained operating efficiencies have demonstrated sustained improvement of the bottom-line results over the past three years. The business continues to see the benefits of the investment in the production facility.

The business has been in the process of raising an additional R30m in capital for most of the past year, which is intended to be applied to specifically enhance organic growth and increase inventory levels so that the Group is able to meet all the orders that it receives whilst growing its export sales. This capital raising exercise has proved to be more challenging than management had anticipated and has not been completed yet.

It is still the short to medium-term intention to pursue an acquisition strategy of other food and vertically aligned businesses from both the holding company and other outside opportunities.

Potential related party acquisitions from the holding company will include the tomato paste plant in Limpopo, the Petcan packaging business and the Darsot Food business, which focuses primarily on the canned food market as previously reported. These related party acquisitions will only be pursued once these businesses have been grown to a level where their earnings will be enhancing to the Group, noting that the related party will be precluded from voting on any of these acquisitions and will be subject to the JSE Listings Requirements.

Acquisitions and Disposals of Property Plant and Equipments

Property, plant, and equipment decreased by 6.2% from R44 million (FY2020) to R41.2 million. This was mainly due to depreciation for the period. Capital expenditure was R0.3 million during the period. A motor vehicle with a carrying value of R0.3m was disposed of in the period under review. Depreciation for the period under review was R2.7m.

Issue and Repurchase of Shares


There were no new share issues or share repurchases during the period under review.

Invitation to attend the Annual General Meeting

Shareholders are invited to attend the Annual General Meeting to be held on the 8th December 2021 at 10:00hrs at 15 Misgund Road, Eikenhof in Johannesburg as outlined in the Notice of the Annual General Meeting.

Appreciation

I would like to express my sincere gratitude to my fellow board members, staff, suppliers as well as our valued customers for their dedication and support during this most difficult period in our time. The combined efforts of all stakeholders have worked positively for the business.



MNI Darsot
Johannesburg
29 October 2021



CORPORATE GOVERNANCE AND SUSTAINABILITY REPORT FOR THE YEAR ENDED 30 JUNE 2021

INTRODUCTION

The Group subscribes to the values of good Corporate Governance at all levels and is committed to conducting its business with discipline, integrity and social responsibility. This Corporate Governance and Sustainability Report has been prepared for the year under review and to the date of the finalisation of this Integrated Report, including the Annual Financial Statements and related reports, being 29 October 2021.

The directors of AH-Vest are pleased to present the Group's Corporate Governance and Sustainability Report ("CGSR") to stakeholders. There is a continuous process to move closer to the goals of the King IV Report on Corporate Governance™ (King IV™) and to demonstrate AH-Vest's commitment to those goals.

As per the prior year, the Board will continue to strive to ensure meaningful, understandable and useful information is available on a timely basis in order to meet its goals of transparency and a trusting relationship with the Group's stakeholders. Shareholders are also referred to the Chief Executive Officer's Report and the Report from the Social and Ethics Committee for further information on events during the year.

BACKGROUND, INCORPORATION AND NATURE OF BUSINESS

AH-Vest was registered and incorporated as a private company in the Republic of South Africa in 1988 under the name All Joy Foods Proprietary Limited and was converted to a public company on 7 December 1998. The Company transferred its listing from the Venture Capital Market to the Alternative Exchange ("AltX") of the JSE Limited in 2004, and the name was changed on 24 December 2008 to AH-Vest Limited. There is an intention to change the name of the Company back to All Joy Foods or a similar name in order to improve on the exposure of the brand or brands of the Group, to all stakeholders.

INDUSTRY AND BUSINESS OVERVIEW

AH-Vest manufactures food sauces and condiments for supply to retail chains (branded and private label products), independent traders and the catering industry. Some of the well-established brands are All Joy and Veri Peri, which enjoy strong brand recognition.

The Company is subsidiary of a larger, privately controlled food group – Eastern Trading Company (Pty) Ltd t/a Darsot Food Corporation ("Eastern Trading"), which is in the business of manufacturing a wide range of canned vegetables, tomato paste, various condiments, plastic and tinplate packaging as well as transport and logistics. The Group also manufactures a mixture of its own branded products as well as private label products for various customers.

AH-Vest supplies its products principally in South Africa, but in conjunction with its holding company, is continually seeking to grow its exports in strategically targeted markets, with good demand for certain of its products.

INTEREST IN SUBSIDIARIES

The Company has two subsidiaries, namely All Joy Property Holdings Proprietary Limited and All Joy Foods Proprietary Limited. Details of the Company's investment in subsidiaries are detailed in the notes to the Annual Financial Statements. Both subsidiaries are dormant companies.

THE STRUCTURE OF THE BOARD

AH-Vest is governed by a unitary board which is assisted in fulfilling its duties by an Audit Committee and a Social and Ethics Committee. The Audit Committee is also responsible for considering risk.

The Board is scheduled to meet at least four times a year but may meet more frequently if circumstances require it to do so. During the year under review, the Board was chaired by the Executive Chairman, Mr Ismail Darsot, who sadly passed away on the 16th July 2021. Mr H Takolia has been appointed as the acting Chairman pending the appointment of a new Board Chairman. Mr MS Appelgryn is the lead independent director.

The non-executive directors bring a wide range of experience, diversity, insight and independence of judgement on issues of strategy, performance, resources and standards of conduct to the Board.

Brief curricula vitae of the directors in office during the 2021 financial year are provided on page 101 of this Integrated Report.

INDEPENDENCE OF THE BOARD AND BOARD BALANCE

At year end, the Board was comprised of 10 directors, six of whom were executive directors and four of whom are independent non-executive directors. At the date of this report, there are nine directors, with the number of executive directors reducing to five. The Board is cognisant of the fact that the balance of executive and non-executive directors needs to be improved and will continue to address this as the Group grows. The independent non-executive directors on the Board help to maintain a balance of power, offer independent judgement and ensure independent decision making. The Board is satisfied that there are no extraneous factors that could materially affect the independent non-executive directors' judgement.

If there is an actual or potential conflict of interest in any matter for decision by the Board, the director (executive or non-executive) concerned and associates thereof, after declaring his/her interest, is excluded from the related decision-making process in accordance with the provisions of the Companies Act, 71 of 2008 ("Companies Act"). Where necessary, additional quotes are obtained to ensure that any transaction is market related or better.

BOARD RESPONSIBILITIES

The Board is ultimately responsible for the Group's performance and affairs, which includes protecting and enhancing the Group's wealth and resources, timely and transparent reporting and acting always in the best interest of the Group and its stakeholders. In fulfilling this responsibility, the Board oversees the strategy, acquisition and disinvestment policy, risk management, financing and corporate governance policies of the Group.

The Board is responsible for ensuring that controls and procedures are in place to ensure the accuracy and integrity of accounting records so that they provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied upon for maintaining accountability for assets and liabilities and preparing the financial statements. The directors' statement of responsibility is set out on page 30 of this Integrated Report.

The Board has a working understanding of the various legislative requirements with which the Group is required to comply as well as the JSE Listings Requirements and ensures that the Group complies with the laws that affect the Group and the industry in which it operates. Board meetings are also attended by a representative of the Designated Advisor, who guides the Board with regard to the JSE Listings Requirements, in particular. The Board is satisfied that the Group complies with the provisions of the Companies Act and that it is operating in conformity with its memorandum of incorporation and various regulations.

APPOINTMENTS TO THE BOARD

Given its size, the Group does not have a nomination committee and any proposed new appointments to the Board are considered by the Board as a whole. Board appointments are based on a consideration of the relevant experience and profile of the nominated person, take cognisance of the race and gender of the candidate, to ensure the achievement of demographic equity in line with the Group's diversity policy.

On appointment, new directors receive an induction pack, consisting of, *inter alia*, the memorandum of incorporation of the Company, Section 3 of the JSE Listings Requirements relating to continuing obligations of listed companies, minutes of board meetings for the prior 12 months, resolutions passed during the prior 12 months, all announcements published on SENS in the prior 12 months, resolutions passed during the prior 12 months, and an explanation of and copies of the directors' declarations of interest. In addition, new directors are required to attend the Directors' Induction Program in accordance with the JSE Listings Requirements, which course is run by The Institute of Directors in South Africa NPC.

One third of the non-executive directors retire by rotation each year and are eligible for re-election by shareholders in accordance with the memorandum of incorporation. The memorandum of incorporation does not specify an age for retirement of directors.

ADVICE

The directors all have unlimited access to the Company Secretary who, *inter alia*, advises the directors, both individually and collectively, on their duties, responsibilities and powers, makes the directors aware of any law relevant to or affecting the Group and reports to the Board any failure on the part of the Group or a director to comply with the Company's MOI. Directors are furthermore, with the prior knowledge of the Chief Executive Officer, entitled to ask any questions of any personnel and enjoy unrestricted access to all Group documentation, information and property.

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE THEREOF

The directors are briefed in respect of special business and information is provided to enable them to consider matters under discussion. Meeting packs are prepared and distributed for each Board and sub-committee meeting and minutes of all Board and committee meetings are duly recorded.

Director	Date Appointed to Board/Ceased to be a director	Role
MT Pather	18 March 1989 – 27 January 2021	Executive director
IE Darsot	17 August 2012 – 16 July 2021	Executive Chairman
MNI Darsot	17 August 2012	Chief Executive Officer
C Sambaza	21 October 2013	Chief Financial Officer
BI Darsot	17 August 2012	Executive director - Human Relations
SI Darsot	17 August 2012	Executive director - Production
R Darsot	17 August 2012	Executive director - Finance and Administration
H Takolia	10 December 2012	Independent non-executive director
MS Appelgryn	12 December 2012	Lead Independent non-executive director
JJ du Plooy	16 October 2013	Independent non-executive director
UC Speirs	28 September 2018	Independent non-executive director

Four Board meetings were held during the financial year ended 30 June 2021. The attendance record of directors at Board meetings is shown below:

Member	26 /10/ 2020	14/12/2020	11/03/2021	26/05/2021
IE Darsot	√	√	√	√
H Takolia	√	A	A	√
MS Appelgryn	√	√	√	√
MT Pather	√	A		
UC Speirs	√	√	√	√
MNI Darsot	√	√	√	√
BI Darsot	√	A	√	√
SI Darsot	√	√	√	A*
R Darsot	√	√	A*	√
C Sambaza	√	A	√	√
JJ du Plooy	√	√	√	√

√ - In Attendance

A - Absent with apologies tendered

BOARD COMMITTEES

Sub-committees appointed by the Board include the Audit Committee and the Social and Ethics committee. These committees meet independently but report directly to the Board and decisions taken by the committees require approval of the Board prior to implementation.

As the Audit Committee is a statutory committee under the Companies Act and, in terms of the recommendations set out in the King Code, shareholders are required to elect the members of this committee at the annual general meeting.

AUDIT COMMITTEE

During the year under review, the Audit Committee comprised the following members:

Member	Role
MS Appelgryn	Chairperson
H Takolia	Member
JJ Du Plooy	Member
UC Speirs	Member

The Chief Executive Officer, the Chief Financial Officer, Independent External Auditors and the Designated Advisor are invited to attend all meetings of the committee but have no votes on matters to be decided upon. The committee acts in accordance with written terms of reference as confirmed by the Board, which terms set out its authority and duties. All the members of the Audit Committee are financially literate.

The primary mandate of the committee is to ensure the independence of the external auditors, evaluate the Group's systems of internal financial and operational control, fraud and IT risks as they relate to financial reporting, review accounting policies and financial information to be issued to the public, facilitate effective communication between the Board, management and the external auditors, recommend the appointment of, and determine the fees payable to the external auditors and determine and approve the level of non-audit services provided by the external auditors. The committee furthermore approves the audit plan, reviews the interim and annual results before recommending them to the Board for approval, and discusses these results and the audit process with the external auditors.

The Group does not have a separately constituted risk committee and the Audit Committee accordingly assumes responsibility for overseeing the implementation of the risk management process by management and for ensuring that the appropriate systems are in place for monitoring, financial controls and compliance with the law and codes of conduct.

Four Audit Committee meetings were held during financial period ended 30 June 2021. The attendance record of members of the Audit Committee at meetings is shown below:

Attendees	26/10/2020	14/12/2020	11/03/2021	26/05/2021
MS Appelgryn	√	√	√	√
H Takolia	√	A	A	√
UC Speirs	√	√	√	√
JJ du Plooy	√	√	√	√

√ - In attendance

A – Absent with apologies tendered

SAB&T Chartered Accountants Inc. ("Nexia SAB&T"), with A Darmalingam as the audit partner, was appointed as the Group's auditors for the year ended 30 June 2021.

For the 2022 financial year, the Audit Committee has confirmed that it remains satisfied with the independence of the auditors in accordance with section 94(7) (a) of the Act and has considered the suitability for appointment of Ms S Mahomed as the auditor partner. The committee accordingly recommends to shareholders that the auditors, with Ms S Mahomed as the audit partner, be re-appointed as the Group's auditors for the year ended 30 June 2022, which approval will be sought at the AGM to be held on 8 December 2021.

RISK MANAGEMENT

The Board is ultimately responsible for the governance of risk and setting levels of risk tolerance but is assisted in this regard by the Audit Committee. The Group, through the executive management, conducts strategic and operational risk assessments and the top mitigation strategies are reviewed by the Audit Committee. The following major risks have been identified:

Key Risk 1	
Customer concentration risk	
Risk Description	Risk response
High concentration of sales to a few large retail customers poses the risk of a significant business impact in the event of a loss of business from one of these customers.	Efforts continue to be made to diversify the customer base by increasing export sales and marketing to independent wholesalers and traders, which is achieving a measure of success.
Key Risk 2	
Capacity constraints and failure to meet minimum agreed services levels	
Risk Description	Risk response
The Group's largest customers have set service levels which suppliers are required to meet. Failure to meet these service levels could result in dissatisfied customers, a loss of revenue, financial penalties (from the larger retailers) and a de-listing of the Group's products from the customer's list of suppliers	Production planning and the availability of raw materials is carefully monitored. A continual improvement program is in place to address production capacity and to improve safety stock levels. An active communication channel with larger customers is maintained and orders that cannot be met are, to the extent possible, rescheduled. The Company is in the process of a capital raising initiative in order to enable it to build up stock levels to meet order requirements.

Key Risk 3	
Inadequate power supply	
Risk Description	Risk response
Power outages as a result of load shedding schedules implemented by Eskom and inadequate power being provided to the grid in Eikenhof interrupt production and, when recurring, increase the cost of production and can potentially cause damage to factory equipment.	Load shedding schedules are carefully monitored in conjunction with production planning and shift patterns are amended in consultation with the work force. Eskom has approved an upgrade of the power line servicing the Eikenhof substation. Other supplementary power solutions are being investigated.
Key Risk 4	
Regulatory risk relating to food safety, factory audits and packaging	
Risk Description	Risk response
Non-compliance with ongoing regulatory changes in terms of food safety systems, factory audits and packaging requirements could have a significant impact on the business.	Regular food system audits are conducted, food labels are changed when new legislation is implemented, and the group is working towards the achievement of the FSSC22000 food safety system certification standard.
Key Risk 5	
Product development	
Risk Description	Risk response
A failure to introduce new products into the market in line with social trends and customer demands could result in loss of market share	There is continuous innovation and product development in line with new market information and sales trends. Regular meetings are held with customer to discuss their needs and any future products they would like to see introduced into the market.
Key Risk 6	
Business cyclicity	
Risk Description	Risk response
A failure to identify and increase stock of high demand products in season will impact both sales and profitability.	Production planning and product demands are a key focus area for the management team.
Key Risk 7	
Covid 19/ New pandemic	
Risk Description	Risk response
Business interruption through the economic shutdown and the resultant supply chain disruptions from supplier closures/difficulties in importing key raw materials	Numerous initiatives targeted at ensuring the health and wellness of staff, the continuity of operations, safeguarding liquidity and strengthening the Company's financial position through tight working capital management and the delay of non-essential capital expenditure are continually considered and, where appropriate, implemented.

REMUNERATION COMMITTEE

Prior to and during the year under review, the Board was of the opinion that the size of the Group, the sharing of many of the executive responsibilities with the Group's holding company and the fact that the majority of the executive directors represented the controlling shareholder resulting in executive remuneration not being a key factor in achieving the Group's strategic objectives, did not warrant the formation of a separate Remuneration Committee. The Audit Committee was accordingly tasked with handling remuneration-related issues and making recommendations to the Board. The Board has, however, subsequently reconsidered this and an inaugural meeting of the Remuneration Committee was held on the 28th October 2021.

Remuneration report for the year under review

(i) Background Statement

The business operations of AH-Vest overlap in many instances with the business operations of its holding company, Eastern Trading and, during the year under review, five of the executive directors that sit on the AH-Vest Board were also executive directors of Eastern Trading. The management responsibilities for which these directors are responsible are accordingly shared between AH-Vest and Eastern Trading and, since 2012, AH-Vest has paid a management fee of R450 000 per month to Eastern Trading and the remuneration paid to the executive directors who share their time between AH-Vest and Eastern Trading is deducted from this management fee. The remuneration paid to these directors is determined by Eastern Trading, but as AH-Vest grows its profitability, a greater proportion of the management fee is attributable to the remuneration of these directors. The remaining executive directors and the independent non-executive are employed and/or contracted and remunerated directly by AH-Vest.

In recommending the remuneration paid to the Chief Financial Officer and the independent non-executive directors, the Audit Committee takes cognisance of the practices and remuneration/fees trends reports issued by PricewaterhouseCoopers Incorporated.

(ii) Overview of Remuneration Policy

- The remuneration paid to directors is determined on a cost-to-company basis and consists of meeting fees and travel expenses for non-executive directors and a basic salary and certain fringe benefits for executive directors with the amounts being based on each director's level of day-to-day responsibility and activity. These executive directors' packages are not linked to the performance of the Company and directors do not participate in any share incentive schemes.
- Contracts do not allow for balloon payments on termination or severance compensation due to any change in control.
- Wages that are fair, equitable and industry related are offered and performance to the stated goals are measured, reported, reviewed and rewarded.
- No discrimination of any kind influences remuneration decisions.

(iii) Implementation Report

Details of remuneration, fees and other benefits earned by directors in the past year are disclosed in note 27 to the annual financial statements.

The fees payable to non-executive directors are structured on a per meeting basis and the proposed fees for the forthcoming year are set in the notice of AGM. The current non-executive director fees as approved by shareholders at the 27th January 2021 AGM, are set out below.

	Chairman	Member
Board	N/A	R9 765 (per meeting)
Committees	R19 530 (per meeting)	R9 765 (per meeting)

In line with King IV™, the remuneration policy and implementation thereof will be tabled for two separate non-binding advisory votes at the AGM. If 25% or more of the shareholders vote against either resolution at the AGM, the Board will invite dissenting shareholders to engage with them on their issues.

SOCIAL AND ETHICS COMMITTEE

The function of the Social and Ethics Committee is to assist the Board in ensuring that the business is run in a socially responsible and ethical manner and to monitor the Group's performance as a responsible corporate citizen.

The committee acts in accordance with approved terms of reference and the Chairman of the committee reports to the Board after every meeting held.

The activities of the committee include, but are not limited to:

- monitoring the Group's activities, having regard to any relevant legislation other legal requirements of prevailing codes of best practice;
- good corporate citizenship;
- the environment, health and public safety, including the impact thereon of the Group's activities and of its products or services;
- consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws; and
- labour and employment.

In compliance with the Companies Act, at least one non-executive director is a member of this committee.

The Social and Ethics Committee consisted of the following directors during the year under review:

Member	Role
H Takolia	Chairman
BI Darsot	Member
UC Speirs	Member
C Sambaza (appointed 27 January 2021)	Member
M Pather (up to 27 January 2021)	Member

Two Social and Ethics committee meetings were held during financial period ended 30 June 2021, the predominant focus of which was the Company's response to the Covid-19 pandemic from the legislative, health and public safety perspective. The attendance record of members is shown below:

Attendees	27/01/2021	26/05/2021
H Takolia	√	√
UC Speirs	√	√
BI Darsot	√	√
C Sambaza	√	A

√ – In attendance

A – Absent with apologies tendered

PROMOTION OF DIVERSITY

In compliance with paragraph 3.84(k) of the JSE Listings Requirements, the Board has adopted a policy on the promotion of broader diversity at board level specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience.

The Board recognises the need for broader diversification and has embraced race diversification from date of listing. Currently seven of its nine directors are classified as black, with the most recent appointment being a black female.

ACCOUNTING AND INTERNAL CONTROLS

The Board has established controls and procedures to ensure the accuracy and integrity of the accounting records are enhanced and maintained, and to provide reasonable assurance that assets are safeguarded from loss or unauthorised use, and that the financial statements may be relied upon for maintaining accountability for assets and liabilities and preparing the financial statements. The directors' responsibility statement is set out on page 30 and the CEO and CFO internal financial control responsibility statement is set out on page 31 of this Integrated Report.

INTERNAL AUDIT

The Group does not currently have an internal audit function but relies on the advice of the Audit Committee to recognise the internal control risks and to advise management and the Board about possible remedies. The internal control environment has been substantially strengthened over the years and the use of appropriate software further reduces risks to the control environment. The Audit Committee continues to evaluate the possibility of implementing an internal audit function and internal audit is a standing agenda item for discussion at each audit committee meeting.

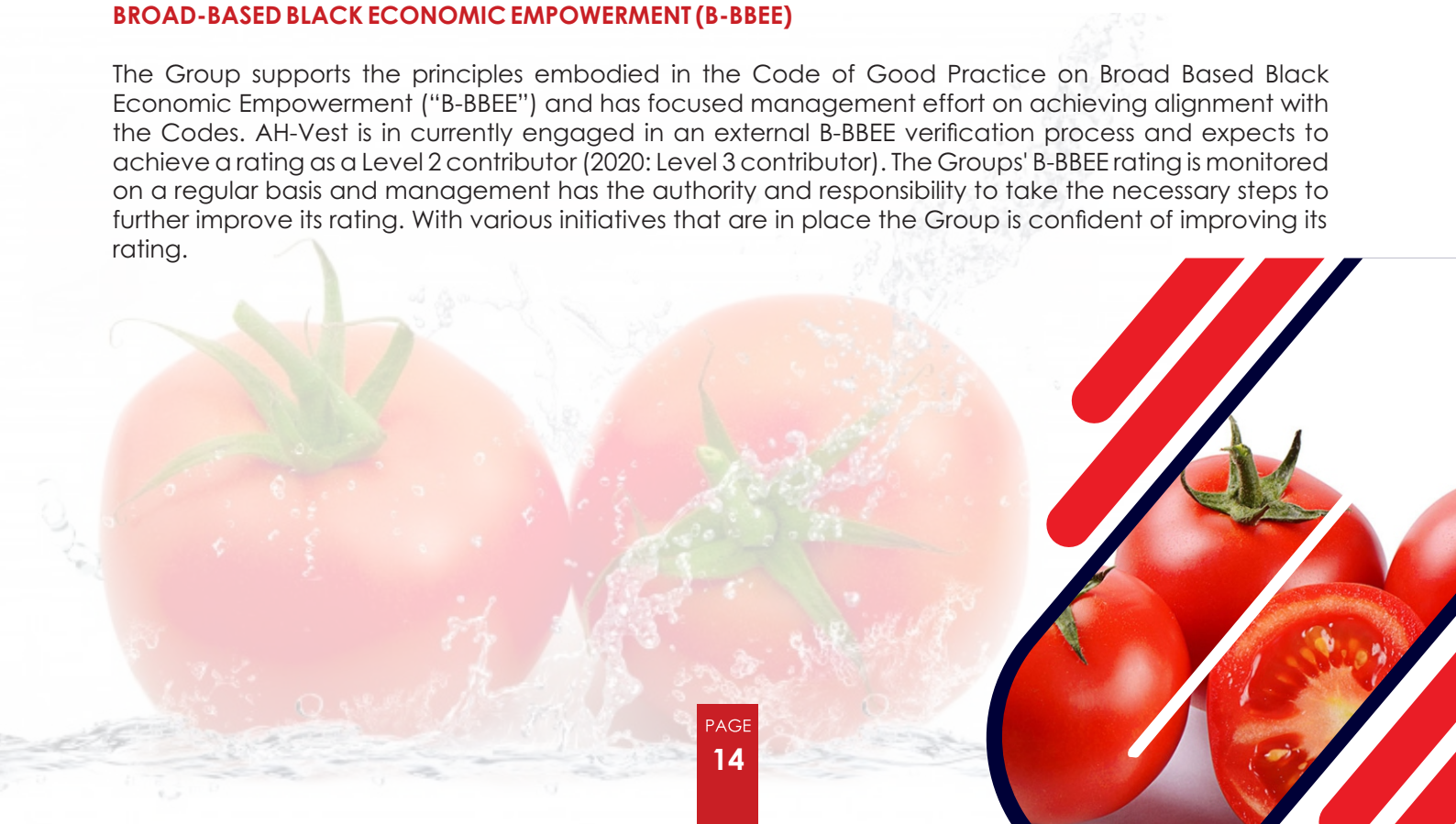
EXTERNAL AUDITORS

The Group's Independent External Auditors, SAB&T Chartered Accountants Inc. ("Nexia SAB&T"), perform an independent and objective audit on the Group's financial statements. The Audit Committee approves the audit plan and reviews the audit fees for the audit. Nexia SAB&T has unrestricted access to the Audit Committee and the audit partner is invited to attend all Audit Committee meetings.

The re-appointment of the Independent External Auditors is considered annually by the Audit Committee and the Audit Committee has reviewed the documentation provided to it by Nexia SAB&T and has had open discussions with Ms S Mahomed in considering the suitability for re-appointment of Nexia SAB&T and Ms Mahomed, as the Independent External Auditor and designated partner respectively, as stipulated in paragraph 3.84(h) (iii) of the JSE Listings Requirements. Nexia SAB&T has confirmed to the Audit Committee that it is independent of the Group and that none of its staff have any conflict of interest with regards to the Group and that it is not aware of any relationships between it and the Group that may reasonably be thought to have a bearing on its independence or the objectivity of the audit director and staff. The Audit Committee is accordingly satisfied that the Independent External auditors are independent to the Group and are able to express an objective opinion on the annual financial statements.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

The Group supports the principles embodied in the Code of Good Practice on Broad Based Black Economic Empowerment ("B-BBEE") and has focused management effort on achieving alignment with the Codes. AH-Vest is currently engaged in an external B-BBEE verification process and expects to achieve a rating as a Level 2 contributor (2020: Level 3 contributor). The Group's B-BBEE rating is monitored on a regular basis and management has the authority and responsibility to take the necessary steps to further improve its rating. With various initiatives that are in place the Group is confident of improving its rating.



INTERESTS OF DIRECTORS AND SHARE DEALINGS

The direct and indirect interests of directors as at 30 June 2021 are as follows:

Shareholder	Direct Beneficially held		Total shares	Total
	Direct	Indirect		
IE Darsot directly held	1 000		1 000	0.001%
IE Darsot through:				
Eastern Trading		73 768 088	73 768 088	72.34%
Farm Foods		21 660 275	21 660 275	21.24%
Dr MS Appelgryn*	49 041		49 041	0.049%
Total	50 041	95 428 363	95 478 404	93.63%

*This is an extended family member of a director

There were no changes in the interest of directors in the Company's securities between the end of the financial year and the date of approval of the annual financial statements.

The direct and indirect interest of directors as at 30 June 2020 was as follows:

Shareholder	Direct Beneficially held		Total shares	Total
	Direct	Indirect		
IE Darsot directly held	1 000		1 000	0.001%
IE Darsot through:				
Eastern Trading		73 730 485	73 730 485	72.3%
Farm Foods		21 660 275	21 660 275	21.24%
Dr MS Appelgryn*	49 041		49 041	0.049%
Total	50 041	95 390 760	95 440 801	93.59%

TRADING IN THE COMPANY SHARES

The Group enforces a restricted period for dealing in its shares, in terms of which any dealings in shares by all directors and senior personnel is disallowed by the Board from the date of the reporting period to the time that results are released and at any time that such individuals are aware of un-published price sensitive information, whether the Company is trading under cautionary announcement as a result of such information or not.

The policy for dealing in shares by all directors, prescribed officers and senior personnel is that clearance to deal must be obtained from at least one of the following nominated directors, being the Chairman, Chief Executive Officer or the Chairman of the Audit Committee. If any of the above persons requires clearance, the other person will approve such transactions.

Directors are required to report share dealings to the company secretary within the time frames set out in the JSE Listings Requirements and the Company is required to release the details of any such trades on SENS no later than 24 hours after receiving such notification.

COMPANY SECRETARY

The Company has appointed Light Consulting Proprietary Limited ("LC") to act as the company secretary. An independent and arm's-length relationship exists in that LC provides outsourced company secretarial services and is not a director or shareholder in AH-Vest. The professionalism and independence of LC is thus maintained.

The Board has considered and satisfied itself on the competence, qualifications and experience of the company secretary. In considering this assessment, the Board considered the experience and

qualifications of the employees of the company secretary as well as the fact that the company secretary provides outsource services to other listed companies. The directors assess the on-going competency of the company secretary on an annual basis and in compliance with section 3.84(h) of the JSE Listings Requirements.

It is the responsibility of the company secretary to monitor changes and developments in corporate governance and, together with the executive directors, to keep the Board updated in this regard. The Board reviews any changes and appropriate measures are implemented to comply in such a way to support sustainable performance.

The company secretary is appointed and removed by the Board. All directors have access to the advice and services of the company secretary and to Group records, information, documents and property so as to enable them to participate meaningfully in Board meetings.

CODE OF ETHICS

The Board subscribes to the highest level of professionalism and integrity in conducting its business and dealing with all its stakeholders.

In adhering to its code of ethics, the Board is guided by the following broad principles:

- Businesses should operate and compete in accordance with the principles of free enterprise;
- Free enterprise will be constrained by the observance of relevant legislation and generally accepted principles regarding ethical behaviour in business;
- Ethical behaviour is predicated on the concept of utmost good faith and characterised by integrity, reliability and a commitment to avoid harm;
- Business activities will benefit all participants through a fair exchange of value or satisfaction of needs; and
- Equivalent standards of ethical behaviour are expected from individuals and companies with whom business is conducted.

DESIGNATED ADVISOR

In accordance with the JSE Listings Requirements relating to companies listed on the AltX, the Company is always required to have an appointed Designated Advisor. The Company's Designated Advisor is AcaciaCap Advisors Proprietary Limited.

STAKEHOLDERS

The Group is committed to on-going and effective communication with all stakeholders and subscribes to a policy of open and timeous communication. In addition, the Group recognises that there are many varying stakeholders within the business, with differing requirements.

EMPLOYMENT EQUITY

AH-Vest upholds and supports the objectives of the Employment Equity Act 1998 (Act 53 of 1998). The Group's employment policies are designed to provide equal opportunities, without discrimination, to all employees and potential employees.

TRANSFER OFFICE

Computershare Investor Services Proprietary Limited acts as Transfer Secretary to the Group.

KING IV PRINCIPLES

In terms of the JSE Listings Requirements, companies listed on the AltX are required to comply with the disclosure and application regime applicable to the principles set out in Part 5.3: of the King Code™ Governing Structures and Delegation. Where practical, the board endeavours to comply with the 16 Principles applicable to entities that are not institutional investors. The principles embody the aspirations of the Group on its journey towards good corporate governance.

The principles and the extent of the company's compliance are set out in the table below:

PART 5.1: Leadership, ethics and corporate citizenship		
Governance outcome: Ethical Culture		
	Description	Extent of compliance/Leadership
Principle 1	The governing body should lead ethically and effectively	The Board is of the view that Company's leadership operates in an ethical manner
Principle 2	Organisational ethics	
	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The Board supports the establishment of an ethical culture throughout Group and seeks to lead the company in an ethical manner.
Principle 3	Responsible Corporate Citizenship	
	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Board considers AH-Vest a responsible corporate citizen and has developed several initiatives in this regard including import replacement and ensuring food quality.
PART 5.2 Strategy performance and reporting		
Governance outcome: Good performance and value creation		
Principle 4	Strategy and performance	
	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The Board is fully aware and unreservedly appreciates all the elements of value creation process. This can be seen in the Group's turnaround and improving financial performance over the years, with a focus on sustainability.
Part 5	Reporting	
	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.	All reports issued by the Company contain sufficient information to enable stakeholders to make informed assessments of the Company's performance and its short, medium and long-term prospects. This approach will apply for all future reports disseminated by the Company.

PART 5.3: Governing structures and delegation

Principle 6	Primary role and responsibilities of the Board	
	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The Board has put together policies throughout the Group which ensure that the Company's corporate governance procedures are adequate.
Principle 7	Composition of the Board	
	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	The members of the Board have the requisite skills and knowledge and are from diverse backgrounds with differing skills and experience. The Board consists of five executive directors and four independent non-executive directors. Curricula Vitae of the Directors are set out on page 101 of this Integrated Report.
Principle 8	Committees of the Board	
	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	The independent directors have been appointed to ensure that a greater level of independence is maintained in all business matters of the Board, although the balance of the board is weighted in favour of executive directors. The Company has a lead independent director. Any related party transactions are tabled for approval and the disinterested directors are recused from any meetings held to consider such transactions, in accordance with the provisions of the Companies Act.
Principle 9	Evaluations of the performance of the Board	
	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness	The Board has sub-committees in place. Each committee has its own charter which sets out rules for the Committee and its members and allows for members to be assessed annually. Board and committee assessments were not undertaken during the year under review but will be prioritised in the current year.
Principle 10	Appointment and delegation to management	
	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Employment agreements have been signed by all Executive Directors. These agreements set out roles and responsibilities and the effective exercise of authority of each Director.

PART 5.4: Governance functional areas

Principle 11	Risk governance	
	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	The Audit Committee ensures that risks pertaining to the business of the Company are continually assessed in a way that supports the Company in setting and achieving its strategic objectives.

Principle 12	Technology and information governance	
	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The Board has oversight over the IT function and information
Principle 13	Compliance governance	
	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	From a regulatory perspective, the Group is primarily governed by the Companies Act and the JSE Listings Requirements. From a corporate perspective, the Company is governed by various laws including but not limited to tax, labour, occupational health and safety and food safety requirements. Management is tasked by the Board to ensure compliance with all applicable laws.
Principle 14	Remuneration governance	
	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	AH-Vest's approach to remuneration is to ensure that the Group remunerates fairly, responsibly and transparently and that the executive and senior management team is appropriately remunerated. This forms the basis of the Group's remuneration policy which is tabled for shareholder approval at annual general meetings of the Company to ensure further transparency. It should be noted that the majority of the executive directors are representatives of the controlling shareholder and thus remuneration has not been a key factor in achieving the Group's strategic objectives. Certain directors, excluding the CEO, have responsibilities outside the Group and remuneration considered this a shared service. A formal Remuneration Committee was established post year end and had its inaugural meeting on 28th October 2021.
Principle 15	Assurance	
	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The Audit Committee annually reviews the expertise, resources and experience of the Group's finance function, including the financial director. This role is also assessed through the Board and Committee evaluation process. The reports of the Independent External Auditor are also considered in assessing the reliance and support of both internal and external reports.

PART 5.5: Stakeholder Relationships

Governance outcome: Legitimacy

Principle 16	Adopt a stakeholder inclusive approach	
	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	The Group is in the process of upgrading its website so as to ensure that all financial reports, business updates and any other information is readily available to assist stakeholders to keep abreast of the Company's activities and financial position. The Board understands the risk of reputation, not only of the Group but also its products and regularly engages with the various stakeholders in the supply chain.



AH-VEST LIMITED

SOCIAL AND ETHICS COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Social & Ethics Committee ("the Committee") is constituted as a statutory committee of the Company in respect of its statutory duties in terms of section 72(4) of the Companies Act, 2008, read with regulation 43 (2) of the Companies Regulations, 2011.

AH-Vest values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of the Group's staff, as well as others acting on the Group's behalf, remain key to maintaining these standards. It is in this regard, the Social and Ethics Committee functions to consider and monitor the moral and ethical conscience of AH-Vest.

Composition of the Committee

The members of the Committee during the year under review were Independent non-executive directors Mr Haroon Takolia (Chairman), Mrs Unati Speirs and executive directors Mr Bilaal Darsof, Mr Marci Pather and Mr Chris Sambaza.

Mr Marci Pather ceased to be a member of the Committee with effect from 27 January 2021 and Mr Chris Sambaza was appointed as a new member of the Committee with effect from the same date.

Role and Responsibilities

The Committee's responsibilities are in line with legislated requirements and encompass considering and monitoring the Group's activities from a sustainability point of view and the impact it has on its stakeholders. In this regard, the Committee considers the Group's approach to and level of compliance with:

- i) Social and economic development principles including, *inter alia*, the Group's approach to human rights, fundamental principles of rights at work, the environment, the corruption: employment equity and black economic empowerment;
- ii) the principles of good corporate citizenship;
- iii) the impact of the Group's products and production activities has on the environment and health and public safety as well as its compliance with consumer protection laws; and
- iv) the Group's approach to ensuring decent work and working conditions for its employees and its contribution toward the educational development of its employees.

Execution by the Committee of its mandate

The Committee performs an oversight, monitoring and reporting role to ensure that the Group's business is concluded in an ethical and properly governed manner. The Committee reviews policies, governance structures and existing practices which guide the Group's approach to new and emerging challenges.

Matters considered by the Committee during the year under review include:

- Health and safety the impact of COVID -19 was a key factor for the Committee. The main focus of the meetings held for the year under review was to discuss the Group's response to the COVID – 19 crises in terms of its compliance with the relevant COVID -19 laws and regulations, the actions taken by the Group to ensure the health and safety of its employees, how the Group is supporting its employees during the crisis and how the Group is ensuring that is able to remain operational, efficient and continue ensuring the safety of its products.

The Committee took note of the fact that Group had a COVID -19 breakout at its head office and 9 employees tested positive. In response to this, the Group, in conjunction with its holding company, contracted Travac Mobile Clinic, a company affiliated with the Department of Health, to test the rest of the employees. The Group furthermore subsequently arranged for a vaccination site at its premises in order to facilitate the vaccination process for any employee who wished to be vaccinated.

- Corruption – the Committee is pleased to report that no instances of corruption or fraud were reported during the year under review.
- Employment Equity - notwithstanding the allegation previously made against AH-Vest by the Labour Department ("the Department") to the effect that the Company was in breach of the Employment Equity Act, 1998 by failing to prepare and implement an empowerment equity plan, the Department has consistently failed to submit its heads of argument as requested by the Labour Court more than two years ago. Management has confirmed to the Committee that the Company had submitted the employment equity plan in dispute and for two subsequent years and these have all been accepted and gazetted. The Company's report in accordance with section 22 of the Employment Equity Act, 1998 for the year under review is set out below.
- Safety - the Group continued to work towards its aim of achieving accreditation in terms of the FSSC220000 Food Safety Management Standard, which it hopes to achieve during the current financial year.
- Black Economic Empowerment - the Group expects to achieve a B-BBEE rating as a Level 2 contributor.
- Compliance - no instances of non-compliance with either the Consumer Protection Act 2008 or any labour and employment related legislation, regulations and / or protocols were reported. The Human Resources director confirmed to the Committee that HR department staff members had attended webinars relating to compliance with the Protection of Personal Information Act, 2013 ("POPIA"), that the necessary registrations have been done with the Information Regulator and the Group has made the necessary amendments to policies and procedures and has implemented new operator agreements and consent forms so as to ensure that all procedural requirements in terms of POPIA compliance have been made.
- Corporate Social Responsibility – the Group continues to contribute to the development of communities in which the it operates:
 - two learnership programmes, a national certificate for Food and Beverages Packing Operations and a national certificate for Business Administration Services, were offered for a number of unemployed learners for the from the immediate community of Eikenhof area, but had to be postponed as a result of increased lock-down levels. These programmes will recommence now that the Country is back to Level 1 lockdown;
 - the Group continues to provide food parcels to needy people in the surrounding communities; and

the Group assisted some of its customers (both retail and independent trade) that were impacted by the July riots, to rebuild their businesses.

Employment Equity Act ("EEA") Report

The Company's employment equity report for the year under review is set out below:

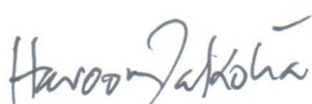
Employment Equity

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	7	2	1	0	0	0	1	0	11
Senior management	0	0	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	0	0	3	1	1	0	2	0	1	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	19	1	7	1	19	4	5	1	9	6	72
Semi-skilled and discretionary decision making	3	1	2	0	4	0	2	0	0	0	12
Unskilled and defined decision making	26	0	0	0	92	1	0	0	3	69	191
TOTAL PERMANENT	48	2	20	4	117	5	10	1	14	75	296
Temporary employees											
GRAND TOTAL	48	2	20	4	117	5	10	1	14	75	296

Conclusion

The Committee is of the view that the Group takes its environmental, social and governance responsibilities seriously. No substantive non-compliance with legislation and regulation or non-adherence with codes of best practice, relevant to the areas within the Committee's mandate, has been brought to its attention and the Committee has no reason to believe that any such non-compliance or non-adherence has occurred.

The Committee is accordingly satisfied that it has fulfilled its mandate as prescribed by the Companies Act, 71 of 2008 and Companies Regulation, 2011 and that there are no instances of material non-compliance that require disclosure.



Haroon Takolia
Chairman
Johannesburg
29 October 2021



AH-Vest Limited
(Registration number 1989/000100/06)
Trading as All Joy Foods

**Consolidated Annual Financial Statements
for the year ended 30 June 2021**



Nexia SAB&T
Registered Auditors

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

AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

Annual Financial Statements for the year ended 30 June 2021

General Information

Country of incorporation and domicile

South Africa

Nature of business and principal activities

AH-Vest is involved in the manufacturing and sale of food products and operates principally in South Africa

Directors

IE Darsot (deceased 16 July 2021)

MNI Darsot

C Sambaza

MS Appelgryn

SI Darsot

R Darsot

BI Darsot

JJ du Plooy

H Takolia

UC Speirs

Registered office

15 Misgund Road

Eikenhof

Gauteng

1872

Holding company

Eastern Trading Company Proprietary Limited trading as Darsot Food Corporation (Eastern Trading)

incorporated in South Africa

Bankers

Standard Bank Limited

ABSA Group Limited

Nedbank Limited

Auditors

Nexia SAB&T

Registered Auditors

119 Witch-Hazel Avenue

Highveld Technopark

Centurion

0152

Secretary

Light Consulting Proprietary Limited

Company registration number

1989/000100/06

Level of assurance

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

Preparer

The annual financial statements were independently compiled by:

T Kritsiotis

Chartered Accountant (SA)

Fourteen94 Accounting and Business Services Proprietary Limited

AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

Annual Financial Statements for the year ended 30 June 2021

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Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2021. The Audit Committee ("Committee") is an independent statutory committee appointed by the shareholders. Further duties are delegated to the Audit Committee by the Board of directors. This report includes both these sets of duties and responsibilities.

1. Members of the Audit Committee

The members of the Audit Committee are all independent non-executive directors of the Company and are:

Name	Title
MS Appelgryn	Independent Non-Executive Director
H Takolia	Independent Non-Executive Director
JJ du Plooy	Independent Non-Executive Director
UC Speirs	Independent Non-Executive Director

2. Frequency of meetings

During the year under review four meetings were held and details of attendance by Audit Committee members, invitees and the designated advisor at these meetings are set out in the Corporate Governance report, included in the Integrated Report.

3. Statement of Audit Committee responsibilities for the period ended 30 June 2021

The role of the Audit Committee is to assist the Board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with corporate management and the internal and external auditors. The committee has an independent role with accountability to both the Board and shareholders. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The Committee is guided by its terms of reference, dealing with membership, structure and levels of authority. The Board has approved the Committee's terms of reference and is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 of South Africa and Regulation 42 of the Companies Regulations, 2011.

The Committee has the following responsibilities:

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- Nominating for appointment a registered auditor who, in the opinion of the Audit Committee, is independent of the Company;
- Matters relating to financial accounting, accounting policies, reporting and disclosure;
- Internal and external audit policy including determination of fees and terms of engagement;
- Activities, scope, adequacy, and effectiveness of the internal audit function, where applicable, and audit plans;
- Review/ consideration of expertise and experience of the Chief Financial Officer and financial team;
- Review/ approval of external audit plans, findings, reports, fees and determination and approval of any non-audit services that the auditor may provide to the Group;
- Compliance with the Code of Corporate Practices and Conduct; and
- Compliance with the Company's code of ethics

4. External audit

The Audit Committee is responsible for the appointment, compensation and oversight of the external auditors for AH-Vest Limited, namely SAB&T Chartered Accountants Inc. ("Nexia SAB&T").

- The Audit Committee reviewed and approved the external auditor's annual plan and related scope of work as well as the appropriateness of the key audit risks identified.
- The Audit Committee has considered the suitability of Nexia SAB&T to be reappointed as the independent external auditors to the Group and the appointment of Ms S Mahomed as the proposed designated audit partner. The committee has reviewed the documentation provided to it by Nexia SAB&T and has had open discussions with the auditor in considering the suitability for appointment of both Nexia SAB&T and Ms S Mahomed, as stipulated in paragraph 3.84(h)(iii) of the JSE Listings Requirements.

Audit Committee Report

Based on our satisfaction with the results of the activities outlined above, and notwithstanding the fact that Nexia SAB&T. has been the external auditor of the company for 9 years, the Committee is satisfied that it is independent of the Group and able to express an objective opinion

5. Internal audit

Based on the size of the Group, the accounting packages and systems used in considering information and explanations given by management together with discussion held with the external auditors on the results of their audit, the Company has not implemented a separate internal audit function during the 2021 financial period.

The Audit Committee is of the opinion that AH-Vest's system of internal controls is effective and forms a basis for the preparation of reliable financial statements. The consideration of internal audit remains a standing agenda item and is reconsidered at each audit committee meeting. The Committee also serves as a link between the Board and the auditors. The Committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

6. Annual Financial Statements

The Committee reviewed the external audit scope, plans and findings, as well as management reports in order to determine the effectiveness of management systems and internal controls during the year. The Committee continued to monitor key risks identified and their mitigation in order to achieve the Group's strategy.

The Committee reviewed the following:

- the quality and integrity of the integrated report;
- the financial statements and announcements in respect of the results;
- the appointment, remuneration, performance and independence of the external audit and the audit process, including the approval of non-audit services by the external auditor;
- the effectiveness of risk management and controls;
- internal financial controls and systems;
- sustainability issues;
- IT governance; and
- compliance governance.

We understand that the audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considered internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. The audit included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Committee has reviewed and is satisfied the accounting policies and financial statements of the Group are appropriate and comply with IFRS, the JSE Listings Requirements and the requirements of the Companies Act of South Africa.

Audit Committee Report

7. Committee statement

After review and consideration of feedback received from management and the external auditors, the Committee has resolved that the financial records may be relied upon as the basis for preparation of the audited consolidated annual financial statements.

The Committee has considered and discussed the audited annual financial statements and associated reports with both management and the external auditors. During this process, the committee inter alia: evaluated significant judgements and reporting decisions;

- determined that the going-concern basis of reporting is appropriate;
- evaluated the material factors and risks that could impact on the annual financial report and associated reports;
- has considered the latest JSE Pro-active monitoring report and findings and has ensured compliance thereof where applicable;
- evaluated the completeness of the financial and sustainability discussion and disclosures, and is satisfied that the Group has established appropriate financial reporting procedures and that those procedures are operating in accordance with paragraph 3.84(g)(ii) the JSE Listings Requirements; and
- discussed the treatment of significant and unusual transactions with management and the external auditors.

The Committee is satisfied that the expertise and experience of the Chief Financial Officer is appropriate to meet the responsibilities of the position. This is based on the qualifications, levels of experience, and the Board's assessment of the financial knowledge of the Chief Financial Officer.

The Committee is also satisfied as to the appropriateness, expertise and adequacy of resources of the finance function and the experience of senior members of management responsible for the finance function.

8. Conclusion

We have confirmed that Nexia SAB&T are independent of the Group. The Audit Committee considers the annual financial statements of AH-Vest Limited to be a fair presentation of its financial position on the 30 June 2021 and of the results of the operations, changes in equity and cash flows for the period ended then, in accordance with International Financial Reporting Standards, the Companies Act of South Africa, and the JSE Listing Requirements.

The Committee has recommended to the Board that the annual financial statements be adopted and approved by the Board.



MS Appelgryn
Chairperson of the Audit Committee
29 October 2021

Directors' Responsibilities 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 the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting 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 controls established by the Group 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 the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, 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 cash flow forecast and, in light of this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

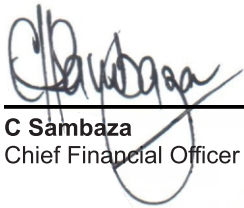
The external auditors are responsible for independently auditing and reporting on the Group's annual financial statements. The annual financial statements have been examined by the Group's external auditors and their report is presented on pages 37 to 40.

The annual financial statements set out on pages 25 to 85, which have been prepared on the going concern basis, were approved by the board of directors on 29 October 2021 and were signed on their behalf by:

Approval of financial statements



MNI Darsot
Chief Executive Officer



C Sambaza
Chief Financial Officer

AH-Vest Limited

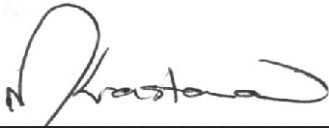
(Registration number 1989/000100/06)

Trading as All Joy Foods

Annual Financial Statements for the year ended 30 June 2021

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, as amended, we certify that, to the best of our knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commissioner all such returns as are required of a public company in terms of the Act, in respect of the financial period ended 30 June 2021, and that all such returns are true, correct and up to date.



Light Consulting Proprietary Limited

Company Secretary

29 October 2021

CEO and CFO Internal Financial Control Responsibility Statement

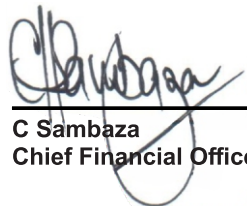
In terms of section 3.84(k) of the JSE Listings Requirements, the directors, whose names are stated below, hereby confirm that:

- The consolidated and separate annual financial statements set out on pages 17 to 61, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- No facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action.



MNI Darsot
Chief Executive Officer

29 October 2021



C Sambaza
Chief Financial Officer

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of AH-Vest Limited and the Group for the year ended 30 June 2021.

1. Incorporation

The Company was incorporated on 12 January 1989 and obtained its certificate to commence business on the same day. The Company is domiciled in South Africa where it is incorporated as a public company. The Company is listed on the Alternative Exchange of the JSE Limited.

2. Nature of business

The principal activity of AH-Vest Limited is the manufacture and sale of food products, mainly condiments and sauces, and the Company operates principally in South Africa. There have been no material changes to the nature of the Group's business from the prior year.

3. Review of financial results and activities

The audited condensed consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008 ("Companies Act"). The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2 of the Notes to the Financial Statements. The Group's operations are conducted through the holding company and its two subsidiaries remain dormant.

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated annual financial statements and do not in our opinion require any further comment.

4. Share capital

There have been no changes to the authorised or issued share capital during the year under review. Additional shares were issued post year end, as detailed in paragraph 11 below.

5. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares under the control of the directors until the next AGM.

6. Dividends

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

The Company declared a maiden gross dividend of 0.79640 cents per share for the year ended 30 June 2020, which was paid to shareholders on 23 November 2020.

An interim dividend was not declared.

The Board is pleased to advise that a gross final cash dividend (Number 2) of 1.00 cent per share was declared for the year ended 30 June 2021 and was paid to all shareholders recorded in the share register of the Company at the close of business on Friday, 22 October 2021.

Directors' Report

7. Insurance and risk management

The Group follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the Group's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged. No insurance claims were made for either the COVID-19 pandemic or the July riots as there were no insurable losses that occurred.

8. Directorate

The directors in office during the year under review were as follows:

Directors	Position held	Date ceased to be a director
IE Darsot*	Executive Chairman	16 July 2021
MNI Darsot	Chief Executive Officer	
C Sambaza	Chief Financial Officer	
MS Appelgryn	Lead Independent Non-Executive Director	
SI Darsot	Operations Director	
R Darsot	Administration and Treasury Director	
BI Darsot	Human Resources Director	
JJ du Plooy	Independent Non-Executive Director	
MT Pather**	Business Development Director	27 January 2021
H Takolia	Independent Non-Executive Director	
UC Speirs	Independent Non-Executive Director	

* Our Executive Chairman, Mr Ismail Darsot, the founder of the Group's holding company, the Eastern Trading Company Proprietary Limited passed away on the 16th July 2021. During his tenure he brought strong leadership and wise counsel to the Group. He will be sorely missed. Mr H Takolia has been appointed as the interim Board Chairman and a new Board Chairman will be appointed in due course.

** Mr Marci Pather was removed as a director on the 27th January 2021 at an Extraordinary General Meeting convened at the request of the major shareholder Eastern Trading Proprietary Limited.

9. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the Group had an interest and which significantly affected the business of the Group. All related party transactions have been disclosed in note 26 of the consolidated annual financial statements.

10. Holding company

The Group's holding company is Eastern Trading Company Proprietary Limited trading as Darsot Food Corporation ("Eastern Trading") and is incorporated in South Africa.

Directors' Report

11. Capital raising, Shareholder spread and placing of shares under the pre-approved general authority to issue shares for cash

In order to facilitate the raising of additional capital and to try and address the fact that the majority shareholder, Eastern Trading, holds in excess of 90% of the issued share capital of the Company, the Company borrowed shares from Eastern Trading for placement into the market under the general authority to issue shares for cash approved by shareholders at the AGM held on 23rd January 2020. A total of 62 397 shares were placed on the open market at prices ranging from 18 to 35 cents per share, with an average price of 27.27273 cents per share.

The 62 397 shares borrowed from Eastern Trading for purposes of this placement were only re-issued to Eastern Trading at the beginning of July 2021 and the Company's share register as at 30 June 2021 accordingly reflects no change in the issued share capital during the year under review, as per paragraph 4 above.

12. Shareholders

There was no change to the major shareholders of the Company during the year under review. There was a minor increase in the number of shares held by Eastern Trading pursuant to an on-market acquisition, as announced on SENS.

	2021 Direct	2020 Direct	2021 Indirect	2020 Indirect
Eastern Trading	72.34%	72.30%		
Farm Foods Holdings Proprietary Limited	-	-	23.34%	23.34%

Eastern Trading holds 91% of Farm Foods Holdings Proprietary Limited.

13. Borrowing powers

In terms of the Memorandum of Incorporation (MOI) of the Company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

14. Special resolutions

The following special resolutions were passed by AH-Vest Limited during the year:

- The Company and/or any subsidiary of the Company was granted authority, subject to the provisions of the Companies Act of South Africa, the Listing Requirements of the JSE and the Company's MOI, to acquire ("repurchase"), as a general repurchase, up to 20% of the ordinary shares issued by the Company.
- The remuneration payable to the non-executive directors from the AGM held on the 27th January 2021.
- The Company was granted authority to allot and issue shares that may exceed 30% of the voting power of the current issued share capital.
- The acquisition of shares from a director or a prescribed officer pursuant to a general repurchase by the Company of any of its shares, provided that such repurchase complies with the provisions of the Company's MOI, the Companies Act and the JSE Listing Requirements.
- The Company was granted approval, in terms of Section 45 of the Companies Act, to enter into direct or indirect funding agreements or guarantee a loan or other obligation, secure any debt or obligation or to provide loans or financial assistance between subsidiaries or between itself and its directors, prescribed officers, subsidiaries, or any related or inter-related persons from time to time, subject to the provisions of the JSE Limited's Listings Requirements and as the directors in their discretion deem fit. Loans between the Group and any related or inter-related company or corporation to a value not exceeding R20 million (twenty million Rand) were approved.

Directors' Report

15. Events after the reporting period

Other than as disclosed below, the Directors are unaware of any significant adjusting or disclosable events that have occurred between the end of the financial year and the date of this report that may materially affect the Group's results for the year under review or its financial position as at 30 June 2021:

- Dividend number 2 of 1,00 cents per share was declared on 28th September 2021 and was paid to all Shareholders recorded in the share register of the Company at the close of business on 22nd October 2021.

16. Going concern

The financial statements have been based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The focus is on the management of our cash resources and maintaining liquidity in the business. Management is continuously reviewing the order pipeline and ensuring that orders are satisfied as much as possible. Management continues to assess the impact of COVID-19 on the business and adapting its activities accordingly while adhering to the latest guidelines issued by the government.

The Group has a strong balance sheet and is generating profits and positive cash flow and thus the Board is comfortable with the Going Concern principle.

17. Litigation statement

Save for the contingent liability referred to in paragraph 18, below there are no material litigation matters that are expected to have a material impact on the Company as at 30 June 2021.

18. Contingencies

As previously disclosed in prior year financial statements, the Company has a contingent liability of R1 500 000, being a proposed fine by the Department of Labour in terms of section 20(7) of the Employment Equity Act 55 of 1998 ("Act") in accordance with schedule 1 of the Act. The Department made an application to the Labour Court alleging that the Company was in breach of the Act by failing to prepare and implement an Employment Equity Plan in terms of section 50(1)(f) and for the Company to be ordered to comply with section 20(1) of the same Act. The Company is disputing these allegations. The Department failed to submit its heads of arguments as requested by the Labour Court and the designated time has elapsed. The Company has submitted the Employment Equity Plan in dispute, and it has since been gazetted. The Company has also submitted its equity plans for two subsequent years after this dispute and they have been accepted and gazetted by the Department of Labour. Management, in consultation with their legal counsel, are therefore of the view that the fine will not be payable and that the matter is now moot. The Company's attorneys have approached the Department of Labour to withdraw the case on condition that each party bears its own costs. No response has been received from the Department of Labour as at the date of this report.

19. COVID-19

As we went into the second year of the COVID-19 pandemic there was an impact on the business during the period under review in that the customers reduced their buying patterns, resulting in reduced turnover this current year. The business was fortunate to be in the position where turnover only reduced by 8.3%. There was financial pressure for consumers as many lost their jobs and some had their remuneration reduced as businesses struggled to stay afloat.

We continued to focus on the health and wellness of our staff and the safety of our customers. We continued ensuring continuity of our operations, safeguarding liquidity, and strengthening the balance sheet. Generating and preserving cash in our working capital management was paramount. Non-essential capital expenditure and costs have been deferred.

The Group has considered the JSE COVID-19 related guidance notes, as well as the related educational documents prepared by SAICA regarding the impact of COVID-19 on the application of IFRS, in the preparation of these financial statements. Inventory and debtor provisions have been reviewed, without any material movements in income statement adjustments compared to the prior year.



AH-Vest Limited

(Registration number 1989/000100/06) Trading as All Joy Foods
Annual Financial Statements for the year ended 30 June 2021

Directors' Report

20. Auditors

Nexia SAB&T continued in office as auditors for the Group for 2021.

21. Secretary

The Company secretary is Light Consulting Proprietary Limited.

Business address:
20 Stirrup Lane
Woodmead Office Park Woodmead Johannesburg
2021



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AH-Vest Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of AH-Vest Limited (the Group and Company) set out on pages 41 to 85, which comprise the consolidated and separate statement of financial position as at 30 June 2021, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 30 June 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Revenue</p> <p>As disclosed in note 16, the consolidated financial statements include revenue of R 180 202 750 (2020: R 196 492 262).</p> <p>The Group has a number of clients, with varying contractual terms, which also increases the risk associated with the completeness and measurement of the revenue recognised.</p> <p>Revenue recognition is therefore considered to be a key audit matter.</p>	<p>As part of our response to these key audit matters, our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> • Performed analytical review procedures in respect of revenue; • Obtained the delivery notes listing report and performed a sequence test of the delivery notes listed to verify the completeness of the report; • Selected transactions from the delivery note listing report and agreed same to the general ledger to ensure the transactions were recorded; • Verified that the revenue recognised in the general ledger was accurately measured in terms of the customer contractual agreements; • Selected transactions before and after the reporting period, to confirm that the transactions were recognised in the correct financial period; and • Verified that the revenue recognition and measurement policies adopted and implemented were in terms of IFRS 15. <p>We found that the recognition and measurement of revenue was appropriate.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "AH-Vest Limited Integrated Report for the year ended 30 June 2021" which includes the Directors' Report, the Audit Committee's Report, the Company Secretary's Certification as required by the Companies Act of South Africa and the CEO and CFO Internal Financial Control Responsibility Statement as required by the JSE Limited Listing Requirements. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of AH-Vest Limited for 9 years.

Nexia SAB&T

Nexia SAB&T

Per: A Darmalingam

Director

Registered Auditor

31 October 2021

AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	Group		Company	
		2021	2020	2021	2020
Assets					
Non-Current Assets					
Property, plant and equipment	3	41 246 659	43 958 084	41 246 659	43 958 084
Right-of-use assets	4	29 713 167	27 729 179	29 713 167	27 729 179
Intangible assets		80 594	80 594	80 594	80 594
Investments in subsidiaries	5	-	-	100	100
Deferred tax	6	-	1 057 410	-	1 057 410
		71 040 420	72 825 267	71 040 520	72 825 367
Current Assets					
Inventories	7	14 572 461	11 277 423	14 572 461	11 277 423
Loan to shareholder	8	21 708 396	8 258 620	21 708 396	8 258 620
Trade and other receivables	9	32 269 599	31 051 007	32 269 599	31 051 007
Cash and cash equivalents	10	752 632	1 659 197	752 532	1 659 097
		69 303 088	52 246 247	69 302 988	52 246 147
Total Assets		140 343 508	125 071 514	140 343 508	125 071 514
Equity and Liabilities					
Equity					
Share capital	11	21 293 071	21 293 071	21 293 071	21 293 071
Retained income		22 953 781	13 560 361	22 953 781	13 560 361
		44 246 852	34 853 432	44 246 852	34 853 432
Liabilities					
Non-Current Liabilities					
Other financial liabilities	12	11 078 902	13 770 977	11 078 902	13 770 977
Lease liabilities	4	27 319 919	24 872 210	27 319 919	24 872 210
Deferred income	13	4 629 099	5 031 589	4 629 099	5 031 589
Deferred tax	6	1 578 813	-	1 578 813	-
		44 606 733	43 674 776	44 606 733	43 674 776
Current Liabilities					
Trade and other payables	14	45 138 772	41 055 358	45 138 772	41 055 358
Other financial liabilities	12	2 698 070	1 920 188	2 698 070	1 920 188
Lease liabilities	4	1 321 103	1 632 018	1 321 103	1 632 018
Deferred income	13	402 491	402 491	402 491	402 491
Provisions	15	817 825	919 739	817 825	919 739
Bank overdraft	10	1 111 662	613 512	1 111 662	613 512
		51 489 923	46 543 306	51 489 923	46 543 306
Total Liabilities		96 096 656	90 218 082	96 096 656	90 218 082
Total Equity and Liabilities		140 343 508	125 071 514	140 343 508	125 071 514

AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

Annual Financial Statements for the year ended 30 June 2021

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	Group		Company	
		2021	2020	2021	2020
Revenue	16	180 202 750	196 492 262	180 202 750	196 492 262
Cost of sales		(104 617 927)	(122 359 965)	(104 617 927)	(122 359 965)
Gross profit		75 584 823	74 132 297	75 584 823	74 132 297
Other income	17	4 763 171	786 148	4 763 171	786 148
Operating expenses		(64 446 209)	(60 056 656)	(64 446 209)	(60 056 656)
Operating profit	18	15 901 785	14 861 789	15 901 785	14 861 789
Investment income	19	1 173 692	588 277	1 173 692	588 277
Finance costs	20	(4 233 718)	(5 004 928)	(4 233 718)	(5 004 928)
Profit before taxation		12 841 759	10 445 138	12 841 759	10 445 138
Taxation	21	(2 636 223)	(2 322 336)	(2 636 223)	(2 322 336)
Total comprehensive income for the year		10 205 536	8 122 802	10 205 536	8 122 802
Basic and diluted earnings per share (c)	35	10.01	7.97	10.01	7.97

AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Group			
Balance at 01 July 2019	21 293 071	5 437 559	26 730 630
Total comprehensive income for the year	-	8 122 802	8 122 802
Balance at 01 July 2020	21 293 071	13 560 361	34 853 432
Total comprehensive income for the year	-	10 205 536	10 205 536
Dividends	-	(812 116)	(812 116)
Balance at 30 June 2021	21 293 071	22 953 781	44 246 852
Note	11		
Company			
Balance at 01 July 2019	21 293 071	5 437 559	26 730 630
Total comprehensive income for the year	-	8 122 802	8 122 802
Balance at 01 July 2020	21 293 071	13 560 361	34 853 432
Total comprehensive income for the year	-	10 205 536	10 205 536
Dividends	-	(812 116)	(812 116)
Balance at 30 June 2021	21 293 071	22 953 781	44 246 852
Note	11		

AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

Annual Financial Statements for the year ended 30 June 2021

Statement of Cash Flows

Figures in Rand	Note(s)	Group		Company	
		2021	2020	2021	2020
Cash flows from operating activities					
Cash generated from operations	22	19 492 346	13 653 061	19 492 346	13 653 061
Interest income received		11 695	-	11 695	-
Finance costs paid		(4 033 508)	(5 004 928)	(4 033 508)	(5 004 928)
Dividends paid	23	(35 064)	-	(35 064)	-
Net cash from operating activities		15 435 469	8 648 133	15 435 469	8 648 133
Cash flows from investing activities					
Purchase of property, plant and equipment		(271 718)	(732 752)	(271 718)	(732 752)
Loans advanced to shareholder		(22 953 524)	(14 804 873)	(22 953 524)	(14 804 873)
Loans to shareholder repaid		10 200 867	16 718 338	10 200 867	16 718 338
Net cash from investing activities		(13 024 375)	1 180 713	(13 024 375)	1 180 713
Cash flows from financing activities					
Repayment of other financial liabilities	24	(2 103 375)	(2 031 939)	(2 103 375)	(2 031 939)
Payment of lease liabilities	24	(1 712 433)	(1 944 296)	(1 712 433)	(1 944 296)
Net cash from financing activities		(3 815 808)	(3 976 235)	(3 815 808)	(3 976 235)
Total cash movement for the year		(1 404 714)	5 852 611	(1 404 714)	5 852 611
Cash at the beginning of the year		1 045 684	(4 806 926)	1 045 584	(4 807 026)
Total cash at end of the year	10	(359 030)	1 045 685	(359 130)	1 045 585

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements, the JSE Listings Requirements and the Companies Act of South Africa.

These consolidated and separate annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated and separate annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow, and incorporate the principal accounting policies set out below. They are presented in Rands, which is the Group and Company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the Company and all subsidiaries. Subsidiaries are entities which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through the use of its power over the entity.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement by management is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. (Refer note 6 for further disclosure.)

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer notes 1.5, 8, and 9 for further disclosure of these assumptions and inputs.)

Useful lives of property, plant and equipment

Management applies judgement and estimates in assessing the appropriateness of the useful lives and residual values of property, plant and equipment at the end of each reporting period, and in doing so considers the following factors:

- the future anticipated use of plant and machinery based on product demand and alternative uses of the plant and machinery;
- the feasibility of future maintenance costs as a consideration to alternatively replace the plant and machinery;
- the cost effectiveness of existing plant and machinery as compared to newer technology; and
- the potential changes in legislation, such as acceptable noise and heat levels generated by existing plant and machinery.

Refer policy note 1.4 for detail of useful lives.

Growth incentive provision

Provisions are inherently based on assumptions and estimates using the best information available.

The Group has entered into trading term agreements with some of its major customers. One of the terms in these agreements is a growth incentive scheme that rewards customers for increasing their revenue with the Group over the prior year. Growth hurdles are set over an agreed range which is capped at an agreed maximum rate. A growth incentive is also set on a tiered scale and capped at a specified maximum. These incentives are payable at the end of the calendar year once all the revenue figures have been agreed and payable on agreed terms after the conclusion of the calendar year.

For purposes of making monthly provisions management makes an assumption that the customers will meet the maximum growth hurdle and become entitled to the maximum growth incentive. This provision is then made against the actual monthly sales. At the end of each calendar year the actual growth hurdle and the growth incentive are then finalised and management compares the actual amounts due and the cumulative amounts provided for during the year and make the necessary adjustments. At the end of the financial year the growth incentive provision was the amount on actual sales for the 6 months from the beginning of the calendar year.

Additional disclosure of these estimates of provisions are included in note 15.

Accounting Policies

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leasehold improvements are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	10 - 18 years
Furniture and fittings and IT equipment	Straight line	6 - 12 years
Motor vehicles	Straight line	3 - 6 years
Leasehold improvements	Straight line	Period of lease (25 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 an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Accounting Policies

1.5 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Note 28 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Trade and other receivables and Loans receivable at amortised cost

Classification

Loan to shareholder (note 8) and trade and other receivables (note 9), excluding when applicable VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these receivables give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and the entity's business model is to collect the contractual cash flows on these receivables.

Recognition and measurement

Receivable are recognised when the Group becomes a party to the contractual provisions of the receivable. The receivables are measured, at initial recognition, at fair value plus transaction costs, if any. A trade receivable without a significant financing component is initially measured at the transaction price.

They are subsequently measured at amortised cost.

The amortised cost is the amount initially recognised, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated, where applicable, using the effective interest method, and is included in profit or loss in investment income (note 19).

The application of the effective interest method to calculate interest income on a receivable is dependent on the credit risk of the as follows:

- The effective interest rate is applied to the gross carrying amount, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Receivables denominated in foreign currencies

When a receivable is denominated in a foreign currency, the carrying amount of the receivable is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 17 and 18).

Details of foreign currency risk exposure and the management thereof are provided in note 9.

Accounting Policies

1.5 Financial instruments (continued)

Impairment

The Group recognises a loss allowance for expected credit losses on all receivables measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective receivables.

The Group measures the loss allowance for loans receivable and cash and cash equivalents by applying the general approach. The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan receivable and cash and cash equivalent has not increased significantly since initial recognition, then the loss allowance for that loan receivable is measured at 12 month expected credit losses (12 month ECL).

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a receivable. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a receivable that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a receivable being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a receivable has increased significantly since initial recognition, the Group compares the risk of a default occurring on the receivable as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, as well as consideration of various external sources of actual and forecast economic information (such as gross domestic product growth rate, prime lending interest rate, inflation rate and unemployment rate).

Irrespective of the outcome of the above assessment, the credit risk on a receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the receivable has not increased significantly since initial recognition. A financial asset is considered to have a low credit risk if there is a low risk of default based on the following definition of default. (Refer note 8 for loan assessed to have a low credit risk.)

Definition of default

For purposes of internal credit risk management purposes, the Group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information (such as legal correspondence and publicly available information) indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a receivable instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Accounting Policies

1.5 Financial instruments (continued)

Write off policy

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 which are written off are not subject to enforcement activities.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as aforementioned described. The exposure at default is the gross carrying amount of the receivable at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Receivables are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the receivable, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 9.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance of loans receivable and cash and cash equivalents at an amount equal to 12 month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all receivables in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 18).

Credit risk

Details of credit risk related to receivables are included in the specific notes and the financial instruments and risk management (note 28).

Cash and cash equivalents

Cash and cash equivalents are subsequently measured at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

Liabilities and trade and other payables

Classification

Liabilities (notes 4, 10 and 12) and trade and other payables (note 14) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Liabilities and payables are recognised when the Group becomes a party to the contractual provisions and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 20.)

Liabilities and payables expose the Group to liquidity risk and interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

Payables denominated in foreign currencies

When payables are denominated in a foreign currency, the carrying amount of the payable is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 17 and 18).

Details of foreign currency risk exposure and the management thereof are provided in note 14.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Accounting Policies

1.5 Financial instruments (continued)

Reclassification

Financial assets

No financial assets have been reclassified.

Financial liabilities

Financial liabilities are not reclassified.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.7 Leases

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 determine 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.

Accounting Policies

1.7 Leases (continued)

Group as lessee

A lease liability and corresponding right-of-use asset are recognised 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 recognises the lease payments as an operating expense (note 18) 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 4 Leases (Group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments.

The lease liability is presented as a separate line item on the Statement of Financial Position.

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 20).

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the right-of-use asset comprise the initial amount of the corresponding lease liability.

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.

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. Refer to the accounting policy for property, plant and equipment for details of useful lives. Leasehold property is depreciated over the term of the lease, being 25 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.

The depreciation charge for each year is recognised in profit or loss.

Accounting Policies

1.8 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the standard cost formula, which is reviewed and updated on a regular basis to take into account changes in costs. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss.

1.10 Share capital and equity

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

Ordinary shares are classified as equity.

Dividends are recognised as a liability in the entity in which they are declared.

Accounting Policies

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.12 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

1.13 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets are presented in the statement of financial position by setting up the grant as deferred income. The deferred income is subsequently recognised in profit or loss on a systematic basis over the useful life of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Accounting Policies

1.14 Revenue from contracts with customers

The Group recognises revenue from the sale of goods.

Revenue is measured based on the consideration specified in a contract with a customer. The consideration specified in the contract is the same as the transaction price.

Revenue is recognised when the performance obligation relating to each specific contract has been satisfied. The Group's contracts with customers do not contain multiple performance obligations which are required to be met. The Group's revenue recognition policies are not complex and relate to the delivery of goods to customers as a single performance obligation. Performance obligations are satisfied at a point in time. There are no performance obligations satisfied over time.

The performance obligation with respect to the sale of goods is recognised when the Group entity has delivered its products to the customer, or the products have been collected by the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery does not occur until the products have been delivered to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer 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. There are no performance obligations outstanding at year end. The Group does not have any obligations for returns or refunds at year end.

Payments by customers are typically made within 30 days of statement date for wholesale customers and cash on delivery for retail customers. There is no financing element to be recognised on the sale of goods.

Contracts with customers do not include transaction prices that have variable considerations.

Trading terms are provided for in accordance with individual customer contracts. Other than the growth incentive provision as referred to in note 1.3, these trading terms are based on the fixed percentages agreed, which are applied at the time of revenue recognition and are not dependent on any future outcomes or other variables.

There were no contract assets or contract liabilities at year end.

1.15 Investment income

Income is recognised as interest accrues using the effective interest rate method (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset).

1.16 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

In circumstances where the Group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, Group determines a date of transaction for each payment or receipt of advance consideration.

At the end of the reporting period foreign currency monetary items are translated using the closing rate.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Accounting Policies

1.17 Segment reporting

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker. Furthermore, a segment is a distinguishable component of the group that is engaged in either providing related products and services (business segment), in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different to those of other segments.

The Chief Executive Officer of the Group in consultation with the executive committee are the chief operating decision makers and evaluate the financial information of the Group as one operating unit.

No secondary geographical segment analysis has been provided as the Group operates primarily within one product segment, namely sauces, and one geographical segment, namely South Africa.



Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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.

There was no material impact on the implementation of any of these standards.

Standard/ Interpretation:**Effective date:****Years beginning on or after**

- | | |
|--|-----------------|
| • Definition of a business - Amendments to IFRS 3 | 01 January 2020 |
| • Presentation of Financial Statements: Disclosure initiative - IAS 1 | 01 January 2020 |
| • Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative - IAS 8 | 01 January 2020 |

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2021 or later periods. These standards will be implemented in the applicable year for which they are mandatory.

There is unlikely to be a material impact on the future implementation of any of these standards.

Standard/ Interpretation:**Effective date:****Years beginning on or after**

- | | |
|---|-----------------|
| • Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2 to disclose material policies rather than significant policies | 01 January 2023 |
| • Definition of accounting estimates: Amendments to IAS 8 | 01 January 2023 |
| • Classification of Liabilities as Current or Non-Current - Amendment to IAS 1 | 01 January 2023 |
| • Deferred tax related to assets and liabilities arising from single transactions: Amendments to IAS 12 | 01 January 2023 |
| • Reference to the Conceptual Framework: Amendments to IFRS 3 | 01 January 2022 |
| • Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9 - fees and costs to be included when applying the '10 per cent' test for purposes of derecognition | 01 January 2022 |
| • Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16 | 01 January 2022 |
| • Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37 | 01 January 2022 |
| • Covid - 19 - Related Rent Concessions - Amendment to IFRS 16 | 01 April 2021 |

Notes to the Annual Financial Statements

Figures in Rand	Group		Company	
	2021	2020	2021	2020

3. Property, plant and equipment

Group and Company	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	50 949 190	(22 276 137)	28 673 053	50 677 472	(20 473 071)	30 204 401
Furniture and fittings and IT equipment	1 799 561	(1 347 925)	451 636	1 799 561	(1 237 124)	562 437
Motor vehicles	3 197 486	(1 947 588)	1 249 898	3 776 886	(1 938 203)	1 838 683
Leasehold improvements	15 203 306	(4 331 234)	10 872 072	15 203 306	(3 850 743)	11 352 563
Total	71 149 543	(29 902 884)	41 246 659	71 457 225	(27 499 141)	43 958 084

Reconciliation of property, plant and equipment - Group and Company - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	30 204 401	271 718	-	(1 803 066)	28 673 053
Furniture and fittings and IT equipment	562 437	-	-	(110 801)	451 636
Motor vehicles	1 838 683	-	(293 562)	(295 223)	1 249 898
Leasehold improvements	11 352 563	-	-	(480 491)	10 872 072
	43 958 084	271 718	(293 562)	(2 689 581)	41 246 659

Reconciliation of property, plant and equipment - Group and Company - 2020

	Opening balance	Additions	Transfers from right-of-use assets*	Depreciation	Total
Plant and machinery	25 387 472	6 395 304	-	(1 578 375)	30 204 401
Furniture and fittings and IT equipment	574 183	83 956	-	(95 702)	562 437
Motor vehicles	243 772	219 900	1 417 503	(42 492)	1 838 683
Leasehold improvements	11 575 686	93 592	-	(316 715)	11 352 563
	37 781 113	6 792 752	1 417 503	(2 033 284)	43 958 084

* Transfers from right-of-use assets in the prior year relate to leased assets for which the Group has taken ownership of the assets on expiry of the lease. Refer note 4 for right-of-use assets.

A register containing the information required by Regulation 25(3) of the Company Regulations, 2011 is available for inspection at the registered office of the company.

Contractual commitments

There were no contractual commitments for the acquisition of property, plant and equipment at 30 June 2021.

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Figures in Rand	Group		Company	
	2021	2020	2021	2020

4. Right-of-use assets and Leases (group as lessee)

The Group leases several assets, including land and buildings, plant and machinery, and motor vehicles.

The average lease terms are as follows:

- Land and buildings - 25 years (2020: 25 years). There are 16.75 years remaining on the lease which include 3 renewal periods of 5 years. The renewal periods have been included in determining the value of the lease liability and right-of use asset. Monthly repayments are R280 000 (2020: R250 000) and the interest rate is 10% p.a. (2020: 10% p.a.). The lease terms were amended in the current year to increase the monthly repayment by R30 000, resulting in an increase in the right-of-use asset and lease liability. Management reviewed the interest rate at the date of the lease change and were of the view that no change to the interest rate was required.
- Plant and machinery - 5 years (2020: 5 years). Total monthly repayments are R108 373 (2020: R108 373) and the interest rate is 8% p.a. (2020: 8% p.a.).
- Motor vehicles - 3 years. Total monthly repayments are R14 097 and the interest rate is 5.174% p.a.

There is a guaranteed residual of R473 115 at the end of the motor vehicle leases. There are no restrictions or covenants imposed by the leases. No arrangements have been entered into for contingent rent. There were no Covid-19 related rental concessions received. There are no leases to which the Group is committed to which have not yet commenced.

Short term lease expenses relate to equipment hire. There are no short term lease commitments at 30 June 2021 (2020: R nil).

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

Reconciliation of right-of-use assets - Group and Company - 2021

	Opening balance	Additions	Depreciation	Total
Leasehold property	23 156 497	2 969 860	(1 450 508)	24 675 849
Plant and machinery	4 572 683	-	(370 758)	4 201 925
Motor vehicles	-	868 338	(32 945)	835 393
	27 729 180	3 838 198	(1 854 211)	29 713 167

Reconciliation of right-of-use assets - Group and Company - 2020

	Opening balance	Disposals	Transfers to property, plant and equipment	Depreciation	Total
Leasehold property	24 479 725	-	-	(1 323 228)	23 156 497
Plant and machinery	4 943 441	-	-	(370 758)	4 572 683
Motor vehicles	2 447 749	(697 698)	(1 417 503)	(332 548)	-
	31 870 915	(697 698)	(1 417 503)	(2 026 534)	27 729 180

Other disclosures

Interest expense on lease liabilities	2 787 286	2 764 704	2 787 286	2 764 704
Expenses on short term leases included in operating expenses	160 468	164 861	160 468	164 861
Expenses on short term leases included in cost of goods sold and inventories	180 000	-	180 000	-
Capital repayments on lease liabilities	1 712 433	1 944 296	1 712 433	1 944 296
Total cash outflow from leases	4 840 187	4 873 861	4 840 187	4 873 861

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	2021	2020	2021	2020

4. Right-of-use assets and Leases (group as lessee) (continued)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	4 069 080	4 190 727	4 069 080	4 190 727
Two to five years	14 220 178	12 541 291	14 220 178	12 541 291
More than five years	39 480 000	38 250 000	39 480 000	38 250 000
	57 769 258	54 982 018	57 769 258	54 982 018
Less finance charges component	(29 128 236)	(28 477 790)	(29 128 236)	(28 477 790)
	28 641 022	26 504 228	28 641 022	26 504 228
Non-current liabilities	27 319 919	24 872 210	27 319 919	24 872 210
Current liabilities	1 321 103	1 632 018	1 321 103	1 632 018
	28 641 022	26 504 228	28 641 022	26 504 228

Fair value of lease liability

The fair value of the lease liabilities approximates their carrying value as the rates and terms are market related.



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	2021	2020	2021	2020

5. Interests in subsidiaries

The following table lists the entities which are controlled directly by the Group, and the carrying amounts of the investments in the Company's separate financial statements.

Company

Name of company	Held by	% Voting power 2021 and 2020	% Holding 2021 and 2020	Carrying amount 2021	Carrying amount 2020
All Joy Property Holdings Proprietary Limited	AH-Vest Limited	100.00 %	100.00 %	100	100
All Joy Foods Proprietary Limited	AH-Vest Limited	100.00 %	100.00 %	-	-
				<u>100</u>	<u>100</u>

Restrictions relating to subsidiaries

There are no restrictions on the ability of the subsidiaries to transfer funds to the Group.

6. Deferred tax

Deferred tax liability

Property, plant and equipment	(6 795 925)	(6 383 977)	(6 795 925)	(6 383 977)
Total deferred tax liability	(6 795 925)	(6 383 977)	(6 795 925)	(6 383 977)

Deferred tax asset

Credit loss allowance	194 225	173 753	194 225	173 753
Growth incentive provision	228 991	257 527	228 991	257 527
Settlement discounts	1 258 270	1 710 310	1 258 270	1 710 310
Leave pay	174 073	174 556	174 073	174 556
Right-of-use assets and lease liabilities	724 294	482 010	724 294	482 010
Deferred tax balance from temporary differences other than unused tax losses	2 579 853	2 798 156	2 579 853	2 798 156
Tax losses available for set off against future taxable income	2 637 259	4 643 231	2 637 259	4 643 231
Total deferred tax asset	5 217 112	7 441 387	5 217 112	7 441 387

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(6 795 925)	(6 383 977)	(6 795 925)	(6 383 977)
Deferred tax asset	5 217 112	7 441 387	5 217 112	7 441 387
Total net deferred tax (liability) asset	(1 578 813)	1 057 410	(1 578 813)	1 057 410

Notes to the Annual Financial Statements

Figures in Rand	Group		Company	
	2021	2020	2021	2020
6. Deferred tax (continued)				
Reconciliation of deferred tax asset / (liability)				
At beginning of year	1 057 410	3 379 746	1 057 410	3 379 746
Increases (decrease) in tax losses available for set off against future taxable income	(2 005 972)	(2 223 974)	(2 005 972)	(2 223 974)
Taxable / (deductible) temporary difference movement on property, plant and equipment	(411 948)	(603 510)	(411 948)	(603 510)
Taxable / (deductible) temporary difference movement on credit loss allowance	20 472	67 033	20 472	67 033
Taxable / (deductible) temporary difference movement on settlement discounts	(452 040)	62 224	(452 040)	62 224
Taxable / (deductible) temporary difference movement on leave pay	(483)	(68 054)	(483)	(68 054)
Taxable / (deductible) temporary difference growth incentive provision	(28 536)	(38 065)	(28 536)	(38 065)
Taxable / (deductible) temporary difference movement on right-of-use assets and lease liabilities	242 284	482 010	242 284	482 010
	(1 578 813)	1 057 410	(1 578 813)	1 057 410

Recognition of deferred tax asset

Deferred tax assets have been recognised in respect of all tax losses and other taxable temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered, having reviewed the Group's financial projections. There are no unrecognised deferred tax assets on assessed losses.

The Group has the ability and likelihood to recover the deferred tax assets over the foreseeable future based on the directors' assessment of the operational plans and profitability forecasts.

7. Inventories

Raw materials	5 772 420	4 477 519	5 772 420	4 477 519
Finished goods	8 800 041	6 799 904	8 800 041	6 799 904
	14 572 461	11 277 423	14 572 461	11 277 423

Inventory pledged as security

There were no encumbrances over inventories at 30 June 2021 (2020: R nil).

8. Loan to shareholder

Eastern Trading Company Proprietary Limited	21 708 396	8 258 620	21 708 396	8 258 620
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The loan is unsecured, carries interest at prime plus 0.5% and is repayable in full within the next 12 months.

Exposure to credit risk

Loans receivable inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

The maximum exposure to credit risk is the gross carrying amount. The Group does not hold collateral or other credit enhancements against the loans to shareholders.

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Figures in Rand	Group		Company	
	2021	2020	2021	2020

8. Loan to shareholder (continued)

In assessing the amount of expected credit losses, the Group has taken into account any historic default experience, the financial position of the shareholder as well as the future prospects in the industries in which the shareholder operates. Based on historical information, the shareholder has made consistent repayments on the loan. Covid-19 has had a positive effect on the company due to the increase in demand and management forecasts strong growth ahead. The credit quality of the loan is therefore assessed as high with no likelihood of default. Management are of the view that no expected credit loss allowance is required.

Fair value of loan to shareholder

The terms are market related and therefore the fair value of the loans to shareholders approximates the carrying amount.

9. Trade and other receivables

Financial instruments:

Trade receivables	37 462 350	38 193 502	37 462 350	38 193 502
Allowances for discounts and rebates	(4 493 821)	(6 108 251)	(4 493 821)	(6 108 251)
Loss allowance	(1 156 109)	(1 034 244)	(1 156 109)	(1 034 244)
Trade receivables at amortised cost	31 812 420	31 051 007	31 812 420	31 051 007
Deposits	100 000	-	100 000	-
Non-financial instruments:				
Prepayments	357 179	-	357 179	-
Total trade and other receivables	32 269 599	31 051 007	32 269 599	31 051 007

Trade and other receivables pledged as security

Trade and other receivables were ceded and pledged as security for liabilities as per note 12.

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.

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

The average credit period on trade receivables is 60 days (30 days from statement) (2020: 30 days from statement). No interest is charged on outstanding trade receivables.

The loss allowance provision is determined as follows:

Group and Company

Expected credit loss rate:

Not past due: 0.35% (2020: 0.78%)
 Less than 30 days past due: 0.86% (2020: 5.63%)
 31 - 60 days past due: 2.70% (2020: 12.58%)
 More than 60 days past due: 8.35% (2020: 12.25%)

Total

	2021	2021	2020	2020
	Gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
	18 253 980	(63 588)	27 276 392	(213 150)
	5 746 789	(49 446)	7 826 681	(440 612)
	1 433 758	(38 680)	555 308	(69 837)
	12 027 823	(1 004 395)	2 535 121	(310 645)
Total	37 462 350	(1 156 109)	38 193 502	(1 034 244)

Notes to the Annual Financial Statements

Figures in Rand	Group		Company	
	2021	2020	2021	2020

9. Trade and other receivables (continued)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(1 034 244)	(508 190)	(1 034 244)	(508 190)
Provision raised on new trade receivables	(398 286)	(575 045)	(398 286)	(575 045)
Amounts written off as not recoverable	276 421	48 991	276 421	48 991
Closing balance	(1 156 109)	(1 034 244)	(1 156 109)	(1 034 244)

Exposure to currency risk

The Group is exposed to currency risk related to trade receivables due to certain wholesale transactions denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters. The foreign currency in which the Group deals primarily in trade receivables is the United States Dollars.

Exposure to foreign currency fluctuations is not considered significant to the Group.

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

The net carrying amounts, in Rand, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

Rand Amount

Rand	31 907 714	31 045 710	31 907 714	31 045 710
US Dollar	4 706	5 297	4 706	5 297
	31 912 420	31 051 007	31 912 420	31 051 007

The carrying amounts, in foreign currency of the above exposure was as follows:

Foreign currency amount

US Dollar	329	305	329	305
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The following closing exchange rates were applied to translate trade receivables at reporting date:

Rand per unit of foreign currency:

US Dollar	14.312	17.355	14.312	17.355
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Foreign currency sensitivity analysis

The sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to with regards to trade and other receivables is not considered to be significant.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to the short-term nature thereof.

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	2021	2020	2021	2020

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	100	100	-	-
Bank balances	625 312	1 543 571	625 312	1 543 571
Short-term deposits	127 220	115 526	127 220	115 526
Bank overdraft	(1 111 662)	(613 512)	(1 111 662)	(613 512)
	(359 030)	1 045 685	(359 130)	1 045 585
Current assets	752 632	1 659 197	752 532	1 659 097
Current liabilities	(1 111 662)	(613 512)	(1 111 662)	(613 512)
	(359 030)	1 045 685	(359 130)	1 045 585

The bank overdraft has been classified as part of cash and cash equivalents since the bank balance often fluctuates from being positive to overdrawn during the year.

Fair value of cash and cash equivalents

The fair value of cash and cash equivalents approximates the carrying value due to the short-term nature thereof.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates.

Management have reviewed the credit ratings for all the banks where funds are deposited and are satisfied that the bank ratings are of a high quality and present a very low level of default risk.

Credit rating

AA+ (2020: AA)

752 532	1 659 097	752 532	1 659 097
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Facilities in place for AH-Vest Limited:

- Medium term loan R14 473 000
- Overdraft R5 200 000
- Vehicle and Asset Finance R838 000
- Guarantees R70 000 - ceded for letters of guarantee
- Fleet Card R80 000

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Figures in Rand	Group		Company	
	2021	2020	2021	2020

10. Cash and cash equivalents (continued)

Securities provided for all facilities held at ABSA Group Limited:

There are unlimited suretyships and cession of loan accounts by:

- Eastern Trading Company Proprietary Limited
- Darsot and More Chemicals Proprietary Limited
- Tin Can Man Proprietary Limited
- Five Point Steel Proprietary Limited
- Plot 15 Misgund Road Can and Office Proprietary Limited
- Plot 75 Misgund Road DOCM Proprietary Limited
- Plot 18 Misgund Road HH Proprietary Limited
- Plot 81 Misgund Road MM Proprietary Limited

Cession of debtors.

Limited suretyship for an amount of R5 200 000 excluding cession of loan account by:

- Truck and Fleet Management DFC Proprietary Limited

Access to group facilities

AH-Vest Limited have access to banking facilities under a group facility established by its parent, Eastern Trading Company Proprietary Limited, to the value of R147 000 000. The following companies have given omnibus cross surety for this group facility:

- Eastern Trading Company Proprietary Limited
- Darsot and More Chemicals Proprietary Limited
- Tin Can Man Proprietary Limited
- Five Point Steel Proprietary Limited
- Plant and Equipment Hire DFC Proprietary Limited
- DFC All Joy Proprietary Limited

Of this facility, AH-Vest Limited's portion is limited to:

- Bank overdraft R5 200 000
- Credit agreement medium term loan R14 473 000

Security in favour of Merchant West Proprietary Limited

AH-Vest Limited provided a limited suretyship in the amount of R5 750 000 for the obligations of Eastern Trading Company Proprietary Limited being a principal debtor in a master rental agreement for a boiler, and issued cross suretyships limited to the same amount with the following companies: Tin Can Man Proprietary Limited, Darsot and More Chemicals Proprietary Limited and Five Point Steel Proprietary Limited. The quarterly rental is R381 642 expiring on the 05 May 2023.

11. Share capital

Authorised

500 000 000 Ordinary shares of 1 cent each

5 000 000 5 000 000 5 000 000 5 000 000

Issued

101 973 333 Ordinary shares

21 293 071 21 293 071 21 293 071 21 293 071

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

The ordinary shares carry equal rights to vote and to receive dividends, and do not have any restrictions attached.

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Figures in Rand	Group		Company	
	2021	2020	2021	2020
12. Other financial liabilities				
Held at amortised cost				
ABSA Bank Limited	13 776 972	15 691 165	13 776 972	15 691 165
Split between non-current and current portions				
Non-current liabilities	11 078 902	13 770 977	11 078 902	13 770 977
Current liabilities	2 698 070	1 920 188	2 698 070	1 920 188
	13 776 972	15 691 165	13 776 972	15 691 165

The loan is repayable monthly over 7 years at prime interest rate. The original medium term loan was R20 000 000 at inception and has a repayable period of 4.5 years remaining. The Group's obligations are secured by an omnibus surety from the Group as per note 10.

Fair value of other financial liabilities

The fair value of other financial liabilities approximates its carrying amount as the loan interest rate is linked to the prime interest rate at any point in time.

13. Deferred income

Government grants

Non-current liabilities	4 629 099	5 031 589	4 629 099	5 031 589
Current liabilities	402 491	402 491	402 491	402 491
	5 031 590	5 434 080	5 031 590	5 434 080

The Group received in total an amount of R9 236 399 in the 2016 and 2017 financial years as part of the Department of Trade's Manufacturing Competitiveness Enhancement Programme (MCEP), an incentive programme that aims to support manufacturing enterprises with competitiveness improvement interventions.

The government grant was received for capital expenditure on plant and machinery and leasehold improvements as well as operating expenses already incurred. The portion relating to the capital expenditure is recognised in profit or loss over the life of the related depreciable assets as other income.

The government grant portion relating to operating expenses which have already been incurred is recognised in other income in the year the grant is received.

The capital portion recognised as other income during this period was R402 491 (2020: R405 636). The operating expenditure portion was recognised in income in the 2016 and 2017 financial years.

There were no unfulfilled conditions and other contingencies attached to the government assistance that has been recognised.

14. Trade and other payables

Financial instruments:

Trade payables	41 365 775	35 510 542	41 365 775	35 510 542
Payroll related liabilities	19 663	1 956 129	19 663	1 956 129
Accrued expenses	799 494	654 064	799 494	654 064

Non-financial instruments:

Employee benefit obligations	2 773 524	903 262	2 773 524	903 262
VAT	180 316	2 031 361	180 316	2 031 361
	45 138 772	41 055 358	45 138 772	41 055 358

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Figures in Rand	Group		Company	
	2021	2020	2021	2020

14. Trade and other payables (continued)

Exposure to currency risk

The group is exposed to currency risk related to trade payables because certain wholesale transactions are denominated in foreign currencies. In respect of purchases and payables, the Group controls its volume of purchases to a tolerable level and only purchases from three countries, China, Oman and Spain. The Group primarily purchases in United States Dollars and Euros.

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

The net carrying amounts, in Rand, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

Rand Amount

Rand	38 854 713	37 140 029	38 854 713	37 140 029
US Dollar	1 860 914	980 706	1 860 914	980 706
Euro	1 469 305	-	1 469 305	-
	42 184 932	38 120 735	42 184 932	38 120 735

The net carrying amounts, in foreign currency of the exposure was as follows:

Foreign currency amount

US Dollar	130 024	56 509	130 024	56 509
Euro	86 240	-	86 240	-

The following closing exchange rates were applied to translate trade payables at reporting date:

Rand per unit of foreign currency:

US Dollar	14.312	17.355	14.312	17.355
Euro	17.037	-	17.037	-

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to with regards to trade and other payables. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated trade and other payables and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group and company

Increase or decrease in rate

Impact on profit or loss:

US Dollar 10% (2020: 10%)

Euro 10%

Impact on taxation:

US Dollar 10% (2020: 10%)

Euro 10%

Impact on profit or loss after taxation

	2021	2021	2020	2020
	Increase	Decrease	Increase	Decrease
	186 091	(186 091)	98 071	(98 071)
	146 931	(146 931)	-	-
	333 022	(333 022)	98 071	(98 071)
	(52 105)	52 105	(27 460)	27 460
	(41 141)	41 141	-	-
	(93 246)	93 246	(27 460)	27 460
	239 776	(239 776)	70 611	(70 611)

Notes to the Annual Financial Statements

Figures in Rand	Group		Company	
	2021	2020	2021	2020

14. Trade and other payables (continued)**Fair value of trade and other payables**

The fair value of trade and other payables approximates their carrying amounts due to the short-term nature thereof.

15. Provisions**Reconciliation of provisions - Group and Company - 2021**

	Opening balance	Additions	Utilised during the year	Total
Annual growth incentive	919 739	1 137 200	(1 239 114)	817 825

Reconciliation of provisions - Group and Company - 2020

	Opening balance	Additions	Utilised during the year	Total
Annual growth incentive	1 055 690	1 142 060	(1 278 011)	919 739

Annual growth incentive

The annual growth incentive relates to the amounts payable to the customers based on current sales by customers as per trading terms. The rebate is calculated as a percentage of turnover that the customers are invoiced.

The amounts are recognised monthly by applying the rebate percentage to the actual sales in each month. The rebate calculated reduces the revenue for that month. This rebate is payable to the customers within 60 days from 31 December.

There are no uncertainties regarding the timing of the outflow of economic benefit, however there is uncertainty on the amount which can only be determined and invoiced by the customers at the end of the calendar year (refer note 1.3).

16. Revenue**Revenue from contracts with customers**

Sale of goods	251 364 305	271 417 215	251 364 305	271 417 215
Less trading terms	(71 161 555)	(74 924 953)	(71 161 555)	(74 924 953)
	180 202 750	196 492 262	180 202 750	196 492 262

Disaggregation of revenue from contracts with customers

The disaggregation of revenue has been presented in note 34.

17. Other income

Sundry income	4 128 292	378 210	4 128 292	378 210
Profit on disposal of property, plant and equipment	18 611	2 302	18 611	2 302
Foreign exchange gains	213 777	-	213 777	-
Government grants	402 491	405 636	402 491	405 636
	4 763 171	786 148	4 763 171	786 148

Sundry income in the current year comprises mainly of grants for new learnerships.

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	2021	2020	2021	2020
18. Operating profit				
Operating profit for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees	599 471	565 217	599 471	565 217
Leases				
Operating lease charges				
Short term leases - equipment	340 468	164 681	340 468	164 681
Total lease charges	340 468	164 681	340 468	164 681
Less: lease charges included in cost of goods sold and inventories	(180 000)	-	(180 000)	-
Total lease charges included in operating expenses	160 468	164 681	160 468	164 681
Depreciation and amortisation				
Depreciation of property, plant and equipment	2 689 581	2 033 284	2 689 581	2 033 284
Depreciation of right-of-use assets	1 854 211	2 026 534	1 854 211	2 026 534
Total depreciation and amortisation	4 543 792	4 059 818	4 543 792	4 059 818
Less: Depreciation included in cost of goods sold and inventories	(4 081 637)	(3 565 883)	(4 081 637)	(3 565 883)
Total depreciation and amortisation included in operating expenses	462 155	493 935	462 155	493 935
Movement in credit loss allowances				
Trade and other receivables	398 286	575 045	398 286	575 045
Other				
Warehousing and distribution costs	18 627 825	16 514 001	18 627 825	16 514 001
Changes in inventories of finished goods and work in progress	6 312 931	7 272 636	6 312 931	7 272 636
Raw materials and consumables used	85 501 567	102 289 010	85 501 567	102 289 010
Employee costs	22 053 862	22 146 998	22 053 862	22 146 998
Retirement benefit plans: defined contribution expense	380 467	285 270	380 467	285 270
Administrative and management services	2 862 001	3 830 218	2 862 001	3 830 218
Consulting and legal services	555 334	1 587 730	555 334	1 587 730
Secretarial services	256 361	275 087	256 361	275 087
Commissions	5 083 631	5 656 963	5 083 631	5 656 963
Advertising and promotions	9 755 180	8 942 972	9 755 180	8 942 972
Motor vehicle expenses	2 344 975	2 320 818	2 344 975	2 320 818
Foreign exchange losses	-	217 430	-	217 430

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Figures in Rand	Group		Company	
	2021	2020	2021	2020
19. Investment income				
Interest income				
Loans to:				
Shareholder	1 161 997	588 277	1 161 997	588 277
Investments in financial assets:				
Bank	11 695	-	11 695	-
Total interest income	1 173 692	588 277	1 173 692	588 277
20. Finance costs				
Lease liabilities	2 787 286	2 764 704	2 787 286	2 764 704
Bank overdraft	305 433	462 838	305 433	462 838
Bank loans	1 060 449	1 462 758	1 060 449	1 462 758
Other interest paid	80 550	314 628	80 550	314 628
Total finance costs	4 233 718	5 004 928	4 233 718	5 004 928
21. Taxation				
Major components of the tax expense				
Deferred				
Originating and reversing temporary differences	2 596 575	2 570 252	2 596 575	2 570 252
Arising from prior period adjustments	39 648	(247 916)	39 648	(247 916)
	2 636 223	2 322 336	2 636 223	2 322 336
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense:				
Accounting profit	12 841 759	10 445 138	12 841 759	10 445 138
Tax at the applicable tax rate of 28% (2020: 28%)	3 595 693	2 924 639	3 595 693	2 924 639
Tax effect of adjustments on taxable income				
Donations	92 646	110 890	92 646	110 890
Fines and penalties	-	45 901	-	45 901
Learnership allowance	(979 066)	(397 600)	(979 066)	(397 600)
Non-taxable government grants	(112 698)	(113 578)	(112 698)	(113 578)
Prior period deferred tax not recognised	-	(247 916)	-	(247 916)
Disallowed deductions	39 648	-	39 648	-
	2 636 223	2 322 336	2 636 223	2 322 336

No provision has been made for current income tax as the group is in an assessed tax loss position. The estimated tax loss available for set off against future taxable income is R 9 891 259 (2020: R 16 582 970).

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Figures in Rand	Group		Company	
	2021	2020	2021	2020

22. Cash generated from operations

Profit before taxation	12 841 759	10 445 138	12 841 759	10 445 138
Adjustments for:				
Depreciation and amortisation	4 543 792	4 059 818	4 543 792	4 059 818
Profit on disposal of property, plant and equipment	(18 611)	(2 302)	(18 611)	(2 302)
Interest income	(1 173 692)	(588 277)	(1 173 692)	(588 277)
Finance costs	4 233 718	5 004 928	4 233 718	5 004 928
Movements in provisions	(101 914)	(135 951)	(101 914)	(135 951)
Changes in working capital:				
Inventories	(3 295 038)	(577 009)	(3 295 038)	(577 009)
Trade and other receivables	(1 218 592)	(6 985 889)	(1 218 592)	(6 985 889)
Trade and other payables	4 083 414	2 838 241	4 083 414	2 838 241
Deferred income	(402 490)	(405 636)	(402 490)	(405 636)
	19 492 346	13 653 061	19 492 346	13 653 061

23. Dividends paid

Balance at beginning of the year	-	-	-	-
Dividends declared	(812 116)	-	(812 116)	-
Dividend allocated to shareholder loan account (refer note 8)	777 052	-	777 052	-
Balance at end of the year	-	-	-	-
	(35 064)	-	(35 064)	-

24. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group and Company - 2021

	Opening balance	New leases *	Other non-cash movements **	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	15 691 165	-	189 182	189 182	(2 103 375)	13 776 972
Lease liabilities	26 504 228	3 838 198	11 029	3 849 227	(1 712 433)	28 641 022
Total liabilities from financing activities	42 195 393	3 838 198	200 211	4 038 409	(3 815 808)	42 417 994

Reconciliation of liabilities arising from financing activities - Group and Company - 2020

	Opening balance	Other non-cash movements **	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	17 723 104	-	-	(2 031 939)	15 691 165
Lease liabilities	28 796 291	(347 767)	(347 767)	(1 944 296)	26 504 228
Total liabilities from financing activities	46 519 395	(347 767)	(347 767)	(3 976 235)	42 195 393

* Refer to note 4 for disclosure of lease liabilities.

** Non-cash movements relate to the trade-in of leased vehicles and interest accrued not yet paid.

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	2021	2020	2021	2020

25. Contingencies

As previously disclosed in prior year financial statements, the Company has a contingent liability of R1 500 000, being a proposed fine by the Department of Labour in terms of section 20(7) of the Employment Equity Act 55 of 1998 ("Act") in accordance with schedule 1 of the Act. The Department made an application to the Labour Court alleging that the company was in breach of the Act by failing to prepare and implement an Employment Equity Plan in terms of section 50(1)(f) and for the company to be ordered to comply with section 20(1) of the same Act. The company is disputing these allegations. The Department failed to submit its heads of arguments as requested by the Labour Court and the designated time has lapsed. The Company has submitted the Employment Equity Plan in dispute, and it has since been gazetted. The Company has also submitted its equity plans for two subsequent years after this dispute and they have been accepted and gazetted by the Department of Labour. Management, in consultation with their legal counsel, are therefore of the view that the fine will not be payable and that the matter is now moot. The Company's attorneys have approached the Department of Labour to withdraw the case on condition that each party bears its own costs. No response has been received from the Department of Labour as at the date of this report.

26. Related parties

Relationships

Holding company	Eastern Trading Company Proprietary Limited trading as Darsot Food Corporation (Eastern Trading)
Subsidiaries	All Joy Property Holdings Proprietary Limited All Joy Foods Proprietary Limited
Fellow subsidiary	Tin Can Man Proprietary Limited Darsot and More Chemicals Proprietary Limited
Members of key management	IE Darsot (deceased 16 July 2021) MNI Darsot SI Darsot BI Darsot R Darsot C Sambaza MT Pather (removed 27 January 2021)

Related party balances

Loan accounts owing by related parties

Eastern Trading Company Proprietary Limited (refer note 9)	21 708 396	8 258 620	21 708 396	8 258 620
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Amounts included in trade receivables regarding related parties

Eastern Trading Company Proprietary Limited	15 624 292	13 320 345	15 624 292	13 320 345
Darsot and More Chemicals Proprietary Limited	103 126	-	103 126	-

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Figures in Rand	Group		Company	
	2021	2020	2021	2020

26. Related parties (continued)

Related party transactions

Transactions with Eastern Trading Company Proprietary Limited

Purchase of goods	8 159 804	23 842 165	8 159 804	23 842 165
Revenue from sale of goods	(12 952 425)	(30 527 576)	(12 952 425)	(30 527 576)
Lease payments	3 270 000	3 000 000	3 270 000	3 000 000
Administration and management fees paid	2 862 001	3 830 218	2 862 001	3 830 218
Transport	16 643 087	13 853 804	16 643 087	13 853 804
Interest received	(1 161 997)	(588 277)	(1 161 997)	(588 277)
Energy and operating costs	5 111 958	4 457 831	5 111 958	4 457 831
Purchases of plant and equipment	-	6 000 000	-	6 000 000

Transactions with Tin Can Man Proprietary Limited

Purchase of goods	51 943	4 667 891	51 943	4 667 891
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Transactions with Darsot and More Chemicals Proprietary Limited

Revenue from sale of goods	(98 329)	-	(98 329)	-
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Compensation to directors and other key management

Executive directors' remuneration	4 793 033	5 128 043	4 793 033	5 128 043
Non-executive directors' remuneration	440 482	567 549	440 482	567 549
	5 233 515	5 695 592	5 233 515	5 695 592

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.



Notes to the Annual Financial Statements**27. Directors' emoluments****Executive****2021**

	Emoluments	Other benefits*	Pension paid	Total
IE Darsot	340 520	8 006	4 119	352 645
MNI Darsot	795 208	15 480	34 577	845 265
C Sambaza	1 487 852	28 873	73 008	1 589 733
SI Darsot	405 255	8 320	15 397	428 972
R Darsot	405 255	8 320	15 398	428 973
BI Darsot	456 963	8 925	16 254	482 142
MT Pather	655 144	10 159	-	665 303
	4 546 197	88 083	158 753	4 793 033

2020

	Emoluments	Other benefits*	Pension paid	Total
IE Darsot	342 201	8 560	16 476	367 237
MNI Darsot	321 959	8 084	15 240	345 283
C Sambaza	1 495 376	31 393	-	1 526 769
SI Darsot	265 070	6 957	12 396	284 423
R Darsot	265 070	6 957	12 396	284 423
BI Darsot	268 964	7 006	12 446	288 416
MT Pather	1 762 358	269 134	-	2 031 492
	4 720 998	338 091	68 954	5 128 043

Non-executive**2021**

	Directors' fees	Other benefits*	Total
MS Appelgryn	132 350	2 096	134 446
JJ du Plooy	82 174	1 445	83 619
H Takolia	107 415	1 646	109 061
UC Speirs	111 469	1 887	113 356
	433 408	7 074	440 482

2020

	Directors' fees	Other benefits*	Total
MS Appelgryn	178 700	2 679	181 379
JJ du Plooy	110 345	1 974	112 319
H Takolia	139 640	2 267	141 907
UC Speirs	129 875	2 169	132 044
	558 560	9 089	567 649

* Other benefits include travel allowance.

Notes to the Annual Financial Statements**28. Financial instruments and risk management****Categories of financial instruments****Categories of financial assets****Group - 2021**

Loan to shareholder
Trade and other receivables
Cash and cash equivalents

Note(s)	Amortised cost	Total	Fair value
8	21 708 396	21 708 396	21 708 396
9	31 912 420	31 912 420	31 912 420
10	752 632	752 632	752 632
	54 373 448	54 373 448	54 373 448

Group - 2020

Loan to shareholder
Trade and other receivables
Cash and cash equivalents

Note(s)	Amortised cost	Total	Fair value
8	8 258 620	8 258 620	8 258 620
9	31 051 007	31 051 007	31 051 007
10	1 659 197	1 659 197	1 659 197
	40 968 824	40 968 824	40 968 824

Company - 2021

Loan to shareholder
Trade and other receivables
Cash and cash equivalents

Note(s)	Amortised cost	Total	Fair value
8	21 708 396	21 708 396	21 709 163
9	31 912 420	31 912 420	31 912 420
10	752 532	752 532	752 532
	54 373 348	54 373 348	54 374 115

Company - 2020

Loan to shareholder
Trade and other receivables
Cash and cash equivalents

Note(s)	Amortised cost	Total	Fair value
8	8 258 620	8 258 620	8 258 620
9	31 051 007	31 051 007	31 051 007
10	1 659 097	1 659 097	1 659 097
	40 968 724	40 968 724	40 968 724



Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Categories of financial liabilities

Group and Company - 2021

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	14	42 184 932	-	42 184 932	42 184 932
Other liabilities	12	13 776 972	-	13 776 972	13 776 972
Lease liabilities	4	-	28 641 022	28 641 022	28 641 022
Bank overdraft	10	1 111 662	-	1 111 662	1 111 662
		57 073 566	28 641 022	85 714 588	85 714 588

Group and Company - 2020

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	14	38 120 735	-	38 120 735	38 120 735
Other liabilities	12	15 691 165	-	15 691 165	15 691 165
Lease liabilities	4	-	26 504 228	26 504 228	26 504 228
Bank overdraft	10	613 512	-	613 512	613 512
		54 425 412	26 504 228	80 929 640	80 929 640

Capital risk management

The Group's objective when managing capital (which includes share capital (note 11), liabilities (note 4 and 12), working capital (note 9 and 14) and cash and cash equivalents (note 10)) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

There have been no changes to what the Group manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on the loans receivable (note 8), trade and other receivables (note 9) and cash and cash equivalents (note 10). Details of credit risk exposure and the application of IFRS 9 are contained in the relevant notes.

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

Group and company	Note(s)	2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Loan to shareholder	8	21 708 396	-	21 708 396	8 258 620	-	8 258 620
Trade and other receivables	9	33 068 529	(1 156 109)	31 912 420	32 085 251	(1 034 244)	31 051 007
Cash and cash equivalents	10	752 532	-	752 532	1 659 097	-	1 659 097
		55 529 457	(1 156 109)	54 373 348	42 002 968	(1 034 244)	40 968 724



Notes to the Annual Financial Statements**28. Financial instruments and risk management (continued)****Liquidity risk**

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions. Access to group borrowing facilities is disclosed in note 10.

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

The maturity profile of contractual cash flows of financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts based on the earliest date on which the Group can be required to pay. The tables include both estimated interest and principal cash flows.

Group and Company - 2021

	Notes(s)	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Other financial liabilities	12	-	12 518 904	-	12 518 904	11 078 902
Lease liabilities	4	-	14 220 178	39 480 000	53 700 178	27 319 919
Current liabilities						
Trade and other payables	14	42 184 932	-	-	42 184 932	42 184 932
Other financial liabilities	12	3 576 765	-	-	3 576 765	2 698 070
Lease liabilities	4	4 069 080	-	-	4 069 080	1 321 103
Bank overdraft	10	1 111 662	-	-	1 111 662	1 111 662
		50 942 439	26 739 082	39 480 000	117 161 521	85 714 588

Group and Company - 2020

	Notes(s)	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Other financial liabilities	12	-	16 101 069	-	16 101 069	13 770 977
Lease liabilities	4	-	12 541 291	38 250 000	50 791 291	24 872 210
Current liabilities						
Trade and other payables	14	38 120 735	-	-	38 120 735	38 120 735
Other financial liabilities	12	2 981 637	-	-	2 981 637	1 920 188
Lease liabilities	4	4 190 727	-	-	4 190 727	1 632 018
Bank overdraft	10	613 512	-	-	613 512	613 512
		45 906 611	28 642 360	38 250 000	112 798 971	80 929 640

Foreign currency risk

Details of foreign currency risk exposure are contained in the relevant notes throughout these financial statements (refer note 9 and 14).

Notes to the Annual Financial Statements

28. Financial instruments and risk management (continued)

Interest rate risk

Fluctuations in interest rates impact on the investing and financing activities, giving rise to interest rate risk.

The debt of the group is comprised of different instruments, which bear interest at floating interest rates. Interest rates on all liabilities compare favourably with those rates available in the market.

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

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note(s)	Average effective interest rate		Carrying amount	
		2021	2020	2021	2020
Group and Company					
Assets					
Loan to shareholder	8	7.5-7.75 %	7.75-10.50 %	21 708 396	8 258 620
Liabilities					
Other financial liabilities	12	7.00-7.25 %	7.25-10.25%	(13 776 972)	(15 691 165)
Lease liabilities	4	5.17-8.00%	8.25-10.00%	(1 378 409)	(1 626 266)
Bank overdraft	10	7.00 %	9.32 %	(1 111 662)	(613 512)
				(16 267 043)	(17 930 943)
Net variable rate financial instruments				(5 441 353)	(9 672 223)
Group and Company					
Liabilities					
Lease liabilities	4	10.00 %	10.00 %	(27 262 612)	(24 877 962)
Fixed rate financial instruments				(27 262 612)	(24 877 962)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group and Company

At 30 June 2021, if the interest rates had been 1.00% p.a. (2020: 1.00%) higher or lower during the period, with all other variables held constant, profit or loss before tax for the year would have been R 54 413 (2020: R 96 722) lower and R 54 413 (2020: R 96 722) higher.

Notes to the Annual Financial Statements

29. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

30. Impact of Covid-19

As the Covid-19 pandemic entered into its second year, there was an impact on the business during the period under review in that the customers tightened their buying patterns, resulting in reduced turnover. The Group was fortunate to be in a position where turnover only reduced by 8.3%.

The Group has considered the JSE COVID-19 related guidance notes, as well as the related educational documents prepared by SAICA regarding the impact of COVID-19 on the application of IFRS, in the preparation of these financial statements. Inventory and debtor provisions have been reviewed, without any material movements in income statement adjustments compared to the prior year.

31. July riots

The civil unrest that occurred in Gauteng and KZN in July 2021 did not have a direct impact on the business as no property or assets were damaged during the looting and destruction.

32. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

33. Shareholder Analysis

Public and non-public shareholders

Non-public shareholders

Eastern Trading Company (Pty) Ltd
Farm Food Holdings (Pty) Ltd
Directors and associates

Total non-public shareholders

Public shareholders

Total

Beneficial shareholders holding 5% or more

Eastern Trading Company (Pty) Ltd
Farm Foods Holdings (Pty) Ltd

Total

	% Holding	No. of shareholders	No. of shares
Eastern Trading Company (Pty) Ltd	72.34	1	73 768 088
Farm Food Holdings (Pty) Ltd	23.34	1	23 802 500
Directors and associates	0.05	2	50 041
Total non-public shareholders	95.69	4	97 620 629
Public shareholders	4.27	2 586	4 352 704
Total	100.00	2 590	101 973 333

	% Holding	No. of shareholders	No. of shares
Eastern Trading Company (Pty) Ltd	72.34	1	73 768 088
Farm Foods Holdings (Pty) Ltd	23.34	1	23 802 500
Total	95.68	2	97 570 588

AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	Group		Company	
	2021	2020	2021	2020

34. Segment reporting

The entity has a single reporting segment which is the sale of sauces to customers based on a group of similar products, therefore only the entity wide disclosures required have been provided.

Revenue from sale of goods	251 364 305	271 417 215	251 364 305	271 417 215
Less trading terms	(71 161 555)	(74 924 953)	(71 161 555)	(74 924 953)
	180 202 750	196 492 262	180 202 750	196 492 262
Revenue from sale of goods	251 364 305	271 417 215	251 364 305	271 417 215
Export revenue	(7 987 072)	(7 974 549)	(7 987 072)	(7 974 549)
Domestic revenue from sale of goods	243 377 233	263 442 666	243 377 233	263 442 666
Less trading terms	(71 161 555)	(74 924 953)	(71 161 555)	(74 924 953)
Domestic revenue	172 215 678	188 517 713	172 215 678	188 517 713
Export revenue	7 987 072	7 974 549	7 987 072	7 974 549
	180 202 750	196 492 262	180 202 750	196 492 262
Domestic revenue reconciled as follows:				
Major customers (comprising 6% or more of revenue):				
- Customer A	110 606 901	106 745 021	110 606 901	106 745 021
- Customer B	32 290 945	33 641 077	32 290 945	33 641 077
- Customer C	14 554 561	16 522 471	14 554 561	16 522 471
Other domestic customers	85 924 826	106 534 097	85 924 826	106 534 097
Revenue to external parties	243 377 233	263 442 666	243 377 233	263 442 666
Less trading terms	(71 161 555)	(74 924 953)	(71 161 555)	(74 924 953)
	172 215 678	188 517 713	172 215 678	188 517 713

Non-current assets by location

There are no non-current assets belonging to the Group that are domiciled outside of South Africa.

Foreign countries

There are no individually material foreign countries to which the Group is exporting to.

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Figures in Rand	Group		Company	
	2021	2020	2021	2020

35. Earnings per share

Basic earnings reconciliation

Profit attributable to equity holders of the Company

10 205 536 8 122 802 10 205 536 8 122 802

Basic earnings

10 205 536 8 122 802 10 205 536 8 122 802

Headline earnings reconciliation

Profit attributable to equity holders of the Company

10 205 536 8 122 802 10 205 536 8 122 802

Adjustments

(Profit) loss on disposal of property, plant and equipment

(18 611) (2 302) (18 611) (2 302)

Taxation thereon

5 211 644 5 211 644

Net adjustment

(13 400) (1 658) (13 400) (1 658)

Headline earnings

10 192 136 8 121 144 10 192 136 8 121 144

Weighted average shares in issue

101 973 333 101 973 333 101 973 333 101 973 333

Basic and diluted basic earnings per share (cents)

10.01 7.97 10.01 7.97

Headline and diluted headline earnings per share (cents)

9.99 7.96 9.99 7.96

36. Profit forecasts

In terms of paragraph 8.6(g) of the Listings Requirements of the JSE Limited ("JSE"), if the results for the period under review differ by 10% or more from any published forecast or estimate by the company for that period, an explanation of the difference must be given.

Shareholders are reminded that the Group published a profit forecast for the year ending 30 June 2021 on SENS on 14 August 2020, which reflected a forecast profit after tax of R6 116 000 or 6.0 cents per share ("cps") before any capital raise and R10 578 000 post any capital raise or 7.3 cps. The Company has yet to raise capital through the markets and therefore the pre-capital raising forecast of 6.0 cents per share would apply.

The Group achieved a profit after taxation of R10 205 536 or 10.01 cps. This result is 66.87% higher than originally forecast at the time. The improved results are due to continued improved production efficiencies, improved service levels, cost containment and a continued focus on working capital management.



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37. Interests of directors and share dealings

According to section 8.63(c) of the JSE listing requirements a company is required to disclose the interests of the directors including a director who has left during the period.

The direct and indirect interests of directors as at 30 June 2021 are as follows:

Shareholder	Direct Beneficially held		Total shares	Total
	Direct	Indirect		
IE Darsot directly held	1 000		1 000	0.0010%
IE Darsot through:				
Eastern Trading		73 768 088	73 768 088	72.34%
Farm Foods		21 660 275	21 660 275	21.24%
Dr MS Appelgryn*	49 041		49 041	0.049%
Total	50 041	95 428 363	95 478 404	93.63%

*This is an extended family member of a director

There were no changes in the interest of directors in the Company's securities between the end of the financial year and the date of approval of the annual financial statements.

The direct and indirect interests of directors as at 30 June 2020 were as follows:

Shareholder	Direct Beneficially held		Total shares	Total
	Direct	Indirect		
IE Darsot directly held	1 000		1 000	0.0010%
IE Darsot through:				
Eastern Trading		73 730 485	73 730 485	72.30%
Farm Foods		21 660 275	21 660 275	21.24%
Dr MS Appelgryn*	49 041		49 041	0.049%
Total	50 041	95 390 760	95 440 801	93.59%

Trading in the Company shares

The Group enforces a restricted period for dealing in its shares, in terms of which any dealings in shares by all directors and senior personnel is disallowed by the board from the date of the reporting period to the time that results are released and at any time that such individuals are aware of un-published price sensitive information, whether the Company is trading under cautionary announcement as a result of such information or not.

The policy for dealing in shares by all directors, prescribed officers and senior personnel is that clearance to deal must be obtained from at least one of the following nominated directors, being the chairman, chief executive officer or the chairman of the audit committee. If any of the above persons requires clearance, the other person will approve such transactions.

Directors are required to report share dealings to the company secretary within the time frames set out in the JSE Listings Requirements and the Company is required to release the details of any such trades on SENS no later than 24 hours after receiving such notification.

Shareholder Analysis

Shareholders holding more than 5%	No. of shareholders	No. of shares	% Holding
Eastern Trading Company (Pty) Ltd	1	73,768,088	72.34
Farm Food Holdings (Pty) Ltd	1	23,802,500	23.34
Total shareholding	2	97,570,588	95.68

Categories of shareholders

Public vs non public

Shareholder	No. of shareholders	No. of shares	% Holding
Public	2,586	4,352,704	4.27
Non-public			
Shareholders holding more than 10% of the total issued capital			
Eastern Trading Company (Pty) Ltd	1	73,768,088	72.34
Farm Food Holdings (Pty) Ltd	1	23,802,500	23.34
Directors and associates	2	50,041	0.05
Total shareholding	100.00	2,590	101,973,333

Shareholders analysis and information

	No. of shareholders	No. of shares	% Holding
Individuals	2,565	3,921,360	3.85
Nominees and trusts	4	124,150	0.12
Close corporations	3	236,298	0.23
Companies, Financial institutions & other	18	97,691,525	95.80
Total shareholding	2,590	97,570,588	100.00

Size of Shareholding	No. of shareholders	No. of shares	% Holding
1 - 1,000	2,426	162,488	0.16
1,001 – 10,000	114	508,596	0.50
10,001 – 100,000	35	1,418,208	1.39
100,001 – 1,000,000	12	2,313,493	2.27
1,000,001 and over	3	97,570,588	95.68
Total shareholding	2,590	97,570,588	100.00



AH-VEST LIMITED
(Incorporated in the Republic of South
Africa) (Registration number
1989/000100/06)
("AH-Vest" or "Company")
JSE code: AHL ISIN Code: ZAE000129177

Directors

MNI Darsot (Chief Executive Officer)
C Sambaza (Chief Financial Officer)
MS Appelgryn#
R Darsot
UC Speirs #
Independent non-executive

SI Darsot
BI Darsot
H Takolia#
JJ du Plooy#

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY

Notice is hereby given that the annual general meeting ("AGM") of shareholders of the Company will be held in the boardroom of the Darsot Food Corporation, 15 Misgund Road, Eikenhof, Johannesburg, at 10:00 on Wednesday, 8 December 2021, to consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below:

Record Date to Attend and Vote at the AGM

In terms of section 62(3)(a), read together with section 59 of the Companies Act the following dates apply to the AGM:

	2021
Record date determining those shareholders entitled to receive this notice	Friday, 22 October 2021
Last day to trade in order to be eligible to participate in and vote at the AGM	Tuesday, 30 November 2021
Record date (for voting purposes at the AGM)	Friday, 3 December 2021

Who May Attend

- If you are the registered holder of certificated shares or you hold dematerialised shares with "own name" registration:
 - you may attend the AGM in person; or
 - you may appoint a proxy to represent you at the AGM by completing the attached form of proxy in accordance with the instructions contained therein and by returning it to the appointed meeting scrutineers The Meeting Specialist Proprietary Limited ("TMS"), One Exchange Square, Gwen Lane, Sandown, 2196 (proxy@tmsmeetings.co.za) (PO Box 62043, Marshalltown, 2107 South Africa), to be received no later than 10:00 on, Monday, 6 December 2021 for administrative purposes or thereafter to the Chairman of the AGM, before voting on a particular resolutions commences. A proxy need not be a shareholder of the Company

1. If you hold dematerialised shares which are not registered in your name:
 - and you wish to attend the AGM in person, you must obtain the necessary letter of representation from your Central Securities Depository Participant (CSDP) or broker or nominee (as the case may be); or
 - if you do not wish to attend the AGM but would like your vote to be recorded at the meeting, you should contact your CSDP or broker or nominee (as the case may be) and furnish them with your voting instructions; and
 - you must not complete the attached proxy form.

Electronic Participation at the AGM

In accordance with the provisions of section 61(10) of the Companies Act, the Company intends to make provision for shareholders and their proxies to participate in the AGM by way of Microsoft Teams video conference call. Shareholders wishing to do so:

- must contact the Company Secretary at +27 11 480 8500 (and speak to either Doris Shabangu or Cidalina Rodrigues) by not later than 10:00 on Monday, 6 December 2021, to obtain a password/link for the conference call;
- will be required to provide reasonably satisfactory identification;
- will be billed separately by their own telephone service providers for the telephone call to participate in the meeting.
- must lodge a completed proxy form(s) in accordance with the attendance and voting instructions detailed above. Please note that no changes to voting instructions after this time and date can be accepted unless the Chairman of the meeting is satisfied as to the identification of the electronic participant.

Purpose of the meeting

The purpose of the meeting is to present to the shareholders of the Company;

- the Group audited financial statements for the financial year ended 30 June 2021;
- the directors' report;
- the report of the Audit Committee; and
- to deal with any other business that may lawfully be dealt with at the AGM, and to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below:

General

Shareholders are reminded that:

- a shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy (or more than one proxy) to attend, participate in and vote at the AGM in the place of the shareholder, and shareholders are referred to the form of proxy attached to this notice in this regard;
- a proxy need not also be a shareholder of the Company; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in an AGM of shareholders must present reasonably satisfactory identification and the person presiding at the AGM must reasonably be satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified. A bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as sufficient identification.

Report from Social and Ethics Committee

In accordance with Regulation 43(5)(c) of the Companies Act, the chairman of the Social and Ethics Committee, or in his absence, any member of that Committee, will be available to present Committee's report to shareholders at the AGM, which written report is contained in the Integrated Report.

ORDINARY RESOLUTIONS:

Ordinary resolution number 1 – Acceptance of annual financial statements

“RESOLVED THAT the Annual Financial Statements of the Group for the year ended 30 June 2021, including the Director's Report, the Independent External Auditor's Report and the Audit Committee Report, be and are hereby received and accepted.”

Explanatory note: Ordinary resolution number 1

Ordinary resolution 1 is proposed to receive and accept the audited annual financial statements for the year ended 30 June 2021, including the Directors' Report, the Independent External Auditor's Report, the Audit Committee Report in accordance with section 61(8) of the Companies Act, 71 of 2008 (“Companies Act”).

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy of the AGM and entitled to exercise voting rights on the resolution is required.

Ordinary resolution number 2 – Director retirement and re-election

“RESOLVED THAT Mr MS Appelgryn, who retires in accordance with the provisions of the Company's memorandum of incorporation (“MOI”), but being eligible offers himself for re-election, be and hereby is re-elected as a director of the Company.”

Mr MS Appelgryn's curriculum vitae is set out on page 101 of the Integrated Report to which this notice is attached.

Explanatory note Ordinary resolution number 2:

In terms of the Company's MOI, at the AGM, at least one-third of the non-executive directors must retire by rotation and the directors to so retire shall be those who have been longest in the office since their last election.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on this resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Ordinary resolution number 3 – Re-appointment and remuneration of the Independent External Auditors

“RESOLVED THAT, in line with the recommendation made by the Audit Committee, the re-appointment of SAB&T Chartered Accountants Inc. as the Independent External Auditors of the Group for the year ending 30 June 2022, with Ms S Mahomed as the designated registered auditor at partner status and the authorisation of the Audit Committee to determine the Independent External Auditors remuneration be and is hereby approved.”

Explanatory note: Ordinary resolution number 3

Section 90 (1) of the Companies Act requires the Company to appoint an auditor each year at its AGM. The Audit Committee has satisfied itself as to the independence of SAB&T Chartered Accountants Inc. and considered whether they comply with the requirements of section 90 (2) and (3) of the Companies Act and section 22 of the Listings Requirements of the JSE Limited (“JSE”) (“JSE Listings Requirements”) and the Board considered and accepted these findings. SAB&T Chartered Accountants Inc. has indicated its willingness to continue as the Company's auditor until the next AGM.

The remuneration paid to the auditors during the period ended 30 June 2021 is set out in note 18.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Ordinary resolution number 4 – Appointment of Audit Committee member – Mr MS Appelgryn

“**RESOLVED THAT** MS Appelgryn be and hereby is re-elected as a member of the Audit Committee of the Group for the financial year ended 30 June 2022 and until the next AGM.”

Ordinary resolution number 5 – Appointment of Audit Committee member – Mr JJ du Plooy

“**RESOLVED THAT Mr** JJ du Plooy be and hereby is re-elected as a member of the Audit Committee of the Group for the financial year ended 30 June 2022 and until the next AGM”.

Ordinary resolution number 6 – Appointment of Audit Committee member – Mr H Takolia

“**RESOLVED THAT** Mr H Takolia be and hereby is re-elected as a member of the Audit Committee of the Group for the financial year ended 30 June 2022 and until the next AGM”.

Ordinary resolution number 7 – Appointment of Audit Committee member – Mrs UC Speirs

“**RESOLVED THAT,** Mrs UC Speirs be and is hereby re-elected as a member of the Audit Committee of the Group for the financial year ended 30 June 2022 and until the next AGM.”

Explanatory note: Ordinary resolutions numbers 4 to 7:

Ordinary resolutions 4 to 7 are proposed to elect an Audit Committee in accordance with section 94(2) of the Companies Act.

Section 94 of the Companies Act requires that, at each AGM, shareholders of the Company must elect an Audit Committee comprising at least three members to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and in King IV Report on the Corporate Governance for South Africa, 2016™ (“King IV™”) and to perform such duties and responsibilities as may from time to time be delegated to it by the Board.

The Board is also satisfied that the proposed members meet the requirements of section 94(4) of the Companies Act and that they possess the required qualifications and experience as prescribed in Regulation 42 of the Companies Act Regulations, 2011, which requires that at least one third of the members of a company's Audit Committee at any particular time must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Brief Curricula Vitae of each member standing for election are set out at the end of this notice of AGM.

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolutions by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Ordinary resolution number 8 - Endorsement of Remuneration Policy

“**RESOLVED** by way of a separate non-binding advisory vote that, the Group's Remuneration Policy, as set out on page 12 of this Integrated Report, be and is hereby approved.”

Ordinary resolution number 9 - Endorsement of the Remuneration Implementation Report

“**RESOLVED** by way of a separate non-binding advisory vote, that the Implementation Report of the Remuneration Policy, as set out in this Integrated report, be and is hereby approved.”

Explanatory Note for Ordinary resolution numbers 8 and 9:

King IV™ and the JSE Listings Requirements require listed companies to table the Group's Remuneration Policy and Remuneration Implementation Report to shareholders for separate non-binding advisory votes at the AGM. These votes enable shareholders to express their views on the Group's Remuneration Policy and the manner in which the Group implemented the policy.

These non-binding resolutions are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences on the existing arrangements. The Board will, however, take the outcome of each of these votes into consideration when considering the Group's future Remuneration Policy and the implementation thereof.

Should 25% or more of the votes exercised on these resolutions be cast against either or both of these non-binding resolutions, the Company undertakes to engage with the dissenting shareholders as to the reasons therefore and to take appropriate action to address the issues raised.

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on these resolutions by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolutions is required.

Ordinary resolution number 10 – General authority to allot and issue shares for cash

“RESOLVED THAT, subject to the provisions of the Companies Act, the JSE Listings Requirements and the Company's MOI, as a general authority valid until the next AGM of the Company and provided that it shall not extend past 15 months from the date of this AGM, the authorised but unissued ordinary shares of the Company be and are hereby placed under the control of the directors who are hereby authorised to allot, issue, grant options over or otherwise deal with or dispose of these shares to such persons at such times and on such terms and conditions and for such consideration whether payable in cash or otherwise, as the directors may think fit, provided that:

- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- this authority shall not endure beyond the next AGM of the Company nor shall it endure beyond 15 months from the date of this meeting;
- the shares must be issued only to public shareholders (as defined in the JSE Listings Requirements)
- upon any issue of shares which, together with prior issues during any financial year, will constitute 5% or more of the number of shares of the class in issue, the Company shall by way of an announcement on Stock Exchange News Service (“SENS”), give full details thereof, in accordance with the JSE Listings Requirements;
- the number of ordinary shares issued for cash shall not, in the current financial year, in aggregate, exceed 50% or 51 017 865 of the Company's issued ordinary shares (including securities which are compulsorily convertible into shares of that class) as at the date of this notice of AGM; and
- the maximum discount at which shares may be issued is 10% of the weighted average traded price of the Company's shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company.”

Explanatory Note: Ordinary resolution number 10

Subject to the approval of the general authority proposed in terms of this ordinary resolution number 10, and in terms of the JSE Listings Requirements, shareholders grant a waiver of any pre-emptive rights to which they may be entitled, in favour of the directors, for the allotment and issue of ordinary shares in the share capital of the Company for cash.

The proposed resolution enables the directors to issue up to 51 017 865 (fifty-one million seventeen thousand eight hundred and sixty-five) ordinary shares for cash, representing approximately 50% (fifty percent) of the issued share capital of the Company at the date of this notice of AGM.

Although this is an ordinary resolution, the JSE Listings Requirements provide that in order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

SPECIAL RESOLUTIONS:

Special resolution number 1 – General authority to repurchase shares

“RESOLVED THAT: the Company and/or any subsidiary of the Company be and are hereby authorised, subject to the provisions of the Companies Act, the JSE Listings Requirements and the Company's MOI, to repurchase up to 20% of the ordinary shares issued by the Company, provided that the Company and/or any subsidiary of the Company may only make such general repurchase subject to the following:

- the repurchase of shares being effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- authorisation to repurchase securities being given by the Company's MOI;
- the approval shall be valid only until the next AGM or for 15 months from the date of this resolution, whichever occurs first;
- repurchases may not be made at a price greater than 10% above the weighted average of the market value for the shares for the five business days immediately preceding the date on which the acquisition is effected;
- at any point in time, the Company may only appoint one agent to effect any repurchase(s) on the Company's behalf;
- when the Company and/or any of its subsidiaries have cumulatively repurchased 3% of the initial number (that number of the class of securities in issue at the time that this general authority is granted) of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement must be made containing the details required in terms of the JSE Listings Requirements in respect of such acquisitions;
- a resolution is passed by the Board authorising the repurchase and confirming that the Company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there has been no material changes to the financial position of the Group;
- in the event that the directors are granted a general authority to buy back shares in the issued share capital of AH-Vest, or, in the case of an acquisition of the Company's shares by any of its subsidiaries, 20% of the issued ordinary share capital of AH-Vest in the aggregate, it is the opinion of the directors' that following such maximum repurchase of shares:
 - the Company and the Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of notice issued in respect of the AGM;
 - the assets of the Company and the Group would be in excess of the liabilities of the Company and the Group. For this purpose, the assets and liabilities would be recognised and measured in accordance with the accounting policies used in the latest audited Group annual financial statements;
 - the ordinary capital and reserves of the Company and the Group would be adequate for a period of 12 months after the date of the notice issued in respect of the AGM; and
 - the working capital of the Company and the Group would be adequate for a period of 12 months after the date of notice this AGM; and
- the Company or any of its subsidiaries may not repurchase shares during any prohibited period, as defined in paragraph 3.67 of the JSE Listings Requirements, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing, prior to the commencement of the prohibited period.

Explanatory Note for special resolution number 1:

Special resolution number 1 is proposed to provide a general approval and authority in terms of section 5.72 of the JSE Listings Requirements, for the acquisition by the Company and/or its subsidiaries of securities (as that term is defined in the Companies Act), issued by the Company.

The Board's intention is for the shareholders to pass a special resolution granting the Company and/or its subsidiaries a general authority to acquire ordinary shares issued by the Company in order to enable the Company and its subsidiaries, subject to the requirements of the Companies Act, the JSE Listings Requirements and the Company's MOI, to acquire (repurchase) ordinary shares issued by the Company, should the Board consider that it would be in the interest of the Company and/or its subsidiaries to acquire shares issued by the Company while the general authority subsists.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Disclosures in regard to the JSE Listings Requirements applying to special resolution number 1:

In terms of the JSE Listings Requirements certain prescribe disclosures are required when a resolution providing for the company to repurchase its own shares is proposed to shareholders. These disclosures are included elsewhere in this Integrated Report, as detailed below.

Major shareholders

Details of major shareholders of the Company are set out in note 33 of the consolidated annual financial statements.

Directors' responsibility statement

The directors collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make the statement false or misleading.

Share capital of the company

Details of the share capital of the Company are set out in note 11 to the consolidated annual financial statements.

Material changes

Other than the facts and developments reported in the Integrated Report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of this notice of AGM. The directors have no specific intention, at present, for the Company or its subsidiaries to acquire any of the Company's shares, but consider that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the Company and its shareholders.

The directors are of the opinion that it would be in the best interests of the Company to extend such general authority to the Group and thereby allow the Company or any of its subsidiaries to be in a position to acquire the shares issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.

In order for this resolution to be adopted, the support of at least 75% (seventy five percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Special resolution number – 2 – Company acquiring shares from a director or prescribed officer

“RESOLVED THAT when any general repurchase by the Company of its shares takes place in accordance with special resolution number 1, the Board is authorised, as required by section 48(8)(a) of the Companies Act, to approve the purchase by the Company of its issued shares from a director and/or a prescribed officer of the Company, and/or person related to a director or prescribed officer of the Company, subject to the provision of the MOI, the Companies Act, and the JSE Listings Requirements”

Explanatory Note for special resolution number 2:

Section 48(8)(a) of the Companies Act provides, inter alia, that a decision by the Board to acquire shares of the Company from a director or prescribed officer of the Company, or a person related to a director or prescribed officer of the Company, must be approved by a special resolution of the shareholders of the Company. When a general repurchase by the Company of its own shares takes place in accordance with special resolution number 2, the Company may inadvertently acquire shares from a director and/or a prescribed officer of the Company, and/or a person related to a director or prescribed officer to the Company and such repurchase must, in terms of the Companies Act, be approved by a special resolution of the shareholders.

This resolution is accordingly proposed in order to ensure that provided that a general repurchase of securities is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and any of its directors or prescribed officers in compliance with the JSE Listings Requirements, such repurchase is compliant with section 48(8)(a) of the Companies Act.

In order for this resolution to be adopted, the support of at least 75% (seventy five percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Special resolution number 3 – Non-executive directors' remuneration

“RESOLVED THAT, the fees, exclusive of value added tax, payable to non-executive directors from the date of this AGM until the date of the next AGM of the Company, details of which are set out below, be and are hereby approved:

	Chairman	Other directors/members of committees
Board Meeting: Per meeting:	R19 530	R9 765
Audit Committee: Per meeting:	R19 530	R9 765
Social & Ethics Committee Per meeting	R19 530	R9 765
Remuneration Committee Per meeting	R19 530	R9 765

Explanatory note: Special resolution number 3

Section 66(8) (read with section 66(9)) of the Companies Act provides that, to the extent permitted in the Company's MOI, the Company may pay remuneration to its directors for their services as directors provided that such remuneration may only be paid in accordance with a special resolution approved by shareholders within the previous two years. The Company's MOI does not limit, restrict or qualify the power of the Company to pay remuneration to its directors for their service as directors in accordance with section 66(9) of the Companies Act. The Remuneration Committee has considered the remuneration for non-executive directors and the Board has accepted the recommendations of the Remuneration Committee.

In order for this resolution to be adopted, the support of at least 75% (seventy percent) of the voting rights exercised on the resolution by shareholders present or represented by proxy at AGM and entitled to exercise voting rights on the resolution is required.

Special resolution number 4 – Granting of authority to allot and issue shares that may exceed 30% of the voting power of the current issued share capital

“**RESOLVED THAT**, the authorised but unissued shares of the Company be and are hereby placed under the control of the directors (to the extent that this is necessary in terms of the Company's MOI) and the directors be and are hereby authorised, to the extent required in terms of the JSE Listings Requirements and of section 41(3) of the Companies Act, to allot and issue such number of shares in the authorised but unissued share capital of the Company as may be required for purposes of issuing shares, securities convertible into shares, or rights exercisable for shares in a transaction or series of integrated transactions notwithstanding the fact that such number of ordinary shares may have voting power equal to or in excess of 30% of the voting rights of all ordinary shares in issue immediately prior to such issue. This authority specifically includes the authority to allot and issue any ordinary shares in the authorised but unissued share capital of the Company to any underwriter(s) of a rights or claw-back offer (whether or not such underwriter is a related party to AH-Vest (as defined for purposes of the Listings Requirements) and/or person falling within the ambit of section 41(1) of the Companies Act, being a director, future director, prescribed officer or future prescribed officer of the Company or a person related or inter-related to the Company or related or inter-related to a director or prescribed officer of the Company or a nominee of any of the foregoing persons.”

Explanatory note: Special resolution number 4

The reason for special resolution number 4 is to:

- a. obtain approval from the shareholders of the Company, in terms of the provisions of sections 41(1) and (3) of the Companies Act (to the extent required), to issue additional ordinary shares in the authorised but unissued share capital of the Company to enable the Company to issue shares, securities convertible into shares, or rights exercisable for shares in a transaction or series of integrated transactions notwithstanding the fact that such number of ordinary shares may have voting power equal to or in excess of 30% of the voting rights of all ordinary shares in issue immediately prior to such issue; and
- b. to provide for the possibility of such shares being issued to persons and parties considered to be related and/or inter-related parties as defined in section 2 of the Companies Act and the JSE Listings Requirements, which issue will be subject to the JSE Listings Requirements.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Special resolution number 5 – General authority to enter into funding agreements, provide loans or other financial assistance

“**RESOLVED** that in terms of sections 44 and 45 of the Companies Act, the Company be and is hereby granted approval to enter into direct or indirect funding agreements or guarantee a loan or other obligation, secure any debt or obligation or to provide loans or financial assistance between subsidiaries or between itself and its directors, prescribed officers, subsidiaries, or any related or inter-related persons from time to time, subject to the provisions of the JSE Listings Requirements and as the directors in their discretion deem fit. Loans between the Company and any related or inter-related company or corporations to a value not exceeding R25 million (twenty-five million Rand) are hereby approved.

Explanatory note: Special resolution number 5

Section 45 of the Companies Act provides, among other things, that, except to the extent that the MOI of a company provides otherwise, the Board may authorise the Company to provide direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation and securing any debt or obligation) to a director or prescribed officer of the Company or a related or inter-related company or corporation, including a subsidiary of the Company incorporated in or outside of the Republic of South Africa, or to a member of such related or inter-related corporation, provided that such authorisation shall be made pursuant to a special resolution of the shareholders adopted within the

previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients and the specific recipient falls within that category.

The purpose of this resolution is to enable the Company to enter into funding arrangements with its directors, prescribed officers, subsidiaries, holding company and sister companies and their related and inter-related persons and to allow inter-group loans between the Company and its holding and/or subsidiary and/or sister companies.

In order for this resolution to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Voting Rights

Each shareholder, whether present in person or represented by proxy, is entitled to attend and vote at the AGM. On a show of hands every shareholder who is present in person or by proxy shall have one vote, and, on a poll, every shareholder present in person or by proxy shall have one vote for each share held by him/her.

By order of the Board



Light Consulting Proprietary Limited
(Registration Number 1998/025284/07)
Company Secretary
29 October 2021



AH-VEST LIMITED
(Incorporated in the Republic of South
Africa) (Registration number
1989/000100/06)
("AH-Vest" or "Company")
JSE code: AHL ISIN code: ZAE000129177

FORM OF PROXY (for use by certificated and own name dematerialised shareholders only)

For use by certificated and "own name" registered dematerialised shareholders of the Company ("shareholders") at the annual general meeting ("AGM") of AH-Vest to be held at 10:00 on Wednesday, 8 December 2021 at 15 Misgund Road, Eikenhof, Johannesburg.

I/We (please print) _____

of (address) _____

being the holder/s of _____ ordinary shares of 0.01 cent each in AH-Vest, appoint (see note 1):

2. _____ or failing him,

3. _____ or failing him,

4. the Chairman of the AGM,

as my/our proxy to act for me/us and on my/our behalf at the AGM which will be held for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	Number of votes		
	For	Against	Abstain
Ordinary Resolution Number 1 Acceptance of annual financial statements			
Ordinary Resolution Number 2 Director retirement and re-election of MS Appelgryn			
Ordinary Resolution Number 3 Re-appointment and remuneration of the Independent External Auditor - Nexia SAB&T			
Ordinary Resolution Number 4 Election of Audit Committee member - MS Appelgryn			
Ordinary Resolution Number 5 Election of Audit Committee member - JJ du Plooy			
Ordinary Resolution Number 6 Election of Audit Committee member - H Takolia			
Ordinary Resolution Number 7 Election of Audit Committee member - UC Speirs			
Ordinary resolution Number 8 Endorsement of remuneration policy			

Ordinary Resolution Number 9 Endorsement of remuneration implementation report			
Ordinary Resolution Number 10 General authority to allot and issue shares for cash			
Special Resolution Number 1 General authority to repurchase shares			
Special Resolution Number 2 Company acquiring its own shares from a director of prescribed officer			
Special Resolution Number 3 Non-executive director's remuneration			
Special Resolution Number 4 Authority to issue shares, securities convertible into shares or rights that may exceed 30% of the voting power of the current issued share capital			
Special Resolution Number 5 General authority to enter into funding agreements, provide loans or other financial assistance			

Signed at _____ on _____ 2021

Signature _____

Assisted by me (where applicable) _____

Name _____ Capacity _____ Signature _____

NOTES

1. This form is for use by certificated shareholders and dematerialised shareholders with "own-name" registration whose shares are registered in their own names on the record date and who wish to appoint another person to represent them at the meeting. If duly authorised, companies and other corporate bodies who are shareholders having shares registered in their own names may appoint a proxy using this form or may appoint a representative in accordance with the last paragraph below.

Other shareholders should not use this form. All beneficial holders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
2. This proxy form will not be effective at the meeting unless it is lodged with the Company's appointed meeting scrutineers, The Meeting Specialist Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 (proxy@tmsmeetings.co.za) (PO Box 62043, Marshalltown, 2107, South Africa) to be received by no later than 10:00 on Monday, 6 December 2021 or thereafter, handed to the Chairman of the AGM prior to the shareholder exercising any rights of a shareholder at the AGM.
3. This proxy shall apply to all the ordinary shares registered in the name of shareholders at the record date unless a lesser number of shares are inserted.
4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the chairman of the meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the form of proxy and who is present at the meeting

will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this proxy form may delegate the authority given to him in this proxy by delivering to the company, in the manner required by these instructions, a further proxy form which has been completed in a manner consistent with the authority given to the proxy of this proxy form.

5. Unless revoked, the appointment of proxy in terms of this proxy form remains valid until the end of the meeting even if the meeting or a part thereof is postponed or adjourned.
6. If
 - 6.1 a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
 - 6.2 the shareholder gives contrary instructions in relation to any matter; or
 - 6.3 any additional resolution/s which are properly put before the meeting; or
 - 6.4 any resolution listed in the proxy form is modified or amended,

the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form, and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.

7. If this proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this proxy form will not be effective unless:
 - 7.1 It is accompanied by a certified copy of the authority given by the shareholder to the signatory;
or
 - 7.2 the company has already received a certified copy of that authority.
8. The Chairman of the meeting may, at his discretion, accept or reject any proxy form or other written appointment of a proxy which is received by the Chairman prior to the time when the meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the Chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.
9. Any alterations made in this form of proxy must be initialled by the authorised signatory/ies.
10. This proxy form is revoked if the shareholder who granted the proxy:
 - 10.1 lodges a copy of the revocation instrument with the company's appointed meeting scrutineers, The Meeting Specialist Proprietary Limited, and to the proxy or proxies concerned, so that it is received by The Meeting Specialist Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 (proxy@tmsmeetings.co.za) (PO Box 62043, Marshalltown, 2107, South Africa), by no later than 10:00 on Monday, 6 December 2021 or by the Chairman of the AGM prior to the proxy exercising any rights of a shareholder at the AGM; or
 - 10.2 appoints a later, inconsistent appointment of proxy for the meeting; or
 - 10.3 attends the meeting in person.
11. If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own name may, instead of completing this proxy form, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received by the Company's appointed meeting scrutineers, The Meeting Specialist Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 (proxy@tmsmeetings.co.za) (PO Box 62043, Marshalltown, 2107,) not later than 10:00 on Monday, 6 December 2021.

Summary of rights established by section 58 of the Companies Act as required in terms of sub-section 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the company before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)).
6. Irrespective of the form of instrument used to appoint a proxy:
 - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58(4)(a));
 - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
 - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's MOI to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:
 - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
 - 10.2 the invitation or form of proxy instrument supplied by the company must:
 - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
 - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
 - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
 - 10.3 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and the proxy appointment remains valid only until the end of the meeting.

ABRIDGED CURRICULA VITAE OF DIRECTORS

NON - EXECUTIVE DIRECTORS

Marthinus Stephanus "Tony" Appelgryn CA(SA) (53)

Tony served as an auditor with accounting and auditing firm, Coopers & Lybrand (today known as PricewaterhouseCoopers) from 1990 to 1992. During this time, he was appointed as audit manager on various audits, notably of the Small Business Development Corporation (today known as Business Partners), where he gained valuable experience in assisting, starting up and after caring of businesses. He served as Chairman of The Junior Chamber of The Afrikaanse Sakekamer from 1994 to 1996. In 1993, Tony was one of the founding members of an auditing and accounting practice, which went from strength to strength, and today he is a Senior Partner of the auditing company, ARC Chartered Accountants and Auditors Incorporated.

Haroon Takolia B.Com, Hons B Compt CA(SA) MBA (Wits) (70)

Haroon is a qualified Chartered Accountant and holds an MBA from the University of the Witwatersrand. He completed his articles of clerkship at Fram Cohen Kaplan and Kramer in 1974 and currently heads Haroon Takolia and Co., an independent audit practice with several high-profile clients. Haroon is a respected auditor (with clients such as Fair Price Discounters, Sesli Textiles and Devland Cash and Carry group). He has varied business interests. He serves on a number of social and educational boards as well as the board and audit committees of Inkunzi Student Accommodation Fund and Amalgamated Enterprises Ltd.

Jacobus Johannes Du Plooy CA(SA) (36)

Jaco is a Chartered Accountant and qualified with ARC Chartered Accountants & Auditors ("ARC") in 2008. He became an audit manager and remained with ARC until June 2012. Jaco joined the Finstone Group in 2012 as financial manager and later as group financial manager. During 2015 he joined Safintra South Africa as financial manager and remained with them until his appointment as financial manager at Trans Hex Group in 2018. Jaco was appointed as an independent non-executive to AH-Vest and also appointed as a member to the audit committee

Ms Unati Corrie Speirs, MSc Agriculture (42)

Unati is a PhD candidate, she holds an MSc in Agriculture and has extensive experience in senior management in South Africa, the US, Japan, the EU, and UN. She is the current chairperson of the UN FAO/UNEP Sustainable Agri-Food Production Task Team, an Executive Director of the Agri-Consult Group and serves on the Boards of several companies and Ministerial Trusts. Unati has vast experience in Agri-business strategy and business funding, having previously held the position of Head of Business Unit: Industrial Development Division at the IDC.

EXECUTIVE DIRECTORS

Muhammed Naasif Darsot (51) Chief Executive Officer

Muhammed completed his GCSE (1986) at Bishop Gore Comprehensive School in Swansea, Wales and completed the Islamic Finance Entrepreneurship Programme (GAP) (2011/2012). Muhammed is the Chief Executive Officer of AH-Vest and was formerly the Sales & Marketing Director of Darsot Group.

Muhammed oversees the operations of AH-Vest as well as the larger Group's sales and marketing strategy that delivers against specific strategic objectives of the businesses in line with the Company's, customers and consumer needs.

In addition, he directs and provides leadership to the marketing and sales teams of the businesses, advising on marketing and brand management from a customer perspective with regards to new product innovation and launches arising out of consumer demand and fulfilling that demand and advising sales management from a customer perspective with regards to implementation and execution at store level on existing and new product innovation.

Christopher "Chris" Sambaza (50) CA (SA) CA (Z) B. Com (Rhodes) PGDAA (UZ)

Chris is a member of The South African Institute of Chartered Accountants and the Institute of Chartered Accountants of Zimbabwe. He completed his articles and qualified as a Chartered Account with PricewaterhouseCoopers specialising in information systems audits and financial services clients.

He worked in various executive roles in listed and unlisted insurance, banking and manufacturing companies. He is an entrepreneur in his own right having founded various companies in financial services and manufacturing in the SADC region. He is the Chief Financial Officer of AH Vest.

Bilal Darsot (48)

Bilal, has 26 years' experience in Human Resources. He is also the HR Director for the Darsot Group of companies and oversees the Human Resources side of the business. Bilal is the Human Resources Director of AH-Vest.

Shuaib Darsot (46)

Shuaib is the Operations Director of AH Vest Limited and oversees the operations of the larger group as well as seeking to maximise operating efficiencies and synergies between AH-Vest and the larger group of companies.

Raees Darsot (35)

Raees served as Interim Financial Director of AH Vest from 4 June 2013 to 21 October 2013.

Raees gained his financial experience as financial director of Eastern Trading and oversaw the financial side of the business. He is an Executive Director of AH-Vest and oversees the Treasury and Administration of the larger Group, including AH-Vest, working closely with the Chief Financial Officer.

SHAREHOLDERS DIARY

EVENT	TIMING
Financial year end	30 June each year
Publication of year end results	By 30 September each year
Interim period end	31 December each year
Publication of interim results	By 31 March each year
Record date to be recorded on the share register to attend the AGM as a shareholder	Friday 3rd December 2021
Next AGM	Wednesday 8 December 2021

COMPANY INFORMATION

Business Address and Registered office

15 Misgund Road
Eikenhof
Johannesburg
1872

Designated Advisor

AcaciaCap Advisors Proprietary Limited
(Registration number 2006/033725/06)
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive & Van Reenens
Avenue
Woodmead, 2191
(Suite#439, Private Bag X29, Gallo Manor,
2052)

Company Secretary

Light Consulting Proprietary Limited
20 Stirrup Lane
Woodmead Office Park
Cnr Woodmead Drive & Van Reenens Avenue
Woodmead, 2191
(Suite# 439, Private Bag X29, Gallo Manor, 2052)

Group Auditors

Nexia SAB&T Chartered Accountants
(Registration number 1997/018869/21)
119 Witch-Hazel Avenue
Highveld Technopark
Centurion, 0046
(PO Box 10512, Centurion, 0046)

Scrutineers appointed to attend at AGM

The Meeting Specialist Proprietary Limited
Proprietary Limited
(Registration number 2017/287419/07)
One Exchange Square,
Gwen Lane,
Sandown, 2196

Transfer Secretaries

Computershare Investor Services
Proprietary Limited,
(Registration number 2004/003647/07)
Rosebank Towers, 15 Bierman Avenue,
Rosebank, 2196

(PO Box 62043, Marshalltown, 2107, South Africa),

(Private Bag X9000, Saxonwold, 2132)