



AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

**Consolidated and Separate Annual Financial Statements
for the year ended 30 June 2023**

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

Consolidated And Separate Annual Financial Statements for the year ended 30 June 2023

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	MNI Darsot C Sambaza MS Appelgryn SI Darsot R Darsot JJ du Plooy H Takolia UC Speirs
Registered office and business address	15 Misgund Road Eikenhof Gauteng 1872
Postal address	PO Box 100 Eikenhof Johannesburg 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 Sasfin Bank 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 consolidated and separate annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The consolidated and separate annual financial statements were independently compiled by: T Kritsiotis Chartered Accountant (SA) Fourteen94 Accounting and Business Services Proprietary Limited

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Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2023.

The Audit Committee is an independent statutory committee appointed by the shareholders. Further duties are delegated to the Audit Committee by the board of directors of the Group. 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 Group and include:

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 two 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 2023

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 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 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 financial director 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.

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Audit Committee Report

4. External audit

The Audit Committee is responsible for the appointment, compensation and oversight of the external auditors for AH-Vest Limited, namely 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 Mr. Niren Soopal 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 Mr. Niren Soopal, as stipulated in paragraph 3.84(h)(iii) of the JSE Listings Requirements.
- It is noted that the audit partner changed in the middle of the audit due to a personal situation, resulting in a new audit partner being appointed.
- 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 11 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 2023 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 of directors and the auditors. The committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

6. Consolidated and Separate 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.

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Consolidated And Separate Annual Financial Statements for the year ended 30 June 2023

Audit Committee Report

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.

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 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.

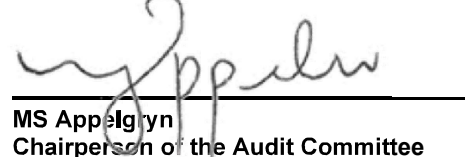
The committee is satisfied that the expertise and experience of the financial director is appropriate to meet the responsibilities of the position. This is based on the qualifications, levels of experience, and the board's assessment of the financial knowledge of the chief financial officer.

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 2023 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 Listings 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

AH-Vest Limited

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Consolidated And Separate Annual Financial Statements for the year ended 30 June 2023

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 consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate 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 consolidated and separate annual financial statements.

The consolidated and separate 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 consolidated and separate 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.

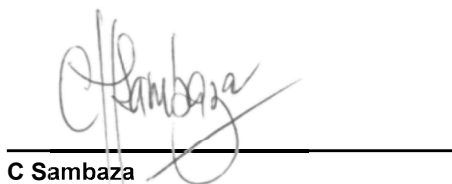
The external auditors are responsible for independently auditing and reporting on the Group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the Group's external auditors and their report is presented on pages 13 to 16.

The consolidated and separate annual financial statements set out on pages 17 to 62, which have been prepared on the going concern basis, were approved by the board of directors on 04 December 2023 and were signed on their behalf by:

Approval of financial statements



MNI Darsot
Chief Executive Officer



C Sambaza
Chief Financial Officer

AH-Vest Limited

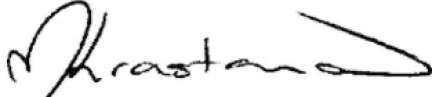
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Company Secretary's Certification

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 2023, and that all such returns are true, correct and up to date.



Light Consulting Proprietary Limited

Company Secretary

04 December 2023

AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

Consolidated And Separate Annual Financial Statements for the year ended 30 June 2023

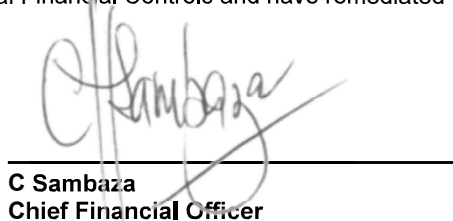
CEO and CFO Internal Financial Control Responsibility Statement

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 62, fairly present in all material respects the financial position, financial performance and cash flows of the Company and Group in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Consolidated and Separate Annual Financial Statements false or misleading;
- Internal Financial Controls have been put in place to ensure that material information relating to the Company and Group has been provided to effectively prepare the Consolidated and Separate Annual Financial Statements of the Company and Group;
- the Internal Financial Controls are adequate and effective and can be relied upon in compiling the Consolidated and Separate Annual Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee and the external auditors any deficiencies in design and operational effectiveness of the Internal Financial Controls and have remediated the deficiencies; and
- we are not aware of any fraud involving directors.



MNI Darsot
Chief Executive Officer



C Sambaza
Chief Financial Officer

04 December 2023

AH-Vest Limited

(Registration number 1989/000100/06)

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Consolidated And Separate Annual Financial Statements for the year ended 30 June 2023

Directors' Report

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of AH-Vest Limited and the Group for the year ended 30 June 2023.

1. Incorporation

The Company is domiciled in South Africa where it is incorporated as a public listed company.

2. Nature of business

The principal activity of AH-Vest Limited is the manufacture and sale of food products. The Group 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 consolidated consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated consolidated and separate 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.

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 of South Africa. 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 of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

The Company declared a gross dividend of 0.20 cents per share on 31 October 2022, attributable to the year ended 30 June 2022, which was payable to all shareholders recorded in the share register of the Company at the close of business on 25 November 2022.

No dividend has been declared in relation to the year ended 30 June 2023.

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.

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Directors' Report

8. Directorate

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

Directors	Position held
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
JJ du Plooy	Independent Non-Executive Director
H Takolia	Independent Non-Executive Chairman
UC Speirs	Independent Non-Executive Director

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 annual financial statements.

10. Holding company

The Group's holding company is Eastern Trading Company Proprietary Limited trading as Darsot Food Corporation (Eastern Trading) which holds 93.59% (2022: 93.59%) of the Group's equity. Eastern Trading is incorporated in South Africa.

11. Shareholders

The shareholders are as follows:

	2023 Direct	2022 Direct	2023 Indirect	2022 Indirect
Eastern Trading Company Proprietary Limited	72.36	72.36		
Farm Foods Holdings Proprietary Limited			23.33	23.33

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

12. Special resolutions

Special resolutions passed by AH-Vest Limited and its subsidiaries:

- The Company and/or any subsidiary of the Company was granted authority, subject to the provisions of the Companies Act of South Africa, the Listings 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 Company and/or any subsidiary of the Company was granted authority, subject to the provisions of the Companies Act of South Africa, the Listings Requirements of the JSE and the Company's MOI, to acquire ("repurchase") its own shares from a director or prescribed officer.
- The approval of the remuneration payable for the non-executive directors from the date of the AGM until the date of the following AGM.
- 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 Company was granted general approval, subject to the approval of 75% of the members present in person and by proxy, and entitled to vote at the meeting, in terms of Section 45 of the Companies Act of South Africa, authorising that the Company and or any one or more of and/or its wholly-owned subsidiaries incorporated in the Republic to enter into direct or indirect funding agreements, guarantee a loan or other obligations, secure any debt or obligation, or to provide loans or financial assistance between any one or more of the subsidiaries from time to time, subject to the provisions of the Listings Requirements of the JSE, for funding agreements and as the directors in their discretion deem fit.

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Directors' Report

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. 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.

15. Going concern

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

Loadshedding

Load shedding had a major negative impact on the business, impacting on production, scheduling and costs, with lower production units at a higher cost. A lot of person-hours and production time was lost during this period. To this end, two large generators were installed on site by the holding company in March 2023, which has smoothed production but the cost of diesel has been significant.

World events

The Ukraine situation and more recently events in the Middle East have had an impact on the business. These events have resulted in the increased cost of fuel, extended delays in the importation of raw materials as well as shortages of raw materials. Management has taken measures to address these challenges which include diversifying the geographical location of the suppliers as well as more frequent shipments to ensure that there is always raw material in the supply chain. The situation has improved compared to prior periods.

16. Litigation statement

As previously announced, the Company has a contingent liability of R1 500 000 being a proposed fine by the Department of Labour ("Department") in terms of section 20(7) of the Employment Equity Act 55 of 1998 ("Act") in accordance with schedule 1 of the Act, which arose in 2019. 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.

Subsequent to this disclosure there has been no movement on the matter as the Department has still not submitted its heads of argument. In January 2020 the business submitted its 2020/2021 Employment Equity Plan which the Department accepted. Management instructed its attorneys to approach the Department's legal team to withdraw this case and for each party to bear their own costs, in an attempt to resolve this matter. At the time of releasing this announcement the Department had not responded to our attorneys.

AH Vest is currently engaged in discussions with a supplier regarding alleged damaged returnable containers, for which they are claiming R570 906. There is uncertainty as to the quantity of the containers, the nature of the damage and how the value of the damage was determined. The final resolution of this dispute is uncertain, and the outcome may result in the recognition of a liability in the future. AH Vest will continue to actively engage with the supplier to reach a resolution.

There are no other legal matters that are material to the Company.

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Directors' Report

17. Auditors

Nexia SAB&T continued in office as auditors for the company and its subsidiaries for 2023.

18. Secretary

The company secretary is Light Consulting Proprietary Limited.

Business address:

20 Stirrup Lane
Woodmead Office Park
Woodmead
Johannesburg
2191

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 17 to 62, which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of AH-Vest Limited as at 30 June 2023, 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.

Audit. Tax. Advisory.

Chairperson: Mrs A Ramasike | Chief Executive Officer: Mr B Adam
SAB&T Chartered Accountants Incorporated t/a Nexia SAB&T

Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297

Offices in: Bloemfontein, Cape Town, Centurion, Durban, Johannesburg, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg

B-BBEE rating: Level 1 Contributor in terms of Generic Scorecard - B-BBEE Codes of Good Practice

SAB&T Chartered Accountants Incorporated is a member of Nexia, a leading, global network of independent accounting and consulting firms.
SAB&T Chartered Accountants Incorporated is an authorised financial services provider.

* A full list of directors is available for inspection at the company's registered office or on request.

Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue</p> <p>As disclosed in note 16, the consolidated and separate financial statements include revenue of R211 321 070 (2022: R206 189 973).</p> <p>The Group and Company have a number of clients, with varying contractual terms, which increases the risk associated with the occurrence 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 this key audit matter, our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> • Identified the controls over occurrence and accuracy of revenue and concluded that they were appropriately designed and implemented.; • Verified that the revenue recognition and measurement policies adopted and implemented were in terms of IFRS 15; • Performed analytical review procedures in respect of revenue; • Selected transactions from the general ledger and agreed it to the customer orders and signed proof of delivery; • Verified that the revenue recognised in the general ledger was accurately measured in terms of the customer contractual agreements; and • Selected transactions before and after the reporting period, to confirm that the transactions were recognised in the correct financial period. <p>We concluded that the revenue recognition and measurement is 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 Consolidated and Separate Annual Financial Statements for the year ended 30 June 2023", which includes the the Directors' Report, the Audit Committee Report and 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, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and 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 on the other information prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we do receive and read the integrated report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

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 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 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 11 years.

Nexia SAB&T

Niren Coomar Soopal
Director
Registered Auditor

04 December 2023

AH-Vest Limited

(Registration number 1989/000100/06)

Trading as All Joy Foods

Consolidated And Separate Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Assets					
Non-Current Assets					
Property, plant and equipment	3	46,971,662	42,570,149	46,971,662	42,570,149
Right-of-use assets	4	22,449,180	24,832,928	22,449,180	24,832,928
Intangible assets		80,594	80,594	80,594	80,594
Investments in subsidiaries	5	-	-	100	100
		69,501,436	67,483,671	69,501,536	67,483,771
Current Assets					
Inventories	6	17,375,270	16,960,530	17,375,270	16,960,530
Loan to shareholder	7	24,156,916	19,921,155	24,156,916	19,921,155
Trade and other receivables	8	40,939,352	42,174,722	40,939,352	42,174,722
Cash and cash equivalents	9	609,041	651,387	608,941	651,287
		83,080,579	79,707,794	83,080,479	79,707,694
Total Assets		152,582,015	147,191,465	152,582,015	147,191,465
Equity and Liabilities					
Equity					
Share capital	10	21,307,610	21,307,610	21,307,610	21,307,610
Retained income		25,254,065	23,995,032	25,254,065	23,995,032
		46,561,675	45,302,642	46,561,675	45,302,642
Liabilities					
Non-Current Liabilities					
Other financial liabilities	11	7,668,554	8,265,381	7,668,554	8,265,381
Lease liabilities	4	25,445,985	27,013,129	25,445,985	27,013,129
Deferred income	12	3,824,117	4,226,608	3,824,117	4,226,608
Deferred tax	13	609,851	1,148,609	609,851	1,148,609
		37,548,507	40,653,727	37,548,507	40,653,727
Current Liabilities					
Trade and other payables	14	56,352,958	52,913,589	56,352,958	52,913,589
Other financial liabilities	11	8,559,310	5,682,509	8,559,310	5,682,509
Lease liabilities	4	1,035,149	1,054,592	1,035,149	1,054,592
Deferred income	12	402,491	402,491	402,491	402,491
Provisions	15	804,834	563,843	804,834	563,843
Bank overdraft	9	1,317,091	618,072	1,317,091	618,072
		68,471,833	61,235,096	68,471,833	61,235,096
Total Liabilities		106,020,340	101,888,823	106,020,340	101,888,823
Total Equity and Liabilities		152,582,015	147,191,465	152,582,015	147,191,465

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Revenue	16	211,321,070	206,189,973	211,321,070	206,189,973
Cost of sales		(137,667,444)	(127,969,348)	(137,667,444)	(127,969,348)
Gross profit		73,653,626	78,220,625	73,653,626	78,220,625
Other income	17	2,729,047	3,052,196	2,729,047	3,052,196
Movement in credit loss allowances	18	(520,450)	(6,321,967)	(520,450)	(6,321,967)
Operating expenses		(71,660,448)	(70,561,720)	(71,660,448)	(70,561,720)
Operating profit	18	4,201,775	4,389,134	4,201,775	4,389,134
Investment income	19	2,186,126	1,460,726	2,186,126	1,460,726
Finance costs	20	(5,463,552)	(4,218,456)	(5,463,552)	(4,218,456)
Profit before taxation		924,349	1,631,404	924,349	1,631,404
Taxation	21	538,758	430,204	538,758	430,204
Total comprehensive income for the year		1,463,107	2,061,608	1,463,107	2,061,608
Basic and diluted basic earnings per share (cents)	32	1.43	2.02	1.43	2.02

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Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Group			
Balance at 01 July 2021	21,293,071	22,953,781	44,246,852
Total comprehensive income for the year	-	2,061,608	2,061,608
Issue of shares	14,539	-	14,539
Dividends	-	(1,020,357)	(1,020,357)
Balance at 01 July 2022	21,307,610	23,995,029	45,302,639
Total comprehensive income for the year	-	1,463,107	1,463,107
Dividends	-	(204,071)	(204,071)
Balance at 30 June 2023	21,307,610	25,254,065	46,561,675
Note	10		
Company			
Balance at 01 July 2021	21,293,071	22,953,781	44,246,852
Total comprehensive income for the year	-	2,061,608	2,061,608
Issue of shares	14,539	-	14,539
Dividends	-	(1,020,357)	(1,020,357)
Balance at 01 July 2022	21,307,610	23,995,029	45,302,639
Total comprehensive income for the year	-	1,463,107	1,463,107
Dividends	-	(204,071)	(204,071)
Balance at 30 June 2023	21,307,610	25,254,065	46,561,675
Note	10		

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Statement of Cash Flows

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Cash flows from operating activities					
Cash generated from operations	22	18,510,831	4,023,161	18,510,831	4,023,161
Interest income received	19	6,199	4,409	6,199	4,409
Finance costs paid	20	(5,463,552)	(4,218,456)	(5,463,552)	(4,218,456)
Dividends paid	23	(56,408)	(44,027)	(56,408)	(44,027)
Net cash from operating activities		12,997,070	(234,913)	12,997,070	(234,913)
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(3,535,986)	(212,126)	(3,535,986)	(212,126)
Proceeds on sale of property, plant and equipment	3	45,000	-	45,000	-
Loans advanced to shareholder		(43,711,810)	(19,849,946)	(43,711,810)	(19,849,946)
Loans to shareholder repaid		35,710,390	22,117,174	35,710,390	22,117,174
Net cash from investing activities		(11,492,406)	2,055,102	(11,492,406)	2,055,102
Cash flows from financing activities					
Proceeds on share issue	10	-	14,539	-	14,539
Proceeds from other financial liabilities	24	-	3,000,000	-	3,000,000
Repayment of other financial liabilities	24	(1,343,002)	(2,829,082)	(1,343,002)	(2,829,082)
Payment of lease liabilities	24	(903,027)	(1,613,301)	(903,027)	(1,613,301)
Net cash from financing activities		(2,246,029)	(1,427,844)	(2,246,029)	(1,427,844)
Total cash movement for the year		(741,365)	392,345	(741,365)	392,345
Cash at the beginning of the year		33,315	(359,030)	33,215	(359,130)
Total cash at end of the year	9	(708,050)	33,315	(708,150)	33,215

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Consolidated And Separate Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation

The consolidated and separate 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 ("IFRS IC") interpretations issued and effective at the time of preparing these consolidated and separate 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 consolidated and separate annual financial statements incorporate the consolidated and separate 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 consolidated and separate annual financial statements from the effective date of acquisition to the effective date of disposal.

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.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate 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.

Significant judgements and estimates are included in Property, plant and equipment (notes 1.4 and 3), Deferred tax assets (notes 1.6 and 13), Impairment of trade receivables (notes 1.5 and 8), Loan to shareholder (notes 1.5 and 7) and Provisions (notes 1.12 and 15).

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Accounting Policies

1.4 Property, plant and equipment

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.

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Accounting Policies

1.5 Financial instruments

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. The financial assets and financial liabilities are measured, at initial recognition, at fair value plus transaction costs, if any.

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:

Financial assets at amortised cost

Classification

Loan to shareholder (note 7), cash and cash equivalents (note 9) and trade and other receivables (note 8), 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

The financial assets 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.

Trade receivables do not contain a financing component.

Application of the effective interest method

For financial assets 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 receivable. 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.

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.

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.

Impairment of trade receivables

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.

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Accounting Policies

1.5 Financial instruments (continued)

Impairment of loans receivable and cash and cash equivalents

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).

In order to assess whether to apply lifetime ECL or 12 month ECL to a loan receivable, 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 on loans receivable

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 7 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.

Irrespective of the above analysis, the Group considers that default has occurred when a loan or other receivable instalment is more than 90 days past due date.

The Group considers that default has occurred on a trade receivable when an amount is more than 90 days past due date.

The Group considers these as the default periods unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The default periods are based on the historical experience of the Company, taking into account the current and forecast industry and economic conditions.

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.

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Accounting Policies

1.5 Financial instruments (continued)

Measurement and recognition of expected credit losses

General approach on loans and other receivables

The measurement of expected credit losses on loans and other receivables 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 account by discounting the future cash flows to their present value. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation.

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 adjusted for interest, where applicable, that would have accrued to default date (i.e interest for 90 days). The time value of money is taken into account where appropriate based on the assumption that payments from the borrowers occur on average mid-way through the month.

Simplified approach on trade receivables

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade receivables. The provision matrix is based on historical credit loss experiences, taking into account previous write-offs and recoveries. Historical loss rates are calculated based on the ratio of the monthly movements in the aging of trade receivables (roll rate) using real outstanding trade receivables. Historical loss rates are then 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 receivables in totality. Details of the provision matrix is presented in note 8.

An impairment gain or loss is recognised for all financial assets at amortised cost 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.

Financial liabilities at amortised cost

Classification

Liabilities (notes 4, 9 and 11) and trade and other payables (note 14) are classified as financial liabilities subsequently measured at amortised cost.

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Accounting Policies

1.5 Financial instruments (continued)

Recognition and measurement

The financial liabilities 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.

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.

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.

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Accounting Policies

1.6 Tax (continued)

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.

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.

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.

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Accounting Policies

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.

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. 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 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

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.

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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

Ordinary shares are classified as equity.

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

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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.

Growth incentive provision

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.

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.

The provision is inherently based on assumptions and estimates using the best information available.

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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).

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. Export goods are shipped free-on-board. 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 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.

Discounts and rebates are provided for in accordance with individual customer contracts. Other than the growth incentive provision as referred to in note 1.12, these discounts and rebates 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).

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Accounting Policies

1.16 Translation of foreign currencies

Foreign currency transactions and balances

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 when monetary amounts are denominated in a foreign currency, the carrying amount 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 are provided in the relevant individual notes.

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 consolidated and separate 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.

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 to make decisions about resources to be allocated to the segment and to assess its performance.

The different product lines are aggregated into a single operating segment as they have similar economic characteristics and are similar as to the nature of the products, their production process, type of customer and distribution method.

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.

The Group operates primarily within this one product segment, namely sauces, and one geographical segment, namely South Africa.

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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 these standards.

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

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 may be relevant to the group. The standards and interpretations are mandatory for the Group's accounting periods beginning on or after 01 July 2023 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
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023
• 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 2024
• Deferred tax related to assets and liabilities arising from single transactions: Amendments to IAS 12	01 January 2023
• Lease liability in a sale and leaseback	01 January 2024

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	2023	2022	2023	2022

3. Property, plant and equipment

Group and Company	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	59,195,848	(26,753,375)	32,442,473	55,932,631	(25,205,321)	30,727,310
Furniture and fittings and IT equipment	1,951,352	(1,527,242)	424,110	1,871,361	(1,473,265)	398,096
Motor vehicles	3,162,216	(2,343,770)	818,446	3,247,216	(2,174,690)	1,072,526
Leasehold improvements	15,218,826	(5,195,495)	10,023,331	15,203,306	(4,831,089)	10,372,217
Capital - Work in progress	3,263,302	-	3,263,302	-	-	-
Total	82,791,544	(35,819,882)	46,971,662	76,254,514	(33,684,365)	42,570,149

Reconciliation of property, plant and equipment - Group and Company - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	30,727,310	3,314,928	-	(1,599,765)	32,442,473
Furniture and fittings and IT equipment	398,096	92,650	-	(66,636)	424,110
Motor vehicles	1,072,526	-	(24,932)	(229,148)	818,446
Leasehold improvements	10,372,217	15,520	-	(364,406)	10,023,331
Assets under construction	-	3,263,302	-	-	3,263,302
	42,570,149	6,686,400	(24,932)	(2,259,955)	46,971,662

Additions to plant and machinery includes an amount of R3,150,141 for the purchase and installation of generators. Assets under construction relates to electrical infrastructure.

Reconciliation of property, plant and equipment - Group and Company - 2022

	Opening balance	Additions	Transfers from right-of-use assets*	Depreciation	Total
Plant and machinery	28,673,053	40,000	4,062,891	(2,048,634)	30,727,310
Furniture and fittings and IT equipment	451,636	71,800	-	(125,340)	398,096
Motor vehicles	1,249,898	100,326	-	(277,698)	1,072,526
Leasehold improvements	10,872,072	-	-	(499,855)	10,372,217
	41,246,659	212,126	4,062,891	(2,951,527)	42,570,149

* 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

The group had contractual commitments of R3,402,464 for the acquisition of property, plant and equipment at 30 June 2023 (2022: Rnil).

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the related liabilities under note 11:

Plant and machinery	3,097,907	-	3,097,907	-
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	2023	2022	2023	2022

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 (2022: 25 years). There are 20.25 years remaining on the lease. The renewal periods have been included in determining the value of the lease liability and right-of use asset as it is reasonably certain that the lease will be renewed. Monthly repayments are R280 000 (2022: R280 000) and the interest rate is 10.00% p.a. (2022: 10% p.a.).
- Motor vehicles - 3 to 4 years. Total monthly repayments are R20 114 (2022: R34 862) and the interest rate is 7.00% p.a. (2022: 7.00% p.a.).
- Plant and machinery - 2022: 5 years. The lease liability for these assets matured in the prior year and the assets were transferred to property, plant and equipment. Total monthly repayments were R108 373 and the interest rate was 8% p.a.

The interest rate applied in these leases was the Group's borrowing rate.

There is no guaranteed residual at the end of the remaining motor vehicle lease. There are no restrictions or covenants imposed by the leases. No arrangements have been entered into for contingent rent. 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 2023 (2022: R nil).

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

Reconciliation of right-of-use assets - Group and Company - 2023

	Opening balance	Disposals	Depreciation	Total
Leasehold property	23,182,914	-	(1,492,934)	21,689,980
Motor vehicles	1,650,014	(648,705)	(242,109)	759,200
	24,832,928	(648,705)	(1,735,043)	22,449,180

Reconciliation of right-of-use assets - Group and Company - 2022

	Opening balance	Additions	Transfers to property, plant and equipment	Depreciation	Total
Leasehold property	24,675,849	-	-	(1,492,935)	23,182,914
Plant and machinery	4,201,925	-	(4,062,891)	(139,034)	-
Motor vehicles	835,393	1,040,000	-	(225,379)	1,650,014
	29,713,167	1,040,000	(4,062,891)	(1,857,348)	24,832,928

Other disclosures

Interest expense on lease liabilities	3,193,446	2,778,758	3,193,446	2,778,758
Expenses on short term leases included in operating expenses	151,565	148,441	151,565	148,441
Capital repayments on lease liabilities	903,027	1,613,302	903,027	1,613,302
Total cash outflow from leases	4,248,038	4,540,501	4,248,038	4,540,501

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	2023	2022	2023	2022

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	3,601,378	3,794,902	3,601,378	3,792,902
Two to five years	13,802,067	14,653,941	13,802,067	14,653,941
More than five years	32,760,000	36,120,000	32,760,000	36,120,000
	50,163,445	54,568,843	50,163,445	54,566,843
Less finance charges component	(23,682,311)	(26,501,123)	(23,682,311)	(26,501,123)
	26,481,134	28,067,720	26,481,134	28,065,720
Non-current liabilities	25,445,985	27,013,129	25,445,985	27,013,129
Current liabilities	1,035,149	1,054,592	1,035,149	1,054,592
	26,481,134	28,067,721	26,481,134	28,067,721

5. Investments 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	% holding	Carrying amount 2023	Carrying amount 2022
		2023/2022	2023/2022		
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 %	-	-
				100	100

Restrictions relating to subsidiaries

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

6. Inventories

Raw materials	9,190,121	10,286,112	9,190,121	10,286,112
Finished goods	8,185,149	6,674,418	8,185,149	6,674,418
	17,375,270	16,960,530	17,375,270	16,960,530

Inventory pledged as security

There were no encumbrances over inventories at 30 June 2023 (2022: R nil).

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	2023	2022	2023	2022

7. Loan to shareholder

Eastern Trading Company Proprietary Limited	24,156,916	19,921,155	24,156,916	19,921,155
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The loan is unsecured, carries interest at prime plus 0.5% and is repayable on demand. The ongoing loan facility is limited to R25 million in terms of the general authority to provide financial assistance as approved by the annual special resolution.

The balance of the loan to shareholder has taken into account the arrangement to settle the trade payable amounts, owed by the Group to the shareholder, against the loan.

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 loan to shareholder.

The assessment of the expected credit loss was based on 12 month ECL as there was no indication of an increase in credit risk. The Group took into account the financial position and performance of the shareholder as well as the future prospects of the industries in which the shareholder operates. The Group also considered the historical performance of the loan, whereby the shareholder has made consistent repayments and has not breached the terms thereof. The credit quality of the loan was therefore assessed as high.

The measurement of the expected credit loss based on the assessment was not considered significant to the Group and therefore no expected credit loss allowance was provided for.

Fair value of loan to shareholder

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

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Figures in Rand	Group		Company	
	2023	2022	2023	2022
8. Trade and other receivables				
Financial instruments:				
Trade receivables	52,442,236	53,549,862	52,442,236	53,549,862
Allowances for discounts and rebates	(3,658,135)	(4,088,738)	(3,658,135)	(4,088,738)
Loss allowance	(7,998,526)	(7,478,076)	(7,998,526)	(7,478,076)
Trade receivables at amortised cost	40,785,575	41,983,048	40,785,575	41,983,048
Other receivables	140,539	14,539	140,539	14,539
Total financial instruments	40,926,114	41,997,587	40,926,114	41,997,587
Non-financial instruments:				
Prepayments	13,238	177,135	13,238	177,135
Total trade and other receivables	40,939,352	42,174,722	40,939,352	42,174,722

Trade and other receivables pledged as security

Trade and other receivables were ceded and pledged as security for liabilities as per note 11.

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 30 days from statement. (2022: 30 days from statement). No interest is charged on outstanding trade receivables. Statement dates for trade receivables vary from mid-month to month end dates.

The credit risk on other receivables was not considered significant to the group based on the nature and value of the receivable.

The loss allowance provision is determined as follows:

Group and Company	2023	2023	2022	2022
	Gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 3.90% (2022: 2.85%)	18,286,669	(713,575)	16,768,649	(478,508)
30 days past due: 6.74% (2022: 5.02%)	9,133,329	(615,877)	5,720,614	(287,175)
60 days past due: 20.73% (2022: 15.03%)	2,692,324	(558,020)	1,090,146	(163,849)
90+ days past due: 27.37% (2022: 21.85%)	22,329,914	(6,111,054)	29,970,453	(6,548,544)
Total	52,442,236	(7,998,526)	53,549,862	(7,478,076)

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	2023	2022	2023	2022

8. Trade and other receivables (continued)

Reconciliation of loss allowances

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

Opening balance	(7,478,076)	(1,156,109)	(7,478,076)	(1,156,109)
Remeasurement of loss allowance on comparative trade receivables not settled	(9,516)	-	(9,516)	-
Amounts written off as bad debt	4,611	-	4,611	-
Allowance reversed on settled trade receivables	7,450,040	(6,328,364)	7,450,040	(6,328,364)
Foreign exchange gains or losses	-	6,397	-	6,397
Allowance raised on new trade receivables	(7,965,585)	-	(7,965,585)	-
Closing balance	(7,998,526)	(7,478,076)	(7,998,526)	(7,478,076)

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.

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	39,606,030	41,992,566	39,606,030	41,992,566
US Dollar	1,320,084	5,021	1,320,084	5,021
	40,926,114	41,997,587	40,926,114	41,997,587

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

Foreign currency amount

US Dollar	70,500	311	70,500	311
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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	18.725	16.147	18.725	16.147
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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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	2023	2022	2023	2022
9. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Bank balances	494,978	519,758	494,878	519,658
Short-term deposits	114,063	131,629	114,063	131,629
Bank overdraft	(1,317,091)	(618,072)	(1,317,091)	(618,072)
	(708,050)	33,315	(708,150)	33,215
Current assets	609,041	651,387	608,941	651,287
Current liabilities	(1,317,091)	(618,072)	(1,317,091)	(618,072)
	(708,050)	33,315	(708,150)	33,215

The bank overdraft has been classified as part of cash and cash equivalents as it is repayable on demand, often fluctuates from being positive to overdrawn during the year and forms an integral part of the cash management.

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

The credit quality of cash at bank and short term deposits 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

Fitch: AA+(2022: AA+)

609,041	651,287	609,041	651,287
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Facilities in place for AH-Vest Limited:

- Medium term loan R11 109 000
- Overdraft R5 200 000
- Guarantees R70 000 - ceded for letters of guarantee
- Fleet Card R80 000

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9. 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

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10. Share capital

Authorised

500 000 000 Ordinary shares of 1 cent each	5,000,000	5,000,000	5,000,000	5,000,000
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Reconciliation of number of shares issued:

Reported as at 01 July 2022	102,035,730	101,973,333	102,035,730	101,973,333
Issue of shares – ordinary shares	-	62,397	-	62,397
	102,035,730	102,035,730	102,035,730	102,035,730

The Company issued 62,397 shares for cash on 1 July 2021 under the general authority.

Issued

Ordinary shares	21,307,610	21,307,610	21,307,610	21,307,610
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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.

11. Other financial liabilities

Held at amortised cost

ABSA Bank Limited	8,358,886	11,091,396	8,358,886	11,091,396
Sasfin Bank Limited	4,439,054	2,856,494	4,439,054	2,856,494
Albaraka Bank Limited	3,429,924	-	3,429,924	-
	16,227,864	13,947,890	16,227,864	13,947,890

Split between non-current and current portions

Non-current liabilities	7,668,554	8,265,381	7,668,554	8,265,381
Current liabilities	8,559,310	5,682,509	8,559,310	5,682,509
	16,227,864	13,947,890	16,227,864	13,947,890

The ABSA 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 2.5 years remaining. The Group's obligations are secured by an omnibus surety from the Group as per note 9.

The Sasfin loan is a revolving credit facility which is unsecured and bears interest at prime interest rate plus 4%. Repayments are based on 6% of the highest outstanding balance.

The Abaraka loan is secured by the plant and machinery in note 3 and is repayable over 4 years. The finance is a Murabaha finance agreement with an inherent interest rate of 11.75%.

Fair value of other financial liabilities

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

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	2023	2022	2023	2022
12. Deferred income				
Government grants				
Non-current liabilities	3,824,117	4,226,608	3,824,117	4,226,608
Current liabilities	402,491	402,491	402,491	402,491
	4,226,608	4,629,099	4,226,608	4,629,099

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 (2022: R402 491). 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.

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	2023	2022	2023	2022
13. Deferred tax				
Deferred tax liability				
Property, plant and equipment	(6,715,929)	(6,469,823)	(6,715,929)	(6,469,823)
Total deferred tax liability	(6,715,929)	(6,469,823)	(6,715,929)	(6,469,823)
Deferred tax asset				
Credit loss allowance	1,295,761	1,211,448	1,295,761	1,211,448
Growth incentive provision	217,305	152,238	217,305	152,238
Trading discounts	987,696	1,103,959	987,696	1,103,959
Leave pay	236,388	191,070	236,388	191,070
Tax allowance on donations carried forward	173,790	-	173,790	-
Unrealised foreign exchange	81,598	-	81,598	-
Right-of-use assets and lease liabilities	1,140,238	922,344	1,140,238	922,344
Deferred tax balance from temporary differences other than unused tax losses	4,132,776	3,581,059	4,132,776	3,581,059
Tax losses available for set off against future taxable income	1,973,302	1,740,155	1,973,302	1,740,155
Total deferred tax asset	6,106,078	5,321,214	6,106,078	5,321,214

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	(6,715,929)	(6,469,823)	(6,715,929)	(6,469,823)
Deferred tax asset	6,106,078	5,321,214	6,106,078	5,321,214
Total net deferred tax liability	(609,851)	(1,148,609)	(609,851)	(1,148,609)

Reconciliation of deferred tax asset / (liability)

At beginning of year	(1,148,609)	(1,578,813)	(1,148,609)	(1,578,813)
Increases (decrease) in tax loss available for set off against future taxable income	233,147	(897,104)	233,147	(897,104)
Taxable / (deductible) temporary difference movement on property, plant and equipment	(246,106)	326,102	(246,106)	326,102
Taxable / (deductible) temporary difference movement on credit loss allowance	84,313	1,017,223	84,313	1,017,223
Taxable / (deductible) temporary difference movement on trading discounts	(116,263)	(154,311)	(116,263)	(154,311)
Taxable / (deductible) temporary difference movement on leave pay	45,318	16,997	45,318	16,997
Taxable / (deductible) temporary difference movement on unrealised foreign exchange	81,598	-	81,598	-
Taxable / (deductible) temporary difference movement on donations allowance carried forward	173,790	-	173,790	-
Taxable / (deductible) temporary difference movement on growth incentive provision	65,067	(76,753)	65,067	(76,753)
Taxable / (deductible) temporary difference movement on right-of-use assets and lease liabilities	217,894	198,050	217,894	198,050
	(609,851)	(1,148,609)	(609,851)	(1,148,609)

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	2023	2022	2023	2022

13. Deferred tax (continued)

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.

14. Trade and other payables

Financial instruments:

Trade payables	50,892,550	46,335,403	50,892,550	46,335,403
Payroll related liabilities	3,478,874	3,575,575	3,478,874	3,575,575
Accrued expenses	542,052	990,540	542,052	990,540
	<u>54,913,476</u>	<u>50,901,518</u>	<u>54,913,476</u>	<u>50,901,518</u>

Non-financial instruments:

VAT	1,439,482	2,012,071	1,439,482	2,012,071
	<u>56,352,958</u>	<u>52,913,589</u>	<u>56,352,958</u>	<u>52,913,589</u>

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.

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	2023	2022	2023	2022

14. Trade and other payables (continued)

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	53,928,189	38,854,713	53,928,189	38,854,713
US Dollar	985,287	3,064,472	985,287	3,064,472
	54,913,476	41,919,185	54,913,476	41,919,185

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

Foreign currency amount

US Dollar	52,620	189,785	52,620	189,785
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The following closing exchange rates were applied to translate trade payables at reporting date:

Rand per unit of foreign currency:

US Dollar	18.725	16.147	18.725	16.147
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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	2023	2023	2022	2022
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate				
Impact on profit or loss:				
US Dollar 10% (2022: 10%)	(98,529)	98,529	(306,447)	306,447
Impact on taxation:				
US Dollar 10% (2022: 10%)	26,603	(26,603)	85,805	(85,805)
Impact on profit or loss after taxation	(71,926)	71,926	(220,642)	220,642

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.

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	2023	2022	2023	2022

15. Provisions

Reconciliation of provisions - Group and Company - 2023

	Opening balance	Additions	Utilised during the year	Total
Annual growth incentive	563,843	1,063,161	(822,170)	804,834

Reconciliation of provisions - Group and Company - 2022

	Opening balance	Additions	Utilised during the year	Total
Annual growth incentive	817,825	588,701	(842,683)	563,843

16. Revenue

Revenue from contracts with customers

Sale of goods	211,321,070	206,189,973	211,321,070	206,189,973
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Disaggregation of revenue from contracts with customers

The disaggregation of revenue has been presented in note 31.

17. Other income

Bad debts recovered	-	2,781	-	2,781
SETA grants	1,811,549	192,496	1,811,549	192,496
ETI Refunds	401,000	911,118	401,000	911,118
Sundry income	-	19,795	-	19,795
Profit on disposal of property, plant and equipment	20,067	-	20,067	-
Gain on lease termination	93,940	-	93,940	-
Insurance proceeds	-	1,523,515	-	1,523,515
Government grants	402,491	402,491	402,491	402,491
	2,729,047	3,052,196	2,729,047	3,052,196

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	2023	2022	2023	2022
18. Operating profit				
Operating profit for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees	667,367	620,000	667,367	620,000
Employee costs				
Salaries, wages, bonuses and other benefits	23,100,718	22,804,039	23,100,718	22,804,039
Retirement benefit plans: defined contribution expense	372,232	392,209	372,232	392,209
Total employee costs	23,472,950	23,196,248	23,472,950	23,196,248
Less: Employee costs included in cost of goods sold	(11,102,536)	(9,770,623)	(11,102,536)	(9,770,623)
Total employee costs included in operating expenses	12,370,414	13,425,625	12,370,414	13,425,625
Leases				
Short term leases - equipment	151,565	148,441	151,565	148,441
Depreciation and amortisation				
Depreciation of property, plant and equipment	2,259,955	2,951,527	2,259,955	2,951,527
Depreciation of right-of-use assets	1,735,043	1,857,348	1,735,043	1,857,348
Total depreciation and amortisation	3,994,998	4,808,875	3,994,998	4,808,875
Less: Depreciation included in cost of goods sold and inventories	(3,448,824)	(4,157,259)	(3,448,824)	(4,157,259)
Total depreciation and amortisation included in operating expenses	546,174	651,616	546,174	651,616
Movement in credit loss allowances				
Trade and other receivables	520,450	6,321,967	520,450	6,321,967
Other amounts included in cost of goods sold				
Warehousing and distribution costs	19,911,467	22,090,594	19,911,467	22,090,594
Changes in inventories of finished goods and work in progress	6,155,518	5,357,330	6,155,518	5,357,330
Raw materials and consumables used	115,917,771	107,329,813	115,917,771	107,329,813
Other amounts included in operating expenses				
Retirement benefit plans: defined contribution expense	372,232	392,209	372,232	392,209
Administrative and management services	3,610,675	3,139,889	3,610,675	3,139,889
Consulting and legal services	727,779	1,177,177	727,779	1,177,177
Secretarial services	298,865	246,862	298,865	246,862
Commissions	5,129,357	5,339,465	5,129,357	5,339,465
Advertising and promotions	8,858,596	9,461,047	8,858,596	9,461,047
Motor vehicle expenses	2,620,594	2,720,156	2,620,594	2,720,156
Foreign exchange losses	746,733	89,377	746,733	89,377

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	2023	2022	2023	2022
19. Investment income				
Interest income				
Loan to shareholder (refer note 8)	2,179,927	1,456,317	2,179,927	1,456,317
Bank (refer note 10)	6,199	4,409	6,199	4,409
	2,186,126	1,460,726	2,186,126	1,460,726
20. Finance costs				
Lease liabilities (refer note 4)	2,773,753	2,778,758	2,773,753	2,778,758
Bank overdraft (refer note 9)	522,222	350,090	522,222	350,090
Trade finance	427,384	-	427,384	-
Bank loans (refer note 11)	1,627,272	913,339	1,627,272	913,339
Other interest paid	112,921	176,269	112,921	176,269
	5,463,552	4,218,456	5,463,552	4,218,456
21. Taxation				
Major components of the tax (income) expense				
Deferred				
Originating and reversing temporary differences	(445,391)	(497,626)	(445,391)	(497,626)
Arising from prior period adjustments	(93,367)	67,422	(93,367)	67,422
	(538,758)	(430,204)	(538,758)	(430,204)
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense:				
Accounting profit	924,349	1,631,404	924,349	1,631,404
Tax at the applicable tax rate of 27% (2022: 28%)	249,574	456,793	249,574	456,793
Tax effect of adjustments on taxable income				
Tax rate change	-	(42,541)	-	(42,541)
Donations disallowed	166,393	117,353	166,393	117,353
Donations allowance carried forward	(72,306)	-	(72,306)	-
ETI incentive	(108,270)	-	(108,270)	-
Learnership allowance	(670,500)	(916,533)	(670,500)	(916,533)
Non-taxable government grants	(108,672)	(112,698)	(108,672)	(112,698)
Depreciation on leasehold improvements disallowed	98,390	-	98,390	-
Disallowed deductions	-	67,422	-	67,422
Prior year adjustment	(93,367)	-	(93,367)	-
	(538,758)	(430,204)	(538,758)	(430,204)

The income tax rate was reduced to 27% in the current year from 28% in the prior year.

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 7,308,526 (2022: R 6,445,020).

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	2023	2022	2023	2022
22. Cash generated from operations				
Profit before taxation	924,349	1,631,404	924,349	1,631,404
Adjustments for:				
Depreciation and amortisation	3,994,998	4,808,875	3,994,998	4,808,875
Profit on disposal of property, plant and equipment	(20,067)	-	(20,067)	-
Gain on lease termination	(93,940)	-	(93,940)	-
Interest income	(2,186,126)	(1,460,726)	(2,186,126)	(1,460,726)
Finance costs	5,463,552	4,218,456	5,463,552	4,218,456
Movement in credit loss allowances	520,450	6,321,967	520,450	6,321,967
Movements in provisions	240,991	(253,982)	240,991	(253,982)
Changes in working capital:				
Inventories	(414,740)	(2,388,069)	(414,740)	(2,388,069)
Trade and other receivables	714,920	(16,227,090)	714,920	(16,227,090)
Trade and other payables	3,439,369	7,774,817	3,439,369	7,774,817
Deferred income	(402,491)	(402,491)	(402,491)	(402,491)
Working capital changes included in loan to shareholder	5,945,586	-	5,945,586	-
Working capital changes included in other financial liabilities	383,980	-	383,980	-
	18,510,831	4,023,161	18,510,831	4,023,161

23. Dividends paid

Balance at beginning of the year	-	-	-	-
Dividends declared	(204,071)	(1,020,357)	(204,071)	(1,020,357)
Dividend allocated to shareholder loan account (refer note 7)	147,663	976,330	147,663	976,330
Balance at end of the year	-	-	-	-
	(56,408)	(44,027)	(56,408)	(44,027)

24. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group and Company - 2023

	Opening balance	Lease termination	Additions	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	13,947,890	-	3,622,976	3,622,976	(1,343,002)	16,227,864
Lease liabilities	28,067,721	(683,560)	-	(683,560)	(903,027)	26,481,134
Total liabilities from financing activities	42,015,611	(683,560)	3,622,976	2,939,416	(2,246,029)	42,708,998

* Additions relate to the purchase of plant and machinery (refer note 3).

Reconciliation of liabilities arising from financing activities - Group and Company - 2022

	Opening balance	Additions	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	13,776,972	-	-	170,918	13,947,890
Lease liabilities	28,641,022	1,040,000	1,040,000	(1,613,301)	28,067,721
Total liabilities from financing activities	42,417,994	1,040,000	1,040,000	(1,442,383)	42,015,611

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	2023	2022	2023	2022

25. Contingencies

As previously announced, the Company has a contingent liability of R1 500 000 being a proposed fine by the Department of Labour ("Department") in terms of section 20(7) of the Employment Equity Act 55 of 1998 ("Act") in accordance with schedule 1 of the Act, which arose in 2019. 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.

Subsequent to this disclosure there has been no movement on the matter as the Department has still not submitted its heads of argument. In January 2020 the business submitted its 2020/2021 Employment Equity Plan which the Department accepted. Management instructed its attorneys to approach the Department's legal team to withdraw this case and for each party to bear their own costs, in an attempt to resolve this matter. At the time of releasing this announcement the Department had not responded to our attorneys.

AH Vest is currently engaged in discussions with a supplier regarding alleged damaged returnable containers, for which they are claiming R570 906. There is uncertainty as to the quantity of the containers, the nature of the damage and how the value of the damage was determined. The final resolution of this dispute is uncertain, and the outcome may result in the recognition of a liability in the future. AH Vest will continue to actively engage with the supplier to reach a resolution.

There are no other legal matters that are material to the Company.

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 Holdings Proprietary Limited
Fellow subsidiaries	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 (resigned 22 December 2021) R Darsot C Sambaza MT Pather (removed 27 January 2021)

Related party balances

Loan account owing by shareholder

Eastern Trading Company Proprietary Limited (refer note 7)	24,156,916	19,921,155	24,156,916	19,921,155
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Amounts included in trade receivables regarding related parties

Eastern Trading Company Proprietary Limited	28,699,833	33,959,096	28,699,833	33,959,096
Darsot and More Chemicals Proprietary Limited	768,621	115,883	768,621	115,883

Expected credit loss allowance on trade receivables regarding related parties

Eastern Trading Company Proprietary Limited	(6,629,111)	(6,639,649)	(6,629,111)	(6,639,649)
Darsot and More Chemicals Proprietary Limited	(155,845)	(24,746)	(155,845)	(24,746)

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26. Related parties (continued)				
Related party transactions				
Transactions with Eastern Trading Company Proprietary Limited				
Purchase of goods	15,310,158	8,466,102	15,310,158	8,466,102
Revenue from sale of goods	(40,545,606)	(36,158,223)	(40,545,606)	(36,158,223)
Lease payments	3,360,000	3,360,000	3,360,000	3,360,000
Administration and management fees paid	3,514,435	2,960,090	3,514,435	2,960,090
Transport	22,113,704	19,956,870	22,113,704	19,956,870
Interest received	(2,179,927)	(1,456,316)	(2,179,927)	(1,456,316)
Energy and operating costs	3,004,736	7,216,960	3,004,736	7,216,960
IFRS 9 ECL provision (reversed) raised	(10,538)	5,725,209	(10,538)	5,725,209
Darsot and More Chemicals Proprietary Limited				
Revenue from sale of goods	(567,599)	(11,093)	(567,599)	(11,093)
IFRS 9 ECL provision raised	131,099	24,350	131,099	24,350
Compensation to directors and other key management				
Executive directors' remuneration	4,221,523	4,289,118	4,221,523	4,289,118
Non-executive directors' remuneration	317,944	526,184	317,944	526,184
	4,539,467	4,815,302	4,539,467	4,815,302

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

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27. Directors' emoluments

Executive

2023

	Salary	Other benefits*	Retirement benefits	Directors' fees for services as directors of other group companies	Total
MNI Darsot	922,282	123,606	45,614	930,000	2,021,502
C Sambaza	1,615,498	40,897	79,563	-	1,735,958
SI Darsot	578,131	140,862	28,406	930,000	1,677,399
R Darsot	508,239	113,513	24,912	930,000	1,576,664
	3,624,150	418,878	178,495	2,790,000	7,011,523

2022

	Salary	Other benefits*	Retirement benefits	Directors' fees for services as directors of other group companies	Total
MNI Darsot	917,587	121,675	45,082	930,000	2,014,344
C Sambaza	1,558,091	26,007	75,962	-	1,660,060
SI Darsot	533,737	136,152	25,953	930,000	1,625,842
R Darsot	491,397	111,936	23,836	930,000	1,557,169
BI Darsot	164,212	49,280	8,211	-	221,703
	3,665,024	445,050	179,044	2,790,000	7,079,118

Non-executive

2023

	Directors' fees	Other benefits*	Total
MS Appelgryn	97,650	1,606	99,256
JJ du Plooy	39,060	763	39,823
H Takolia	107,415	1,783	109,198
UC Speirs	68,355	1,313	69,668
	312,480	5,465	317,945

2022

	Directors' fees	Other benefits*	Total
MS Appelgryn	126,945	2,076	129,021
JJ du Plooy	107,415	1,960	109,375
H Takolia	175,770	2,643	178,413
UC Speirs	107,415	1,960	109,375
	517,545	8,639	526,184

* Other benefits include travel allowance.

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	2023	2022	2023	2022

28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2023

	Note(s)	Amortised cost	Fair value
Loan to shareholder	7	24,156,916	24,156,916
Trade and other receivables	8	40,926,114	40,926,114
Cash and cash equivalents	9	609,041	609,041
		65,692,071	65,692,071

Group - 2022

	Note(s)	Amortised cost	Fair value
Loan to shareholder	7	19,921,155	19,921,155
Trade and other receivables	8	41,997,587	41,997,587
Cash and cash equivalents	9	651,387	651,387
		62,570,129	62,570,129

Company - 2023

	Note(s)	Amortised cost	Fair value
Loan to shareholder	7	24,156,916	24,156,916
Trade and other receivables	8	40,926,114	40,926,114
Cash and cash equivalents	9	608,941	608,941
		65,691,971	65,691,971

Company - 2022

	Note(s)	Amortised cost	Fair value
Loan to shareholder	7	19,921,155	19,921,155
Trade and other receivables	8	41,997,587	41,997,587
Cash and cash equivalents	9	651,287	651,287
		62,570,029	62,570,029

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28. Financial instruments and risk management (continued)

Categories of financial liabilities

Group and Company - 2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	14	54,913,476	-	54,913,476	54,913,476
Other liabilities	11	-	16,227,864	16,227,864	16,227,864
Lease liabilities	4	-	26,481,134	26,481,134	26,481,134
Bank overdraft	9	1,317,091	-	1,317,091	1,317,091
		56,230,567	42,708,998	98,939,565	98,939,565

Group and Company - 2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	14	50,901,518	-	50,901,518	50,901,518
Other liabilities	11	-	13,947,890	13,947,890	13,947,890
Lease liabilities	4	-	28,067,721	28,067,721	28,067,721
Bank overdraft	9	98,415	-	98,415	98,415
		50,999,933	42,015,611	93,015,544	93,015,544

Capital risk management

The group's objective when managing capital (which includes share capital (note 10), liabilities (note 4 and 11), working capital (note 8 and 14) and cash and cash equivalents (note 9)) 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.

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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

The group is exposed to credit risk on the loans receivable (note 7), trade and other receivables (note 8) and cash and cash equivalents (note 9). 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)	2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Loan to shareholder	7	24,156,916	-	24,156,916	19,921,155	-	19,921,155
Trade and other receivables	8	48,924,640	(7,998,526)	40,926,114	53,564,401	(7,478,076)	46,086,325
Cash and cash equivalents	9	609,041	-	609,041	651,387	-	651,387
		73,690,597	(7,998,526)	65,692,071	74,136,943	(7,478,076)	66,658,867

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	2023	2022	2023	2022

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 9.

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 - 2023

	Notes(s)	Less than 1 year	2 years	3 years	4 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities								
Other financial liabilities	11	-	4,794,054	2,872,396	1,085,049	-	8,751,499	7,668,554
Lease liabilities	4	-	3,601,378	3,480,689	6,720,000	32,760,000	46,562,067	25,445,985
Current liabilities								
Trade and other payables	14	54,913,476	-	-	-	-	54,913,476	54,913,476
Other financial liabilities	11	10,177,590	-	-	-	-	10,177,590	8,559,310
Lease liabilities	4	3,601,378	-	-	-	-	3,601,378	1,035,149
Bank overdraft	9	1,317,091	-	-	-	-	1,317,091	1,317,091
		70,009,535	8,395,432	6,353,085	7,805,049	32,760,000	125,323,101	98,939,565

Group and Company - 2022

	Notes(s)	Less than 1 year	2 years	3 years	4 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities								
Other financial liabilities	11	-	3,703,182	3,703,182	1,851,921	-	9,258,285	8,265,381
Lease liabilities	4	-	4,211,874	3,601,378	6,840,689	36,120,000	50,773,941	27,013,129
Current liabilities								
Trade and other payables	14	50,901,518	-	-	-	-	50,901,518	50,901,518
Other financial liabilities	11	6,749,038	-	-	-	-	6,749,038	5,682,509
Lease liabilities	4	3,794,902	-	-	-	-	3,794,902	1,054,592
Bank overdraft	9	618,072	-	-	-	-	618,072	618,072
		62,063,530	7,915,056	7,304,560	8,692,610	36,120,000	122,095,756	93,535,201

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	2023	2022	2023	2022

28. Financial instruments and risk management (continued)

Foreign currency risk

Details of foreign currency risk exposure are contained in the relevant notes throughout these financial statements (refer note 8 and 14).

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.

Interest rate profile

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

Group and Company	Average effective interest rate		Carrying amount	
	2023	2022	2023	2022
Assets				
Loans to group companies	7.25%-12.25%	7.5%-7.75%	24,156,916	16,960,530
Liabilities				
Other financial liabilities	11 11.75%-15.75%	8.00%-12.25%	(16,227,864)	(13,947,890)
Lease liabilities	4 7.00%-10.00%	7.00%-10.00%	(26,481,134)	(28,067,721)
Bank overdraft	9 8.25%-11.75%	7.39%	(1,317,091)	(618,072)
			(44,026,089)	(42,633,683)
			(19,869,173)	(25,673,153)

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 used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group and Company

At 30 June 2023, if the interest rates had been 1.5% p.a. (2022: 1.50%) higher or lower during the period, with all other variables held constant, profit or loss before tax for the year would have been R 217,567 (2022: R 58,297) higher and R 217,567 (2022: R 58,297) lower.

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29. Events after the reporting period

There are no material events that management is aware of which occurred after the reporting date and up to the date of this report.

30. Going concern

The consolidated and separate 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.

Loadshedding

Load shedding had a major negative impact on the business, impacting on production, scheduling and costs, with lower production units at a higher cost. A lot of person-hours and production time was lost during this period. To this end, two large generators were installed on site by the holding company in March 2023, which has smoothed production but the cost of diesel has been significant.

World events

The Ukraine situation and more recently events in the Middle East have had an impact on the business. These events have resulted in the increased cost of fuel, extended delays in the importation of raw materials as well as shortages of raw materials. Management has taken measures to address these challenges which include diversifying the geographical location of the suppliers as well as more frequent shipments to ensure that there is always raw material in the supply chain. The situation has improved compared to prior periods.

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	2023	2022	2023	2022
31. 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	211,321,070	206,189,973	211,321,070	206,189,973
Revenue from sale of goods (before discounts and rebates)	281,475,754	275,168,323	281,475,754	275,168,323
Export sales	(12,070,307)	(11,090,904)	(12,070,307)	(68,978,350)
Domestic revenue from sale of goods	269,405,447	264,077,419	269,405,447	206,189,973
Less: discounts and rebates	(70,154,684)	(68,978,350)	(70,154,684)	(68,978,350)
Domestic revenue	199,250,763	195,099,069	199,250,763	195,099,069
Export revenue	12,070,307	11,090,904	12,070,307	11,090,904
	211,321,070	206,189,973	211,321,070	206,189,973
Domestic revenue reconciled as follows:				
Major customers (comprising 5% or more of revenue):				
- Customer A	114,254,701	115,010,338	114,254,701	115,010,338
- Customer B	29,688,629	30,373,326	29,688,629	30,373,326
- Customer C	14,180,001	14,136,146	14,180,001	14,136,146
Other domestic customers	111,282,116	104,557,609	111,282,116	104,557,609
Revenue to external parties	269,405,447	264,077,419	269,405,447	264,077,419
Less: rebates	(70,154,684)	(68,978,350)	(70,154,684)	(68,978,350)
	199,250,763	195,099,069	199,250,763	195,099,069

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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32. Earnings per share

Basic earnings reconciliation

Profit attributable to equity holders of the Company	1,463,107	2,061,608	1,463,107	2,061,608
Basic earnings	1,463,107	2,061,608	1,463,107	2,061,608

Group and company

	2023		2022	
	Gross	Net	Gross	Net
Headline earnings reconciliation				
Profit attributable to equity holders of the Company		1,463,107		2,061,608
Adjustments				
IAS 16 Profit on disposal of property, plant and equipment	(20,067)	(14,649)	-	-
IFRS 16 Gain on lease termination	(93,940)	(68,576)	-	-
Headline earnings		1,379,882		2,061,608
Weighted average shares in issue		102,035,730		102,035,730
Basic and diluted basic earnings per share (cents)		1.43		2.02
Headline and diluted headline earnings per share (cents)		1.35		2.02

33. Shareholder Analysis

Public and non-public shareholders

	% Holding	No. of shareholders	No. of shares
Non-public shareholders			
Eastern Trading Company (Pty) Ltd	72.36	1	73,830,485
Farm Food Holdings (Pty) Ltd	23.33	1	23,802,500
Directors and associates	0.05	2	50,041
Total non-public shareholders	95.73	4	97,683,026
Public shareholders	4.27	7,783	4,352,704
Total	100.00	7,787	102,035,730

Beneficial shareholders holding 5% or more

	% Holding	No. of shareholders	No. of shares
Eastern Trading Company (Pty) Ltd	72.36	1	73,830,485
Farm Foods Holdings (Pty) Ltd	23.33	1	23,802,500
Total	95.69	2	97,632,985

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34. 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 2023 and 30 June 2022 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**		73 830 850	73 830 485	72.36%
Farm Foods**		23 802 500	23 802 500	23.33%
Dr MS Appelgryn*	49 041		49 041	0.049%
Total	50 041	97 633 350	97 683 391	95.73%

**The Shareholding in Eastern Trading and Farm Foods is being transferred to three directors of AH-Vest Limited.

* 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.

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.