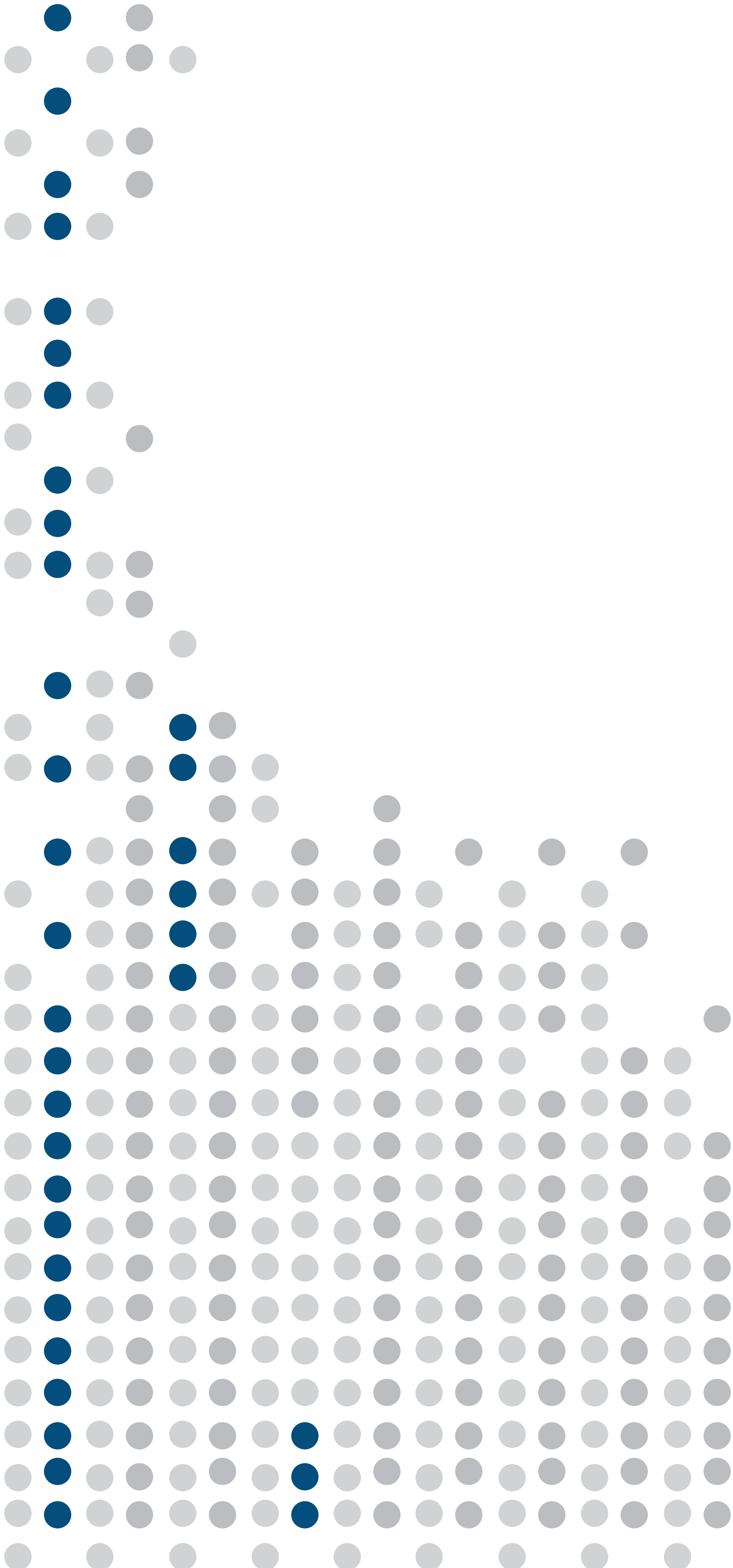
Santova

INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023



NAVIGATING OUR REPORT

DIRECTORS' RESPONSIBILITY AND APPROVAL STATEMENT

The directors of Santova Limited ("Santova") have the pleasure of presenting the consolidated and separate financial statements ("the financial statements") for the year ended 28 February 2023.

In terms of the Companies Act of South Africa (Act 71 of 2008), as amended ("the Companies Act"), the directors are required to prepare the financial statements that fairly present the state of affairs and business of the Group and Company at the reporting date and of the financial performance for that reporting period. To achieve the highest standards of financial reporting, the financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the JSE Limited ("JSE") Listings Requirements, and in terms of the requirements of the Companies Act.

On the recommendation by the Audit and Risk Committee, the directors considered and are satisfied that the internal controls, systems and procedures in operation provide reasonable assurance that all assets are safeguarded, that transactions are properly executed and recorded, and that the possibility of material loss or misstatement is minimised. The directors are of the opinion that the financial statements fairly present, in all material respects, the state of affairs and business of the Group and Company as at 28 February 2023 and of the profit for that reporting period.

The directors have reviewed the Group and Company's cash flow forecasts for the next 12 months from date of approval of the financial statements and, in light of this review, taking into account Santova's current financial position, they are satisfied that the Group and the Company have, or have access to, adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The directors are not aware of any events after the reporting period that have a material impact on the Group and Company's cash flow forecasts for the next 12 months that have not already been incorporated into these forecasts.

The external auditors are responsible for independently examining and reporting on the financial statements and their report is presented on pages 12 to 14.

PREPARATION OF THE FINANCIAL STATEMENTS

The preparation of the financial statements for the year ended 28 February 2023 has been supervised by the Group Financial Director of Santova, Mr JS Robertson, CA (SA).

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors ("the Board") and were signed on their behalf by:

ESC Garner
Chairman

GH Gerber
Chief Executive Officer

Durban
17 May 2023

CEO AND CFO RESPONSIBILITY STATEMENT

The directors, whose names are stated below, hereby confirm that:

(a) the financial statements set out on pages 15 to 80, fairly present in all material respects the financial position, financial performance and cash flows of Santova Ltd in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to Santova Ltd and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Santova Ltd;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Codes. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action;

(e) where we are not satisfied, we have disclosed to the Audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

GH Gerber
Chief Executive Officer

JS Robertson
Group Financial Director

Durban
17 May 2023

COMPLIANCE STATEMENT BY THE COMPANY SECRETARY

The Company Secretary of Santova Ltd ("the Company") hereby certifies that in terms of section 88(2) of the Companies Act, the Company has filed with the Companies and Intellectual Property Commission of South Africa all such returns and notices as are required of a public company and that all such returns are true, correct and up to date in respect of the reporting period ended 28 February 2023.

JA Lupton, FCG
Company Secretary

Durban
17 May 2023

REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the reporting period ended 28 February 2023. In compiling this report cognizance has been given to the principles of the King IV™ Report on Corporate Governance for South Africa, 2016 ("King IV™") and in particular Principle 8 pertaining to best practices for Audit Committees.

ROLE AND RESPONSIBILITIES

The Audit and Risk Committee ("the Committee") is an independent statutory committee appointed by the shareholders and its statutory duties are set down in Section 94(7) of the Companies Act of South Africa (Act 71 of 2008) ("the Companies Act"). The Board has also delegated other responsibilities to the Committee, which are set out below, and this report covers all these duties and responsibilities.

AUDIT AND RISK COMMITTEE CHARTER

The Committee has adopted formal terms of reference contained in a Charter that has been approved by the Board, is reviewed annually, and updated as necessary. The Committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein. The business of the Committee is set out in an Annual Work Plan that is aligned to the Committee Charter. A copy of the Charter is available on the Company's website (www.santova.com).

COMPOSITION OF COMMITTEE AND ATTENDANCE

The membership of the Committee comprises four independent non-executive directors, one of whom, ME Stewart, is the Chairperson of the Committee. The Committee met four times during the reporting period under review. Due to the changes on the Board during the period which affected membership of the Committee, not every member attended every meeting. A table setting out attendance at meetings can be found in the Governance Review on page 32 of the Company's 2023 Annual Integrated Report ("AIR"), which is available on its website (www.santova.com).

The Chief Executive Officer ("CEO") and Group Financial Director are permanent invitees to Committee meetings and the Group External Auditor attends by invitation when appropriate. The Group Legal Advisor presents a full legal and risk report at each meeting and the Chairperson of the Information Technology ("IT") Risk Management and Steering Committee, presents a report at each meeting.

GROUP EXTERNAL AUDITOR APPOINTMENT AND INDEPENDENCE

Moore Johannesburg Inc. ("Moore") (previously known as Moore Stephens Johannesburg) was the appointed external auditor during the reporting period, with Candice Jenkins acting as the designated audit partner for the reporting period ended 28 February 2023.

Moore:

- is independent of the Company, as required by Section 94(8) of the Companies Act and the guidance contained in King IV™;
- is formally accredited by the JSE;
- has no conflicts of interest and has sufficient audit resources to meet the Group's financial reporting timetable; and
- does not have any current or pending legal or disciplinary process being instituted by any professional body of which it is a member of regulator to which it is accountable.

The Committee is satisfied that Moore is independent of the Group and has demonstrated the requisite institutional knowledge, expertise and experience.

The Committee, in consultation with executive management, approved the terms and authorised the signing of the engagement letter, as well as the audit plan and budgeted audit fees for the 2023 reporting period.

The Committee approved a policy on non-audit services during the prior reporting period, and in line with that policy the Group External Auditor is not considered for non-audit services in South Africa ("SA"). However, certain of the Group's foreign entities have their own independent external auditor and the Group External Auditor may provide such services to these subsidiaries.

During the reporting period, the Committee met with the Group External Auditor without management being present and met with management without the Group External Auditor being present. No matters of concern were raised by either the Group External Auditor or management at these meetings.

The Committee has nominated for re-election at the Annual General Meeting ("AGM"), Moore as the Group External Auditor and Manri van Wyk as the designated audit partner responsible for performing the functions of auditor for the 2024 reporting period. Manri van Wyk takes over from Candice Jenkins who has completed five years as lead audit partner.

FINANCIAL STATEMENTS AND ACCOUNTING PRACTICES

The Committee has reviewed the accounting policies and the separate and consolidated financial statements ("the financial statements") for the Company and the Group for the year ended 28 February 2023 and is satisfied that they are appropriate and comply with IFRS.

INTERNAL FINANCIAL CONTROLS

The Committee has overseen a process by which it has assured itself of the effectiveness of the Company's system of internal controls and risk management, including internal financial controls through assurance received from formal financial, legal, IT and customs' reports provided by management and external and internal assurance providers. Based on this assurance, the Committee made a recommendation to the Board for the Board to report thereon. The Board's report referring to the effectiveness of the system of internal controls is included in the Directors' Responsibility and Approval Statement on page 2 of the Annual Financial Statements ("AFS") for the year ended 28 February 2023. However, the Committee will be considering during the current financial year whether the growth in the Group is such that a dedicated internal audit function may now be appropriate.

DUTIES ASSIGNED BY THE BOARD

In addition to the statutory duties of the Committee as reported above, and in accordance with the requirements of the Companies Act, the Board has determined further functions for the Committee to perform, which are set out in the Committee's Charter.

These functions include the following:

Integrated reporting and combined assurance

- Oversight regarding the Company's AIR and the reporting process.
- Oversight in ensuring compliance with the risk philosophy, strategy and policies and with the overall risk profile of the Group.
- To monitor and supervise the effective function of the internal financial controls.
- Assessing and reviewing ethics and compliance within the Group.

The Committee considered the Company's sustainability information as disclosed in the AIR and has assessed its consistency with operational and other information known to the Committee members and for consistency with the financial statements. The Committee discussed the sustainability information as contained in the Social and Environmental ("S&E") Report with management. The Group's detailed S&E Report can be found on its website (www.santova.com).

SIGNIFICANT AREAS OF JUDGEMENT

In arriving at the amounts presented and disclosed in the financial statements there are areas where judgement, assumptions and estimates are required. These are outlined in note 1.3 to the financial statements.

In making an assessment in each of the identified areas, the Committee reviewed management's calculations, questioned their assumptions and ensured adequate disclosure had been made in the notes to the financial statements.

GOING CONCERN

The Committee has reviewed a documented assessment, including key assumptions, prepared by management, of the going concern status of the Company and the Group and has made recommendations to the Board. The Board's statement on the going concern status of the Company and the Group, as supported by the Committee, is included in the Directors' Responsibility and Approval Statement on page 2 of the AFS for the year ended 28 February 2023.

The Board has assigned oversight of the Group's risk management function to the Committee. The Committee is assisted in this task by the internal Risk Management Committee and the IT Risk Management and Steering Committee, as well as the Social and Ethics Committee, where appropriate.

Further detailed information on the governance of risk, how the Group has adopted the recommended practices of King IV™ Principle 11, and members of the relevant sub-committees is included in the Risk Management Report on pages 10 to 13 of the 2023 AIR.

The Committee members are of the opinion that all material identified risks to the business are being well-managed by the management team.

INTERNAL AUDIT

The Company does not have an internal audit department as the Board does not believe that, at this stage in the Group's lifecycle, a fully-fledged independent internal audit function is justified.

Management, the Board, and the Committee have taken responsibility for ensuring an appropriate internal control environment by properly identifying all material risks, both financial and other, and mitigating these through the implementation of appropriate controls and action plans.

Whilst there is not a specifically designated internal audit department, there are several specialised individuals, divisions and committees within the Group who review high risk areas on a continual basis. These include role players who are independent of the subsidiaries and business units that they review and audit. Furthermore, there is a specialised network of independent suppliers whose role assists in the audit of risk within the Group. In addition, appropriate members of the Group Executive Committee ("EXCO") team, during their visits to subsidiary companies, regularly review the internal controls adopted at subsidiary level for both adequacy and effectiveness. These assurances are documented and collated in an Internal Audit Evidence Index, which is reviewed by the Committee at every meeting.

The Committee oversees the adequacy and effectiveness of controls through a process of robust and regular feedback from management, including quarterly risk reports from the Group Financial Director, the Group Legal Advisor and the Chairperson of the IT Risk Management and Steering Committee. The external audit function, as well as other external assurances [auditing areas such as tax, customs, IT, training and development, quality assurance, Broad-based Black Economic Empowerment ("B-BBEE") and employment equity ("EE"), to name a few], also provide a degree of comfort in that certain controls are reviewed during these audits and any shortcomings identified are reported to the Committee. The Committee, together with management, ensures implementation of programmes for corrective action where necessary.

The Committee confirms that nothing has come to its attention that would indicate any material breakdown in the adequacy or effectiveness of the internal controls of the Group during the reporting period. The Committee is satisfied that it has complied with its legal, regulatory, and other responsibilities.

EVALUATION OF THE EXPERTISE AND EXPERIENCE OF THE FINANCIAL DIRECTOR AND FINANCE FUNCTION

The Committee has satisfied itself that the Group Financial Director for the period under review and up to the date of this report, possessed the appropriate experience and expertise to meet his responsibilities in that position. The Committee has considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

APPROVAL OF ANNUAL INTEGRATED REPORT AND FINANCIAL STATEMENTS

The Committee reviewed the AIR and the financial statements for the year ended 28 February 2023 and recommended them to the Board for approval.

The Committee is satisfied that it has fulfilled its responsibility in accordance with its terms of reference for the year ended 28 February 2023.

ME Stewart
Chairman of the Audit and Risk Committee

Durban
17 May 2023

SOCIAL AND ETHICS COMMITTEE REPORT

We are pleased to present our report for the reporting period ended 28 February 2023.

ROLES AND RESPONSIBILITIES

The Social and Ethics Committee ("the Committee") is a statutory committee of Santova, which performs Santova's statutory duties in terms of Section 72(4), read with Regulation 43(5), of the Companies Act of South Africa (Act 71 of 2008) ("the Companies Act").

SOCIAL AND ETHICS COMMITTEE CHARTER

The Committee has adopted formal terms of reference contained in its Charter that has been approved by the Board. The Charter contains duties set by the Board as well as those required in terms of statute. The Charter is reviewed and updated on an annual basis. The Committee's business is guided by a formal Annual Work Plan which is aligned to the Charter and reviewed annually to ensure that during the period under review the Committee has fulfilled all of the responsibilities within its mandate. A copy of the Charter may be found on the Group's website (www.santova.com).

COMPOSITION AND DUTIES OF THE COMMITTEE

The Committee is ordinarily comprised of three independent non-executive directors and the Group Legal Advisor. WA Lombard, an independent non-executive director, passed away after a short illness on 1 November 2022. His position will be filled in the coming reporting period. Collectively, the remaining members hold sufficient qualifications, skills and experience in the relevant areas to fulfill their duties. Further information on the Committee members, their qualifications and experience may be found on pages 28 and 29 of the 2023 AIR. The CEO is a permanent invitee to the Committee and attended all meetings and, in the interests of broadening knowledge of the Company, all other directors and prescribed officers, who are not members of the Committee are invited to attend meetings and usually do so.

The Committee met twice during the reporting period. The attendance of members during the reporting period under review is set out below.

Committee Members	July 2022	October 2022
EM Ngubo (Chairman)	•	•
ESC Garner	•	•
AKG Lewis	•	•
WA Lombard	•	

PRIMARY AREAS OF ACTIVITY

The overall function of the Committee is to assist the directors in discharging their responsibilities relating to the following primary areas:

- SOCIAL AND ECONOMIC DEVELOPMENT
- CONSUMER RELATIONS
- GOOD CORPORATE CITIZENSHIP
- LABOUR AND EMPLOYMENT
- THE ENVIRONMENT
- ETHICAL AND REPUTATIONAL ISSUES
- HEALTH AND PUBLIC SAFETY

DUTIES AND FUNCTIONS OF THE COMMITTEE

The duties of the Social and Ethics Committee are as follows:

ACT	As an Advisory Committee	To refrain from performing any management functions or assuming any management responsibilities.
	As an Independent Committee	To play an objective oversight role on behalf of the entire Group.
MONITOR	The Group's activities in the Primary Areas of Activity listed on the previous page	To ensure compliance by all regions and entities.
	The Committee	To monitor and review the Committee's own performance against its mandate set out in its Charter.
CONSIDER	Reports from Management	To provide assurance to the Committee that the relevant governance, controls and risk management are in place for the Primary Areas of Activity listed on the previous page.
	Legal and Regulatory Requirements	To the extent that they are applicable to the duties of the Committee.
REVIEW	The Group's Policy and Procedure	To certify compliance of the internal rules and procedures with the Primary Areas of Activity listed on the previous page and in the Committee's Charter.
	New and Proposed Legislation	To monitor and enforce developments in laws and practices governing the Primary Areas of Activity listed on the previous page both locally and internationally.
UTILISE	The Social and Ethics Register	To guide its assessment and interrogation of the Primary Areas of Activity and the overall functioning of the Committee.
	The Group's Culture and Values (as set out on page 2 of the 2023 AIR)	To guarantee the respect and enforcement of the Group's Code of Ethics.
COMPLY	With the Group's Culture and Values	To guarantee the respect and enforcement of the Group's Code of Ethics.
	With King IV™ and other relevant Codes of Good Practice	To safeguard good governance and risk management of the functioning of the Committee.
REPORT	To the Board	To communicate and report on relevant matters within the Committee's mandate and to submit to an annual review by the Board.
	To the Shareholders	To report to the shareholders in terms of this formal report in the financial statements and at the AGM.

SOCIAL AND ETHICS COMMITTEE REPORT continued

KEY FOCUS AREAS DURING THE PERIOD

The Committee focused on the following key areas in the period under review:

- Social and Ethics Register - This is a summarised register of every element and sub-element making up the broad collection of laws, protocols and codes, referred to in Section 72(4) of the Companies Act read with Regulation 43(5)(a). In accordance with its duties, the Committee utilised the Social and Ethics Register to review its compliance.

- Committee Charter - The Committee Charter was reviewed and updated during the period under review as required in terms of the Committee Work Plan.

- Committee Work Plan - The Committee Work Plan was updated throughout the period to align with the latest needs and requirements of the Committee. This included a review of the reports to be provided to the Committee by management and an assessment of the frequency of the review of certain reports by the Committee.

- Management Reporting - The Committee received a comprehensive management report, presented by the Group Legal Advisor, at each meeting on all the matters related to the Primary Areas of Activity.

- Policy and Procedure - The Committee continued its oversight and review of the Group's Policy and Procedure that are related to the Primary Areas of Activity. A total of 18 existing policies and statements were reviewed as part of the Committee's mandate in the period under review. This included a detailed review of the Dress Code Policy, which was updated to reflect changes in global practice.

- "Santova For You" – Santova is committed to ensuring that there is a productive and rewarding working environment for its employees and has traditionally achieved this objective through the implementation of financial-based rewards and incentives. The Committee supported the continuation of "Santova For You", the incentive-based programme to award eligible employees with a collection of non-permanent benefits of a predominantly non-financial nature, to motivate, uplift and enhance both employee careers and improve their overall working environment. The awards offered by the programme fit into the following three broad categories: Wellness, Culture, and Career. Examples include additional categories of special leave, formal length of service recognition incentives, and access to use of Microsoft Office™ software for personal use.

- Occupational Health and Safety – The Committee requested and managed the development of updated templates and procedures to ensure continued effective compliance with Sections 37(1) and (2) of the Occupational Health and Safety Act.

- Ethical Culture - The Committee reviewed the non-statutory duties of the Committee and specifically, the established ethical culture, against the recommendations of the Institute of Ethics.

- New Legislation Review - The Committee reviewed the General Legal Update, which summarises the latest legal developments specific to the ambit of the Social and Ethics Committee.

- Human Resources ("HR") Programme - The Committee supervised the selection and deployment of BambooHR™ for use globally by the HR departments. This automated cloud-based application was launched in all regions, except South Africa ("SA"), during the period under review. SA was excluded from the initial launch of the programme due to the fact that it has a current programme integrated with its internal payroll system. SA will be brought online in due course.

  The initial benefits of the first phase of BambooHR™ were: centralised and improved reporting - both standard and customised reporting, a centralised cloud-based database, real time system and data access, direct and remote employee data access including upload ability and online contract with certified e-signature stamp facilities. In the period under review, reports relating to the following areas were launched: head count, new employee hiring, employee termination, employee turnover and leave management. The implementation of the leave management module included standardising, automating and streaming the time off (leave management) request and approval process. Significant further developments are expected in the coming period.

- Social and Environmental ("S&E") Report – The Committee reviewed the S&E Report in this reporting period. Further information on the Primary Areas of Activity within the Santova Group for the period under review may be found in the S&E Report on the Company's website (www.santova.com).

The Committee is satisfied that it has fulfilled its responsibility in accordance with its terms of reference set out in the Social and Ethics Committee Charter for the year ended 28 February 2023.

EM Ngubo
Chairman of the Social and Ethics Committee

Durban
17 May 2023

REPORT OF THE DIRECTORS

The directors have the pleasure of presenting their report for the year ended 28 February 2023, which forms part of the annual financial statements.

1. NATURE OF BUSINESS

The principal business of the Group is that of an international, technology-based trade solutions specialist, delivering innovative end-to-end supply chain solutions. This entails taking responsibility for the entire supply chain, moving goods by sea, air, road and rail from supplier to consumer, internationally, and includes the provision of other value-added services to customers such as supply chain analysis, procurement, express door-to-door courier services, financial services and IT systems.

2. GROUP RESULTS

The profit for the year attributable to owners of the Company amounted to R210,7 million (2022: R170,1 million), which resulted in basic earnings per share of 154,74 cents (2022: 122,60 cents).

The financial results of the Group, including its financial position, results of its operations for the period under review and detailed notes thereto, are set out in the financial statements on pages 15 to 80.

3. GOING CONCERN STATEMENT

Following due consideration of the operating budgets, an assessment of Group debt covenants and funding requirements, solvency and liquidity, the key risks, outstanding legal, insurance and tax issues, and other pertinent matters presented by management, the directors have recorded that they have reasonable expectations that the Company and the Group have adequate resources and the ability to continue in operations for the foreseeable future. As a result, the financial statements have been prepared on the going concern basis.

4. DIVIDENDS

The directors have declared that given the Group's continued focus on building value per share, the Group's cash resources are best applied by reinvesting in the business and, therefore, no dividend has been declared for the 2023 reporting period.

5. SHARE CAPITAL

During the reporting period there were no changes to the authorised share capital of the Company.

The total issued shares in the Company at the reporting date amounted to 133 555 821 (2022: 138 420 252) ordinary shares of no par value, with the reduction in issued shares being due to the share buy-back programme, which was continued during the 2023 reporting period.

6. CONTROLLING AND MAJOR SHAREHOLDERS

At the reporting date the Company had 9 597 (2022: 7 995) shareholders. Controlling and major shareholders holding in excess of 5% of the Company's share capital are detailed on page 40 of the 2023 Annual Integrated Report ("AIR").

7. EVENTS AFTER THE REPORTING DATE

There have been no material events after the reporting date to the date of this report.

8. INVESTMENTS IN SUBSIDIARIES

Full details of the Company's investments in subsidiaries at the reporting date are included in note 5 of the financial statements.

9. SPECIAL RESOLUTIONS

The following special resolutions were passed by the Company and its subsidiaries during the reporting period:

Company

- Approval of non-executive directors' remuneration for 2022/2023: 25 July 2022;
- General authority to provide financial assistance in terms of Section 44 of the Companies Act: 25 July 2022;
- General authority to provide financial assistance in terms of Section 45 of the Companies Act: 25 July 2022; and
- General authority to buy own shares: 25 July 2022.

Subsidiaries

- All South African subsidiaries passed special resolutions to adopt a new Memorandum of Incorporation on 11 August 2022.
- Special resolutions giving authority to provide financial assistance in the form of a suretyship and cession of claims in favour of Nedbank Ltd for the obligations of Santova Ltd were passed by the following subsidiaries:
  - Santova International Holdings (Pty) Ltd, on 22 December 2022; and
  - Santova Logistics (Pty) Ltd, on 14 December 2022.

10. DIRECTORS

The directors of the Company during the reporting period and at the date of this report were as follows:

Non-executive

- WA Lombard, Chairman *(deceased 1 November 2022)*
- ESC Garner, Chairman *(appointed Chairman 18 November 2022)*
- EM Ngubo
- ME Stewart *(appointed 9 December 2022)*
- TL Woodroffe *(appointed 2 March 2023)*

Executive

- GH Gerber, Chief Executive Officer
- RM Herselman, Group Financial Director *(resigned 31 January 2023)*
- JS Robertson, Group Financial Director *(appointed 14 February 2023)*
- AL van Zyl

Details of the policy for the appointment of directors and a brief biography of each director are included on pages 28 and 29 of the AIR.

11. DIRECTORS' INTERESTS

Details of the direct and indirect beneficial and non-beneficial interests of directors and prescribed officers of the Company and directors of its subsidiaries, in the share capital of the Company at 28 February 2023 are included on page 41 of the AIR. There have been no changes in the directors' interests from those reported at 28 February 2023 to the approval date of the financial statements.

12. COMPANY SECRETARY

The Secretary of the Company is JA Lupton, FCG, whose business and postal addresses are:

Highway Corporate Services (Pty) Limited

14 Hillcrest Office Park	PO Box 1319
2 Old Main Road	Hillcrest
Hillcrest	3650
3610	KwaZulu-Natal

13. SHARE REGISTRARS

The share registrar is Computershare Investor Services (Pty) Limited, whose business and postal addresses are:

Rosebank Towers	Private Bag X9000
15 Bierman Avenue	Saxonwold
Rosebank	Johannesburg
2196	2132

14. AUDITOR

Moore Johannesburg Inc. ("Moore") is the appointed auditor of the Company.

15. NUMBER OF EMPLOYEES

The number of permanent employees within the Group at 28 February 2023 was 262 (2022: 245).

16. COMPANIES ACT

The Company is in compliance, in all material respects, with the requirements of the Companies Act of South Africa (Act 71 of 2008) and operates in conformity with its Memorandum of Incorporation.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANTOVA LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Santova Limited (the group and company), set out on page 15 to page 80 which comprise the statement of financial position as at 28 February 2023, the statement of profit and loss and other comprehensive income, the statement of changes in equity and 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 Santova Limited as at 28 February 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 judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters with regard to the separate financial statements of the company.

Key Audit Matter (Consolidated Financial Statements)	How our audit addressed the Key Audit Matter
Assessment of goodwill impairment and the related impairment of the investment in the subsidiaries (refer to note 4)	
Refer to the following notes in the consolidated financial statements: • Note 1.3: Significant estimates and judgements. • Note 4.3: Intangible assets (Goodwill). Judgement applied regarding the impairment of goodwill. Due to the number of business combinations that the Group has historically entered into, the Group's net assets include a significant amount of goodwill at the reporting date. The goodwill relates to cash-generating units that are significant to the Group's Statement of Financial Position as a whole and subject to potentially sensitive assumptions that could result in an impairment of relevant cash-generating unit. As required by IAS 36: Impairment of Assets (IAS 36), the directors conducted an annual impairment test on the goodwill balance to assess the recoverability of the carrying value of this goodwill. There is a potential risk that these businesses may not trade in line with expectations and forecasts, resulting in a potential impairment of the carrying amount of goodwill allocated to these businesses in each cash-generating unit. There are several key assumptions made in determining the inputs into the valuation model which include: future cash flow forecasts specifically for conflict markets where reliable economic data is not available, expense growth rates, operating margins, terminal value growth rates and discount rates (Weighted average cost of capital). As a result of the significant judgements, the valuation of this goodwill is considered to be a key audit matter.	We focused our testing with regard to the impairment of goodwill on the key assumptions made by management. Our audit procedures included, amongst others: • Critically evaluating whether the model used by management in calculating the value in use of the cash-generating units complied with IAS 36 Impairment of Assets. • Validating the assumptions used to calculate the discount rates and long-term growth rates. • Analysing the future projected cash flows, with respect to the capital expenditure, earnings before interest and tax (EBITDA) and working capital, used in the valuation model, to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash-generating unit. • Comparing the growth rates used to historical data regarding economic growth rates included in the relevant cash-generating units. • Testing the inputs into the cash flow forecast against historical performance and in comparison, to the directors' strategic plans in respect of each cash-generating unit. • Comparing the projected cash flows, including the assumptions relating to revenue growth rates, operating margins and commodity prices against historical performance in order to test the accuracy of management's projections. • Assessing the related disclosures requirements relating to the calculation around the impairment of goodwill in terms of IFRS.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Audit and Risk Committee, the Social and Ethics Committee Report and the Report of the Directors as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report, and the Annual Integrated Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditors' report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and 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 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 International Standards on Auditing 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 International Standards on Auditing, 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 and 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 and 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 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 laws 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 Moore Johannesburg Inc. has been the auditor of Santova Limited for five years.

Moore Johannesburg Inc

Moore Johannesburg Inc.
Registered Auditors

17 May 2023

Per: CA Jenkins
Partner
Registered Auditor

50 Oxford Road
Parktown
2193

STATEMENTS OF FINANCIAL POSITION

for the year ended 28 February 2023

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
ASSETS					
Non-current assets		**439 366**	383 466	**136 319**	135 993
Property, plant and equipment	2	**18 014**	25 766	**-**	-
Right-of-use ("ROU") assets	3	**28 337**	36 330	**-**	-
Intangible assets	4	**361 841**	298 052	**976**	802
Investments in subsidiaries	5	**-**	-	**134 658**	134 332
Investment in associate	6	**1 947**	1 592	**-**	-
Financial assets at fair value through profit or loss	7	**7 657**	6 571	**-**	-
Deferred tax assets	8	**21 570**	15 155	**685**	859
Current assets		**1 360 603**	1 255 298	**1 568**	553
Trade and other receivables	9	**856 152**	981 988	**1 117**	337
Current tax assets		**1 107**	724	**-**	-
Non-current asset held for sale	10	**9 130**	-	**-**	-
Loans receivable	11	**2 175**	-	**-**	-
Amount owing by related party	12	**71**	-	**-**	-
Financial assets at fair value through profit or loss	7	**-**	1 781	**-**	-
Cash and cash equivalents		**491 968**	270 805	**451**	216
Total assets		**1 799 969**	1 638 764	**137 887**	136 546
EQUITY AND LIABILITIES					
Capital and reserves		**1 002 876**	765 847	**6 146**	59 925
Stated capital	13	**116 866**	163 998	**100 822**	150 366
Treasury shares		**-**	(5 699)	**-**	-
Equity-settled share-based payment reserve	29	**6 069**	8 764	**6 069**	8 764
Revaluation reserve		**36**	36	**-**	-
Foreign currency translation reserve		**112 484**	43 804	**-**	-
Retained earnings/(deficit)		**767 229**	554 804	**(100 745)**	(99 205)
Attributable to owners of the Company		**1 002 684**	765 707	**6 146**	59 925
Non-controlling interests		**192**	140	**-**	-
Non-current liabilities		**45 258**	47 636	**666**	758
Interest-bearing borrowings	14	**8 734**	22 380	**-**	-
Employee benefit obligations	15	**666**	758	**666**	758
Financial liabilities at fair value through profit or loss	7	**16 088**	-	**-**	-
Lease liabilities	16	**14 922**	24 487	**-**	-
Deferred tax liabilities	8	**4 848**	11	**-**	-
Current liabilities		**751 835**	825 281	**131 075**	75 863
Trade and other payables	17	**440 437**	518 492	**143**	289
Current tax liabilities		**21 012**	21 171	**-**	-
Interest-bearing borrowings	14	**16 287**	31 811	**-**	-
Amounts owing to related parties	18	**-**	288	**130 932**	75 574
Financial liabilities	7	**13 189**	2 078	**-**	-
Lease liabilities	16	**15 850**	14 204	**-**	-
Provisions	19	**12 207**	11 334	**-**	-
Overdrafts and bank facilities	20	**232 853**	225 903	**-**	-
Total equity and liabilities		**1 799 969**	1 638 764	**137 887**	136 546

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 28 February 2023

		Group		Company	
	Notes	2023 R'000	2022* R'000	2023 R'000	2022 R'000
GROSS BILLINGS	21	**6 424 353**	6 418 867	**4 492**	4 140
Revenue	21	**654 379**	611 022	**4 492**	4 140
Net interest income	21	**13 642**	8 090	**-**	-
Interest and financing fee income	24	**35 461**	21 987	**-**	-
Interest and financing fee expense	25	**(21 819)**	(13 897)	**-**	-
Revenue and net interest income	21	**668 021**	619 112	**4 492**	4 140
Other income		**26 429**	26 158	**153**	-
Depreciation, amortisation and impairment loss on non-financial assets		**(21 700)**	(29 181)	**(44)**	(189)
Administrative expenses		**(382 261)**	(380 984)	**(3 982)**	(3 464)
Impairment loss on trade receivables	9	**(3 817)**	(6 216)	**-**	-
Share of profit of associate, net of tax	6	**355**	250	**-**	-
Operating profit	22	**287 027**	229 139	**619**	487
Finance income	24	**370**	28	**52**	-
Finance costs	25	**(6 755)**	(4 711)	**(3 815)**	(1 571)
Profit/(loss) before tax		**280 642**	224 456	**(3 144)**	(1 084)
Income tax expense	26	**(69 980)**	(54 326)	**(174)**	(217)
Profit/(loss) for the year		**210 662**	170 130	**(3 318)**	(1 301)
Other comprehensive income for the year, net of tax					
Items that may be reclassified subsequently to profit or loss					
- *Exchange differences arising from translation of foreign operations*		**68 708**	(8 877)	**-**	-
Items that will not be reclassified subsequently to profit or loss					
- *Remeasurements of post-retirement medical aid benefit liability*		**-**	99	**-**	99
Other comprehensive income/(loss) for the year		**68 708**	(8 788)	**-**	99
Total comprehensive income/(loss) for the year		**279 370**	161 352	**(3 318)**	(1 202)
Profit/(loss) for the year attributable to:					
Owners of the Company		**210 647**	170 092	**(3 318)**	(1 301)
Non-controlling interests		**15**	38	**-**	-
		210 662	170 130	**(3 318)**	(1 301)
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		**279 327**	161 311	**(3 318)**	(1 202)
Non-controlling interests		**43**	41	**-**	-
		279 370	161 352	**(3 318)**	(1 202)
Basic earnings per share (cents)	27	**154,74**	122,60		
Diluted earnings per share (cents)	27	**151,00**	119,56		

** Re-presented to include share of profit of associate, net of tax in operating profit and fair value loss on contingent consideration in finance costs.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 28 February 2023

	Stated capital R'000	Treasury shares R'000	Equity-settled share-based payment reserve R'000	Revaluation reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total equity attributable to owners of the Company R'000	Non-controlling interests R'000	Total equity R'000
Balance at 28 February 2021	**221 096**	**(48 095)**	**8 607**	**36**	**52 684**	**384 613**	**618 941**	**99**	**619 040**
Total comprehensive income for the year	-	-	-	-	(8 880)	170 191	161 311	41	161 352
Profit for the year	-	-	-	-	-	170 092	170 092	38	170 130
Other comprehensive income	-	-	-	-	(8 880)	99	(8 781)	3	(8 778)
Treasury shares acquired	-	(15 194)	-	-	-	-	(15 194)	-	(15 194)
Treasury shares cancelled	(57 590)	57 590	-	-	-	-	-	-	-
Equity-settled share-based payment expense	-	-	324	-	-	-	324	-	324
Shares issued under share option scheme	494	-	(167)	-	-	-	327	-	327
Share issue costs	(2)	-	-	-	-	-	(2)	-	(2)
Balance at 28 February 2022	**163 998**	**(5 699)**	**8 764**	**36**	**43 804**	**554 804**	**765 707**	**140**	**765 847**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**68 680**	**210 647**	**279 327**	**43**	**279 370**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**210 647**	**210 647**	**15**	**210 662**
Other comprehensive income	**-**	**-**	**-**	**-**	**68 680**	**-**	**68 680**	**28**	**68 708**
Shares bought back and cancelled	**(47 170)**	**-**	**-**	**-**	**-**	**-**	**(47 170)**	**-**	**(47 170)**
Treasury shares cancelled	**(5 699)**	**5 699**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equity-settled share-based payment expense	**-**	**-**	**326**	**-**	**-**	**-**	**326**	**-**	**326**
Shares issued under share option scheme	**5 779**	**-**	**(1 243)**	**-**	**-**	**-**	**4 536**	**-**	**4 536**
Share issue costs	**(42)**	**-**	**-**	**-**	**-**	**-**	**(42)**	**-**	**(42)**
Transfer of equity-settled share-based payment reserve	**-**	**-**	**(1 778)**	**-**	**-**	**1 778**	**-**	**-**	**-**
Acquisition of non-controlling interest without a change in control	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9**	**9**
Balance at 28 February 2023	**116 866**	**-**	**6 069**	**36**	**112 484**	**767 229**	**1 002 684**	**192**	**1 002 876**

COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 28 February 2023

	Stated capital R'000	Equity-settled share-based payment reserve R'000	Retained deficit R'000	Total R'000
Balance at 28 February 2021	**221 096**	**8 607**	**(98 003)**	**131 700**
Total comprehensive income for the year	-	-	(1 202)	(1 202)
Loss for the year	-	-	(1 301)	(1 301)
Other comprehensive income	-	-	99	99
Share buy-back and cancellation[1]	(71 222)	-	-	(71 222)
Equity-settled share-based payment expense charged in subsidiaries	-	324	-	324
Shares issued under share option scheme	494	(167)	-	327
Share issue costs	(2)	-	-	(2)
Balance at 28 February 2022	**150 366**	**8 764**	**(99 205)**	**59 925**
Total comprehensive income for the year	**-**	**-**	**(3 318)**	**(3 318)**
Loss for the year	**-**	**-**	**(3 318)**	**(3 318)**
Other comprehensive income	**-**	**-**	**-**	**-**
Share buy-back and cancellation[2]	**(55 281)**	**-**	**-**	**(55 281)**
Equity-settled share-based payment expense charged in subsidiaries	**-**	**326**	**-**	**326**
Shares issued under share option scheme	**5 779**	**(1 243)**	**-**	**4 536**
Share issue costs	**(42)**	**-**	**-**	**(42)**
Transfer of equity-settled share-based payment reserve	**-**	**(1 778)**	**1 778**	**-**
Balance at 28 February 2023	**100 822**	**6 069**	**(100 745)**	**6 146**

[1]During the prior reporting period, 23 279 097 treasury shares originally purchased on the open market by Santova Financial Services (Pty) Ltd were cancelled, resulting in a reduction of the total issued share capital of the Company. Refer to note 13.

[2]During the current reporting period, the Company repurchased and cancelled a total of 6 104 141 of its ordinary shares on the open market. An additional 1 329 736 (2022: 23 279 097) treasury shares originally purchased on the open market by Santova Financial Services (Pty) Ltd were also cancelled, resulting in a reduction of the total issued share capital of the Company. Refer to note 13.

STATEMENTS OF CASH FLOWS for the year ended 28 February 2023

	Notes	Group		Company	
		2023 R'000	2022* R'000	**2023 R'000**	2022 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	28.1	**352 671**	163 693	**(355)**	480
Finance income	24	**370**	28	**52**	-
Finance costs		**(6 023)**	(4 257)	**(2 291)**	(1 571)
Tax paid	28.2	**(71 889)**	(44 827)	**-**	-
Net cash from/(used in) operating activities		**275 129**	114 637	**(2 594)**	(1 091)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of plant and equipment	2	**(3 958)**	(2 508)	**-**	-
Acquisition and development of intangible assets	4	**(3 242)**	(3 641)	**(218)**	-
Proceeds on disposals of plant and equipment		**153**	350	**-**	-
Advances to related parties		**(71)**	-	**-**	-
Funds repaid by related parties		**-**	-	**-**	6 796
Advances of loans receivable	11	**(2 175)**	-	**-**	-
Acquisition of a business	28.3	**(1 927)**	-	**-**	-
Net cash (used in)/from investing activities		**(11 220)**	(5 799)	**(218)**	6 796
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from interest-bearing borrowings	14	**-**	30 000	**-**	-
Repayment of interest-bearing borrowings	14	**(30 587)**	(7 662)	**-**	-
Payment of lease liabilities		**(16 096)**	(14 431)	**-**	-
Proceeds from issue of share capital		**4 494**	325	**4 494**	325
Treasury shares acquired		**(47 170)**	(15 194)	**(47 170)**	-
Proceeds from related party loans		**-**	3	**91 311**	34 942
Repayment of related party loans		**(288)**	-	**(45 588)**	(42 459)
Settlement of contingent consideration	7	**(212)**	(18 294)	**-**	-
Net cash (used in)/from financing activities		**(89 859)**	(25 253)	**3 047**	(7 192)
Net increase/(decrease) in cash and cash equivalents		**174 050**	83 585	**235**	(1 487)
Effect of movements in exchange rates on cash held		**47 113**	(2 800)	**-**	-
Cash and cash equivalents at beginning of year		**270 805**	190 020	**216**	1 703
Cash and cash equivalents at end of year		**491 968**	270 805	**451**	216
Cash and cash equivalents comprises:					
Cash and cash equivalents		**491 968**	270 805	**451**	216
Less: Bank overdrafts	20	**-**	-	**-**	-
Cash and cash equivalents at end of year		**491 968**	270 805	**451**	216

** Settlement of contingent consideration has been re-presented under financing activities.*

GROUP SEGMENT ANALYSIS for the year ended 28 February 2023

The Group has organised and recognised its segment information by business unit based on the primary source and nature of revenue and business risks. The location of Group logistics services entities is a key part of the business diversification strategy and is monitored alongside the three main business segments identified below. The Financial Services and Head Office segments are located only in SA and therefore no geographical segment information has been deemed necessary. This is representative of the internal reporting provided to and used by the chief operating decision-maker, namely the Group Executive Management Committee ("EXCO") and senior management, to assess performance of the business units.

Through transacting with a widespread geographical and sectoral customer base, no single customer contributes more than 5% of total Group revenue.

The Group has identified three reportable segments:

Logistics Services - which comprises the business units that generate revenue principally from the co-ordination and control over the forward and reverse movement of customer goods across the entire supply chain from source to destination and the provision of finance. The Group principally operates as an agent on behalf of its customers to arrange the transportation, storage and delivery of their goods.

Financial Services - which comprises the business units that generate revenue principally from short-term insurance commissions and fees earned primarily from marine, commercial and domestic asset insurance.

Head Office – which comprises the Group's investment holding companies and management service companies, which provide support services to all of the Group's business units.

REPORTABLE SEGMENTS	Logistics Services R'000	Financial Services R'000	Head Office R'000	GROUP R'000
2023				
Gross billings	7 056 599	9 371	52 677	7 118 647
External	6 415 680	8 673	-	6 424 353
Internal	640 919	698	52 677	694 294
Revenue and net interest income	658 650	9 371	-	668 021
Depreciation and amortisation	(21 500)	(52)	(148)	(21 700)
Employee benefit expenses	(226 034)	(5 371)	(34 369)	(265 774)
Share of profit of associate, net of tax	355	-	-	355
Operating profit/(loss)	285 803	3 457	(2 233)	287 027
Finance income	4 522	67	(4 219)	370
Finance costs	(4 206)	-	(2 549)	(6 755)
Income tax expense	(67 757)	(703)	(1 520)	(69 980)
Profit/(loss) for the year	218 362	2 821	(10 521)	210 662
Capital expenditure	6 672	144	60	6 876
Segment assets	1 486 248	885	312 836	1 799 969
Segment assets excluding investment in associate	1 484 301	885	312 836	1 798 022
Investment in associate	1 947	-	-	1 947
Segment liabilities	751 185	937	44 971	797 093

GROUP SEGMENT ANALYSIS continued

REPORTABLE SEGMENTS	Logistics Services R'000	Financial Services R'000	Head Office R'000	GROUP R'000
2022				
Gross billings	7 361 963	8 352	41 652	7 411 967
External	6 410 489	7 764	614	6 418 867
Internal	951 474	588	41 038	993 100
Revenue and net interest income	610 748	8 352	12	619 112
Depreciation and amortisation	(20 938)	(27)	(327)	(21 292)
Impairment loss on intangible asset	(7 889)	-	-	(7 889)
Employee benefit expenses	(228 367)	(5 100)	(28 303)	(261 770)
Share of profit of associate, net of tax	250	-	-	250
Operating profit/(loss)	228 917	2 934	(2 712)	229 139
Finance income	3 061	35	(3 068)	28
Finance costs	(2 461)	(72)	(2 178)	(4 711)
Income tax (expense)/benefit	(53 629)	(930)	233	(54 326)
Profit/(loss) for the year	175 888	1 967	(7 725)	170 130
Capital expenditure	5 798	14	7	5 819
Segment assets	1 362 824	1 462	274 478	1 638 764
Segment assets excluding investment in associate	1 361 232	1 462	274 478	1 637 172
Investment in associate	1 592	-	-	1 592
Segment liabilities	813 950	1 079	57 888	872 917

	LOGISTICS SERVICES					
GEOGRAPHICAL INFORMATION	Africa R'000	United Kingdom R'000	Europe R'000	Asia Pacific R'000	North America R'000	TOTAL R'000
2023						
Gross billings	3 286 932	1 535 136	1 141 457	1 029 434	63 640	7 056 599
Revenue and net interest income	191 211	196 589	151 914	109 106	9 830	658 650
Operating profit/(loss)	86 774	72 959	75 131	52 184	(1 245)	285 803
Profit/(loss) for the year	63 095	58 629	56 004	42 412	(1 778)	218 362
Segment assets	625 308	319 060	269 642	198 977	73 261	1 486 248
Segment liabilities	356 429	142 887	134 941	65 845	51 083	751 185
2022						
Gross billings	2 624 848	1 832 775	1 647 279	1 257 061	-	7 361 963
Revenue and net interest income	151 932	190 526	189 447	78 843	-	610 748
Operating profit	46 711	47 364	99 945	34 897	-	228 917
Profit for the year	35 560	38 233	73 127	28 968	-	175 888
Segment assets	561 909	389 533	268 880	142 502	-	1 362 824
Segment liabilities	317 432	233 759	130 495	132 264	-	813 950

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2023

1. ACCOUNTING POLICIES

Santova Limited ("the Company") is incorporated in South Africa ("SA") and listed on the Main Board of the JSE Limited ("JSE"). The principal activities of the Company and its subsidiaries ("the Group") are described in the Report of the Directors on page 9.

1.1. STATEMENT OF COMPLIANCE

The consolidated and separate financial statements ("the financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the JSE Listings Requirements and the Companies Act of South Africa (Act 71 of 2008), as amended ("the Companies Act").

The financial statements were authorised for issue by the Board of Directors ("the Board") on 17 May 2023 and are subject to the approval of the shareholders at the annual general meeting ("AGM").

1.2 BASIS OF PREPARATION

The financial statements are prepared as a going concern on a historical cost basis except for financial instruments at fair value through profit or loss, land and buildings, and contingent consideration assumed in a business combination, which are stated at fair value, as applicable. The accounting policies are set out below and have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in South African Rands ("ZAR"), which is the Company's functional currency. Amounts are rounded to the nearest thousand, except where another rounding measure has been indicated in the financial statements.

1.3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements and estimates that affect the application of the Group's policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is as follows:

- **business combination: acquisition of investee through contractual control (refer to notes 4.3 and 28.3)**

The acquisition of an investee's business was acquired by obtaining contractual control thereof. It was determined under IFRS 10 that the Group obtained control of the business despite not legally acquiring the shares or assets and liabilities of the underlying investee on the date that operational control was assumed by the Group

- **lease term: whether the Group is reasonably certain to exercise extension options (refer to notes 3 and 16)**

The exercise of extension options is considered on a lease-by-lease basis. The Group's preference is not to exercise extension options and instead to cancel the existing lease, enter into negotiations and enter into a new lease agreement.

Information about assumptions and estimation uncertainties at 28 February 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next reporting period is as follows:

- **measurement of defined benefit obligations: key actuarial assumptions (refer to note 15)**

Measurement of the defined contribution obligations and the related actuarial assumptions are performed as and when there is a change to the underlying population or a change in one of the key assumptions. The independent actuaries apply their latest available information to the assumptions used in calculating the remaining obligation.

- **recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised (refer to note 8)**

Deferred tax on assessed losses is recognised where there is a reasonable prospect of future profits against which to utilise the tax losses. Management considers the forecasts and budgets of the respective entities in concluding the likelihood of future profits.

- **impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs (refer to note 4)**

The determination of whether goodwill is impaired requires that estimates be made of the fair value of the Group's cash-generating units ("CGUs") to which goodwill has been allocated. To calculate the fair value, management calculates the value in use by estimating the future cash flows from the CGU and applying a suitable discount rate in order to arrive at the present value of such future cash flows.

To calculate value-in-use, the discount rate is based on current observable market data including interest rates, equity risk premiums, debt to capital ratios and income tax rates for similar assets in similar regions, that reflect the time value of money and the risks specific to the CGU. Estimated inputs for cash flows relating to the revenue and expense forecasts require a significant degree of judgement as to the future performance of CGUs. Growth rates are based on objective assessments of external observable inflation data and long-term market forecasts of growth rates.

- measurement of expected credit loss ("ECL") allowance for trade receivables: key assumptions in determining the weighted-average loss rate (refer to note 31)

The measurement of the ECL allowance on trade receivables is determined by taking into account historical loss patterns and adjusted for forward-looking information. These include the economic environment, customer trading patterns and the industries that customers operate in and the relative headwinds these industries are facing.

- acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired, and liabilities assumed, measured on a provisional basis (refer to note 5)

The assessment of the fair value of assets acquired, liabilities assumed, and consideration transferred is performed using available information at the time the acquisition is completed. This is subsequently updated within the measurement period of 12 months after the acquisition, if any additional pertinent information comes to light that indicates a change in the fair values initially measured and recognised.

1.4 BASIS OF CONSOLIDATION

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The separate financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

In its separate financial statements, the Company measures its investments in subsidiaries at cost less any accumulated impairment losses.

Non-controlling interests ("NCI")

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interest in associate

An associate is an entity over which the Group has significant influence, but does not control or have joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 FOREIGN CURRENCY

1.5.1 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

1.5.2 FOREIGN OPERATIONS

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into ZAR at the exchange rates at the reporting dates. The income and expenses of foreign operations are translated into ZAR at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

1.6 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, except for land and buildings, which are measured in terms of the revaluation model. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated on a systematic basis to reduce the cost/revalued amount of each asset to its estimated residual value over the estimated useful life of the asset and is recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	40 years
Equipment	5 to 20 years
Motor vehicles	4 to 6 years
Furniture and fittings	5 to 20 years
Leasehold improvements	5 years or the shorter lease term
Office equipment	3 to 10 years
Computer equipment	3 to 10 years

The residual values, useful lives and depreciation methods are reviewed at each reporting date and adjusted if appropriate.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at each reporting date.

Any revaluation increase arising on the revaluation of land and buildings is recognised in OCI and accumulated in the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed.

A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

1.7 INTANGIBLE ASSETS

Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Computer software – acquired	Acquired computer software is measured at cost less accumulated amortisation and any accumulated impairment losses.
Computer software – internally developed systems	Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Trademarks and licences	Trademarks and licences are considered to have indefinite useful lives and are measured at cost less accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated on a straight-line basis to reduce the cost of each asset to its estimated residual value over the estimated useful life of the asset as follows:

Computer software 1 to 10 years

The residual values, useful lives and amortisation methods are reviewed at each reporting date and adjusted if appropriate.

Any gain or loss on disposal of an intangible asset is recognised in profit or loss.

1.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount is the greater of its fair value less costs to sell and its value-in-use. Value-in-use is based on the estimated future pre-tax cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The pre-tax discount rate is determined utilising the underlying post-tax cash flows discounted by a post-tax rate to achieve an equivalent answer and to solve for and derive a pre-tax discount rate. This basis of determining the pre-tax discount rate is utilised as observable data in financial market systems use post-tax discount rates to arrive at present value measures. As a result, this methodology has become accepted market practice and the International Accounting Standards Board ("IASB") has acknowledged that this method arrives at the same result.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss is recognised in profit or loss, unless the relevant asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is measured at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 ASSETS HELD-FOR-SALE

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, items of property, plant and equipment are no longer depreciated.

1.10 FINANCIAL INSTRUMENTS

i. Recognition and initial measurement

Trade receivables and other receivables comprising primarily recoverable disbursements on work in progress, are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement: Financial assets

On initial recognition, a financial asset is classified as, and subsequently measured at, amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's financial assets comprise only financial assets at amortised cost and those measured at FVTPL, including those designated at FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

The Group's business model and the way the business is managed is to principally provide logistics services and short-term financing of recoverable disbursements on behalf of customers, which are repayable on upfront agreed contractual credit terms. As a result, the Group has one primary financial asset, being its trade and other receivables, which can be assessed at a single portfolio level. The financial assets within this portfolio are all payable on agreed terms ranging between 30 and 90 days, are all governed at a Group level, subject to the same policies, similar credit risks and liquidity considerations across all regions, and are managed and reported on the same basis.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows from the Group's trade and other receivables are solely payments of principal and interest, the Group considered that:

- the terms are for agreed fixed periods that are not variable;
- the cash flows are fixed amounts being the logistics fees, recoverable disbursements and financing costs levied on the customer and are not subject to any contingent event;
- in the event of delayed payment, they are subject to further interest charges; and
- they are not subject to any automatic right to extension.

Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets designated at FVTPL comprise (refer to note 7):

- Profit share on rental agreement; and
- Investment in cell captive administered by Guardrisk.

Financial assets at FVTPL, which are held for trading include (refer to note 7):

- Forward exchange contracts.

iii. Classification and subsequent measurement: Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iv. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all, or substantially all, of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

vi. Impairment

Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, using a simplified approach, for trade and other receivables by applying a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

The Group formally assesses the recoverability of trade receivables on a bi-annual basis, however assessments are updated at any stage during the reporting period should specific known factors arise that indicate that a trade receivable may not be fully recoverable. In determining the ECL of a trade receivable, the Group considers:

- the extent of credit insurance;
- the extent of any tangible security;
- the legal status of the counterparty (i.e. if it is in any form of business rescue or liquidation process);
- credit information supplied by third party credit bureaus;
- the ageing of the debt; and
- the extent and quality of communication and cooperation from the counterparty and the extent to which the debt exceeds approved credit limits.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers that a financial asset may be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full and the Group does not expect the debt to be recoverable from a credit underwriter; or
- the financial asset is more than 90 days past due.

In these circumstances the Group will engage directly with the borrower to attempt to reach an arrangement whereby the Group is able to recover its outstanding debt as far as possible.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

For all other financial assets, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial asset has a low credit risk if it has a low risk of default.

The Group considers any intergroup financial assets to have a low credit risk when the related Group company has the ability to settle the outstanding balance, has no default history, has no increased credit risk based on the review of financial performance, budgets and related forward-looking information of the Group company.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset may be credit-impaired includes the following observable data:

- information from credit bureau and/or credit underwriter indicating that the borrower is in significant financial difficulty;
- a breach of contract terms such as a default or being more than 90 days past due;
- a request from the borrower for a restructured and extended repayment plan; or
- it is probable that the borrower will enter business rescue or be liquidated.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Based on historical experience the Group has a policy of writing off the gross carrying amount when there is strong evidence that the carrying amount is not recoverable from the customer or credit underwriter. However, financial assets that are written off could still be subject to enforcement activities if it is deemed worthwhile after taking into account the financial circumstances of the counter party in order to comply with the Group's procedures for recovery of amounts due.

1.11 REVENUE

Logistics and related services

Revenue from logistics services comprises the net invoiced amount of fees, commission, brokerage and mark-ups, excluding recoverable disbursements from logistics services rendered as an agent for customers.

Recoverable disbursements incurred in the Group's capacity as an agent on behalf of customers, which include customs duties, value-added tax ("VAT"), freight charges and the cost of obtaining finance are excluded from revenue and form part of gross billings only.

Insurance commission and management fees

Revenue from insurance commission and management fees comprises:

- the commission on annual and monthly short-term insurance policies originated by the Group on behalf of licensed short-term insurers; and
- fees paid by licensed short-term insurers to the Group for performing administrative and claims-related functions on their behalf.

Provision of credit facilities

Revenue from the provision of credit facilities comprises:

- interest, fees, mark-ups and recoveries of credit underwriting costs received from customers for the funding of recoverable disbursements on their behalf in the capacity as an agent; and
- net of interest and credit underwriting fees from external financial institutions incurred by the Group in facilitating the funding of these recoverable disbursements on behalf of customers.

Refer to note 21 for additional information on revenue recognition.

Dividend revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established. Dividend income received in respect of investments held is classified as revenue in profit or loss for the Company, based on its primary activities.

1.12 LEASES

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

As lessee

The Group leases various properties for administrative and warehouse storage purposes, motor vehicles and office equipment.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and to account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the ROU asset reflects that the Group will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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 using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprises the following:

- fixed payments, including in-substance fixed payments; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if the Group changes its assessment of whether it will exercise an extension option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recognised in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

The Group presents ROU assets and lease liabilities as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases, in respect of office premises, motor vehicles and office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.13 EMPLOYEE BENEFITS

1.13.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.13.2 Post-employment benefits

Defined benefit plans

No contributions are made to the medical aid of retired employees, except for a closed user group of retirees who were employed and subsequently retired under a defined benefit plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.13.3 Share-based payment arrangements

Equity-settled share-based payment arrangements granted to employees are measured at the fair value of the equity instruments at the grant date. The grant-date fair value is recognised as an expense over the vesting period of the awards, with a corresponding increase in equity.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.14 FINANCE INCOME AND FINANCE COSTS

The Group’s finance income and finance costs include:

- interest income;
- interest expense; and
- the fair value loss on contingent consideration classified as a financial liability.

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

1.15 INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a ROU asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

1.16 STATED CAPITAL

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of ordinary shares or share options are recognised in equity as a deduction, net of tax, from the proceeds.

1.17 TREASURY SHARES

Shares in the Company held by wholly-owned subsidiaries are classified as treasury shares and presented in the treasury share reserve. The cost of these shares is treated as a deduction from the issued and weighted average number of shares and deducted from equity. Dividends received on treasury shares are eliminated on consolidation. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within stated capital.

1.18 OPERATING PROFIT

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes finance costs, finance income (except where recognised as revenue) and income taxes.

1.19 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Management has considered all standards and interpretations that are in issue but not yet effective. The application of these new and revised International Accounting Standards ("IAS") and IFRS, as issued by the IASB, are not expected to have any material impact on the Group. Those that are relevant to the Group, but have not been early adopted, are as follows:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	On 23 January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 Presentation of Financial Statements based on the contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.
Definition of Accounting Estimates (Amendments to IAS 8)	On 12 February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023

	2023			2022		
	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying amount R'000	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying amount R'000
2. PROPERTY, PLANT AND EQUIPMENT						
GROUP						
Land and buildings	**9 100**	**-**	**9 100**	16 927	-	16 927
Plant and equipment	**4 620**	**(3 705)**	**915**	4 301	(3 088)	1 213
Motor vehicles	**3 549**	**(2 655)**	**894**	1 899	(1 445)	454
Furniture and fittings	**8 902**	**(6 378)**	**2 524**	7 981	(5 750)	2 231
Leasehold improvements	**4 217**	**(2 538)**	**1 679**	3 497	(1 675)	1 822
Office equipment	**12 002**	**(10 963)**	**1 039**	13 440	(12 040)	1 400
Computer equipment	**11 048**	**(9 185)**	**1 863**	12 570	(10 851)	1 719
	53 438	**(35 424)**	**18 014**	60 615	(34 849)	25 766

Assets with a carrying amount of R10 072 274 (2022: R17 728 519) are pledged as security for the Scottish Pacific Business Finance (Pty) Ltd and Barclays Bank PLC facilities (refer to note 20).

Land and buildings are categorised as level 2 in the fair value hierarchy. The Group's policy is to revalue on a regular basis or when there is indication that the carrying amount of land and buildings may differ materially from that which would be determined using fair value at the end of the reporting period. The carrying amount is considered to be representative of fair value. The valuations are based upon market-related sales prices achieved for comparable land and buildings.

There have been no indications of impairment for the current and prior reporting periods.

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying amount at beginning of year R'000	Additions R'000	Disposals R'000	Depreciation R'000	Transfer to non-current asset held for sale R'000	Effects of exchange differences R'000	Carrying amount at end of year R'000
2023							
Land and buildings	**16 927**	**-**	**-**	**-**	**(9 130)**	**1 303**	**9 100**
Plant and equipment	**1 213**	**-**	**-**	**(353)**	**-**	**55**	**915**
Motor vehicles	**454**	**525**	**-**	**(81)**	**-**	**(4)**	**894**
Furniture and fittings	**2 231**	**1 610**	**(213)**	**(1 122)**	**-**	**18**	**2 524**
Leasehold improvements	**1 822**	**412**	**(33)**	**(642)**	**-**	**120**	**1 679**
Office equipment	**1 400**	**150**	**(25)**	**(549)**	**-**	**63**	**1 039**
Computer equipment	**1 719**	**1 363**	**(59)**	**(1 174)**	**-**	**14**	**1 863**
	25 766	**4 060**	**(330)**	**(3 921)**	**(9 130)**	**1 569**	**18 014**

As part of the Group's acquisition of the business of A-Link Freight Inc. ("A-Link") (refer to notes 4.3 and 28.3), the Group acquired furniture and fittings, leasehold improvements and computer equipment which have been included under additions in the table above. The total of these additions amounted to R102 326.

	Carrying amount at beginning of year R'000	Additions R'000	Disposals R'000	Depreciation R'000	Transfer to non-current asset held for sale R'000	Effects of exchange differences R'000	Carrying amount at end of year R'000
2022							
Land and buildings	17 249	-	-	-	-	(322)	16 927
Plant and equipment	1 663	-	(1)	(414)	-	(35)	1 213
Motor vehicles	619	-	(99)	(66)	-	-	454
Furniture and fittings	2 544	568	(120)	(687)	-	(74)	2 231
Leasehold improvements	1 840	499	-	(484)	-	(33)	1 822
Office equipment	2 189	145	(2)	(869)	-	(63)	1 400
Computer equipment	1 648	1 296	(4)	(1 226)	-	5	1 719
	27 752	2 508	(226)	(3 746)	-	(522)	25 766

	2023			2022		
	Cost R'000	Accumulated depreciation R'000	Carrying amount R'000	Cost R'000	Accumulated depreciation R'000	Carrying amount R'000
2. PROPERTY, PLANT AND EQUIPMENT continued						
COMPANY						
Computer equipment	332	(332)	-	332	(332)	-
	332	(332)	-	332	(332)	-

The carrying amounts of computer equipment can be reconciled as follows:

	Carrying amount at beginning of year R'000	Carrying amount at end of year R'000
2023		
Computer equipment	-	-
	-	-
2022		
Computer equipment	-	-
	-	-

	Carrying amount at beginning of year R'000	Additions R'000	Disposals R'000	Depreciation R'000	Effects of exchange differences R'000	Carrying amount at end of year R'000
3. RIGHT-OF-USE ASSETS						
GROUP						
2023						
Buildings	33 256	6 601	(1 209)	(14 273)	1 557	25 932
Motor vehicles	2 593	276	-	(1 014)	220	2 075
Office equipment	481	-	-	(186)	35	330
	36 330	6 877	(1 209)	(15 473)	1 812	28 337
2022						
Buildings	36 692	10 981	(302)	(13 133)	(982)	33 256
Motor vehicles	2 891	1 651	(808)	(993)	(148)	2 593
Office equipment	406	385	(77)	(217)	(16)	481
	39 989	13 017	(1 187)	(14 343)	(1 146)	36 330

The Group's ROU assets relate to leases of office and warehouse space, vehicles and items of office equipment.

The lease terms range between one and five years. The Group considers extension options provided in lease agreements on a lease-by-lease basis taking into consideration the business needs, future growth plans, other market options and budget requirements of the Group.

As part of the Group's acquisition of the business of A-Link (refer to notes 4.3 and 28.3), the Group acquired ROU assets which have been included under additions in the table above. The total of these additions amounted to R3 340 175.

Information addressing the impact on profit or loss for the reporting periods is included in note 16.

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
4. INTANGIBLE ASSETS				
4.1 Computer software				
Cost	**22 368**	24 338	**1 207**	1 619
Accumulated amortisation and impairment losses	**(14 459)**	(7 837)	**(1 140)**	(1 363)
Carrying amount at beginning of year	**7 909**	16 501	**67**	256
Additions*	**2 816**	3 311	**-**	-
Disposals	**(8)**	(62)	**-**	-
Amortisation	**(2 306)**	(3 203)	**(44)**	(189)
Impairment losses**	**-**	(7 889)	**-**	-
Effects of exchange differences	**792**	(749)	**-**	-
Carrying amount at end of year	**9 203**	7 909	**23**	67
Comprising:				
Cost	**15 172**	22 368	**1 207**	1 207
Accumulated amortisation and impairment losses	**(5 969)**	(14 459)	**(1 184)**	(1 140)

Additions to computer software comprises both internally developed systems and software purchases.

***The impairment losses recognised in the prior period relate primarily to the write-off of the TradeNav legacy system. TradeNav, which is the Group's proprietary supply chain management software, has been re-developed in a cloud-native progress web application ("PWA") format and the original legacy version of TradeNav was discontinued resulting in an impairment of the carrying amount of the legacy system.*

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
4.2. Trademarks and licences				
Cost	**1 846**	1 516	**735**	735
Accumulated impairment losses	**(781)**	(781)	**-**	-
Carrying amount at beginning of year	**1 065**	735	**735**	735
Additions	**426**	330	**218**	-
Disposals	**-**	-	**-**	-
Effects of exchange differences	**66**	-	**-**	-
Carrying amount at end of year	**1 557**	1 065	**953**	735
Comprising:				
Cost	**1 557**	1 846	**953**	735
Accumulated impairment losses	**-**	(781)	**-**	-

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
4.3. Goodwill				
Carrying amount at beginning of year	**289 078**	294 941	**-**	-
Acquisition through business combination	**38 272**	-	**-**	-
Effects of exchange differences	**23 731**	(5 863)	**-**	-
Carrying amount at end of year	**351 081**	289 078	**-**	-
Goodwill is allocated to the Group's CGUs as follows:	**351 081**	289 078	**-**	-
- Santova Logistics GmbH (Germany)	**5 723**	5 058	**-**	-
- Santova Logistics (Pty) Ltd (South Africa)	**44 562**	44 562	**-**	-
- Santova Financial Services (Pty) Ltd (South Africa)	**2 827**	2 827	**-**	-
- Santova Logistics Pty Ltd (Australia)	**13 974**	12 540	**-**	-
- Santova Logistics B.V. (Netherlands)	**2 415**	2 134	**-**	-
- Tradeway (Shipping) Ltd (United Kingdom)	**61 863**	57 439	**-**	-
- Santova Logistics Ltd (formerly W.M. Shipping Ltd) (United Kingdom)	**87 672**	81 451	**-**	-
- SAI Logistics Ltd (United Kingdom)	**50 657**	47 036	**-**	-
- ASM Logistics (S) Pte Ltd (Singapore)	**14 003**	11 638	**-**	-
- MLG Maritime Cargo Logistics GmbH (Germany)	**27 601**	24 393	**-**	-
- Santova USA Holdings Inc. (USA)	**39 784**	-	**-**	-
Total intangible assets	**361 841**	298 052	**976**	802

For detail on investments in subsidiaries, refer to note 5.

Impairment testing of goodwill

The recoverable amount of each CGU is determined based on a value-in-use model. This model has been adopted for all CGUs.

To calculate 'value-in-use', the:

- discount rate utilised is based on ***current market rates*** that reflect the ***time value of money*** and the ***risks*** specific to the CGUs; and
- growth rates are based on objective assessments of ***externally published economic*** data.

The following CGUs have been *identified as significant* to the overall carrying amount of the goodwill recognised in the Group:

Company	Region
• Santova Logistics (Pty) Ltd	South Africa
• Tradeway (Shipping) Ltd	United Kingdom
• Santova Logistics Ltd (formerly W.M. Shipping Ltd)	United Kingdom
• SAI Logistics Ltd	United Kingdom

The key assumptions used in determining the recoverable amounts based on the value in use calculations for these CGUs are as follows:

	South Africa	United Kingdom
• Pre-tax discount rate	17% - 18%	9% - 10%
• Terminal value growth rate	5%	2%
• Average revenue growth rate over forecast period	6%	4%
• Average expense growth rate over forecast period	5%	2%

Management have used an initial forecast period of five years before the calculation of the terminal value.

Management's approach to determining the value assigned to each assumption in the first period of forecasting is based on the immediately preceding historical performance of the CGU and any specific factors known at the time of performing the test. In the forecast periods thereafter, management utilises primarily externally published financial and economic data to determine the values assigned to each assumption. In assessing the forecast assumptions, management has been conservative in forecasting given the high volatility in global markets and the potential impact on business units.

These calculations indicate that there is no impairment of the carrying amounts of goodwill allocated to the Group's CGUs at either of the reporting dates. The sensitivity of the calculations to changes in the key assumptions has been stress tested through the financial modeling of various scenarios and management is satisfied that adequate headroom remains in the assessment of the recoverable amount of the CGUs.

Acquisition of a business during the current reporting period

On 21 September 2022, the Group concluded a purchase and sale agreement for the acquisition of A-Link Freight Inc. ("A-Link"). The sale agreement gave the Group the option to close the sale as either an asset or a share purchase (100% of the issued share capital) with the election required by 21 September 2023. Although legal ownership of the assets, or shares, had not transferred by the reporting date, the sale agreement provided the Group with full operational control, including all decision-making aspects of A-Link's inputs and processes (i.e. the business) from 21 September 2022. Therefore, the Group obtained control of the business with effect from 21 September 2022 (the acquisition date).

A-Link is based in Los Angeles ("LA"), California, and has been operating for over 20 years providing air freight services to and from the USA with specific focus on exports from LA. airport ("LAX"). A-Link focuses on daily consolidations from LA. to the Far East and other key hubs across the globe as well as door-to-door services. They operate in a niche market supporting e-Commerce. A-Link also offers warehousing near LAX with many customers taking advantage of their cross-dock services.

The USA has been a focus area of the Group for numerous years with a number of existing clients importing from and exporting to the region. A-Link is strategically located in Inglewood, California, which is in close proximity to LAX.

LA also offers a complex multimodal transportation infrastructure, which serves as a regional, national and international hub for the movement of freight by air, sea, road and rail. It further hosts the USA's largest port complex, an extensive freight and passenger rail infrastructure, including light rail lines and an extensive freeway and road system. The ports of LA and Long Beach, account for approximately 40% of all shipping containers entering the USA.

The acquisition-date fair value of the consideration of R38 272 270 will be funded through the Group's cash reserves and the R75 million medium-term acquisition loan facility and shall be settled as follows:

- US$645 000 paid upfront on the acquisition date by Santova USA Holdings Inc (the acquirer);
- US$705 000 payable 6 months after the acquisition date; and
- US$1 000 000 payable after a 24 months based on the 24-month EBITDA (earnings before interest, tax, depreciation and amortisation) of US$1 200 000 being achieved from the acquisition date. If the 24-month EBITDA is less than US$1 200 000, the contingent payment shall be reduced on a dollar-for-dollar basis by so much as the shortfall in the EBITDA, up to a maximum reduction of US$1 000 000.

The agreement provided for the distribution of the net asset value in A-Link to the sellers, resulting in the fair value of the net assets on acquisition date being RNil. The R38 272 270 by which the purchase price exceeded the fair value of the net assets acquired has been recognised as goodwill.

A-Link contributed revenue of R9 830 297 and a loss of R1 777 974 to the results for the reporting period. If the acquisition had been effective 1 March 2022, A-Link's contribution would be revenue of R26 570 792 and a profit of R695 695.

The Group incurred acquisition-related costs of R611 784 on legal fees and due diligence costs. These costs have been included in administrative expenses.

	Country of incorporation	Ownership interest* 2023 %	Ownership interest* 2022 %	Carrying amount 2023 R**	Carrying amount 2022 R**
5. INVESTMENTS IN SUBSIDIARIES					
DIRECTLY HELD					
Santova Corporate Services (Pty) Ltd	South Africa	**100**	100	**4 575 985**	4 369 871
Santova Logistics (Pty) Ltd	South Africa	**100**	100	**40 759 628**	40 734 781
Santova International Holdings (Pty) Ltd	South Africa	**100**	100	**85 527 926**	85 484 192
Santova Financial Services (Pty) Ltd	South Africa	**100**	100	**3 252 076**	3 252 076
Santova International Trade Solutions (Pty) Ltd	South Africa	**100**	100	**542 518**	491 304
Santova NVOCC (Pty) Ltd	South Africa	**100**	100	**100**	100
INDIRECTLY HELD					
Subsidiaries of Santova International Holdings (Pty) Ltd					
Santova Logistics Pty Ltd	Australia	**100**	100	**-**	-
Santova Express United Kingdom Ltd	United Kingdom	**100**	100	**-**	-
Santova Logistics Ltd (formerly W.M. Shipping Ltd)	United Kingdom	**100**	100	**-**	-
Santova Logistics B.V.	Netherlands	**100**	100	**-**	-
Santova Logistics Ltd	Hong Kong	**100**	100	**-**	-
Tradeway (Shipping) Ltd	United Kingdom	**100**	100	**-**	-
Tradeway North West Ltd	United Kingdom	**100**	100	**-**	
Jet Air & Ocean Freight Services Ltd	Mauritius	**100**	100	**-**	-
ASM Logistics (S) Pte Ltd	Singapore	**100**	100	**-**	-
Santova Logistics Vietnam Co. Ltd	Vietnam	**99**	99	**-**	-
Santova Logistics VN Co. Ltd	Vietnam	**99**	-	**-**	
Santova Express South Africa (Pty) Ltd	South Africa	**100**	100	**-**	-
Santova Express Singapore Pte Ltd	Singapore	**100**	100	**-**	-
Santova Corporate Services UK Ltd	United Kingdom	**100**	100	**-**	
Santova USA Holdings Inc.	USA	**100**	100	**-**	-

	Country of incorporation	Ownership interest* 2023 %	2022 %	Carrying amount 2023 R**	2022 R**
Subsidiary of Santova USA Holdings Inc. (USA)					
Santova Logistics Inc.	USA	**100**	-	**-**	-
Subsidiary of Santova Logistics Ltd (Hong Kong)					
Santova Patent Logistics Co. Ltd	Hong Kong	**51**	51	**-**	-
Subsidiary of Tradeway (Shipping) Ltd (United Kingdom)					
SAI Logistics Ltd	United Kingdom	**100**	100	**-**	-
Subsidiaries of Santova Logistics B.V. (Netherlands)					
MLG Maritime Cargo Logistics GmbH	Germany	**100**	100	**-**	-
Santova Logistics GmbH[1]	Germany	**100**	100	**-**	-
Subsidiaries of ASM Logistics (S) Pte Ltd (Singapore)					
ASM Global Logistics Ltd	Mauritius	**100**	100	**-**	-
Atlantic Pacific Agencies Ltd	Hong Kong	**100**	100	**-**	-
				134 658 233	134 332 324

Voting rights held are in proportion with the ownership interest.

[1] Santova Logisitics GmbH was sold from Santova International Holdings (Pty) Ltd to Santova Logistics B.V. during the current reporting period. The transaction was a common control transaction and had no impact on the Group's effective holding.

There are no restrictions on the Company's ability to access or use the assets, and settle liabilities, of the Group as a result of any of the above investments.

There were no indicators of impairment at either of the reporting dates and based on an assessment of the underlying values of the businesses housed in the subsidiaries listed above, the directors are of the opinion that there has been no impairment in the above investments or the underlying goodwill at the reporting date (2022: RNil) (refer to note 4.3).

Reconciliation of movements for the year**	Carrying amount 2023 R**	2022 R**
Carrying amount at beginning of year	**134 332 324**	134 008 104
Equity contribution for shares granted to subsidiary employees in terms of the Group Share Option Schemes	**325 909**	324 220
Carrying amount at end of year	**134 658 233**	134 332 324

***Due to certain subsidiaries having carrying amounts below R500, amounts have not been rounded to the nearest thousand.*

	Principal activity	Country of incorporation	Ownership interest* 2023 %	Ownership interest* 2022 %
6. INVESTMENT IN ASSOCIATE				
ASM Logistics (Thailand) Co. Ltd	Logistics Services	Thailand	**49**	49

	2023 R'000	2022 R'000
Net assets of associate	**835**	835
Goodwill	**411**	411
Investment at cost	**1 246**	1 246
Equity-accounted proportionate share of profits		
Current period	**355**	250
Prior period	**346**	96
Carrying amount of investment in associate	**1 947**	1 592

**Voting rights held are in proportion with the ownership interest.*

There were no indicators of impairment at the either of the reporting dates and based on an assessment of the underlying value of the business housed in the associate, the directors are of the opinion that there has been no impairment in the above investment in associate.

	Level	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
7. FINANCIAL ASSETS AND FINANCIAL LIABILITIES					
Financial assets at fair value through profit or loss					
Non-current					
Future profit share on rental agreement[1]	2	**3 502**	3 502	**-**	-
Guardrisk cell captive[2]	2	**4 155**	3 069	**-**	-
		7 657	6 571	**-**	-
Current					
Forward exchange contracts	2	**-**	1 781	**-**	-
		-	1 781	**-**	-
Financial liabilties at fair value through profit or loss					
Non-current					
Contingent considerations[3]	3	**(16 088)**	-	**-**	-
		(16 088)	-	**-**	-
Current					
Contingent considerations[3]	3	**-**	(558)	**-**	-
Forward exchange contracts	2	**(291)**	(1 520)	**-**	-
Financial liabilities at amortised cost					
Deferred considerations[4]		**(12 898)**	-	**-**	-
		(13 189)	(2 078)	**-**	-

Fair value hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

There were no transfers between the fair value hierarchy levels during the reporting period.

[1] *Santova Logistics (Pty) Ltd (SA) ("Santova Logistics") entered into a profit-sharing agreement with the landlord of their Durban premises at inception of the lease in the 2007 reporting period. This agreement gives Santova Logistics a specified portion of the actual or deemed profit made should the building be sold or vacated. The inputs used to determine the fair value of the profit-share are as follows:*

Current net market rental (including parking bays)	*R144 per m^2*
Capitalisation rate (on a vacant basis)	*10,75%*

[2] *This represents the fair value of the investment by Santova Logistics in a cell captive administered by Guardrisk, and is recognised as a financial asset with changes in fair value being recognised in profit or loss for the reporting period. The fair value of the cell captive is determined as the net asset value that represents fair value.*

In the event of claims being lodged in terms of the Marine Insurance Policy, the insurance cell captive referred to in this note will be required to cover the first R50 000 of any claim up to a limit of R100 000 for any one loss or series of losses arising from the same event. The balance of the claim is covered by the Marine Insurance Policy's underwriters.

The maximum liability of the cell captive is limited to R750 000 per reporting period, provided that this is matched by the premiums received during the reporting period. Should the premiums received for the reporting period amount to less than R750 000, Santova Logistics will be liable to fund the cell captive to cover the shortfall.

The cell has received premiums in excess of the R750 000 minimum required during the both reporting periods. The Group drew dividends of RNil (2022: R2 000 000) during the reporting period.

Based on the claims history, insurance legislation and the likelihood of future claims, the directors believe that the cell captive has adequate reserves and provisions to cover future claims.

[3] *This represents the fair value of the remaining contingent purchase obligations arising from acquisitions. The fair value of the liabilities has been calculated as the net present value of the warranty payments, a discounted cash flow method, which management reasonably expects to be achieved, as set out in the acquisition agreements, discounted at the weighted average cost of capital for the acquired entities.* The financial liability is reconciled as follows:

	2023 R'000	2022 R'000
Carrying amount at beginning of year	**558**	20 064
Contingent consideration recognised on acquisition of business *(refer to notes 4.3 and 28.3)*	**14 908**	-
Fair value loss	**537**	443
Fair value gain	**(345)**	(1 011)
Foreign exchange gain on translation	**(1)**	(32)
Foreign exchange loss/(gain) on translation recognised in foreign currency translation reserve	**643**	(612)
Settled during the period	**(212)**	(18 294)
Carrying amount at end of year	**16 088**	558

The carrying amount of contingent consideration relates to the following acquisitions that were successfully completed during the current and prior reporting periods:

		Carrying amount	
Acquiring company	**Target company/business**	**2023 R'000**	2022 R'000
Santova USA Holdings Inc.	A-Link Freight Inc.	**16 088**	-
Santova International Holdings (Pty) Ltd	ASM Logistics (Thailand) Co. Ltd	**-**	213
Santova Logistics B.V.	MLG Maritime Cargo Logistics GmbH	**-**	345

The fair value of the remaining contingent consideration is determined considering the expected payment, discounted to present value using a risk adjusted discount rate. The expected payment is determined by taking into consideration the expected level of profitability of each acquisition over the warranty period. A discount rate of 8,6% has been applied to the contingent consideration recognised in relation to A-Link Freight Inc. ("A-Link").

[4] *This represents the deferred consideration in respect of the acquisition of the business of A-Link. Refer to notes 4.3 and 28.3 for information addressing the acquisition.*

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
8. DEFERRED TAX				
Non-current assets				
Deferred tax assets	**21 570**	15 155	**685**	859
Non-current liabilities				
Deferred tax liabilities	**(4 848)**	(11)	**-**	-
	16 722	15 144	**685**	859
Deferred tax comprises:				
- Capital allowances, accruals and allowance for credit losses	**15 771**	14 564	**428**	457
- Assessed losses	**951**	580	**257**	402
	16 722	15 144	**685**	859
Reconciliation of deferred tax:				
Carrying amount at beginning of year	**15 144**	13 464	**859**	1 047
Movements during the year attributable to:				
- Temporary differences	**1 445**	3 083	**(29)**	(61)
- Adjustments relating to prior periods	**(418)**	(1 172)	**-**	-
- Change in tax rate	**(237)**	(80)	**6**	(37)
- Exchange rate adjustments	**306**	(180)	**-**	-
- Movement in assessed losses	**482**	29	**(151)**	(90)
Carrying amount at end of year	**16 722**	15 144	**685**	859

Management expects sufficient future taxable income in the relevant subsidiaries to enable these companies to utilise the unutilised tax losses at 28 February 2023.

The change in tax rate relates to entities in SA where the substantively enacted rate was amended during the current financial year from 28% to 27%. Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised.

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
9. TRADE AND OTHER RECEIVABLES				
Trade receivables				
Trade receivables	**717 111**	778 250	**870**	111
Loss allowance	**(40 627)**	(45 038)	**-**	-
	676 484	733 212	**870**	111
Other receivables				
Recoverable disbursements	**154 592**	230 795	**-**	-
VAT receivable	**13 336**	8 013	**-**	13
Prepayments	**5 471**	3 744	**247**	213
Rental deposits and staff loans	**6 269**	6 224	**-**	-
	179 668	248 776	**247**	226
Total trade and other receivables	**856 152**	981 988	**1 117**	337
Movement in loss allowance on trade receivables:				
Carrying amount at beginning of year	**45 038**	40 199	**-**	-
Increase in respect of business combination	**3 728**	-	**-**	-
Net remeasurement of loss allowance[1]	**(4 322)**	11 055	**-**	-
Amounts written-off	**(3 817)**	(6 216)	**-**	-
Carrying amount at end of year	**40 627**	45 038	**-**	-

[1] The movement in the loss allowance is attributable to the following:

- *decreased individual credit exposures due to the normalisation of shipping rates;*
- *credit guarantee insurance cover placed in two additional subsidiaries during the reporting period; and*
- *the Group's loss allowance recognised in the prior reporting period represented 5,79% of trade receivables, which constitutes a benchmark loss rate based on historical trends and has subsequently been adjusted for the effect of forward-looking events and market conditions including global geopolitical uncertainty, high inflation and potential economic downturn.*

Company receivables consist of amounts owed by subsidiary companies. No loss allowance has been recognised due to the fact that these entities are considered to have low credit risk and management regards the amounts as fully recoverable as the Group will provide support where required to ensure this is the case.

The Group considers any loan with an employee (included as part of 'other receivables') to have a low credit risk based on the recovery of the loans by means of the payroll function as a salary deduction and the fact that the Group has no default history in respect of these types of loans.

Refer to note 31.3 for further information on credit risk.

Certain trade receivables included above have been ceded to various banks as security for the respective invoice discounting and overdraft facilities (refer to note 20). Details of ceded trade receivables within the Group are as follows:

	Group	
	2023 R'000*	2022 R'000*
Nedbank Limited	459 767	411 255
Scottish Pacific Business Finance Pty Ltd	34 296	43 573
ABN AMRO Bank	47 771	80 054
HSBC Bank plc	36 717	122 970
Barclays Bank plc	77 744	73 937
Finnaxar Capital	-	18 620
	656 295	750 409

** Includes intra-Group balances eliminated on consolidation.*

Trade receivables are generally settled on 30 to 60 day terms and credit guarantee insurance cover is purchased on trade receivables in SA, the Netherlands, Australia as well as by Santova Logistics in the UK at an average coverage rate of 80% of the total balance in respect of credit risk exposure.

The carrying amount of these trade receivables approximates fair value due to the short-term nature thereof, as well as the interest charged at variable, prime-linked interest rates.

Trade receivables that relate to recoverable disbursements incurred on behalf of customers in SA generally incur facility fees at rates linked to the SA prime rate.

Overdue receivables in SA incur interest at rates linked to the SA prime rate on a discretionary basis.

	Group	
	2023 R'000	2022 R'000
10. NON-CURRENT ASSET HELD-FOR-SALE		
Carrying amount at beginning of year	-	-
Transfer from property, plant and equipment	9 130	-
Carrying amount at end of year	9 130	-

During the reporting period a subsidiary, Tradeway North West Limited, committed to a plan to dispose of a building located in Manchester, UK. Management expects that the sale will be completed within the next reporting period.

	Group	
	2023 R'000	2022 R'000
11. LOANS RECEIVABLE		
Enterprise development loans	850	-
Supplier development loans	1 325	-
	2 175	-

The loans were granted during the current financial period, are non-interest bearing, unsecured, have no fixed terms of repayment and are repayable on 30 days notice.

No loss allowance has been recognised for expected credit losses on loans and receivables and management considers the carrying amount owing to approximate its fair value.

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
12. AMOUNT OWING BY RELATED PARTY				
Patent International Co. Ltd	71	-	-	-
	71	-	-	-

The loan is unsecured, interest-free and has no fixed terms of repayment.

No loss allowance has been recognised in respect of the amount owing by a related party given that the Group intends on supporting the subsidiary and can therefore ensure it is recoverable.

Management considers the carrying amount owing by the related party to approximate its fair value.

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
13. STATED CAPITAL				
Authorised				
300 000 000 Ordinary shares of no par value (2022: 300 000 000 Ordinary shares of no par value)				
Issued				
133 555 821 Ordinary shares of no par value (2022: 138 420 252 Ordinary shares of no par value)	**116 866**	163 998	**100 822**	150 366
Total stated capital	**116 866**	163 998	**100 822**	150 366
Reconciliation of the carrying amount of ordinary shares in issue:				
Carrying amount at beginning of year	**163 998**	221 096	**150 366**	221 096
Exercise of share options[1]	**5 779**	494	**5 779**	494
Share issue costs	**(42)**	(2)	**(42)**	(2)
Treasury shares cancelled[2]	**(5 699)**	(57 590)	**(8 111)**	(71 222)
Shares bought back and cancelled[3]	**(47 170)**	-	**(47 170)**	-
Carrying amount at end of year	**116 866**	163 998	**100 822**	150 366

	Group		Company	
Reconciliation of number of ordinary shares in issue:	**2023 '000 Shares**	2022 '000 Shares	**2023 '000 Shares**	2022 '000 Shares
Carrying amount at beginning of year	**137 089**	140 872	**138 420**	161 481
Exercise of share options[1]	**2 571**	218	**2 571**	218
Treasury shares acquired[4]	**-**	(4 001)	**-**	-
Treasury shares cancelled[2]	**-**	-	**(1 331)**	(23 279)
Shares bought back and cancelled[3]	**(6 104)**	-	**(6 104)**	-
Carrying amount at end of year	**133 556**	137 089	**133 556**	138 420

[1] *During the reporting period, ten participants of the Santova Share Option Scheme exercised their options for 2 569 446 (2022:218 304) ordinary shares in the Company at a weighted average price of 225 cents (2022: 226 cents) per share.*

[2] *During the reporting period, 1 329 736 (2022: 23 279 097) treasury shares originally purchased from the open market by a subsidiary were cancelled, resulting in a reduction of the total issued share capital of the Company. The sale from the subsidiary to the Company constitutes a non-cash transaction.*

[3] *During the current reporting period, the Company repurchased and cancelled 6 104 141 ordinary shares on the open market for a total consideration of R47 170 335.*

[4] *During the prior reporting period, a subsidiary acquired 4 000 763 treasury shares on the open market for a total consideration of R15 193 709.*

The above repurchase transactions were executed in terms of the general authority granted by shareholders at its AGM.

All unissued shares are placed under the control of the directors.

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
14. INTEREST-BEARING BORROWINGS				
Medium-term loan[1]	**7 859**	9 574	**-**	-
Medium-term loan[2]	**7 867**	17 640	**-**	-
Medium-term loan[3]	**9 295**	13 968	**-**	-
Loan - F. Heuer[4]	**-**	13 009	**-**	-
Less: current portion	**(16 287)**	(31 811)	**-**	-
Non-current portion	**8 734**	22 380	**-**	-

[1] This loan was taken by Santova International Holdings (Pty) Ltd during the prior reporting period. The loan bears interest at a variable rate linked to the SA prime rate less 0,5%. The loan is repayable over five years at monthly instalments of R211 178 (2022: R197 976). This loan is secured by intra-Group sureties supplied by subsidiaries.

[2] This loan was taken by Santova International Holdings (Pty) Ltd during the prior reporting period. The loan bears interest at a variable rate linked to the SA prime rate less 0,5%. The loan is repayable over two years at monthly instalments of R912 139 (2022: R895 122). This loan is secured by intra-Group sureties supplied by subsidiaries..

[3] This loan was taken by Santova International Holdings (Pty) Ltd during the 2019 reporting period. The loan bears interest at a variable rate linked to the SA prime rate less 0,5%. The loan is repayable over six years. The payments for the first year were on an interest-only basis. The loan is then repayable over the next five years at quarterly instalments of R1 471 305 (2022: R1 421 215). This loan is secured by intra-Group sureties supplied by subsidiaries.

[4] This loan was taken out as part of the purchase agreement of MLG Maritime Cargo Logistics GmbH (Germany) whereby the seller advanced funds of €740 000 to Santova Logistics B.V. The initial agreement was for a period of one year and was subsequently renewed with the agreement of both parties. The loan bore interest at a flat rate of 4% and was fully repaid during the current reporting period.

The first three loans have both been granted by Nedbank Limited, the Group's primary bankers. As a condition of granting the loans, the Group banking facilities contain certain covenants with respect to minimum levels of actual shareholders' funds, a maximum ratio of debt to EBITDA* and a minimum ratio of EBITDA* to interest cover. These covenants are monitored on an ongoing basis by management and reviewed and confirmed annually with the Group's bankers. At the reporting date, none of the covenants had been breached nor was the Group in proximity of breach.

** Earnings before interest, tax, depreciation and amortisation.*

	Group	
Reconciliation of movements in interest-bearing borrowings:	**2023 R'000**	2022 R'000
Carrying amount at beginning of year	**54 191**	32 591
Proceeds from borrowings	**-**	30 000
Repayment of interest-bearing borrowing	**(30 587)**	(7 662)
Interest accrued	**3 532**	2 232
Interest paid	**(3 767)**	(2 221)
Foreign exchange differences	**1 652**	(749)
Carrying amount at end of year	**25 021**	54 191

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
15. EMPLOYEE BENEFIT OBLIGATIONS				
Post-retirement medical aid contributions				
- Present value of obligation	**666**	758	**666**	758
- Less: liability already recognised	**(758)**	(984)	**(758)**	(984)
Decrease in liability	**(92)**	(226)	**(92)**	(226)
Movement represented by:				
- Actuarial gain recognised in OCI[1]	**-**	(99)	**-**	(99)
- Interest cost recognised in profit or loss	**54**	55	**54**	55
- Contributions paid by employer	**(146)**	(182)	**(146)**	(182)
Decrease in liability	**(92)**	(226)	**(92)**	(226)

The Company contributes to a medical aid scheme for the benefit of 6 (2022: 8) retired employees and their dependants. During the reporting period there were 2 (2022: 2) exits from the scheme amongst the continuing members. The Company contributes 75% of the monthly contribution (to a maximum of R1 600 per retired employee) and the retired employees contribute the remainder.

Due to the materialiaty of the valuation being below management's materiality threshold, no actuarial valuation was performed for the current reporting period and, therefore, no remeasurements have been recognised. The liability will be actuarially valued as and when there are material changes to the underlying retired employee numbers. The liability was actuarially determined at the prior reporting date, using a projected unit credit method by 3One Consulting Actuaries (Pty) Ltd, independent qualified actuaries.

[1] *Actuarial remeasurements:*				
Explanatory factor:				
Change in financial assumptions	-	*(58)*	-	*(58)*
Actual vs expected membership profile	-	*(41)*	-	*(41)*
Total remeasurements	-	*(99)*	-	*(99)*

The principal actuarial assumptions applied in the determination of fair values at the prior reporting date, expressed as weighted averages, are as follows:

- medical aid inflation rate of 6,1% per annum;
- discount factor of 8% per annum; and
- mortality rates published in the PA(90) Ultimate Mortality Tables.

Sensitivity analysis:

The actuaries have assumed that the deviations from the assumed level of mortality experience of the continuation members (retired employees) or in the discount rate applied will have a large impact on the actual cost to the Group and Company and the related liability recognised.

Assumption	Variation	Change in accrued liability R'000	Change in annual expense R'000
Mortality	PA(90) -1	31	2
	PA(90) -2	55	5
Discount rate	+1%	(27)	4
	-1%	29	(4)

	Group	
	2023 R'000	2022 R'000
16. LEASE LIABILTIES		
The maturity analysis for lease liabilities is as follows:		
Less than one year	**20 823**	15 549
One to five years	**12 724**	24 727
More than five years	**-**	1 603
Total undiscounted cash flows	**33 547**	41 879
Total lease liabilities	**30 772**	38 691
Current	**15 850**	14 204
Non-current	**14 922**	24 487
Amounts recognised in statement of cash flows		
Total cash outflow for leases*	**26 363**	25 986
Amounts recognised in profit and loss	**25 740**	25 898
- Expenses relating to short-term leases included in administrative expenses**	**8 571**	9 669
- Interest on lease liabilities included in finance costs *(refer to note 25)*	**1 696**	1 886
- Depreciation *(refer to notes 3 and 22)*	**15 473**	14 343

**Total cash outflow for leases includes payments on lease liabilities, interest on lease liabilities, as well as payments in respect of short-term and low-value asset leases.*

***The Group entered into short-term leases over office space and motor vehicles and leases of low-value over office equipment. The expense in respect of the portfolio of short-term leases to which the Group is committed to at the reporting date is not expected to differ significantly to the expense amount recognised in the current reporting period.*

	Group	
Reconciliation of movements in lease liabilities:	**2023 R'000**	2022 R'000
Carrying amount at beginning of year	**38 691**	42 478
Additions	**7 555**	13 016
Disposals	**(1 209)**	(1 202)
Repayment of lease liabilities	**(16 096)**	(14 431)
Interest accrued	**1 696**	1 886
Interest paid	**(1 696)**	(1 886)
Foreign exchange differences	**1 831**	(1 170)
Carrying amount at end of year	**30 772**	38 691

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
17. TRADE AND OTHER PAYABLES				
Trade payables[1]	**212 875**	329 742	**49**	16
Accruals[2]	**128 042**	99 266	**-**	184
Employee-related accruals[3]	**77 866**	69 946	**-**	-
Other payables[4]	**21 654**	19 538	**94**	89
	440 437	518 492	**143**	289

[1] Trade payables are non-interest bearing, and normally settled within 30-day terms.
[2] Accruals comprise recoverable disbursements where invoices have not yet been received and other operating expenses.
[3] Employee-related accruals comprises bonuses and leave pay.
[4] Other payables include VAT liabilities owed to the respective tax authorities and overpayments received from customers.

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

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
18. AMOUNTS OWING TO RELATED PARTIES				
Patent International Co. Ltd[1]	**-**	288		-
Santova Corporate Services (Pty) Ltd[1]	**-**	-	**-**	24 938
Santova Financial Services (Pty) Ltd[1]	**-**	-	**36 732**	28 510
Santova International Holdings (Pty) Ltd[1]	**-**	-	**35 604**	7 004
Santova International Trade Solutions (Pty) Ltd[1]	**-**	-	**-**	2 050
Santova Logistics (Pty) Ltd[2]	**-**	-	**58 596**	13 072
	-	288	**130 932**	75 574

[1] The loans are unsecured, interest-free and have no fixed terms of repayment.

[2] The loan is unsecured, bears interest linked to the SA prime rate less 0,5% and has no fixed terms of repayment.

	Group	
	2023 R'000	2022 R'000
19. PROVISIONS		
Provision for legal claims	**12 207**	11 334
	12 207	11 334

The Group recognised a provision of R11,3 million in the prior reporting period, which represented the potential exposure of the Group and remains the Group's best estimate thereof with the current year movement attributable to a foreign exchange loss on translation. The matter remains unresolved at reporting date with the final settlement amount not yet determined.

Reconciliation of movements in provisions:		
Carrying amount at beginning of year	**11 334**	-
Provision raised	**4 954**	11 334
Provision released	**(5 549)**	-
Foreign exchange loss	**1 468**	-
Carrying amount at end of year	**12 207**	11 334

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
20. OVERDRAFTS AND BANK FACILITIES				
Bank overdrafts	-	-	-	-
Invoice discounting facilities	**232 853**	225 903	-	-
	232 853	225 903	-	-

The Group has the following unutilised facilities available:

Country	Local currency '000	2023 Functional currency R'000	2022 Functional currency R'000	Security provided	Security holder	Interest rate
Invoice discounting - repayable on settlement of ceded debts						
South Africa[1]	117 147	117 147	124 097	Sale of book debts, cession of credit insurance policies and cross-company suretyships with the Company and certain subsidiaries	Nedbank Ltd	Variable, linked to SA prime rate
Australia	1 500	18 574	16 668	Security interest in personal property	Scottish Pacific Business Finance (Pty) Ltd	Australian base rate +4,25%
Singapore	-	-	3 401	Sale of book debts	Finaxxar Capital	20,40% effective rate
Loan facility - repayable in instalments						
South Africa[1]	49 979	49 979	33 818	Cross-company sureties	Nedbank Ltd	Variable, linked to SA prime rate
Bank overdraft - repayable on demand						
South Africa	5 000	5 000	5 000	Ceded debit bank balances	Nedbank Ltd	Variable, linked to SA prime rate
Netherlands	1 210	23 584	20 843	Cession of book debts	ABN AMRO Bank NV	Euro base rate +2,3%
United Kingdom	750	16 646	15 456	Fixed and floating charges over the assets of the business	Barclays Bank PLC	Bank of England rate +3,15%
		230 930	**219 283**			

[1] *The facilities are subject to an annual review and assessment by Nedbank Ltd.*

The Company, along with Santova Logistics (Pty) Ltd, Santova International Holdings (Pty) Ltd, Tradeway Shipping Ltd, Santova Logistics Pty) Ltd and Santova Logistics B.V., is a guarantor with respect to a significant portion of the Group's banking facilities. There were no breaches of the contractual terms of these facilities during the reporting periods.

As a condition of granting the facilities above, the Group banking facilities contain certain covenants with respect to minimum levels of actual shareholders' funds, a maximum ratio of debt to EBITDA and a minimum ratio of EBITDA to interest cover, a minimum cover of unencombered book debt to debt. These covenants are monitored on an ongoing basis by management and reviewed and confirmed annually with the Group's bankers. At the reporting date, none of the covenants had been breached nor was the Group in proximity of breach.

For further information on ceded trade receivables refer to note 9.

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
21. REVENUE				
Gross billings	**6 424 353**	6 418 867	**4 492**	4 140
Less: recoverable disbursements	**(5 756 332)**	(5 799 755)	**-**	-
Revenue and net interest income	**668 021**	619 112	**4 492**	4 140
Revenue from contracts with customers				
Revenue from the provision of services comprises:	**654 379**	611 022	**4 492**	4 140
Logistic services	**645 008**	603 246	**-**	-
Insurance commission and management fees	**9 371**	7 764	**-**	-
Other revenue[1]	**-**	12	**4 492**	4 140
Net interest income from the provision of credit facilities comprises:	**13 642**	8 090	**-**	-
Interest and financing fee income	**35 461**	21 987	**-**	-
Interest and financing fee expenses	**(21 819)**	(13 897)	**-**	-
Revenue and net interest income	**668 021**	619 112	**4 492**	4 140

Disaggregation of revenue

Revenue from contracts with customers is disaggregated by primary geographical market, major service lines (refer above) and timing of revenue recognition as follows:

	Group 2023	Group 2022	Company 2023	Company 2022
Primary geographical market:	**668 021**	619 112	**4 492**	4 140
Africa	**200 582**	160 296	**4 492**	4 140
Asia Pacific	**109 106**	78 843	**-**	-
Europe	**151 914**	189 447	**-**	-
North America	**9 830**	-	**-**	-
United Kingdom	**196 589**	190 526	**-**	-
Timing of revenue recognition:	**668 021**	619 112	**4 492**	4 140
Revenue earned over time from the provision of credit facilities	**13 642**	8 090	**-**	-
Revenue earned at a point in time from the provision of services	**654 379**	611 022	**4 492**	4 140

[1]Other revenue comprises management fees earned by the Company and ad-hoc service revenue in the Group.

Contract balances

The Group has not recognised any contract assets or liabilities in relation to its contracts with customers. Receivables have been recognised as trade receivables and disclosed in note 9.

Performance obligations and revenue recognition policies

Information about the Group's performance obligations are summarised below:

Logistics and related services

The Group derives its logistics revenue from contracts with customers for the provision of services in facilitating the transportation of customers' goods. The Group does not enter into long-term fixed contracts. Standard terms and conditions and customer tariffs are documented and agreed upon with each customer. Thereafter, each formal shipping instruction received and accepted from a customer results in a contract with the customer, in terms of the originally agreed standard terms and conditions.

In terms of a contract resulting from a shipping instruction:

- the Group acts as an agent on behalf of its customer;
- the Group's performance obligation is to arrange for the movement, by third party transport providers of the customer's goods, from the origin to the destination as specified by the customer, including the clearing of the customer's goods through customs where required; and
- the Group assumes no risk or reward or respect of the customer's goods and the customer remains the principal at all times during the shipment process.

The Group therefore only has one performance obligation per shipment to its customers and this performance obligation is satisfied and revenue recognised when it completes the contracted services, which is typically when the customer's goods have cleared customs and have arrived at the specified destination at which stage physical control of the goods is passed back to the customer by the third party transport provider.

Transaction prices are based on agreed rates, including statutory and third-party charges, in accordance with the approved customer tariffs. The Group does not offer early settlement discounts.

Provision of credit facilities

In certain regions, customers either request, or local customs regulations require, that the Group facilitates the provision of credit facilities in order to fund recoverable disbursements. These recoverable disbursements include VAT, customs duties, excise taxes and freight transportation costs that are due and payable by the customer as principal and owner of the goods.

The majority of these financing activities take place in the SA region where the Group is required by local customs regulations to act as a collection agent for the revenue authorities and to pay customs VAT and duties upfront, at the time of customs clearance, then to recover them from the customer on normal credit terms.

In order to provide these credit facilities for customers the Group requests an insured credit limit from a credit underwriter, based on the financial information supplied by the customer. Based on this insured credit limit the Group is then in a position to discount the customer's trade receivables with the Group's transactional banker, in terms of an invoice discounting facility and is thereby able to raise the necessary funding on behalf of the customer in order to pay the recoverable disbursements.

The Group's performance obligation is to provide the credit facility from the date of payment of the recoverable disbursement up until the due date in terms of upfront agreed credit terms with the customer. This performance obligation is satisfied and the revenue recognised at the time of disbursement by way of an upfront facility fee calculated from disbursement date to repayment date.

In the event of later payment, further finance fees are recognised in the form of:

- arrear interest calculated using the effective interest method from due date to actual payment date; and
- the recovery of additional credit underwriting costs incurred as a result of late payment.

Transaction prices are based on the specified credit terms and facility rates in accordance with approved customer tariffs.

The Group does not offer early settlement discounts, but in certain isolated cases, may allow discounts for early settlement, however, this is a very rare occurrence.

Financing component

There is a significant financing component in the Group's pricing for its logistics services where it offers customers credit terms. Credit terms granted are generally 30 days from the statement date with a maximum of 90 days. The Group has applied the practical expedient provided in IFRS 15 to not recognise the effect of the financing component since it is provided for a period of less than one year.

Financial services

The Group, operates as a licensed and regulated short-term insurance broker originating short-term insurance policies on behalf of registered short-term insurers. As a result, the Group derives revenue in the form of insurance commission and management fees from short-term insurers.

The Group's performance obligations are:

- to provide insurance advice and make policy recommendations to customers with an insurable interest; and
- for certain insurers, to facilitate the collection of insurance premiums plus perform ongoing administration and claims processing services during the period of insurance.

These performance obligations are satisfied, and the revenue recognised in the case of:

Insurance commission

- On annual insurance policies – upfront at the stage the policy is concluded and the annual premium collected.
- On monthly insurance policies – monthly as the premiums are collected.

Management fees

- On a monthly basis as the services are performed for the insurer and the fees collected from the insurer.

Transaction prices are based on upfront agreed-upon fixed percentages of the premiums collected on policies, which vary depending on the nature of the policy and the assets being insured thereunder. These commission percentages are also capped at maximum percentages by insurance regulations.

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
22. OPERATING PROFIT				
Operating profit includes:				
Income				
Commission and exchange gains on foreign currency transactions and balances	**13 288**	13 106	**-**	-
Profit on disposal of property, plant and equipment	**105**	71	**-**	-
Fair value gain on financial assets and liabilities	**1 087**	1 013	**-**	-
Expenditure				
Auditor's remuneration	**5 333**	4 376	**689**	566
- In respect of audit services	**4 753**	3 828	**689**	566
- In respect of other services	**580**	548	**-**	-
Depreciation and amortisation	**21 700**	21 292	**44**	189
- Plant and equipment *(refer to note 2)*	**3 921**	3 746	**-**	-
- Intangible assets *(refer to note 4)*	**2 306**	3 203	**44**	189
- ROU assets *(refer to note 3)*	**15 473**	14 343	**-**	-
Loss on disposal of property, plant and equipment	**282**	9	**-**	-
Foreign exchange loss	**6 632**	2 958	**-**	-
Impairment loss on intangible asset	**-**	7 889	**-**	-
Impairment loss on trade receivables	**3 817**	6 216	**-**	-
Employee benefit expenses	**265 774**	261 770	**-**	9
- Short-term employee benefits *(including directors' remuneration)*	**253 342**	248 750	**-**	9
- Defined contribution plan expense[1]	**12 432**	13 020	**-**	-
Share-based payment expense	**326**	324	**-**	-

[1] *Defined contribution plans*

The Group makes retirement benefits available to its employees. A defined contribution provident fund and pension fund, which are subject to the Pensions Fund Act 1956, exist for this purpose in SA. In the foreign subsidiaries the Group either makes contributions to defined contribution pension funds or to social security funds that provide retirement benefits, as is required by legislation or market practice within each jurisdiction. The schemes are funded by employer and employee contributions, which are recognised in profit or loss as they are incurred.

23. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

	Directors' fees R'000	Salary R'000	Retirement, medical and other benefits R'000	Total guaranteed pay R'000	Travel allowance R'000	Performance bonus R'000	Total R'000
2023							
Executive Directors							
GH Gerber	-	4 240	195	4 435	121	8 214	12 770
AL van Zyl	-	2 693	183	2 876	65	3 111	6 052
RM Herselman	-	1 857	308	2 165	45	2 597	4 807
JS Robertson	-	837	166	1 003	-	270	1 273
Prescribed Officers							
GP Fourie	-	1 755	473	2 228	-	2 437	4 665
AKG Lewis	-	2 337	705	3 042	-	2 057	5 099
Non-executive Directors							
ESC Garner*	549	-	-	549	-	-	549
WA Lombard	413	-	-	413	-	-	413
EM Ngubo	306	-	-	306	-	-	306
ME Stewart	147	-	-	147	-	-	147
	1 415	13 719	2 030	17 164	231	18 686	36 081
Paid by:							
The Company	1 415	-	-	1 415	-	-	1 415
Subsidiaries	-	13 719	2 030	15 749	231	18 686	34 666
	1 415	13 719	2 030	17 164	231	18 686	36 081
2022							
Executive Directors							
GH Gerber	-	3 667	189	3 856	-	4 677	8 533
AL van Zyl	-	2 441	193	2 634	-	3 182	5 816
RM Herselman	-	1 901	255	2 156	-	2 599	4 755
Prescribed Officers							
GP Fourie	-	1 583	437	2 020	-	2 428	4 448
AKG Lewis	-	1 961	635	2 596	-	2 386	4 982
Non-executive Directors							-
ESC Garner*	399	-	-	399	-	-	399
WA Lombard	557	-	-	557	-	-	557
EM Ngubo	262	-	-	262	-	-	262
	1 218	11 553	1 709	14 480	-	15 272	29 752
Paid by:							
The Company	1 218	-	-	1 218	-	-	1 218
Subsidiaries	-	11 553	1 709	13 262	-	15 272	28 534
	1 218	11 553	1 709	14 480	-	15 272	29 752

**Paid to Delmas Crushers CC, an entity controlled by the director.*

A summary of share options granted, forfeited and still to be exercised by executive directors and prescribed officers in terms of the Group Share Option Schemes *(refer to note 29 for further information)* is as follows:

	Options as at 1 March 2022	Options forfeited	Options exercised	Options as at 28 February 2023	Gain arising on exercise (R'000)	Option price (cents)	Vesting date	Expiry date
2023								
Executive Directors								
GH Gerber	800 000	-	(800 000)	-	5 439	85	30 November 2015	29 November 2023
	500 000	-	-	500 000	-	186	26 May 2017	30 November 2023
	562 165	-	-	562 165	-	415	22 February 2019	21 February 2025
	437 835	-	-	437 835	-	415	22 February 2021	21 February 2024
	266 000	-	-	266 000	-	298	18 May 2023	17 May 2026
	500 000	-	-	500 000	-	194	26 February 2025	26 February 2028
	3 066 000	-	(800 000)	2 266 000	5 439			
RM Herselman	120 000	(120 000)	-	-	-	194	26 February 2025	26 February 2028
	120 000	(120 000)	-	-	-			
AL van Zyl	350 000	-	(350 000)	-	1 887	186	26 May 2017	30 November 2023
	168 649	-	(168 649)	-	1 023	415	22 February 2019	21 February 2025
	131 351	-	(131 351)	-	427	415	22 February 2021	21 February 2024
	151 000	-	-	151 000	-	298	18 May 2023	17 May 2026
	200 000	-	-	200 000	-	194	26 February 2025	26 February 2028
	1 001 000	-	(650 000)	351 000	3 337			
Prescribed Officers								
GP Fourie	250 000	-	(250 000)	-	814	415	22 February 2021	21 February 2024
	102 000	-	-	102 000	-	298	18 May 2023	17 May 2026
	200 000	-	-	200 000	-	194	26 February 2025	26 February 2028
	552 000	-	(250 000)	302 000	814			
AKG Lewis	199 000	-	(199 000)	-	1 353	85	30 November 2015	29 November 2023
	150 000	-	-	150 000	-	186	26 May 2017	30 November 2023
	253 537	-	-	253 537	-	415	22 February 2019	21 February 2025
	197 463	-	-	197 463	-	415	22 February 2021	21 February 2024
	110 000	-	-	110 000	-	298	18 May 2023	17 May 2026
	200 000	-	-	200 000	-	194	26 February 2025	26 February 2028
	1 110 000	-	(199 000)	911 000	1 353			
	5 849 000	(120 000)	(1 899 000)	3 830 000	10 943			

	Options as at 1 March 2021	Options forfeited	Options exercised	Options as at 28 February 2022	Gain arising on exercise (R'000)	Option price (cents)	Vesting date	Expiry date
2022								
Executive Directors								
GH Gerber	800 000	-	-	800 000	-	85	30 November 2015	29 November 2023
	500 000	-	-	500 000	-	186	26 May 2017	25 May 2023
	562 165	-	-	562 165	-	415	22 February 2019	21 February 2025
	437 835	-	-	437 835	-	415	22 February 2021	21 February 2024
	266 000	-	-	266 000	-	298	18 May 2023	17 May 2026
	500 000	-	-	500 000	-	194	26 February 2025	26 February 2028
	3 066 000	-	-	3 066 000	-			
RM Herselman	120 000	-	-	120 000	-	194	26 February 2025	26 February 2028
	120 000	-	-	120 000	-			
AL van Zyl	350 000	-	-	350 000	-	186	26 May 2017	25 May 2023
	168 649	-	-	168 649	-	415	22 February 2019	21 February 2025
	131 351	-	-	131 351	-	415	22 February 2021	21 February 2024
	151 000	-	-	151 000	-	298	18 May 2023	17 May 2026
	200 000	-	-	200 000	-	194	26 February 2025	26 February 2028
	1 001 000	-	-	1 001 000	-			
Prescribed Officers								
GP Fourie	250 000	-	-	250 000	-	415	22 February 2021	21 February 2024
	102 000	-	-	102 000	-	298	18 May 2023	17 May 2026
	200 000	-	-	200 000	-	194	26 February 2025	26 February 2028
	552 000	-	-	552 000	-			
AKG Lewis	199 000	-	-	199 000	-	85	30 November 2015	29 November 2023
	150 000	-	-	150 000	-	186	26 May 2017	25 May 2023
	253 537	-	-	253 537	-	415	22 February 2019	21 February 2025
	197 463	-	-	197 463	-	415	22 February 2021	21 February 2024
	110 000	-	-	110 000	-	298	18 May 2023	17 May 2026
	200 000	-	-	200 000	-	194	26 February 2025	26 February 2028
	1 110 000	-	-	1 110 000	-			
	5 849 000	-	-	5 849 000	-			

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
24. FINANCE INCOME				
Cash and cash equivalents	**370**	28	**52**	-
Included in profit or loss	**370**	28	**52**	-
Interest and financing fee income included in revenue *(refer to note 21)*	**35 461**	21 987	**-**	-
Total finance income	**35 831**	22 015	**52**	-

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
25. FINANCE COSTS				
Deferred consideration *(refer to note 7)*	**430**	-	**-**	-
Fair value loss on contingent consideration *(refer to note 7)*	**537**	443	**-**	-
Lease liabilities *(refer to note 16)*	**1 696**	1 886	**-**	-
Interest-bearing borrowings and overdrafts *(refer to notes 14 and 20)*	**3 914**	2 182	**-**	-
Amounts owing to related parties *(refer to note 18)*	**-**	-	**3 761**	1 515
Other interest paid	**178**	200	**54**	56
Included in profit or loss	**6 755**	4 711	**3 815**	1 571
Interest and financing fee expenses included in revenue *(refer to note 21)*	**21 819**	13 897	**-**	-
Total finance costs	**28 574**	18 608	**3 815**	1 571

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
26. INCOME TAX EXPENSE				
South African normal tax				
Current tax				
- Current year	**27 300**	16 982	**-**	-
- Prior year adjustment	**1 087**	(64)	**-**	29
Deferred tax				
- Current year	**(926)**	(3 209)	**174**	151
- Prior year adjustment	**1 597**	(419)	**-**	-
- Change in tax rate	**245**	80	**-**	37
	29 303	13 370	**174**	217
Foreign tax				
- Current tax	**40 968**	39 268	**-**	-
- Deferred tax	**(291)**	1 688	**-**	-
	40 677	40 956	**-**	-
Income tax expense recognised in profit or loss	**69 980**	54 326	**174**	217
Current tax recognised in profit or loss	**69 355**	56 186	**-**	29
Deferred tax recognised in profit or loss	**625**	(1 860)	**174**	188
Income tax expense recognised in profit or loss	**69 980**	54 326	**174**	217
Reconciliation of tax rate	**%**	%	**%**	%
South African normal tax rate	**28,0**	28,0	**28,0**	28,0
Adjusted for:	**0,4**	0,2	**(33,8)**	(42,4)
Learnership allowances	**(0,1)**	(0,1)	**-**	-
Fair value adjustments	**-**	(0,1)	**-**	-
Non-deductible interest	**0,6**	0,6	**(33,8)**	(39,8)
Exempt income	**(0,1)**	(0,2)	**-**	(2,6)
- Change in tax rate	**0,1**	-	**0,3**	(2,9)
- Foreign exempt income	**-**	(0,2)	**-**	-
- Foreign tax differential	**(4,4)**	(4,4)	**-**	-
- Prior year: current tax	**0,1**	-	**-**	(2,7)
- Prior year: deferred tax	**0,7**	0,6	**-**	-
Effective tax rate	**24,9**	24,2	**(5,5)**	(20,0)

The change in tax rate relates to entities in SA where the substantively enacted rate was amended during the current financial year from 28% to 27%. Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised.

The tax losses available for offset in the future for the Group amounted to R4 605 560 (2022: R2 149 870).

		Group	
		Actual 2023	Actual 2022

27. EARNINGS PER SHARE

		Actual 2023	Actual 2022
Basic earnings per share	(cents)	**154,74**	122,60
Headline earnings per share ("HEPS")	(cents)	**154,83**	126,81
Diluted earnings per share	(cents)	**151,00**	119,56
Diluted HEPS	(cents)	**151,09**	123,66

Reconciliation between basic and headline earnings:	Profit from ordinary activities R'000	Taxation effect R'000	Non-controlling interests R'000	Net effect R'000
2023				
Profit for the period/Basic earnings	**280 642**	**(69 980)**	**(15)**	**210 647**
Adjusted for:				
- Loss on disposal of plant and equipment	**177**	**(50)**	**-**	**127**
Headline earnings	**280 819**	**(70 030)**	**(15)**	**210 774**
2022				
Profit for the period/Basic earnings	224 456	(54 326)	(38)	170 092
Adjusted for:				
– Profit on disposal of plant and equipment	(62)	17	-	(45)
– Impairment loss on intangible asset	7 889	(1 999)	-	5 890
Headline earnings	232 283	(56 308)	(38)	175 937

Number of shares used in the calculations:	2023 Shares 000's	2022 Shares 000's
Shares in issue at end of year	**133 556**	138 420
Weighted Average Number of Ordinary Shares ("WANOS") at end of year*	**136 130**	138 737
Diluted WANOS at end of year	**139 503**	142 270
Reconciliation of WANOS to diluted WANOS:		
WANOS at end of year*	**136 130**	138 737
Effect of unexercised share options	**3 373**	3 533
Diluted WANOS at end of year	**139 503**	142 270

**The Group holds zero (2022: 1 329 736) treasury shares through a subsidiary which have been excluded from the WANOS calculations.*

	Group		Company	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000

28. NOTES TO THE STATEMENTS OF CASH FLOWS

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
28.1 Cash generated from operations				
Profit/(loss) before tax	**280 642**	224 456	**(3 144)**	(1 084)
Adjustments for:				
Depreciation and amortisation	**21 700**	21 292	**44**	189
Loss/(profit) on disposal of plant and equipment	**177**	(62)	**-**	-
Impairment loss on intangible asset	**-**	7 889	**-**	-
Finance income	**(370)**	(28)	**(52)**	-
Finance costs	**6 755**	4 711	**3 815**	1 571
Foreign exchange gains	**(1)**	(349)	**-**	-
Fair value gain	**(883)**	(113)	**-**	-
Movement in defined benefit plan liability	**(92)**	(127)	**(92)**	(127)
Equity-settled share-based payment expense	**326**	324	**-**	-
Share of profit of associate, net of tax	**(355)**	(250)	**-**	-
Modification of lease liabilities	**-**	(15)	**-**	-
Working capital changes:				
Increase in discounting of trade receivables	**6 950**	24 379		-
Decrease/(increase) in trade and other receivables	**138 534**	(256 886)	**(780)**	(124)
(Decrease)/increase in trade and other payables and provisions	**(100 712)**	138 472	**(146)**	55
	352 671	163 693	**(355)**	480
28.2 Tax paid				
Balance at the beginning of the year	**(20 447)**	(9 268)	**-**	30
Income tax expense recognised in profit or loss	**(69 355)**	(56 186)	**-**	(30)
Foreign exchange translation	**(1 992)**	180	**-**	-
Net balance at the end of the year	**19 905**	20 447	**-**	-
	(71 889)	(44 827)	**-**	-
28.3 Acquisition of a business ***(refer to note 4.3)***				
Fair value of assets acquired and liabilities assumed:	**-**	-		-
Property, plant and equipment	**102**	-	**-**	-
Trade and other receivables	**12 698**	-	**-**	-
Right-of-use assets	**3 340**	-	**-**	-
Deferred tax	**1 896**	-	**-**	-
Cash and cash equivalents	**9 484**	-	**-**	-
Trade and other payables	**(23 529)**	-	**-**	-
Lease liabilities	**(3 991)**	-	**-**	-
Net assets acquired	**-**	-	**-**	-
Goodwill	**38 272**	-	**-**	-
Total consideration	**38 272**	-	**-**	-
Deferred consideration *(refer to note 7)*	**(12 898)**	-	**-**	-
Contingent consideration *(refer to note 7)*	**(16 088)**	-	**-**	-
Finance costs relating to financial liability	**967**	-	**-**	-
Effects of foreign currency translation	**1 158**	-	**-**	-
Settled in cash	**11 411**	-	**-**	-
Less: cash and cash equivalents acquired on acquisition	**(9 484)**	-	**-**	-
Net cash outflow in respect of acquisition	**1 927**	-	**-**	-

29. SHARE-BASED PAYMENTS

Equity-settled share-based payment plans

The Group currently operates two share option schemes for certain employees of the Group.

Group Share Option Scheme Number 1

All options in terms of this scheme vest 3 years after grant date and are exercisable on specific nominated dates for a period of 48 months from vesting date.

The options are granted at a price determined by the 30-day volume weighted average price calculated on the day immediately preceding the date the options were granted.

Options are forfeited if the employee leaves the Group before the options have vested or been exercised.

Of the total of 6 700 000 shares approved to be awarded under this scheme, 345 899 shares remain available to be awarded.

	2023		2022	
	Number of share options	Weighted average exercise price (cents)	Number of share options	Weighted average exercise price (cents)
Outstanding at the beginning of the year	**3 502 101**	**108**	3 732 101	107
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	(50 000)	93
Exercised during the year	**(1 776 399)**	**70**	(180 000)	93
Outstanding at the end of the year	**1 725 702**	**147**	3 502 101	108
Exercisable at the end of the year	**1 725 702**	**147**	3 429 351	108

Group Share Option Scheme Number 2

All options in terms of this scheme vest 5 years after grant date and are exercisable for a period of 36 months from vesting date.

The options are granted at a price determined by the 30-day volume weighted average price calculated on the day immediately preceding the date the options were granted.

Options are forfeited if the employee leaves the Group before the options have vested or been exercised.

Of the total of 6 700 000 shares approved to be awarded under this scheme, 2 478 351 shares remain available to be awarded.

	2023		2022	
	Number of share options	Weighted average exercise price (cents)	Number of share options	Weighted average exercise price (cents)
Outstanding at the beginning of the year	**4 361 345**	**312**	4 424 649	317
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**(178 000)**	**228**	(25 000)	298
Exercised during the year	**(793 047)**	**415**	(38 304)	415
Outstanding at the end of the year	**3 390 298**	**292**	4 361 345	312
Exercisable at the end of the year	**1 105 298**	**415**	1 898 345	415

The fair value calculation of the options granted was performed by the Group utilising the Black-Scholes formula using management's best estimates and information from the Company's bankers and other independent institutions.

The inputs into the model were as follows:

		Group	
		2023	2022
Scheme 1 Issue 1			
Weighted average share price	(cents)	**85,00**	85,00
Weighted average exercise price (Net of 50% Company contribution)	(cents)	**42,50**	42,50
Expected volatility	(%)	**45,56**	45,56
Expected option lifetime	(years)	**3**	3
Risk-free rate based on zero-coupon government bond yield	(%)	**5,11**	5,11
Expected dividend yield	(%)	**2,98**	2,98
Scheme 1 Issue 2			
Weighted average share price	(cents)	**186,00**	186,00
Weighted average exercise price (Net of 50% Company contribution)	(cents)	**93,00**	93,00
Expected volatility	(%)	**37,70**	37,70
Expected option lifetime	(years)	**3**	3
Risk-free rate based on zero-coupon government bond yield	(%)	**7,36**	7,36
Expected dividend yield	(%)	**3,00**	3,00
Scheme 1 Issue 3			
Weighted average share price	(cents)	**415,00**	415,00
Weighted average exercise price (Net of 50% Company contribution)	(cents)	**207,50**	207,50
Expected volatility	(%)	**19,48**	19,48
Expected option lifetime	(years)	**3**	3
Risk-free rate based on zero-coupon government bond yield	(%)	**8,63**	8,63
Expected dividend yield	(%)	**1,50**	1,50
Scheme 1 Issue 4			
Weighted average share price	(cents)	**178,00**	178,00
Weighted average exercise price (Net of 50% Company contribution)	(cents)	**89,00**	89,00
Expected volatility	(%)	**44,00**	44,00
Expected option lifetime	(years)	**3**	3
Risk-free rate based on zero-coupon government bond yield	(%)	**8,16**	8,16
Expected dividend yield	(%)	**1,50**	1,50
Scheme 2 Issue 1			
Weighted average share price	(cents)	**415,00**	415,00
Weighted average exercise price	(cents)	**415,00**	415,00
Expected volatility	(%)	**16,52**	16,52
Expected option lifetime	(years)	**5**	5
Risk-free rate based on zero-coupon government bond yield	(%)	**8,63**	8,63
Expected dividend yield	(%)	**1,50**	1,50

		Group	
		2023	2022
Scheme 2 Issue 2			
Weighted average share price	(cents)	**298,12**	298,12
Weighted average exercise price	(cents)	**298,12**	298,12
Expected volatility	(%)	**20,86**	20,86
Expected option lifetime	(years)	**5**	5
Risk-free rate based on zero-coupon government bond yield	(%)	**7,90**	7,90
Expected dividend yield	(%)	**1,50**	1,50
Scheme 2 Issue 3			
Weighted average share price	(cents)	**194,00**	194,00
Weighted average exercise price	(cents)	**194,00**	194,00
Expected volatility	(%)	**21,10**	21,10
Expected option lifetime	(years)	**5**	5
Risk-free rate based on zero-coupon government bond yield	(%)	**8,15**	8,15
Expected dividend yield	(%)	**1,50**	1,50

The expected volatility is determined utilising a model to calculate the forecasted average 30-day volatility in the Company's share price over the vesting period of the option. The inputs utilised in the model are based on historical data and management's best estimate of forward market projections.

For Share Option Scheme Number 1, the weighted average exercise price for the calculation of the fair value of the options takes into account a 50% cash contribution from the Company upon exercise, in terms of the approved scheme.

The share-based payment reserve is realised as options are exercised by employees through the transfer to an issue of shares, or where the employee forfeits their options through a transfer to retained earnings. Transfers were recognised in the current period relating to the exercise of options and forfeiture of options amounting to R1 243 819 and R1 777 654 respectively.

The Group recognised a share-based payment expense amounting to R325 910 (2022: R324 220).

30. RELATED PARTIES

During the reporting period, the Company, in the ordinary course of business, entered into various transactions with its subsidiaries.

These transactions occurred under terms that are no more or less favourable than those arranged with third party companies.

Amounts owing from and to related parties are included in notes 12 and 18 respectively.

A list of all subsidiaries is included in note 5 and the investment in associate is included in note 6.

The ultimate parent of the Group is Santova Ltd. Members of key management include the Group's directors and executive management team and are disclosed in note 23.

	Net of gross billings for goods and services		Net outstanding balances arising from sale/purchase of goods and services	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
Goods and services sold to:				
Jet Air & Ocean Freight Services Ltd (Mauritius)	**-**	-	**54**	54
Santova Corporate Services (Pty) Ltd	**4 492**	71	**-**	-
Santova Financial Services (Pty) Ltd	**-**	157	**-**	-
Santova International Holdings (Pty) Ltd	**-**	3	**-**	-
Santova International Trade Solutions (Pty) Ltd	**-**	56	**-**	-
Santova Logistics (Pty) Ltd	**-**	2 527	**-**	-
Santova Logistics B.V. (Netherlands)	**-**	401	**-**	-
Santova Logistics GmbH (Germany)	**-**	58	**-**	-
Santova Logistics Ltd (Hong Kong)	**-**	102	**-**	-
Santova Logistics Pty Ltd (Australia)	**-**	209	**802**	35
Tradeway (Shipping) Ltd (United Kingdom)	**-**	321	**-**	-
Santova Logistics Ltd (formerly W.M. Shipping Ltd) (United Kingdom)	**-**	463	**-**	-
	4 492	4 368	**856**	89

	Interest paid on loans from related parties		Loans from related parties	
	2023 R'000	2022 R'000	**2023 R'000**	2022 R'000
COMPANY				
Santova Corporate Services (Pty) Ltd	**(1 803)**	-	**-**	(24 938)
Santova Financial Services (Pty) Ltd	**-**	-	**(36 732)**	(28 510)
Santova International Holdings (Pty) Ltd	**(434)**	-	**(35 604)**	(7 004)
Santova International Trade Solutions (Pty) Ltd	**-**	-	**-**	(2 050)
Santova Logistics (Pty) Ltd	**(1 524)**	(1 515)	**(58 596)**	(13 072)
	(3 761)	(1 515)	**(130 932)**	(75 574)

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
31. FINANCIAL RISK MANAGEMENT					
Categories of financial instruments					
Financial assets					
Financial assets at amortised cost		**839 591**	970 231	**870**	111
Trade receivables	9	**676 484**	733 212	**870**	111
Other receivables	9	**160 861**	237 019	**-**	-
Loans receivable	11	**2 175**	-	**-**	-
Amount owing by related party	12	**71**	-	**-**	-
Cash and cash equivalents		**491 968**	270 805	**-**	216
Financial assets at fair value through profit or loss		**7 657**	8 352	**-**	-
Held for trading					
Forward exchange contracts	7	**-**	1 781	**-**	-
Designated					
Gaurdrisk cell captive	7	**4 155**	3 069	**-**	-
Future profit share on rental agreement	7	**3 502**	3 502	**-**	-
Financial liabilities					
Financial liabilities at amortised cost		**514 419**	648 815	**130 981**	75 863
Trade payables	17	**212 875**	329 742	**49**	289
Amounts owing to related parties	18	**-**	288	**130 932**	75 574
Lease liabilities	16	**30 772**	38 691	**-**	-
Interest-bearing borrowings	14	**25 021**	54 191	**-**	-
Deferred consideration	7	**12 898**	-	**-**	-
Overdrafts and bank facilities	20	**232 853**	225 903	**-**	-
Financial liabilities at fair value through profit or loss		**16 379**	2 078	**-**	-
Held for trading					
Contingent consideration	7	**16 088**	558	**-**	-
Forward exchange contracts	7	**291**	1 520	**-**	-

Financial risk management objectives

The Group has exposure to the following risks arising from financial instruments:

- **Foreign currency risk**
- **Interest rate risk**
- **Credit risk**
- **Liquidity risk**
- **Capital risk management**

The Company's Board of Directors ("the Board") has overall responsibility for the establishment of the Group's Risk Management Framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Risk Management Committee reports regularly to the Board on its activities.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit and Risk Committee* ("the Committee") oversees how management monitors compliance with the Group’s risk management policies and procedures, and reviews the adequacy of the Risk Management Framework** in relation to the risks faced by the Group. The Committee is assisted in its oversight role by Internal Audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

**The full Report of the Audit and Risk Committee can be found on pages 4 to 5 of the AFS.*

***Further information regarding the Risk Management Framework can be found on pages 10 to 13 of the AIR.*

The risk management policies of the Group relating to each of the risks listed on the previous page are discussed in each of the following sub-sections.

31.1 Foreign currency risk

As a result of the Group's extensive investments in offshore operating subsidiaries, which contributed the majority of the Group's profit for the reporting period and the fact that the Group's revenue is generated through the international movement of goods, the Group has significant exposure to foreign currency risk. This exposure is created and impacts the financial results of the Group in a number of ways:

1. Translation differences arising from generation and reporting of profits from the Group’s offshore subsidiaries in foreign currencies that are converted into ZAR, the functional currency of the Group, at the prevailing average foreign exchange rates during the reporting period, which impact directly on profit or loss.
2. Translation differences arising from the revaluation into ZAR, the functional currency of the Group, at reporting date, of the Group’s foreign currency denominated carrying amounts and goodwill in its foreign subsidiaries, which are recognised in OCI.
3. Foreign currency gains or losses that arise within all the Group’s operating entities from the translation of foreign denominated assets and liabilities into the functional currency of each operating entity, which impact directly on profit or loss of those entities.
4. The Group's revenues are generated by logistics fees and margins earned through facilitating the flow of goods internationally for clients. These logistics fees and margins are directly linked to the underlying value of the goods and recoverable disbursements incurred by the Group on behalf of their customers. The underlying value of the goods transported and recoverable disbursements incurred are generally valued in currencies other than the Group’s functional currency, and therefore foreign currency fluctuations directly impact on revenues generated.

The Group’s policy is to cover the exposures related to all foreign denominated assets and liabilities that will be settled in ZAR, that arise in the ordinary course of business by utilising forward exchange contracts. The Group does not apply hedge accounting in respect of this risk.

31.1 Foreign currency risk continued

		2023		2022	
		Average rate	Closing rate	Average rate	Closing rate
Exchange rates to South African Rand (ZAR)					
Euro	Euro	**17,4102**	**19,4947**	17,3522	17,2292
Pound Sterling	GBP	**20,2259**	**22,1942**	20,3561	20,6076
US Dollar	US$	**16,7001**	**18,3906**	14,8454	15,3926
Australian Dollar	AU$	**11,5068**	**12,3827**	11,0034	11,1123
Honk Kong Dollar	HK$	**2,1308**	**2,3431**	1,9081	1,9699
Mauritian Rupee	MUR	**0,3660**	**0,3871**	0,3427	0,3426
Vietnamese Dong	VND	**0,0007**	**0,0008**	0,0006	0,0007
Singapore Dollar	SG$	**12,1410**	**13,6412**	11,0130	11,3374

The carrying amounts of the Group's uncovered foreign denominated monetary assets and monetary liabilities at the reporting dates are as follows:

		2023							
	Notes	Total R'000	Total Euro'000	Total GBP'000	Total AU$'000	Total HK$'000	Total MUR'000	Total US$'000	Total SG$'000
Assets									
Property, plant and equipment	2	**14 595**	**9**	**585**	**76**	**56**	**15**	**4**	**21**
ROU assets	3	**23 344**	**252**	**289**	**515**	**730**	**-**	**130**	**113**
Intangible assets	4	**313 316**	**2 286**	**9 020**	**1 128**	**-**	**-**	**2 163**	**1 085**
Trade receivables	9	**271 500**	**3 414**	**5 624**	**2 620**	**8 446**	**2 361**	**716**	**1 012**
Other receivables	9	**60 320**	**1 023**	**908**	**623**	**687**	**450**	**355**	**308**
Current tax assets		**12**	**-**	**-**	**-**	**5**	**-**	**-**	**-**
Non-current assets held for sale	10	**9 130**	**-**	**411**	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents		**461 598**	**7 603**	**6 270**	**3 000**	**321**	**527**	**7 010**	**528**
Liabilities									
Trade and other payables	17	**(333 978)**	**(6 663)**	**(5 647)**	**(2 336)**	**(5 790)**	**(4 303)**	**(881)**	**(1 347)**
Current tax liabilties		**(20 306)**	**(248)**	**(594)**	**-**	**(232)**	**(86)**	**-**	**(126)**
Interest-bearing borrowings	14	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities	7	**(28 987)**	**-**	**-**	**-**	**-**	**-**	**(1 576)**	**-**
Lease liabilities	16	**(24 321)**	**(256)**	**(303)**	**(515)**	**(761)**	**-**	**(159)**	**(112)**
Overdrafts and bank facilities	20	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		746 223	**7 420**	**16 563**	**5 111**	**3 462**	**(1 036)**	**7 762**	**1 482**

	Notes	2022							
		Total R'000	Total Euro'000	Total GBP'000	Total AU$'000	Total HK$'000	Total MUR'000	Total US$'000	Total SG$'000
Assets									
Property, plant and equipment	2	21 799	17	985	67	35	16	-	35
ROU assets	3	27 571	325	591	679	182	-	-	166
Intangible assets	4	249 561	2 262	9 022	1 128	-	-	-	1 069
Trade receivables	9	456 123	5 475	10 027	3 753	47 820	1 870	-	1 641
Other receivables	9	145 706	4 062	3 155	703	404	509	-	169
Current tax assets		-	-	-	-	-	-	-	-
Cash and cash equivalents		255 065	4 741	3 878	1 504	998	796	4 841	1
Liabilities									
Trade and other payables	17	(525 052)	(9 444)	(11 210)	(2 746)	(42 644)	(4 549)	-	(1 346)
Current tax liabilties		(21 168)	(512)	(468)	-	(891)	-	-	(84)
Interest-bearing borrowings	14	(13 009)	(755)	-	-	-	-	-	-
Financial liabilities	7	(345)	(20)	-	-	-	-	-	-
Lease liabilities		(28 124)	(328)	(613)	(679)	(201)	-	-	(167)
Overdrafts and bank facilities	20	-	-	-	-	-	-	-	-
		568 127	5 823	15 367	4 409	5 703	(1 358)	4 841	1 484

Foreign currency sensitivity analysis

The following details the Group's sensitivity to an aggregate 10% increase or decrease, at reporting date, in the ZAR against these uncovered foreign denominated monetary assets and monetary liabilities. The amounts below indicate the amounts by which OCI and equity would increase or decrease if the ZAR strengthens or weakens by 10%.

	Group	
Sensitivity analysis	**2023 R'000**	2022 R'000
+ 10%	**74 622**	56 813
– 10%	**(74 622)**	(56 813)

The profit or loss attributable to equity holders of the Company generated in currencies other than the Group's functional currency for the reporting period is as follows:

	2023 Group								
	Total R'000	Total Euro'000	Total GBP'000	Total AU$'000	Total HK$'000	Total MUR'000	Total US$'000	Total VND'000	Total SG$'000
Profit or loss for the year attributable to owners of the Company	150 743	3 217	2 508	1 671	6 395	1 664	(164)	(4 740)	757

	2022 Group								
	Total R'000	Total Euro'000	Total GBP'000	Total AU$'000	Total HK$'000	Total MUR'000	Total US$'000	Total VND'000	Total SG$'000
Profit or loss for the year attributable to owners of the Company	144 903	4 200	2 117	834	8 274	711	-	-	337

Foreign currency sensitivity analysis

The following details the Group's sensitivity to an aggregate 10% increase or decrease in the ZAR during the reporting period against the profit attributable to equity holders of the Company. The amounts below indicate the amounts by which profit or loss and equity would increase or decrease if the ZAR strengthens or weakens by 10%.

	Group	
Sensitivity analysis	**2023 R'000**	2022 R'000
+ 10%	**15 074**	14 490
– 10%	**(15 074)**	(14 490)

31.2 Interest rate risk

The Group is exposed to interest rate risk in respect of variable rate borrowings and variable rate disbursement fees and interest earned on monies disbursed on behalf of customers. This risk is managed predominantly through monitoring and negotiation of interest rates by management on an ongoing basis with financiers and customers.

Interest rate sensitivity

The sensitivity analysis has been determined based on the exposure of interest-bearing borrowings to a 50 basis point increase or decrease in the cost of finance. In the case of finance costs incurred on short-term borrowings to fund recoverable disbursements on behalf of customers, a period of 45 days has been used, being the average credit term granted on trade receivables and the maximum potential rate gap period before which the interest received from customers can be repriced. In the case of finance costs incurred on long-term borrowings, a period of 365 days has been used assuming an annual renegotiation of facilities.

31.2 Interest rate risk continued

Sensitivity analysis	Group 2023 R'000	Group 2022 R'000
If the interest rates had been 50 basis points higher/lower and all other variables held constant, the Group's profit (pre-tax) would increase/decrease by:	**269**	410

31.3 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The credit risk is concentrated in the Group's trade receivables and cash and cash equivalents.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for credit worthiness. Sale limits are established in accordance with the Group's Delegation of Authority and reviewed monthly. In the event that a customer trades above their limit, specific approvals are required.

The Group mitigates credit risk through transacting with a widespread geographical and sectoral customer base and through the ongoing credit evaluation of the financial condition of its customers, resulting in the fact that no single customer contributes more than 5% of total Group revenue.

In the case of SA trade receivables where credit risk is deemed to be higher as a result of the legal obligation imposed by regulatory authorities for the Group to fund significant recoverable disbursements on behalf of customers, credit guarantee insurance cover is purchased for most debtors. This credit insurance cover is provided by Coface SA and covers 80% to 90% of the outstanding trade receivable balance in the event of default.

In the case of trade receivables within the Group's foreign subsidiaries, the materiality of potential financial losses as a result of default is not deemed to be as significant due to the fact that these operations are not required to fund recoverable disbursements on behalf of customers. Nonetheless, credit guarantee insurance is purchased where cover can be placed at commercially acceptable rates. Cover is currently in place for Australia, the Netherlands and Santova Logistics in the UK. Where the Group does not take out credit insurance cover in its foreign operations it recognises adequate loss allowances in respect of credit risk.

At the reporting date, the Group does not consider there to be any material credit risk that has not been insured or adequately provided for.

The carrying amount of the financial assets recognised in the statement of financial position, grossed up for any impairment losses, represents the Group's maximum exposure to credit risk.

The Group grants varied credit terms of between 7 to 60 days to its customers. The analysis of trade receivables which are past due at reporting date is as follows:

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Not past due		**398 755**	458 769	**870**	111
Past due but not impaired:					
- 0 to 30 days		**229 422**	221 968		-
- 31 to 60 days		**42 599**	61 125		-
- over 60 days		**17 964**	11 852		-
- impaired		**28 371**	24 536		-
Trade receivables		**717 111**	778 250	**870**	111
Loss allowance	9	**(40 627)**	(45 038)	**-**	-
Total trade receivables	9	**676 484**	733 212	**870**	111

The following tables address the credit risk exposure on the Group's trade receivables using a provision matrix:

2023	Notes	Balance R'000	ECL rate* %	Loss allowance R'000
Not past due		**398 755**	**1,87%**	**7 439**
Past due:				
- 0 to 30 days		**229 422**	**0,99%**	**2 273**
- 31 to 60 days		**42 599**	**2,24%**	**956**
- over 60 days		**17 964**	**8,84%**	**1 588**
- impaired		**28 371**	**100,00%**	**28 371**
	9	**717 111**	**5,67%**	**40 627**

2022	Notes	Balance R'000	ECL rate* %	Loss allowance R'000
Not past due		458 769	2,42%	11 116
Past due:				
- 0 to 30 days		221 968	1,81%	4 014
- 31 to 60 days		61 125	6,28%	3 840
- over 60 days		11 852	12,93%	1 532
- impaired		24 536	100,00%	24 536
	9	**778 250**	**5,79%**	**45 038**

**ECL rates are determined using a provision matrix based on the Group's historical credit loss experience, adjusted for the following factors:*

General macro-economic conditions of the countries we operate in such as:

- *GDP performance;*
- *Inflation;*
- *Interest rates; and*
- *Geopolitical trends.*

Entity-specific micro-economic conditions in the geographies that we operate in such as:

- *Industry performance;*
- *Customer profile of the Group and a breakdown of whether these customers are largelycorporate customers or individuals;*
- *Credit quality of our customers; and*
- *Collateral or security held.*

Cash and cash equivalents

The Group held cash and cash equivalents of R492 million at 28 February 2023 (2022: R271 million). The Group limits its exposure in respect of cash balances by only transacting with reputable, well-established financial institutions of high quality credit standing.

The loss allowance on cash and cash equivalents has been measured on a 12-month ECL basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore no loss allowance has been recognised on cash and cash equivalents.

31.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The ultimate responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring cash flows and the maturity profiles of financial assets and financial liabilities. There were no defaults of terms with lenders during the reporting periods.

The Group has continued to enjoy uninterrupted access to its facilities, which at the reporting date amounted to:

		Group		Company	
	Notes	**2023 R'000**	2022 R'000	**2023 R'000**	2022 R'000
Facilities available					
Bank overdraft	20	**45 230**	41 299	**-**	-
Medium-term loans	14	**75 000**	75 000	**-**	-
Invoice discounting facilities	20	**368 574**	370 069	**-**	-
Total facilities available		**488 804**	486 368	**-**	-
Facilities utilised at reporting date					
Medium-term loans	14	**25 021**	41 182	**-**	-
Invoice discounting facilities	20	**232 853**	225 903	**-**	-
Total facilities utilised		**257 874**	267 085	**-**	-
Available unutilised facilities					
Bank overdraft	20	**45 230**	41 299	**-**	-
Medium-term loans	14	**49 979**	33 818	**-**	-
Invoice discounting facilities	20	**135 721**	144 166	**-**	-
Total available unutilised facilities		**230 930**	219 283	**-**	-

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

Non-derivative financial assets

	Notes	Within one month R'000	One to three months R'000	Three to twelve months R'000	Greater than twelve months R'000	Total R'000
2023						
Non-interest bearing						
Trade receivables	9	**343 060**	**-**	**-**	**-**	**343 060**
Other receivables	9	**15 459**	**69 567**	**75 836**	**-**	**160 862**
Loans receivable	11	**-**	**-**	**2 175**		**2 175**
Interest-bearing						
Trade receivables	9	**216 445**	**116 978**	**-**	**-**	**333 423**
		574 964	**186 545**	**78 011**	**-**	**839 520**
2022						
Non-interest bearing						
Trade receivables	9	494 228	-	-	-	494 228
Other receivables	9	23 080	103 858	110 082	-	237 020
Interest-bearing						-
Trade receivables	9	142 393	96 591	-	-	238 984
		659 701	200 449	110 082	-	970 232

Non-derivative financial liabilities

	Notes	Within one month R'000	One to three months R'000	Three to twelve months R'000	Greater than twelve months R'000	Total R'000
2023						
Non-interest bearing						
Trade payables	17	**212 875**	**-**	**-**	**-**	**212 875**
Deferred consideration	7	**12 898**				**12 898**
Interest-bearing						
Amounts owing to related parties	18	**-**	**-**	**-**	**-**	**-**
Lease liabilities	16	**1 321**	**3 962**	**10 567**	**14 922**	**30 772**
Interest-bearing borrowings	14	**1 086**	**4 727**	**10 474**	**8 734**	**25 021**
Overdrafts and bank facilities	20	**151 615**	**82 682**	**-**	**-**	**234 297**
		379 795	**91 371**	**21 041**	**23 656**	**515 863**
2022						
Non-interest bearing						
Trade payables	17	329 742	-	-	-	329 742
Interest-bearing						
Amounts owing to related parties	18	288	-	-	-	288
Lease liabilities	16	1 184	3 551	9 469	24 487	38 691
Interest-bearing borrowings	14	1 093	17 840	13 008	22 380	54 321
Overdrafts and bank facilities	20	135 006	92 407	-	-	227 413
		467 313	113 798	22 477	46 867	650 455

Amounts disclosed in the tables above are exclusive of all statutory amounts payable or refundable from a legislative nature in relation to VAT, prepayments and accruals that are not considered to be financial instruments.

Derivative financial assets

	Notes	Within one month R'000	One to three months R'000	Three to twelve months R'000	Greater than twelve months R'000	Total R'000
2023						
Forward exchange contracts	7	**-**	**-**	**-**	**-**	**-**
Profit share on rental agreement	7	**-**	**-**	**-**	**3 502**	**3 502**
Insurance cell captive	7	**-**	**-**	**-**	**4 155**	**4 155**
		-	**-**	**-**	**7 657**	**7 657**
2022						
Forward exchange contracts	7	1 781	-	-	-	1 781
Profit share on rental agreement	7	-	-	-	3 502	3 502
Insurance cell captive	7	-	-	-	3 069	3 069
		1 781	-	-	6 571	8 352

Derivative financial liabilities

	Notes	Within one month R'000	One to three months R'000	Three to twelve months R'000	Greater than twelve months R'000	Total R'000
2023						
Contingent consideration	7	**-**	**-**	**-**	**16 088**	**16 088**
Forward exchange contracts	7	**291**	**-**	**-**	**-**	**291**
		291	**-**	**-**	**16 088**	**16 379**
2022						
Contingent consideration	7	-	-	558	-	558
Forward exchange contracts	7	1 520	-	-	-	1 520
		1 520	-	558	-	2 078

31.5 Capital risk management

The Group manages the capital at its disposal so as to ensure that the Group will be able to continue as a going concern to maximise the return to shareholders.

The Group's capital consists of shareholders' funds, debt, and cash and cash equivalents and the Group's strategy is to maintain an optimal mix of this capital so as to minimise the cost of capital and to have sufficient capital available for allocation to the Group's business operations.

There has been no change to the Group's approach to capital management during the reporting period.

The Group is subject to externally imposed capital requirements by its primary transactional bankers arising in the ordinary course of securing funding facilities *(refer to note 20)*. These capital requirements relate to minimum required levels of shareholders' funds, maximum ratio of debt to EBITDA, and minimum interest cover ratios, and there have been no breaches or defaults of these capital requirements during the reporting periods.

The Group monitors its capital on the basis of a gearing ratio, which is calculated as total interest-bearing borrowings less cash and cash equivalents, divided by total capital and reserves.

The Group's gearing ratio at reporting date was as follows:

	Group	
	2023 R'000	2022 R'000
Interest-bearing borrowings, overdrafts and discounting facilities *(refer to notes 14 and 20)*	**257 874**	280 095
Less: Cash and cash equivalents	**491 968**	270 805
Net debt	**234 094**	9 290
Total capital and reserves	**1 002 876**	765 847
Gearing ratio	**(23,3)%**	1,2%

The levels of gearing within the Group are considered appropriate based on the financing activities undertaken on behalf of it customers, from which the Group generates a market and risk-related net interest margin. In addition, the majority of debt originates from upfront payments received upon the discounting of a portion of its debtors book, which is secured by credit underwriting policies protecting the Group at an average of 80% of the value of the outstanding receivables.

The Board has satisfied itself with regard to the debt levels of the Group. Gearing remains low with no close proximity to any debt covenant triggers.

32. EVENTS AFTER THE REPORTING PERIOD

There were no events material to the understanding of the financial statements that occurred in the period between the reporting date and the publication date of the financial statements.

33. GOING CONCERN

Following due consideration of the operating budgets, an assessment of solvency and liquidity, and other pertinent matters presented by management, the directors have recorded that they have reasonable expectations that the Group and Company have adequate resources and the ability to continue in operations for the foreseeable future. For these reasons, the financial statements have been prepared on the going concern basis.

CORPORATE INFORMATION

SANTOVA LIMITED
Country of Incorporation
Republic of South Africa

Registration Number
1998/018118/06

Share Code
SNV

ISIN
ZAE000159711

NATURE OF BUSINESS
International technology-based trade solutions specialist

DIRECTORS

Independent Non-Executive Directors
ESC Garner (Chairman)
EM Ngubo
ME Stewart
TL Woodroffe

Executive Directors
GH Gerber (Chief Executive Officer)
JS Robertson (Group Financial Director)
AL van Zyl

COMPANY SECRETARY
JA Lupton, FCG
Highway Corporate Services (Pty) Ltd
PO Box 1319, Hillcrest, 3650, South Africa

JSE SPONSOR
River Group
Unit 2, 211 Kloof Avenue, Waterkloof,
Pretoria, 0145, South Africa

GROUP AUDITOR
Moore Johannesburg Inc.
50 Oxford Road, Parktown,
Johannesburg, 2193, South Africa

SHARE REGISTRAR
Computershare Investor Services (Pty) Ltd
Private Bag X9000, Saxonwold, 2132, South Africa

INVESTOR RELATIONS
Contact Persons
GH Gerber (Chief Executive Officer)
JS Robertson (Group Financial Director)

Email Address
investor@santova.com

Contact Number
+27 31 521 0160

SANTOVA HEAD OFFICE AND REGISTERED OFFICE
Physical Address
Level 3 West, 1 Ncondo Place,
Umhlanga Ridge, 4319, South Africa

Postal Address
PO Box 6148, Durban, 4000, South Africa

Registered Office
Santova House, 88 Mahatma Gandhi Road,
Durban, 4001, South Africa

Contact Number
+27 31 521 0160

CORPORATE BANKERS
Nedbank Limited
PO Box 1144, Sandown, 2196, South Africa

A Specialist Provider of Innovative Global Trade Solutions.

- Santova's diversification in terms of geographies, currencies, industries, products and services enables it to manage a global network of inter-connected activities for multinational organisations from origin to point-of-consumption.
- This diversification also enables it to hedge against unexpected 'regional risks' whilst at the same time allowing it to capitalise on opportunities that may present themselves globally.

Head Office
Level 3 West, 1 Ncondo Place,
Umhlanga Ridge, 4319, South Africa

Tel: +27 031 521 0160
Email: enquiries@santova.com
www.santova.com