YORK TIMBERS

ANNUAL REPORT 2022

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YOUR GUIDE

These icons serve as a guide for further information:

This icon denotes information that can be found on our website: **www.york.co.za**

This icon accompanies page number references to elsewhere in this annual report

ABOUT THIS REPORT

This annual report is compiled and presented in accordance with:

- International Financial Reporting Standards (IFRS);
- Companies Act of South Africa, 71 of 2008 (Companies Act);
- Companies Regulations, 2011 (Companies Regulations);
- JSE Limited Listings Requirements (JSE Listings Requirements); and
- King IV Report on Corporate Governance for South Africa, 2016™ (King IV™).

In the section About York Timbers, we introduce York, how we create value, what we offer, its eight-year financial overview and the risks and opportunities arising from its operating environment.

The Chairperson's report and Chief Executive Officer's review outline York's performance for the reporting period and also provide further information on York's future outlook and approach.

The corporate governance section is presented in line with King IV™.

MATERIALITY

We determined which issues could influence the decisions, actions and performance of the Company. All material issues have been included in this annual report and management is not aware of any information that was unavailable or any legal prohibitions to the publication of any information.

FORWARD-LOOKING STATEMENTS

Any forward-looking statements contained in this annual report about York's operations and financial position were prepared based on information available to us at the time of writing. No warranty is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.

This annual report is not intended to be relied upon as advice to investors, whose needs should be considered in consultation with a professional advisor. We do not undertake to update or revise these forward-looking statements after the date of the annual report. Some assumptions will not materialise. Unanticipated events and circumstances may affect the ultimate financial results. Projections are inherently subject to substantial and numerous uncertainties and therefore, the actual results achieved may vary significantly from the forecasts and the variations may be material.

ASSURANCE

PricewaterhouseCoopers Inc., our external auditor, audited the consolidated and separate annual financial statements and issued an unmodified audit opinion thereon.

The external auditor also read the annual report and considered whether any information is materially inconsistent with the consolidated and separate annual financial statements or their knowledge obtained during their audit or otherwise appears to be materially misstated. No such misstatement was reported.

The Group's broad-based black economic empowerment rating and scorecard have been verified by an accredited rating agency, Premier Verification Proprietary Limited.

The Audit Committee had oversight of the preparation of the annual report, including the consolidated and separate annual financial statements, and recommended it for approval by York's Board of Directors (Board).

RESPONSIBILITY FOR THIS ANNUAL REPORT

This annual report was prepared under the supervision of the Company Secretary, Kilgetty Statutory Services (South Africa) Proprietary Limited, and interim Chief Financial Officer, Gabriël Stoltz CA(SA).

The Board is ultimately responsible for ensuring the integrity of the annual report, assisted by the Audit Committee and further supported by management, which convened and contracted the relevant skills and experience to undertake the reporting process and provided management oversight.

The Board, after applying its collective mind to the preparation and presentation of the annual report, approved it for publication.

This annual report is signed on behalf of the Board by:

Nonzukiso Siyotula
Chairperson

Gabriël Stoltz
Chief Executive Officer

20 September 2022

ABOUT YORK TIMBERS

YORK TIMBER HOLDINGS LIMITED (YORK, YORK TIMBERS, THE COMPANY OR THE GROUP) IS A JSE-LISTED FORESTRY COMPANY INTENT ON CREATING VALUE FOR ALL ITS STAKEHOLDERS. SINCE ITS INCORPORATION IN 1916, YORK HAS GROWN INTO A MODERN, INTEGRATED FORESTRY GROUP.

- Owns **sustainable plantations**;
- Employs **technologically advanced** forestry operations;
- Operates **efficient processing** plants;
- Values its **customers' needs**; and
- Delivers **quality products** through a comprehensive distribution network.

HOW WE CREATE VALUE

YORK'S VISION IS TO CREATE VALUE FOR ALL STAKEHOLDERS.

York has extensive, sustainable plantations providing raw material to its processing facilities. This is supplemented from external sources.

It employs people with growth mindsets and applies efficient technology and methods to deliver its value-added products and services to its customers.

York is a responsible corporate citizen in the communities where it operates.

WHAT WE OFFER

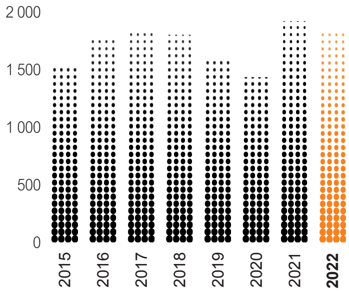
Timber has vast benefits as it is a sustainable resource, carbon positive, sustains rural development and is structurally and architecturally attractive. Consumers are committing to greater use of timber for housing, furniture, doors, frames, decking and other innovative purposes.

Mass timber construction, using advanced engineered wood products, is emerging as a sustainable and preferred alternative building material. York is focusing on structural engineering of advanced wood products within a sustainable and timber-based built environment in South Africa. We are committed to stimulating the development of a sustainable, mass timber construction industry in South Africa based on advanced engineered wood products from locally grown forest plantations.

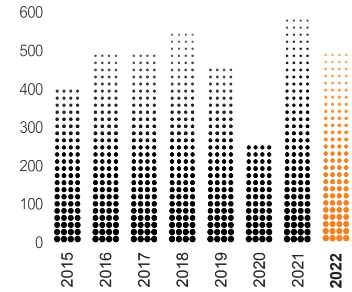
FINANCIAL OVERVIEW

LONG-TERM VALUE CREATION REQUIRES CONSISTENT PERFORMANCE AND POSITIVE CASH GENERATION.

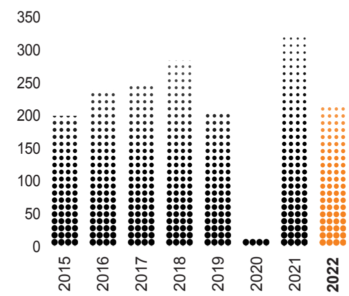
GROUP REVENUE
R'million



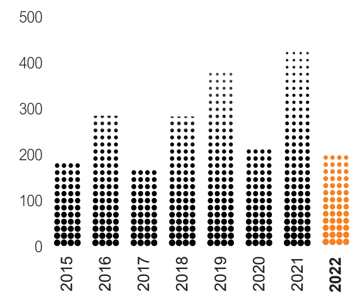
GROSS PROFIT
R'million



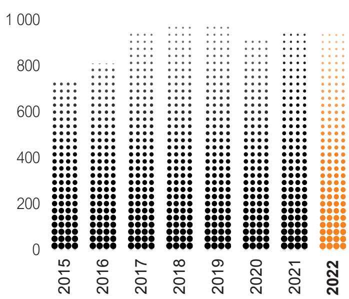
EARNINGS BEFORE INTEREST, TAXATION DEPRECIATION AND AMORTISATION (EBITDA) EXCLUDING FAIR VALUE ADJUSTMENT ON BIOLOGICAL ASSETS
R'million



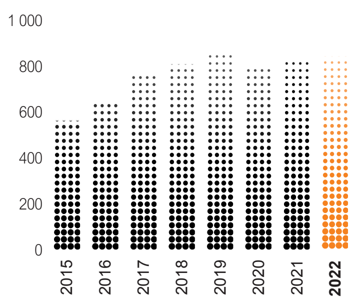
CASH GENERATED FROM OPERATIONS
R'million



NET ASSET VALUE (NAV)
cents



TANGIBLE NET ASSET VALUE (TNAV)
cents



Revenue

R1 839 million
(2021: R1 929 million* ↓ 5%)

Cost of sales

R1 346 million
(2021: R1 339 million* ↑ 1%)

Other operating expenses

R402 million
(2021: R388 million* ↑ 4%)

Core earnings per share

25 cents
(2021: 40 cents* ↓ 38%)

Net finance cost

R32 million
(2021: R45 million ↓ 29%)

Interest-bearing borrowings

R381 million
(2021: R515 million ↓ 26%)

* *Restated*

EIGHT-YEAR FINANCIAL REVIEW

		Audited 2022	Audited* 2021	Audited 2020	Audited 2019	Audited 2018	Audited 2017	Audited 2016	Audited 2015
Group revenue	R'000	**1 838 810**	1 928 589	1 438 825	1 600 522	1 812 350	1 832 805	1 771 049	1 543 149
Gross profit	R'000	**492 574**	589 312	258 067	460 355	552 631	497 502	500 566	404 415
Gross profit margin	%	**26,8**	30,6	17,9	28,8	30,5	27,1	28,3	26,2
Operating profit/(loss) before fair value adjustment on biological assets	R'000	**104 980**	219 480	(82 108)	(106 314)	196 045	151 369	182 933	144 021
Operating margin	%	**5,7**	11,4	(5,7)	(6,6)	10,8	8,3	10,3	9,3
EBITDA, excluding fair value adjustment on biological assets	R'000	**218 135**	322 099	11 646	204 668	283 666	246 101	240 048	199 390
EBITDA to revenue	%	**11,9**	16,7	0,8	12,8	15,7	13,4	13,6	12,9
Net profit before finance costs	R'000	**41 395**	243 540	(238 392)	106 856	272 271	599 038	390 032	196 272
Finance costs	R'000	**37 484**	48 447	61 049	77 537	84 325	88 595	56 632	58 385
Cash flow from operations	R'000	**202 227**	425 446	96 191	223 822	283 173	169 979	284 963	182 574
Biological assets	R'000	**2 808 621**	2 878 151	2 906 890	3 154 557	2 918 550	2 828 518	2 334 327	2 140 067
Interest-bearing borrowings	R'000	**381 310**	514 791	583 898	683 436	804 595	912 302	894 145	743 360
Investment in property, plant and equipment	R'000	**86 795**	82 096	42 085	81 170	64 680	154 258	283 241	203 288
Net working capital	R'000	**141 544**	117 161	159 218	161 517	230 155	245 991	162 685	219 485
Basic earnings	R'000	**29 128**	137 069	(217 637)	(36 268)	138 280	367 286	238 212	101 468
Weighted average number of shares	Number	**320 383**	317 080	318 873	317 439	316 874	317 209	325 286	331 032
Earnings per share	Cents	**9**	43	(69)	(11)	44	116	73	31
Core earnings per share	Cents	**25**	40	(33)	8	26	17	31	21
Headline earnings per share	Cents	**9**	42	(70)	50	45	116	73	29
EBITDA per share	Cents	**68**	102	4	64	90	78	74	60
Net asset value per share	Cents	**952**	950	912	980	990	943	809	731
Tangible net asset value per share	Cents	**841**	838	796	866	811	768	649	565
Return on equity	%	**1,0**	4,5	(7,6)	(1,2)	4,4	12,3	9,0	4,2
Total cost	R'000	**1 733 830**	1 709 109	1 520 933	1 499 024	1 616 305	1 681 436	1 588 116	1 399 128
External log purchases	R'000	**258 046**	247 834	230 986	261 728	201 723	269 982	140 887	210 886
Cost excluding log purchases	R'000	**1 475 784**	1 461 275	1 289 947	1 237 296	1 414 582	1 411 454	1 447 229	1 188 242
Cost as % of revenue	%	**80,3**	75,8	89,7	77,3	78,1	77,0	81,7	77,0

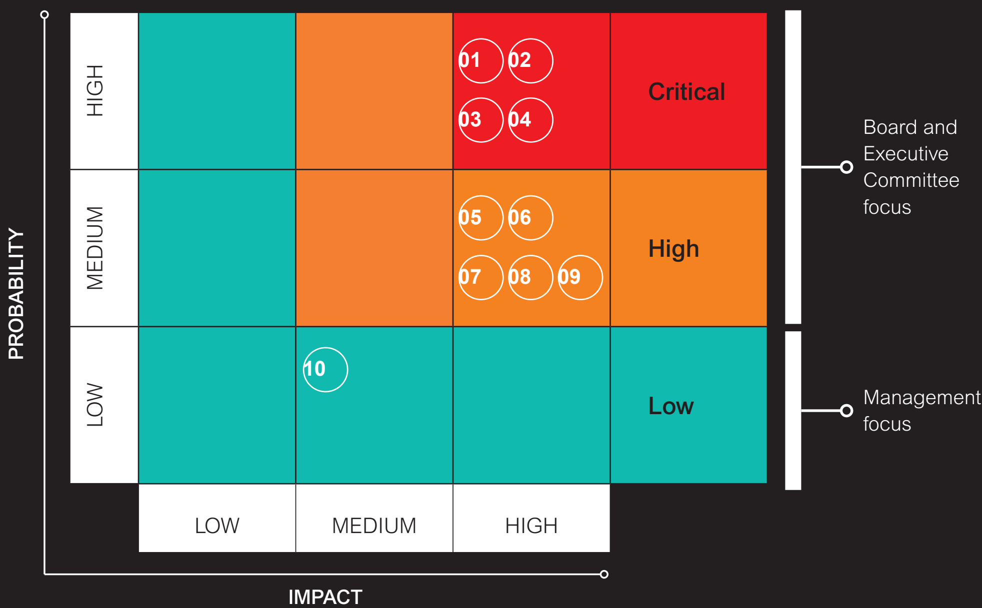
* *Restated.*

TOP 10 RISKS

THE TOP RISKS YORK FACES, TOGETHER WITH THE PROBABILITY OF THESE EVENTS OCCURRING AND THE IMPACT THEREOF (HIGH, MEDIUM AND LOW), ARE LISTED HERE. THE MITIGATING STRATEGIES, TOGETHER WITH OPPORTUNITIES ARISING AND MEASUREMENT OF THE IMPACT, ARE LISTED ON THE FOLLOWING PAGES.

THE BOARD AND MANAGEMENT TEAM CONTINUOUSLY REVIEW THE TOP CORPORATE RISKS TO ENSURE AN APPROPRIATE UNDERSTANDING OF OUR OPERATING ENVIRONMENT.

THE RESIDUAL RISKS FACING YORK ARE REFLECTED ON THIS HEAT MAP:



The numbers on the heat map correspond to risks discussed on pages 6 and 7.

YORK CONTINUALLY ASSESSES ITS MAJOR RISKS AND RESPONSES THERETO.

01 SUB-OPTIMAL HARVESTING AGE

Probability ● Impact ●

- Age profile of plantation and cash flow commitments resulting in trees being harvested at sub-optimal harvesting age.

Mitigating strategy and opportunity arising

- Reduce debt to improve cash flow to ease pressure to fell trees.

02 LOG SUPPLY AND DELIVERY

Probability ● Impact ●

- South African Forestry Company Limited's (SAFCOL) marketing policy.
- SAFCOL's bid process is flawed in that established processing facilities are not prioritised for log security.
- Despite the allocation of bid volumes being far below than what is required, SAFCOL logs are exported at the cost of South African producers who are large employers in rural areas.
- Local processing facilities do not have guaranteed long-term log supply.
- SAFCOL failing to meet contractual obligations due to operational capacity constraints.

Mitigating strategies and opportunities arising

- Ongoing engagement with SAFCOL to ensure that local processing facilities receive priority and guaranteed long-term log supply.
- Managing SAFCOL supply execution by enforcing strict control over their annual plan of operation.
- Alternative log supply solutions are being actively pursued and procured.

03 PLANT AVAILABILITY

Probability ● Impact ●

- Certain mill equipment running with either redundant spares or scarce and expensive replacement parts, resulting in production downtime.
- Ageing and end-of-life equipment.

Mitigating strategies and opportunities arising

- Development of a replacement programme to update drives and programmable logic controllers.
- Development of a capital project programme for the replacement of redundant and high-risk machines.
- Determining the actual time to repair or replace a component should it fail.
- Implementation of a computerised maintenance management system and effectively managing processing asset risks.

04 COST PRESSURE

Probability ● Impact ●

- Rising total cost of employment, electricity and diesel.

Mitigating strategy and opportunity arising

- Review cost models and acquire own equipment to unlock efficiency gains.

05 MARKET

Probability ● Impact ●

- Slower lumber and plywood domestic market.
- Slower plywood international market due to global higher interest rate cycles and the impact on construction.
- Slowdown in residential construction activity given uncertain economic outlook and rising interest/mortgage rates.
- Demand and pricing reduction threat.

Mitigating strategies and opportunities arising

- Delivering timeously on existing order book.
- Maintaining customer confidence in York as a supplier.
- Proactive pricing adjustments.
- Exploring export opportunities and certification requirements.

06 HUMAN CAPITAL

Probability ● Impact ●

- Retention and recruitment of critical skills.
- York staff are being poached by competitors.

Mitigating strategies and opportunities arising

- Competitive remuneration policy and career path development.
- Active recruitment to ensure hired skills are a fit with York's values.
- Incentive programme.
- Opening of offices in Mbombela to expand recruitment pool.
- Explore hybrid/remote work model.

High Medium Low

07 FIRES

Probability: Medium | Impact: High

- Recent strike activities in the Escarpment has resulted in increased arson during the 2022 fire season.
- Fuel load in plantations adds to higher fire risk.

Mitigating strategies and opportunities arising

- Further contribution in self-insurance fund.
- Timeous preparation of all firebreaks.
- Specialised forestry security with a dog unit to patrol high-risk areas.
- Collaborative industry response.
- Focused programme for reduction of fuel load in plantations.
- Identification of high-risk areas, early detection and rapid initial attack.
- Undercanopy burning in appropriate high-risk areas.
- Regional risk mitigation through the newly formed Risk Management Resources NPC and the regional Fire Protection Associations.
- Ensure detection technology is accurate and up to date.
- Combined response between neighbours in fighting fires.
- Interrogating costs of firefighting associations and cost benefit analysis.

08 YORK MARKET CAPITALISATION

Probability: Medium | Impact: High

- York's share price is disconnected from the long-term value of the Company.
- Trading at a substantial discount to net asset value.
- Lack of liquidity with low volume of shares traded determining the perceived value of the business.
- Creates a negative perception of the Company among the investor community.
- Unwillingness of the market to wait for the plantations to return to normality after the 2007/2008 fires (20-year growth cycle).
- Legacy acquisition debt impeding new capital projects.

Mitigating strategies and opportunities arising

- Investment in high-value crop to diversify earnings base.
- Improve communication to shareholders on the intrinsic biological asset value as well as its age profile to manage expectations.

09 COMMUNITY

Probability: Medium | Impact: High

- Poor/lack of basic service delivery of municipalities leading to public unrest and industrial action. This has an indirect impact on operations as well as staff retention.
- Increased politicisation of municipal officers.

Mitigating strategies and opportunities arising

- Active engagement with local and provincial governing bodies on service delivery.
- Management team communicates and engages directly with the community, unions and staff.
- Assisting local municipality in service delivery and repairing infrastructure.
- Continue with various community upliftment projects.
- A number of community forums are in place to ensure better understanding and communication between various stakeholders.

10 DECLINE IN PLYWOOD MARKET PRICE

Probability: Low | Impact: Medium

- Plywood prices have declined in the United States (US) market, but have recently started to stabilise.
- A slight downward adjustment in the European market is expected as well.
- Threat of foreign competitors dumping in the European and other international markets, including the domestic market, remains a risk should Brazil build stock due to lower US market offtake.

Mitigating strategies and opportunities arising

- Adhere to domestic price policy.
- Maintain client base in both domestic and export markets.
- Expand into laminated veneer lumber and develop engineered wood products.
- Introduction of value-added products.

CHAIRPERSON'S REPORT

YORK HAS WEATHERED SEVERAL MACRO-ECONOMIC CHALLENGES TO READY ITSELF FOR RECOVERY.

OUR ECONOMIC ENVIRONMENT

Our operational results are influenced by factors in our external environment and the outlook in the countries in which we operate.

Geopolitical tension, most prominent in Ukraine, has resulted in extreme commodity price swings that will have a profound impact on the global economy over the short to medium term. Price increases in oil and gas as well as food have affected worldwide inflation statistics, especially in the developed world. The additional upward pressure on inflation will reduce household purchasing power across the globe. Furthermore, economic sanctions against Russia can have a lasting and dramatic effect on the world economy in the medium to long term. The supply chain bottlenecks and shortcomings exposed by COVID-19 are expected to endure in the medium term.

The South African economy is plagued by poor service delivery and an energy crisis, manifested by increased load shedding and Eskom plant breakdowns. High fuel and food inflation have dampened consumer confidence and spending. Record unemployment continues to limit economic recovery and has the potential to spark social unrest. The Organisation for Economic Co-operation and Development projects gross domestic product (GDP) to grow by only 1,8% in 2022 and 1,3% in 2023. The commodity prices boom will support exports. Inflation is expected to increase further due to higher energy prices before starting to fall.

Climate-related weather events continue to be the top risks. In April, KwaZulu-Natal was hit by severe flooding and landslides caused by heavy rainfall. Our immediate environment has also experienced very high rainfall in the past year.

The challenging and uncertain external environment manifested itself in pressure on delivery from our suppliers and the supply chains of our customers as well as violent protests linked to wage negotiations. We are pleased to report that the Company has weathered the storm and is set for recovery.

YORK'S PERFORMANCE IN 2022

The economic environment directly impacted York as a result of the health issues brought on by the pandemic, the lockdown, supply chain issues from suppliers, pandemic-related customer issues and the impact of looting and riots.

Despite all these challenges, York was able to deliver the following results for the year:

- Temporary unplanted areas (TUP) reduced by 47% to its lowest level;
- Revenue was down 5% on the previous year;
- Borrowings were reduced by 26%; and
- Biological assets are down 2% despite a significant change in the discount rate.

More detail on the year's performance can be found on page 3.

CHANGES TO THE BOARD

The Board has seen many changes during the financial year.

The Group was saddened by the passing of our CEO, Pieter van Zyl, at the beginning of the financial year. He has been replaced as CEO by Gabriël Stoltz, who will continue to act as interim CFO until a candidate has been appointed for the CFO position.

Dr Jim Myers retired as Chairman of the Board after 15 years. Dinga Mncube resigned as an independent non-executive director and Sue Hsieh resigned as Company Secretary. We thank them for their contributions and wish them well for the future.

We appointed and welcomed the following new non-executive directors:

- Lindani Dhlamini (from 21 September 2021);
- André van der Veen (from 11 November 2021);
- Adrian Zetler (from 15 July 2022); and
- Alton Solomons (from 15 July 2022).

See their abbreviated curriculum vitae on page 15.

I am pleased to work with them and thank them for the contributions they have already made and their commitment going forward.

The Board is satisfied that it currently reflects an appropriate balance of knowledge, skills, experience, competencies in industries and fields relevant to the Group's business operations, diversity and independence to execute its roles and responsibilities effectively.

OUTLOOK

The Board remains committed to its strategy of delivering value for all stakeholders. The fundamentals in the business are sound, with healthy forests, a talented and experienced management team and a workforce to support the strategy.

We are confident in York's product quality and its ability to capitalise on opportunities internationally as the global economy continues its post-pandemic recovery.

APPRECIATION

On behalf of the Board, I wish to thank all stakeholders for their valuable contributions to the Group, often in trying circumstances – our major shareholders for their ongoing support, our valuable clients and suppliers and our committed management team and employees for their extra effort.

Nonzukiso Siyotula
Chairperson

20 September 2022

CHIEF EXECUTIVE OFFICER'S REVIEW

RESET AND REBUILD

YORK'S PERFORMANCE IN 2022

Coming off York's highest-ever EBITDA result in 2021, York's financial year can be summarised as follows:

REDUCED UNPLANTED AREAS

The Company established 4 346 hectares to reduce its TUP to its lowest level since the 2008 fires. The establishment underpins the renewable nature of York's resources and ensures sustainability for York's stakeholders.

REDUCED DEBT

York continued to reduce interest-bearing borrowings by R133 million during the year. The decreased burden of debt repayment allows York to better manage the harvesting of its own timber in order to optimise returns to shareholders.

WET WEATHER CONDITIONS

Our operations experienced abnormally high rainfall during the year – the highest since 2000. Apart from the higher rainfall, an increase in rainfall events contributed to roads not drying out. The higher rainfall impacted harvesting and deliveries of logs to our processing sites resulting in lost production.

York has implemented depot systems for all its thinning operations in the Escarpment. These systems allow stock to be built up at depots that are more accessible during wet spells. Another advantage is that contractors are paid when logs are accessible for transport, as opposed to the previous system where payment was based on logs tagged at roadside.

York is stockpiling logs on wet deck in preparation for the coming wet season.

SECURITY OF RAW MATERIAL

Log supply problems experienced by SAFCOL from April 2021 made it difficult to timeously build adequate buffer stocks in preparation for the wet season. The volume required was only fully secured late into the financial year. Driekop sawlogs and plywood logs were delivered at consistently lower volumes than required.

SAFCOL-AWARDED BID VOLUMES

York remains dependent on SAFCOL for log supply to its processing sites. Following the 2022/2023 bid award, only circa 64% of the required bid volume was allocated to York. Given the violent industrial action, coupled with the lack of log security for all of York's operations, we were forced to make the difficult decision to mothball the Driekop sawmill, which came with substantial job losses. York anticipates having 100% raw material security for the rest of the processing facilities (Sabie sawmill, plywood plant and Jessievale sawmill) after taking this decision. We remain of the view that SAFCOL's bidding process is flawed as it allows logs to be exported to Eswatini instead of allocating the required volumes to South African processing facilities. York continues to engage with SAFCOL to secure logs for its operations to remain sustainable and provide job security for its employees.

RESOLVED PROTRACTED LABOUR ACTION

Certain employees of the Company, affiliated with the National Union of Metalworkers of South Africa (NUMSA), embarked on a strike at York's Escarpment operations from 25 April 2022 to June 2022. While considered a protected strike initially, the Labour Court confirmed the strike as unprotected on 7 June 2022, whereafter ultimatums were issued for striking employees to return to work. The strike was marred by violence, with arson, damage to property, intimidation and assault inflicted on individuals. This despite obtaining court orders compelling striking employees to abide by the picketing rules and NUMSA to respect the recognition agreement between it and York.

Disciplinary hearings were held and sanctions were handed down for employees who did not return to work. Employees who contravened the picketing rules and committed gross misconduct were dismissed. Management did not overturn or reverse any dismissed employees' sanctions to final written warnings, as demanded by NUMSA. The recognition agreement with NUMSA was terminated based on their inability to remedy a material breach. As a result, it is no longer the majority recognised union at York. Operations at the Escarpment facilities have been reinstated (albeit not yet at full capacity). York was well supported by the community, religious leaders, and local businesses during the strike.

After the strike, focus was placed on recruiting and appointing candidates from the local communities. This is to ensure the communities in which York operates are supported, and employees reside in or nearby York's operations. Employee workplace forums will be established so that the Company is the first point of communication or contact by employees when addressing employee and business needs.

DIVISIONAL OVERVIEW

York delivered EBITDA of R218 million (2021: R322 million). The Processing segment achieved EBITDA of R203 million compared to R150 million in the prior year. The improved EBITDA was mainly the result of good price recovery in lumber and plywood prices, and the Group aims to benefit from volume growth in the future.

The Wholesale division reported EBITDA of R158 million with good margins (2021: R34 million). The division executed well on its business model, trading in timber products during the industrial action at York's Escarpment operations.

The Forestry and Fleet segment delivered an EBITDA loss of R128 million (which included planting costs of R57 million) versus a R145 million profit in the prior year. The segment was negatively impacted by the high rainfall and its inability to harvest and transport timber during the rainy season, followed by the industrial action. Increases in fuel prices and long lead distances further impacted the segment's results.

External log purchases of R258 million were made in the current year (R248 million in the prior year) to assure the long-term sustainability of log supply while we focus on nurturing our plantations to reach normalised production.

The Agricultural segment reported an EBITDA loss of R16 million versus a profit of R4 million in the prior year. Despite high yields and pack-out quality, prices were low in local and international markets. The reported loss includes costs associated with the maintenance of the established 40 hectares of soft citrus orchards that are not yet in production.

Debt reduced from **R515 million** to

R381 million

TNAV per share is up from **838 cents** to

841 cents

York has grown revenue by 3% compounded annual growth rate since June 2015

OUTLOOK

York's **plantations** are its key strategic asset. While significant log volumes are still required from external sources until our plantations return to a normal rotation cycle, this key asset will be carefully managed in order to deliver the optimal mix of cash flows and returns to shareholders. While management is currently performing a strategic review, it is clear that the current clearfelling age is sub-optimal and not delivering appropriate shareholder returns. While such a change will require substantial investment, York is better positioned to reassess its clearfelling approach given its reduced debt levels compared to previous years. While some patience will be required from shareholders, we believe that the increase in harvesting age will significantly improve shareholder returns in future years.

The **Agricultural segment** looks forward to a recovery in fruit and nut prices, following the steep decline of such prices in the wake of the Russian invasion of Ukraine, and a reduction in supply chain and logistics costs. An additional 60 hectares of soft citrus will be established in the new financial year, with the first small crop (a year earlier than forecast) expected from the first citrus plantings. The citrus varieties planted can accommodate the additional cold treatment required by the recently promulgated EU regulations, albeit at a higher cost.

In a global and local environment where we face the prospect of continued high inflation, York remains resolutely focused on improving operational efficiencies and diversifying its product offering. York is also focused on developing export markets for its lumber and plywood, thereby diversifying its earnings base away from a changed domestic economy.

FAREWELL

I would like to wish three erstwhile colleagues a very fond farewell.

Dinga Mncube resigned as an independent non-executive director of the Company at the end of May 2022. He was a vital figure in York's transformation efforts, backed up by his extensive industry experience. We wish him the very best in his personal and professional pursuits.

Dr Jim Myers retired as Chairman of the Board of Directors in June 2022 after 15 years with the Group. He guided the Company with distinction and we are extremely grateful for his immense guidance during his tenure. He was replaced as Chairperson by Nonzukiso Siyotula with effect from 21 June 2022.

Sue Hsieh resigned as Company Secretary with effect from 29 July 2022, to pursue other opportunities. I had the privilege of working with Sue for over nine years. I thank her for her dedication to York and support to the executive team.

GRATITUDE

I extend my gratitude to our Board for their ongoing dedication and their support to management. I want to thank the dedicated and loyal staff of York who continued to work hard and protect York's assets through the strike.

Gabriël Stoltz
Chief Executive Officer and interim Chief Financial Officer

20 September 2022

02

CORPORATE GOVERNANCE

- Executive Committee
- Remuneration and Nomination Committee
- Audit Committee
- Risk and Opportunity Committee
- Social and Ethics Committee

BOARD OF DIRECTORS

for the reporting period

NONZUKISO SIYOTULA

(BORN 1984)
CHAIRPERSON, INDEPENDENT NON-EXECUTIVE

Appointed: 21 June 2022

Qualifications: *Bachelor of Accounting Science (Wits); MBA (GIBS); CA(SA)*

Skills and experience: Nonzukiso's diverse professional experience ranges from general management, finance, corporate governance, strategy, restructuring and business development through to sales and distribution. She currently serves as a non-executive director on various boards in the listed, unlisted, and public sectors, namely the Bidvest Group Limited, Salungano Group Limited (formerly Wescoal Holdings Limited), Toyota Financial Services (South Africa) Limited, African Bank Limited, Ogilvy & Mather and Conduit Capital Limited.

DR AZAR JAMMINE

(BORN 1949)
INDEPENDENT NON-EXECUTIVE

Appointed: 5 October 2010

Qualifications: *BSc Hons Mathematical Statistics (Wits); BA Hons Economics cum laude (Wits); MSc Economics (London School of Economics); PhD Economics (London Business School); Post-doctoral Fellowship Centre for Business Strategy (London Business School)*

Skills and experience: Azar started his career as an investment analyst and has more than 30 years' experience in economics. He specialises in macro-economics and financial markets and is co-author of the books McGregor's Economic Alternatives, Trends Transforming South Africa and Mindset for the New Generation Organisation. York is fortunate to have Azar with his distinguished reputation guiding its approach to its economic challenges.

GABRIËL STOLTZ

(BORN 1978)
CHIEF EXECUTIVE OFFICER AND
INTERIM CHIEF FINANCIAL OFFICER

Appointed: 1 December 2017

Qualifications: *BCom Accounting (Hons) (CTA) (Pretoria); CA(SA)*

Skills and experience: Gabriël has close to 20 years of experience in the timber industry. Before he was appointed as CFO, he functioned successfully as the Corporate and Processing Financial Manager and participated on the senior management committee for five years at the Company. As CFO and acting CEO, he managed the Company through the post-pandemic recovery and industrial action during this financial year. He has valuable knowledge and experience of the Company and the timber industry. He has extensive expertise in financial modelling and demonstrates sound financial technical expertise. His strategic financial decision-making skills, leadership experience shown in a listed environment as well as proficiency in solid wood processing and forestry financial management are extremely valuable to York.

MAXWELL NYANTEH

(BORN 1978)
INDEPENDENT NON-EXECUTIVE

Appointed: 14 February 2019

Qualifications: *BCom Accounting (Hons) (CTA) UCT; CA(SA)*

Skills and experience: Max has over 15 years of experience in financial services, which includes, inter alia, current employment at Identity Capital Partners as part of a team of professionals whose activities include carrying out strategic investments and advisory work. His previous employment was at Standard Bank, in the capacity of Dealmaker – Leveraged Finance where he was responsible for deal sourcing, financial structuring, negotiation and execution of leveraged financed-type transactions in the business banking area.

HETISANI MBANYELE-NTSHINGA

(BORN 1980)
INDEPENDENT NON-EXECUTIVE

Appointed: 14 February 2019

Qualifications: *National Diploma Animal Production Agri Seta; BTech Human Resources Management (Technicon Witwatersrand); PDBA and Candidate MBA (Wits)*

Skills and experience: Hetisani has extensive experience in the forestry and agricultural sectors and was responsible for growing Yarona Farms from a subsistence farming company to an award-winning maize producer in the Free State. Her valuable knowledge of human resource practices and outsourced management was attained in various capacities to senior management at Eskom, National Treasury, the National Empowerment Fund and Afgri.

ANDRIES BRINK

(BORN 1958)
INDEPENDENT NON-EXECUTIVE

Appointed: 14 February 2019

Qualifications: *BCom Accounting (Pretoria), (Hons) (CTA) Unisa; CA(SA)*

Skills and experience: Andries is a qualified chartered accountant with over 30 years of experience in auditing domestic and multinational companies until his retirement in 2018. He currently serves as a non-executive director at a number of international companies in South Africa. He served on the Africa Governance Board of PricewaterhouseCoopers (PwC) for four years and, until recently, he acted as a leader of Africa Private Company Services (PCS) and the PwC Global PCS leadership team.

LINDANI DHLAMINI
(BORN 1973)
INDEPENDENT NON-EXECUTIVE

Appointed: 21 September 2021

Qualifications: *BSc Computer Science; Bachelor of Commerce and Postgraduate Diploma in Accounting (UCT); MBA (Liverpool University); CA(SA)*

Skills and experience: Lindani has over 25 years' experience in corporate finance, financial management and auditing and is well informed in governance and risk. She currently serves as the CEO and co-founder of SkX Protiviti and previously served as a member of the boards of Mustek Limited, Afrocentric Limited, Old Mutual Alternative Solutions, Old Mutual Investment Group SA and the Industrial Development Corporation.

ALTON SOLOMONS
(BORN 1975)
NON-EXECUTIVE

Appointed: 15 July 2022

Qualifications: *BAcc (University of Stellenbosch); CA(SA); CFA® Charterholder*

Skills and experience: Alton has served on numerous boards and other governing structures both in the listed and private space, across various industries. He served as the CEO of Sanlam Private Equity from January 2012 until January 2019 and is currently Head of Growth Catalyst and Listed Equities at the Industrial Development Corporation of South Africa.

ADRIAN ZETLER
(BORN 1981)
NON-EXECUTIVE

Appointed: 1 September 2021, re-appointed on 15 July 2022

Qualifications: *CA(SA); CFA® Charterholder*

Skills and experience: Adrian is a qualified chartered accountant and CFA® Charterholder. He started his career at PricewaterhouseCoopers Inc. where he first completed his articles and then spent two years as a valuation specialist in their UK corporate finance team. Adrian is currently a partner at A2 Investment Partners Proprietary Limited. Prior to this, he served as an analyst and portfolio manager at Coronation Fund Managers for 12 years, where he co-managed Coronation's Houseview strategies and the Coronation Industrial Fund.

ANDRÉ VAN DER VEEN
(BORN 1971)
NON-EXECUTIVE

Appointed: 11 November 2021

Qualifications: *BCA(SA); Chartered Global Management Accountant; CFA® Charterholder*

Skills and experience: During his 30-year career, André has invested in and managed several companies across a wide range of industries. He has served as a director of numerous companies including Tsogo Sun Holdings Limited, Clover Industries Limited, Hosken Consolidated Investments (HCI) and Montauk Energy Holdings Limited.

André was the CEO of Johnnic Holdings Limited, KWV Holdings Limited, Niveus Investments Limited and E-Media Holdings Limited, the parent company of ETV. He established and served as Chairman of HCI Coal Proprietary Limited. André is currently a partner at A2 Investment Partners and is the Chairman of Alphawave Holdings, a specialised technology holding company and a director of Novus Holdings Limited.

DR JIM MYERS
(BORN 1940) US CITIZEN
CHAIRMAN AND INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: 26 February 2007, resigned 8 June 2022

Qualifications: *BA Mathematics (Texas A&M); MA Mathematical Physics (Arizona); PhD Industrial Engineering/Operations Research (Texas Tech)*

Skills and experience: Jim has over 30 years' international business experience, specialising in the telecommunications industry. Jim's wide-ranging experience included the definition, development and implementation of management systems for the finance, engineering and production disciplines. He first came to prominence in Africa when he led the team that acquired MTN South Africa in the early 1990s on behalf of the giant American company before it was later sold. He was the principal driver behind the establishment and promotion of the consortium that acquired the SBC/Telekom Malaysia equity stake in Telkom SA.

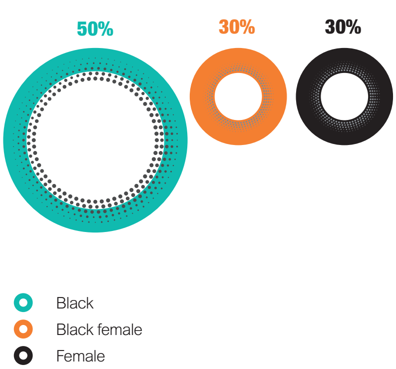
DINGA MNCUBE
(BORN 1959)
INDEPENDENT NON-EXECUTIVE

Appointed: 6 March 2013, resigned 31 May 2022

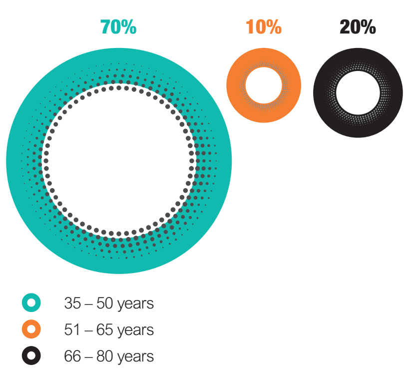
Qualifications: *BSc Forestry (Washington State); MSc Forestry Business (Idaho); MCom Business Management (Johannesburg)*

Skills and experience: Dinga has over 20 years' executive experience in forestry, timber processing, paper and pulp businesses. He was a leading figure in the forestry transformation process. Among other achievements, Dinga played a prominent part in the revival of Project Grow, an award-winning enterprise development programme at Sappi. He played a key role in driving Sappi's R814 million black economic empowerment transaction in 2010. Dinga was a vital figure in York's transformation efforts, backed up by his solid industry experience.

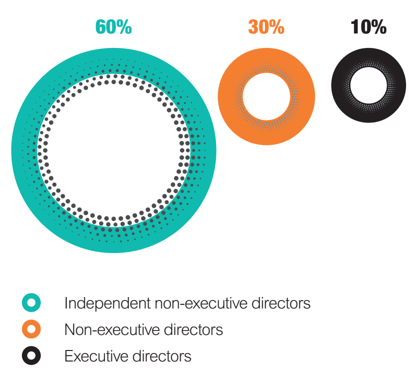
BOARD DIVERSITY



DIVERSITY OF AGE



INDEPENDENCE



CORPORATE GOVERNANCE

COMMITMENT TO ETHICAL AND EFFECTIVE LEADERSHIP

York's governing body is its Board and it supports integrated thinking, which takes account of the connectivity and interdependencies between a range of factors that affect York's value creation ability in a sustainable manner. The Board considers good corporate governance as integral to the organisation and essential to creating value for all stakeholders and enhancing the performance of York and its subsidiaries (Group).

The Board understands that the foundation of good corporate governance is ethical and effective leadership, which will yield beneficial governance outcomes such as sustainable performance and value creation for the Group and its stakeholders. The Board is committed to such leadership by providing strategic direction and informed oversight of implementation and performance to management.

STATEMENT OF COMPLIANCE

York subscribes to full compliance with the Companies Act, and the relevant laws governing its establishment, specifically relating to its incorporation. Furthermore, York operates in conformity with its memorandum of incorporation (MOI), the JSE Listings Requirements and King IV™, as well as all other applicable laws and regulations.

APPLICATION OF KING IV™

This report has been prepared in terms of the JSE Listings Requirements, where certain practices of King IV™ are mandatory.

GOVERNANCE STRUCTURE

The Board has a charter that sets out a clear division of responsibilities at Board level. The charter also ensures that there is a balance of power and authority at Board level to ensure that no one director has unfettered powers of decision-making.

The Board delegates authority to relevant Board committees to ensure that all issues of strategy, performance, resources, standards of conduct and responsible governance are applied.

The roles of the independent non-executive Chairperson and the CEO are separate and distinctly defined.

The CEO is responsible for leading the implementation and execution of the approved strategy, policy and operational planning and also serves as the chief link between management and the Board.

The Company Secretary supports and co-ordinates the functioning of the Board and its committees.

A brief résumé of each director is on pages 14 and 15 reflecting diversity in terms of field of knowledge, skills, experience, race, culture and age.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board considers the indicators set out in King IV™ holistically and on a substance-over-form basis when assessing the independence of each director for purposes of categorisation. The majority of directors serving on the Board are classified as independent as they have an absence of an interest, position, association or relationship which is likely to influence unduly or cause bias in decision-making. The Board is satisfied that these directors act with independence of mind and in the best interest of the Company.

One non-executive director, who has served for longer than nine years on the Board, will continue to serve in an independent capacity until re-election. The Board has concluded that the member exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

BOARD CHANGES

Directors are appointed in a formal and transparent manner. Each director has been separately identified by the Nomination Committee as a person with the required skills, business experience and qualifications as well as ethical integrity to contribute to the strategy and performance of the Company.

The Board considers the nomination and values of those candidates that will ensure diversity among the Board members, taking into account the recommendations put forward by the Nomination Committee.

Appointments of directors are ratified at the annual general meeting (AGM) of shareholders.

Lindani Dhlamini was appointed as an independent non-executive director on 21 September 2021 and André van der Veen was appointed as a non-executive director with effect from 11 November 2021.

Dinga Mncube resigned as an independent non-executive director of the Company on 31 May 2022. He was the individual with the most extensive knowledge of the industry, its operations and individuals within. Dinga's contribution to the Board over the years of his service has been immeasurable.

Dr Jim Myers retired as Chairman of the Board and resigned as an independent non-executive director on 8 June 2022. His calm leadership, positive encouragement, inclusive approach to all Board members and contribution to the Company during his 15-year tenure has been invaluable.

Nonzukiso Siyotula was appointed as an independent non-executive director and Chairperson of the Board, with effect from 21 June 2022. Gabriël Stoltz was appointed as the full-time CEO and interim CFO on 1 July 2022. Alton Solomons and

Adrian Zetler were appointed as non-executive directors of York with effect from 15 July 2022.

One-third of the non-executive directors are required to retire by rotation at the AGM as required in terms of the Companies Act and York's MOI. Details of the directors that will be considered for re-election are given in the notice of AGM to shareholders. The Board supports the re-election of these directors.

DIRECTOR INDUCTION

Newly appointed directors participate in an induction programme managed by the CEO and Company Secretary. The induction programme familiarises new directors with their rights, duties and functions to ensure that they attain a level of understanding of the business, operations and industry as well as to maximise the level and degree of their contribution to the Board.

New directors are provided with essential knowledge of the Company's strategy, risks, operations and knowledge of industry perspectives. New directors attend a site visit as part of their induction to familiarise themselves with the forestry and sawmilling operations. They are also given an opportunity to meet the management team. The site visit and interaction with the management team allows new directors to gain a comprehensive understanding of York, its business environment and the markets in which it operates.

DIRECTOR DEVELOPMENT

As part of the directors' development at York, a series of meetings, presentations, site visits and events are held throughout the year. These visits provide valuable insight for the directors to track value creation for all stakeholders of the organisation.

During June 2022, the directors visited York's agricultural operations. During the visit, directors had opportunities to interact with staff from various divisions ranging from junior to management levels.

Directors received training on amendments to the JSE Listings Requirements during July 2022.

BOARD COMMITTEE COMPOSITION

The allocation of roles and responsibilities and the composition of Board committees have been considered holistically by the Board with the aim of promoting effective collaboration among committees with minimal overlap and fragmentation of duties, as well as a balanced distribution of power. These delegation arrangements are to promote independent judgement, to assist with balance of power and to assist with the effective discharge of its duties by the Board. Members of executive and senior management are invited to attend Board committee meetings, either by standing invitation or on an ad hoc basis to provide pertinent information and insights in their areas of responsibility.

BROAD DIVERSITY DISCLOSURE

York has adopted a formalised policy on the promotion of broad diversity at Board level, which is reflective of the process followed in appointing its Board. The voluntary target set for female representation on the Board has been set at 10% and a voluntary target for race diversity was set at 40%. Gender and race diversity targets improved to 37,5% and 50%, respectively, during the financial year.

Diversity targets relating to the composition of the Board are considered and, in the event of replacement opportunities for directors, the balance of skills, experience, independence and knowledge required to enable the Board to properly perform its duties and meet its responsibilities are also taken into account.

York's policy on the promotion of broader diversity at Board level is available at **www.york.co.za**

EVALUATION OF THE PERFORMANCE OF THE BOARD

Performance evaluations of the Board, its committees, the Chairperson and individual members were undertaken during the reporting period. The evaluations were conducted formally and in accordance with the methodology approved by the Board and were not externally facilitated. The contribution, value and participation were considered satisfactory and positive.

The Board is satisfied that the evaluations process is improving its performance and effectiveness. It is also satisfied that all committee members collectively have the skills, experience, independence and knowledge to fulfil the mandate and that all the committees have performed their responsibilities in compliance with their terms of reference for the period under review.

DIRECTORS' DISCLOSURES OF CONTRACTUAL INTERESTS

Directors of the Company provide disclosures of contractual interests to the Company Secretary as soon as such contractual interests arise. Directors are also given the opportunity to disclose any material interest in contracts with the Company or its subsidiaries at every Board meeting in terms of section 75 of the Companies Act. These updated disclosures are noted by the Company Secretary and kept in a separate register of directors' disclosures.

BOARD AND COMMITTEE MEETING FREQUENCY

Board committee membership, attendance and compliance with King IV™

Board and committee meeting attendance for the year under review:

	DIRECTOR	BOARD	AUDIT COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	RISK AND OPPORTUNITY COMMITTEE
Independent	Dr Azar Jammine	10/10	5/5	5/5 Remuneration[#]		
	Dr Jim Myers	9/10		5/5 Nomination[#]		2/2
	Dinga Mncube	9/10			2/2	2/2[#]
	Maxwell Nyanteh	10/10	5/5		2/2	
	Hetisani Mbanyele-Ntshinga	10/10		5/5	2/2[#]	
	Andries Brink	10/10	5/5[#]			2/2
	Lindani Dhlamini	8/10		2/5		1/2
	Nonzukiso Siyotula	1/10				
Non-executive	Adrian Zetler	3/10		2/5		
	André van der Veen	6/10		1/5		1/2
Executive	Gabriël Stoltz	10/10	5/5[##]		2/2	2/2
Membership compliance with King IV™		Majority independent non-executive directors	All independent non-executive directors	**Remuneration** All non-executive directors with majority and Chairman being independent **Nomination** All non-executive directors with majority being independent	Executive and non-executive directors with majority being non-executive	Executive and non-executive directors with majority being non-executive
			Each committee comprises at least three members			

[#] *Chairperson during the period.*
[##] *By invitation.*

COMPANY SECRETARY

The Company Secretary was appointed on a full-time basis during the reporting period and provided professional and independent guidance on corporate governance and legal duties, and co-ordinates the functioning of the Board and its committees. The Company Secretary also ensured that the appropriate statutory and other records are maintained. The Board is assured that the Company Secretary has the necessary competence and objectivity to provide independent guidance and support at the highest level of decision-making in the Company. The Board has ensured that the Company Secretary is empowered and that the position carries the necessary authority.

The previous Company Secretary, Han-hsiu Hsieh resigned with effect from 29 July 2022 and Kilgetty Statutory Services (South Africa) Proprietary Limited was appointed as Company Secretary with effect from 1 August 2022. The Board confirms that the Company Secretary maintains an arm's-length relationship with the Board and the directors and is not a director of the Company. Based on the outcome of a formal assessment conducted by the Chairperson and CEO on the Company Secretary's performance and independence, the Board is of the opinion that the Company Secretary has the requisite competence, qualifications, knowledge and experience to carry out the duties of a secretary of a public company, and is suitably independent of the Board to be an effective steward of the Company's corporate governance framework.

DEALINGS IN SECURITIES

During the period under review, York's share trading policy and rules were adhered to and, when required, the necessary consent was obtained by directors and/or staff to trade in York securities.

The policy and rules mirror the provisions of the Financial Markets Act, 19 of 2012, and the JSE Listings Requirements and were drawn up in the spirit of good corporate governance. In summary, the directors and the Company Secretary are prohibited from trading in York securities during any prohibited periods which includes any time when any of the directors are aware of unpublished price-sensitive information and/or if clearance to deal in securities has been refused.

Directors, prescribed officers and the Company Secretary, as well as directors and the Company Secretary of a major subsidiary of York, must obtain clearance to deal in York securities from the Chairperson of the Board and, in the case of the Chairperson, from the Chairman of the Audit Committee or the majority of the other directors serving on the Board.

The closed periods are from 1 January to the date of publication of the interim results and from 1 July to the date of publication of the preliminary, abridged or provisional annual financial statements, as well as during any cautionary period.

The policy is freely available to directors and employees from either the Company Secretary or York's Human Resources division.

Clearance for director dealings was given in terms of paragraph 3.66 of the JSE Listings Requirements.

Directors' shareholdings are detailed on page 31.

ORGANISATIONAL INTEGRITY AND CODE OF ETHICS

Directors and employees are required to maintain the highest ethical standards to ensure that York's stakeholders are assured of its integrity and good faith in their interactions with the Company. York has a documented Code of Ethics and Business Conduct (the Code), which commits each director and employee to the vision of growing value for the stakeholders of York. The Code addresses a broad range of accepted statutory obligations and best practice requirements. The Code is available online and in the employee handbook.

FAIR BUSINESS PRACTICES

York subscribes to the principles regulating fair business practices set out in the Competition Act, 89 of 1998, and administered by the Competition Commission of South Africa. As such, its employees and officers are prohibited from engaging in any form of anti-competitive practice that amounts to collusive conduct among parties or with other persons.

GOING CONCERN

The directors believe that the Group will continue as a going concern in the financial year ahead.

More detail is available in the Audit Committee report on page 29.

CERTIFICATE OF THE CHAIRPERSON AND COMPANY SECRETARY IN TERMS OF THE JSE LISTINGS REQUIREMENTS

The Chairperson and Company Secretary hereby certify that, to the best of their knowledge, judgement and belief and after due and careful enquiry, the Company has complied, where applicable, with the JSE Listings Requirements.

Nonzukiso Siyotula
Chairperson

Kilgetty Statutory Services (South Africa) Proprietary Limited
Company Secretary

20 September 2022

SOCIAL AND ETHICS COMMITTEE REPORT

The committee's mandate is to, among others, monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice relating to social and economic development, organisational ethics and the Company's approach to labour and employment. During the reporting period, Dinga Mncube stepped down as Chairman of the committee and Hetisani Mbanyele-Ntshinga was appointed committee chairperson on 16 September 2021.

The King IV™ application register is available at **www.york.co.za**

FOCUS AREAS

Compliance audit

SIZA (Sustainable Agriculture in South Africa) adopted a third-party audit approach to allow for a credible and objective process that can reflect the audit outcome and ethical labour practices in a business. A SIZA social (ethical) audit is not a pass or fail exercise but rather aimed at assisting people living and working in agriculture to drive ongoing improvement in terms of socially responsible business practices. The third-party audit aims to evaluate the implementation of labour legislation through the SIZA Social Standard by assessing and identifying areas within the business that are non-compliant and require corrective and remedial actions to ensure continuous improvement. In July 2021, SIZA conducted an ethical audit at York's Agricultural division and this division was awarded platinum risk status (highest honour) valid for three years.

COMPOSITION AS AT REPORTING DATE

Chairperson: Hetisani Mbanyele-Ntshinga

Other committee members:
Maxwell Nyanteh, Gabriël Stoltz, Adrian Zetler and Alton Solomons

The Company Secretary of York acts as the Committee Secretary

Corporate social investment (CSI) and community engagements

The road conditions and the municipality's inability to provide overall service delivery in Sabie have a knock-on effect on retaining skills in the Company as this impacts the lifestyle offering in Sabie. The Company can contribute to the community in which it operates but cannot stand in for municipal functions and duties. One of the first projects identified was to improve the Sabie road conditions. The Company will engage with the community, including political engagement on local and provincial levels for this project.

During the reporting period, the Company's list of stakeholders was updated to enable management to reach out and invite relevant stakeholders to regular meetings and strengthen networking and relations with York. This approach has received support, for example, during the industrial action that commenced on 25 April 2022, the local taxi associations were willing to assist the Company by providing safe passage for employees (who did not want to participate in the strike) to report for work.

COVID-19 management

Government implemented the relaxation of COVID-19 regulations during mid-June 2022. During the reporting period, the Company's compliance with the COVID-19 Occupational Health and Safety measures at the workplace was audited. This was to check whether the workplace measures were adhered to, such as the COVID-19 Occupational Health and Safety Regulations and the Company's COVID-19 Policy. These measures were monitored via a compliance checklist. Most of the COVID-19 directive and policy requirements were designed and put in place at all the operational sites. Where non-compliance was identified, this was addressed with a follow-up to ensure that corrective action was attended to.

A COVID-19 lottery campaign was launched in August 2021 to encourage COVID-19 vaccination. Any York employee who had completed two vaccines of Pfizer or one dose of the Johnson & Johnson vaccine could enter. All that was required of employees to enter was to submit proof of their vaccination record. Entries were limited to one entry per employee. The winner was randomly chosen through a computer-generated draw in February 2022 and the winner received R10 000. The COVID-19 lottery proved to be successful, with the COVID-19 vaccination rate at 65% across the Company.

Policies overview

The committee conducted an overview of the policies that were updated or introduced within the Company. A number of new policies were introduced, including the Child Labour Policy, Dawn Raids Policy, Marketing Policy, Wage Remuneration Policy and Protection of Personal Information and Retention of Documents Policy. The Protection of Personal Information Act (POPI) came into effect on 1 July 2020 and companies were given a year to prepare for and take steps to mitigate the risk. The roll-out plan for POPI, including the aforementioned policy was implemented to ensure that the Company was POPI-compliant by 1 July 2021. The roll-out plan included, among others, the appointment of Chief and Deputy Information Officers within the Company, updating employment contracts to include POPI terms and obtaining consent from employees to process personal information, an incident response plan in the event of personal information breach and POPI clauses were drafted to incorporate in commercial/service level agreements with customers and suppliers. In addition, training on POPI was provided to all managers and sales executives.

COMPLIANCE DECLARATION

The committee has fulfilled its mandate as prescribed by the Companies Regulations and there were no instances of material non-compliance to disclose.

The Board is satisfied that the committee has performed its responsibilities in compliance with its terms of reference for the period under review.

Hetisani Mbanyele-Ntshinga
Chairperson of the Social and Ethics Committee

20 September 2022

RISK AND OPPORTUNITY COMMITTEE REPORT

COMPOSITION AS AT REPORTING DATE

Chairperson: Lindani Dhlamini

Other committee members:

Nonzukiso Siyotula, Andries Brink, Gabriël Stoltz, André van der Veen, Alton Solomons.

Invitee: Adrian Zetler

Some members of the senior management team attend by invitation. Eric Droomer, corporate forestry advisor, and Dr Schalk Grobbelaar, corporate engineering advisor and internal auditor, regularly attend the committee meetings.

The Company Secretary of York acts as the Committee Secretary.

The committee's overall role and associated responsibilities and functions are to govern risk, technology and information, and screen opportunities in a way that supports York in setting and achieving its strategic objectives.

Lindani Dhlamini was appointed as committee chairperson on 2 August 2022 after Dinga Mncube resigned as an independent non-executive director of the Company with effect from 31 May 2022.

FOCUS AREAS

Projects

The Jessievale sawmill in the Highveld region is supplied by Eskom rural electrical infrastructure where load shedding, grid failures and poor quality of supply issues are experienced regularly. This resulted in a great deal of production downtime and losses. To address the unreliable electricity supply and the high annual electricity cost increase, the committee approved a project to install a 400kW roof-mounted solar system on the drymill roof of Jessievale sawmill for own consumption. The project was successfully commissioned at the end of June 2022.

Engineers representing Gert Sibande District Municipality approached the Company on the Msukaligwa Regional Bulk Water Supply Project. The project entailed the installation of a 25km bulk water line from Chrissiesmeer to supply water to the informal town of Nganga Village. The municipality requested registration of a two-metre servitude along the N17, requiring 0,66 hectares of York's commercial land to expand the road reserve. The committee welcomed the project as it would supply Nganga Village, where 90% of York's employees from Jessievale reside, with clean running water. The committee further agreed that the compensation offered by the municipality for the affected area be charged off to York's CSI projects.

During the reporting period, the committee considered other projects such as potential joint ventures with industry compatriots. These are at exploratory or pre-feasibility stages, and further details will be communicated once finalised.

Risk

The oversight of risk governance is allocated to the committee. The committee comprises executive and non-executive directors as members, with the majority being non-executive directors. As the Risk and Opportunity Committee and Audit Committee of the Company are separate, the Audit Committee Chairperson is a member of both committees for more effective functioning.

York's risk management function contributes toward improving the Company's performance by ensuring risk assessments are conducted regularly to identify, assess and prioritise emerging risks at strategic and operational levels. It also ensures that mitigating measures are implemented to reduce the risks. The risks identified by the Company are standing items on the agenda and reviewed on an ongoing basis, along with the mitigating controls. Risk registers are updated with new and emerging risks, and progress on mitigation is monitored quarterly. The committee is also presented with the procedure to identify key risks, and assess their impact and probability to establish the ranking of the residual risks. Internal Audit also reports to the committee to provide assurance that the mitigation measures undertaken by management have been implemented and carried out effectively.

Log supply remains a continuous focus point for the Company. The committee has an overview of this matter and is updated on measures to secure sufficient log supply for all its processing plants.

Technology and information

The accountability of technology and information governance within York lies with the Board, which is responsible for the direction, evaluation and monitoring of technology and information to support and achieve the business strategy. The Board delegates to management the responsibility for implementing the structures, processes, controls and mechanisms for the technology and information governance framework. The Board has appointed the Audit Committee and Risk and Opportunity Committee as the governing bodies to assist in carrying out its responsibilities and to obtain independent assurance regarding technology and information governance and controls.

The Company implemented a new enterprise resource planning system during the year and the system went live on 1 July 2022.

The Board is satisfied that the committee has performed its responsibilities in compliance with its terms of reference for the period under review.

Lindani Dhlamini
Chairperson of the Risk and Opportunity Committee

20 September 2022

REMUNERATION AND NOMINATION COMMITTEE REPORT

COMPOSITION AS AT REPORTING DATE

Chairpersons: Dr Azar Jammine (Remuneration)
Nonzukiso Siyotula (Nomination)

Other committee members:
Hetisani Mbanyele-Ntshinga,
Lindani Dhlamini, André van der Veen

Invitee: Adrian Zetler

Some members of the senior management team attend meetings of the Remuneration and Nomination Committee (Remco) by invitation. The Company Secretary acts as the Committee Secretary of Remco.

York has a combined Remuneration Committee and Nomination Committee and holds meetings for both together. When nomination matters are discussed at Remco meetings, the Chairperson of the Board chairs such discussions. The Chairperson of Remco chairs the meeting when remuneration matters are discussed.

The overall role and associated responsibilities and functions of Remco are to have oversight of the process for nominating, electing and appointing members of the Board and to oversee the setting and administering of remuneration at all levels in the Company.

FOCUS AREAS

Nomination

During the reporting period, there were numerous board changes and appointments.

Dinga Mncube resigned as an independent non-executive director of the Company on 31 May 2022. Dr Jim Myers retired as Chairman of the Board and resigned as an independent non-executive director on 8 June 2022. Nonzukiso Siyotula was appointed as an independent non-executive director and Chairperson of the Board with effect from 21 June 2022.

Pursuant to the passing of Pieter van Zyl, the previous CEO on 17 July 2021, Gabriël Stoltz was appointed as the CEO on 1 July 2022. A dispensation request was made to and granted by the JSE for Mr Stoltz to assume the dual role of CEO and interim CFO until 31 January 2023, being the date upon which a new full-time CFO should be appointed. The Board has initiated a process for the recruitment of a new CFO.

Lindani Dhlamini was appointed as an independent non-executive director on 21 September 2021 and André van der Veen was appointed as a non-executive director with effect from 11 November 2021.

Alton Solomons and Adrian Zetler were appointed as non-executive directors of York with effect from 15 July 2022.

The Nomination Committee considered and applied the Company's policy on the promotion of broader diversity at Board level in the nomination and appointment of directors to the Board. The Nomination Committee is satisfied that the composition of the Board afforded the effective functioning of the Board to properly and collectively perform its duties and meet its responsibilities during the 2022 financial reporting period.

Remuneration

It was important for Remco to implement more informed long-term incentive (LTI) and short-term incentive (STI) schemes for executives which better align with shareholder return and cash flow requirements.

The formulation of the LTI and STI for the 2021/2022 financial year was communicated to shareholders on the Stock Exchange News Service on 10 November 2021 as Remco was unable to arrive at a revised structure ahead of the printing of the 2021 annual report. In summary, it was determined that the LTI scheme should be based on the success of achieving certain goals which are to be formulated from a 10-year strategic plan that was reviewed jointly by the Board and management to ensure consistent commitment by both the Board and management (Plan). A comprehensive joint review of the Plan was required to effect any potential modifications prior to establishing an LTI consistent with the approved Plan. The finalisation of the Plan was dependent on the appointment of a permanent CEO whose vision stands to be incorporated into the Plan. A permanent CEO was appointed at the start of the 2023 financial year and this will enable Remco to determine and finalise the new LTI scheme once the Plan has been approved by the Board.

With respect to formulation of the STI for the 2021/22 financial year, the weighting of the newly determined STI was as follows: 60% for achievement of EBITDA targets, 16,25% for forestry targets, incorporating the establishment of plantations, harvesting and procurement of external log supply, 16,25% for processing, where plant availability is the principal determinant and 7,5% for the Company's agricultural activities.

REMUNERATION POLICY AND IMPLEMENTATION REPORT

Background statement

Remco is mandated by the Board to establish a remuneration policy that will promote the attainment of the strategic objectives of the Company and encourage and influence performance while aligning with shareholder interests. External factors that influence the Company's remuneration decisions include labour unions, GDP, Government legislation and the impact of market and economic conditions.

The JSE Listings Requirements and King IV™ principles require that if more than 25% of York shareholders vote against the Company's remuneration policy and/or implementation report, Remco will be required to engage with such dissenting shareholders.

Less than 25% of York shareholders voted against the Company's remuneration policy and implementation report at the Company's 2021 AGM. As a result, the Company did not need to invite those shareholders who voted against the remuneration policy and implementation report to engage with the Company.

Overview of the remuneration policy

The Company's remuneration policy takes into account the level of complexity, the role and the responsibility, as well as the skillset required and the number of employees reporting into the said position. The Paterson grading system is used to define the person's job grade, title and remuneration. Based on this, the remuneration policy is then benchmarked against industry norms and trends. York targets to remunerate at the median to top quartile of the industry to ensure the attraction and retention of talented staff. The ultimate objective of the remuneration policy is to align staff remuneration with shareholder interests based on professional practices. The objective of the policy is to reward York employees for their contributions to the strategic, financial and operating performance of the Company. It is important for the Company to attract, develop and retain high performers and intellectual capital as well as technical skills. There are no obligations in the executive employment contracts that could give rise to payments on termination of employment or office, save for payments due on termination, under certain circumstances, in respect of the LTI and STI.

IMPLEMENTATION REPORT

Guaranteed remuneration

York's overall reward policy ensures that all employees are fairly and responsibly rewarded for their individual and business unit contribution to the Company's operating and financial performance. Total guaranteed remuneration packages are benchmarked and assessed annually.

Guaranteed remuneration is considered an employee's remuneration and excludes other benefits included in the employee's cost-to-company calculation.

Benefits

The benefits an employee receives come in different forms and formats, which do not necessarily form part of the guaranteed remuneration, such as:

- STI;
- LTI;
- York Adventure Club, to promote a work-life balance;
- challenging and dynamic working environment, conducive to professional conduct;
- participative management structure; and
- performance-driven culture, underpinned by a growth mindset.

These benefits form an integral part of the focus on the retention of staff and the development of the business through incentivising performance and providing continued support to existing employees.

Short-term incentives

The key objective with STIs is to create a performance-driven culture by rewarding individuals for achieving strong annual results in terms of predetermined targets. The measurement period for assessing performance against the set targets is bi-annual, coinciding with the Group's financial half-year and year-end. STI payments are made at Remco's discretion and are not guaranteed.

Long-term incentives

The broad purpose of the LTIs is to attract, motivate, retain and reward individuals who are able to influence the performance and strategic direction of the Company. LTIs are aligned to multi-year targets for growth and long-term value creation. In general, executive directors and key individuals who are high performers at senior and middle management level, whose deliverables are essential to the success of York and who are critical from a retention perspective, are eligible for participation in the York 2015 Share Plan (Share Plan). Eligible individuals are selected by Remco and allocation of the awards is at Remco's discretion and these are not guaranteed. The awards that have been made to date concerned the retention aspect of the Share Plan.

Accounting treatment

In line with the Company's accounting policies, the fair value of the restricted shares awarded to employees is recognised as an expense, with a corresponding increase in equity, over the period that the employees become entitled to the restricted shares.

Measuring executive performance

The results for the year ended 30 June 2022 are measured against the set 2022 performance targets. The applicable weighting was applied to the categories achieved. The performance targets for the CEO are set out in the category of EBITDA (60% weighting); forestry targets, incorporating the establishment of plantations, harvesting and procurement of external log supply (16,25% weighting); processing targets where plant availability is the principal determinant (16,25% weighting) and the Company's agricultural activities (7,5% weighting).

All categories in the set 2022 performance targets were not achieved save for the establishment of plantations in the Forestry and Agricultural segments.

The performance payment calculated against the performance targets is as follows:

EBITDA	Rnil
Forestry	R87 175,07
Processing	Rnil
Agricultural	R40 234,65

The CEO was awarded R127 409,72 as an STI for performance achieved against 2022 targets.

Performance targets for 2023

Remco agreed that the performance criteria for STI be weighted at 75% for profitability achieved and 25% on agreed operational metrics, instead of the 60/40 weighting applicable for the 2021/22 financial year. With regard to the agreed operational metrics, Remco will also consider non-financial items as per the Board's needs, for example, key management skills and industrial relations among others. This will be considered and finalised by Remco once the Plan has been approved by the Board.

Payments to executive directors in respect of the 2022 financial year

	Basic salary R'000	Other cash benefits R'000	Bonus R'000	Share options received R'000	Total R'000
2022					
GCD Stoltz	**3 342**	**301**	**2 233**	**–**	**5 876**
PP van Zyl	**688**	**90**	**5 899**	**5 820**	**12 497**
Total	**4 030**	**391**	**8 132**	**5 820**	**18 373**
2021					
GCD Stoltz	2 312	254	1 632	–	4 198
PP van Zyl	5 253	1 073	–	–	6 326
Total	7 565	1 327	1 632	–	10 524

Restricted shares granted to an executive director in terms of the Share Plan

	Awards held at the beginning of the year '000	Granted '000	Settled shares '000	Awards held at the end of the year '000	Fair value of shares at grant date R	Total value provided at the end of the year R'000
2022						
PP van Zyl	**3 000**	–	**(3 000)**	**–**	**–**	**–**
Total	**3 000**	–	**(3 000)**	**–**	**–**	**–**
2021						
GCD Stoltz	752	–	(752)	–	–	–
PP van Zyl	–	3 000	–	3 000	2,34	589
Total	752	3 000	(752)	3 000	2,34	589

On 23 June 2021, the late Mr van Zyl, the previous CEO, was granted three million restricted shares under the Share Plan. The restricted shares would have vested in three years' time. Mr van Zyl passed away untimely on 17 July 2021. Pursuant to the rules of the Share Plan, the restricted shares granted to the late Mr van Zyl vested on 19 July 2021.

Non-executive directors

Non-executive directors are paid an annual fee and a meeting fee per attendance. They do not receive performance incentive payments (short-term or long-term), shares, pension fund benefits or any other form of financial assistance. The Chairperson of the Board and its Board committees are paid at higher levels than the other members to reflect the complexity and amount of preparation required of them.

At the AGM of shareholders held on 11 November 2021, it was approved that the non-executive directors' fees (save for the Chairperson of the Board's fees) for the period January 2022 to December 2022 be increased by applying a 4,9% increase.

Non-executive directors' fees paid for the 2021 and 2022 financial years

Non-executive directors	Directors' fees 2022 R'000	Directors' fees 2021 R'000
AW Brink	**553**	443
L Dhlamini	**339**	–
Dr AP Jammine	**586**	442
HM Mbanyele-Ntshinga	**506**	362
SAU Meer*#	**–**	238
DM Mncube	**477**	477
Dr JP Myers	**722**	1 024
KM Nyanteh	**477**	385
A van der Veen*	**252**	–
A Zetler*	**107**	–
Total	**4 019**	3 371

* *Directors' fees paid to these non-executive directors were paid to the companies represented by them.*
# *Resigned on 30 April 2021.*

The Board and Board committee fee structure consists of an annual retainer and a fee per meeting. Remco considered non-executive director fees for January to December 2023 and proposes an increase of 6,25% on the approved non-executive director fees for January to December 2023, which is in line with the Company's salary and wage increase for the financial year ending 30 June 2023. The proposed fees, as set out below, are included in the notice of AGM for payment on a quarterly basis:

	January 2023 to December 2023	
	Annual retainer R	**Fee per meeting R**
Chairperson of the Board	408 491	83 211
Board members	104 616	21 311
Chairpersons of Board committees	92 007	23 428
Board committee members	49 766	12 672

The annual scheduled meetings for the Board and Audit Committee are four meetings. Remco, Risk and Opportunity and Social and Ethics Committees have two annual scheduled meetings. If more meetings are required and held by the Board or other Board committees, the Chairperson and members are paid a fee per meeting as set out above.

York is committed to fair and responsible remuneration across the Company. If any remuneration disparity arises, it is investigated and resolved appropriately. Remco is satisfied that it has fulfilled its responsibilities per its terms of reference for the reporting period. Remco is also satisfied that there was compliance with and no deviations from the remuneration policy.

If either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised at the upcoming AGM, York commits to engage with its shareholders as to the reasons therefore, and undertakes to appropriately address legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes.

Dr Azar Jammine
Chairperson of the Remuneration Committee

Nonzukiso Siyotula
Chairperson of the Nomination Committee

20 September 2022

03

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

LEVEL OF ASSURANCE

These consolidated and separate annual financial statements have been audited in compliance with the applicable requirements of the Companies Act.

PREPARER

These consolidated and separate annual financial statements were prepared under the supervision of:

Gabriël Stoltz CA(SA)
Interim Chief Financial Officer

20 September 2022

COMPANY SECRETARY'S CERTIFICATE

In terms of section 88(2)(e) of the Companies Act, we certify that the Group has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Kilgetty Statutory Services (South Africa) Proprietary Limited
Company Secretary

20 September 2022

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa, 71 of 2008, as amended (Companies Act) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditor is engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with IFRS and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors (Board) sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and Company and all employees are required to maintain the highest ethical standards in ensuring that the Group and Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavour to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The consolidated and separate annual financial statements are uploaded on the website of the Group after signing. The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the consolidated and separate annual financial statements and the auditor cannot be held responsible for any changes that may have occurred to the consolidated and separate annual financial statements since they were initially presented on the website.

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

The directors have reviewed the Group and Company's cash flow forecast for the year to 30 June 2023 and, in light of this review and the current financial position, they are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the Group's external auditor and their report is presented on pages 34 to 37.

The consolidated and separate annual financial statements set out on pages 38 to 104, which have been prepared on the going concern basis, were approved by the Board of Directors on 15 September 2022 and were signed on their behalf by:

N Siyotula	**GCD Stoltz**
Chairperson	*Chief Executive Officer and interim Chief Financial Officer*

RESPONSIBILITY STATEMENT BY THE EXECUTIVE DIRECTOR

I, Gabriël Stoltz, in my capacity as Chief Executive Officer and interim Chief Financial Officer hereby confirm that:

- the annual financial statements set out on pages 38 to 104, fairly present in all material respects the financial position, financial performance and cash flows of York Timber Holdings Limited (York) in terms of the IFRS;
- to the best of my knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to York and its consolidated subsidiaries has been provided to effectively prepare the annual financial statements of York;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled my role and function as executive director with primary responsibility for the implementation and execution of controls;
- where I am not satisfied, I have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- I am not aware of any fraud involving directors.

GCD Stoltz
Chief Executive Officer and interim Chief Financial Officer

20 September 2022

AUDIT COMMITTEE REPORT

MANDATE AND TERMS OF REFERENCE

The Group's Audit Committee has adopted formal terms of reference, delegated to it by the Board of Directors, as its mandate. The mandate is in line with the Companies Act, the King IV Report on Corporate Governance for South Africa, 2016 (King IV™) and the JSE Limited Listings Requirements (JSE Listings Requirements). During the year, the Audit Committee discharged the functions delegated to it in its mandate.

The Audit Committee performed the following statutory and regulatory duties:

- Reviewed and recommended for adoption by the Board the publicly disclosed financial information which comprised the Group's consolidated interim results for the six months ended 31 December 2021 and the consolidated and separate annual financial statements for the year ended 30 June 2022;
- Satisfied itself that the external auditor, PricewaterhouseCoopers Inc., and its audit partner, complied with the suitability criteria for re-appointment as required by paragraph 3.84(g)(iii) as read with later paragraph 22.15(h) of the JSE Listings Requirements, are properly accredited and independent and assessed the quality of the audit;
- Approved the external auditor's fees and terms of engagement for the 2022 financial year;
- Determined the nature and extent of the non-audit services that may be provided by the external auditor and preapproved any proposed agreements with them for the provision of such services;
- The Audit Committee evaluated the performance of the internal audit function and resolved to continue to source the internal audit function from Tereo Krino Business Assurance Consultants Proprietary Limited and approved the internal audit plan and budgeted fee for the 2022 financial year;
- Reviewed the Audit Committee charter in line with King IV™ recommendations;
- Held separate meetings with management and the external and internal auditors to discuss relevant matters;
- Noted that it had not received any complaints, from either within or outside the Company, relating to the accounting practices, the internal audit, the content or auditing of the annual financial statements, the internal financial controls or any other related matters. It has, however, adopted certain recommendations proposed by the JSE as part of their proactive monitoring procedures;
- Confirmed that a whistle-blowing facility was in place and considered the actions taken with regard to incident reports;
- Evaluated and satisfied itself as to the appropriateness of the expertise and experience of the CFO, as required by paragraph 3.84(g)(i) of the JSE Listings Requirements;
- Satisfied itself as to the expertise, resources and experience of the Company's finance function;

- Considered the Group's liquidity and solvency positions and satisfied itself that the adoption of the going concern basis by York Timber Holdings Limited in preparing the consolidated annual financial statements was appropriate;
- Confirmed, with reference to reporting by management and the internal audit function, that the Group had established appropriate financial reporting procedures and satisfied itself that those procedures were operating which includes consideration of all entities included in the consolidated Group IFRS annual financial statements, to ensure that it has access to all the financial information of the Company to effectively prepare and report on the annual financial statements of the Company;
- Satisfied itself that the combined assurance provided is effective and monitors the relationship between external assurance providers and the Company;
- Ensured that the appointment of the auditor and audit partner is presented and included as a resolution at the annual general meeting (AGM) of the Company, pursuant to section 61(8) of the Companies Act; and
- Satisfied itself through management representations and findings by the external auditor, as well as work performed by the internal auditor, that the key audit matters relating to goodwill, including the impairment assessment of the Forestry cash-generating unit and the valuation of biological assets for pine and eucalyptus trees have been presented fairly in the consolidated and separate annual financial statements.

MEMBERSHIP

In terms of section 94(2) of the Companies Act, the Audit Committee is a statutory committee and, in terms of the JSE Listings Requirements and King IV™, comprises at least three independent non-executive members, elected by the shareholders at each AGM. The members of the Audit Committee for the 2022 financial year were:

- AW Brink CA(SA) *(Independent non-executive, Audit Committee Chairman)*;
- KM Nyanteh CA(SA) *(Independent non-executive)*; and
- Dr AP Jammine BSc Hons Mathematical Statistics (Wits), BA Hons Economics cum laude (Wits), MSc Economics (London School of Economics), PhD Economics (London Business School), Post-doctoral Fellowship Centre for Business Strategy (London Business School) *(Independent non-executive)*.

The members of the Audit Committee have the necessary academic qualifications and experience to adequately fulfil their duties as members of the Audit Committee.

The CEO, CFO, the heads of External and Internal Audit and other relevant parties attend Audit Committee meetings by invitation.

The internal and external auditors have unlimited access to the Chairman of the Audit Committee.

Audit Committee meeting attendance	**7 Sep 2021**	**15 Sep 2021**	**4 Nov 2021**	**16 Mar 2022**	**8 Jun 2022**
AW Brink (*Chairman*)	Yes	Yes	Yes	**Yes**	**Yes**
KM Nyanteh	Yes	Yes	Yes	**Yes**	**Yes**
Dr AP Jammine	Yes	Yes	Yes	**Yes**	**Yes**

INTERNAL CONTROLS

Internal controls comprise the methods and procedures adopted by management to provide reasonable assurance of the safeguarding of assets, prevention and detection of errors, accuracy and completeness of accounting records, and reliability of the consolidated and separate annual financial statements of all entities in the Group.

The internal audit function performs independent evaluations of the adequacy and effectiveness of the Group's controls, financial reporting mechanisms, information systems and operations, and provides a degree of assurance with regard to safeguarding of assets and the integrity of financial information.

Management continuously reviews the adequacy of the internal control environment and addresses any shortcomings identified. The Audit Committee is of the view that the internal controls are designed and implemented effectively and nothing has come to the attention of the Audit Committee, or to the attention of the internal or external auditors, to indicate that any material breakdown in the functioning of the internal controls and systems occurred during the period under review. All shortcomings in the internal control environment identified by the respective reviews by Internal Audit and External Audit are addressed by management to improve the internal control environment.

RECOMMENDATION OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Based on the information provided to the Audit Committee by management, and considering the reports of the external and internal auditors, the Audit Committee is satisfied that the annual financial statements comply, in all material respects, with the requirements of the Companies Act, IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements. The consolidated and separate annual financial statements were approved by the Board of Directors on 15 September 2022. These consolidated and separate annual financial statements will be open for discussion at the forthcoming AGM.

The Chairman of the Audit Committee, or in his absence, the other members of the Audit Committee, will attend the AGM to answer questions falling within the mandate of the Audit Committee.

AW Brink
Chairman of the Audit Committee

20 September 2022

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of York Timber Holdings Limited (York, the Company or the Group) for the year ended 30 June 2022.

NATURE OF BUSINESS

York was incorporated in South Africa with interests in investment holdings. The activities of the Group are undertaken through the subsidiaries with interests in forestry and fleet management, sawmills, plywood, wholesale, farming of citrus, avocados and macadamias and the hospitality industry. The Group operates in South Africa, the Southern Africa Development Community (SADC) and the international market.

REVIEW OF THE FINANCIAL RESULTS AND ACTIVITIES

The consolidated and separate annual financial statements have been prepared in accordance with IFRS and the requirements of the Companies Act. The accounting policies to the consolidated and separate annual financial statements have been applied consistently compared to the prior year, except for the change as disclosed in note 34.

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

York temporarily closed down all operations at its sawmill in Graskop due to the sawmill being dependent on SAFCOL for log supply. Volumes awarded by SAFCOL were significantly less than bid volumes. With no raw material security, a decision was made to temporarily close down the operation.

The Group's results were impacted by heavy rainfall and industrial action resulting in the closure of processing plants in the Escarpment from 25 April 2022 to June 2022. The total comprehensive income for the period was R30,5 million (2021: R138,5 million).

SHARE CAPITAL

	2022 R'000	2021 R'000	2022 Number of shares	2021 Number of shares
Issued				
Ordinary shares	**16 045**	15 876	**320 896 242**	317 520 045

During the year, 3 376 197 shares, previously held as treasury shares by a wholly owned subsidiary as per note 17, were transferred to qualifying individuals in terms of the share-based payment scheme awarded in 2019 and the scheme awarded to the late CEO, Mr PP van Zyl, under the 2015 Share Plan (refer to note 18).

DIVIDENDS

The Board has resolved not to declare a dividend for the year ended 30 June 2022.

DIRECTORS' SHAREHOLDING

As at 30 June 2022, the directors of the Company held direct beneficial interests in 0,18% (2021: 1,54%) and an indirect beneficial interest in 21,82% (2021: 0%) of its issued ordinary shares, as set out below. There were no changes to the directors' shareholding between 30 June 2022 and the date of approval of the annual financial statements. It is however understood that Peresec's holding has decreased by 7 049 shares, but that the relevant directors were not involved in the decisions relating to such trades nor is Peresec an associate of the directors.

Interests in shares

	2022	2021	2022 %	2021 %
GCD Stoltz (Direct interest)	**609 866**	609 866	**0,18**	0,18
PP van Zyl (Direct interest)	**–**	4 507 410	**–**	1,36
A Zetler and A van der Veen (represented by A2 Investment Partners Proprietary Limited (A2) and Peresec Prime Brokers Proprietary Limited (Peresec), which York shares held by Peresec are controlled by A2) (Indirect interest)	**72 274 219**	–	**21,82**	–
	72 884 085	5 117 276	**22,00**	1,54
Interest in share incentive scheme (units)				
PP van Zyl (equity-settled share-based payment)	**–**	3 000 000	**–**	

The register of interests of directors and others in shares of the Company is available to the shareholders on request.

BORROWING LIMITATIONS

In terms of the MOI, the Board may raise debt from time to time for the purposes of the Group.

The Group's subsidiary, York Timbers Proprietary Limited, is subject to externally imposed capital requirements in the form of a debt/equity ratio requirement of below 1:1, in terms of the Land Bank loan facility and a debt/equity ratio of <0,3, in terms of the Absa Capital fund loan (refer to notes 20 and 42).

DIRECTORATE

The directors in office at the date of this report, including the changes during the financial year, are as follows:

Director	Office	Designation	Changes
AW Brink		*Non-executive independent*	
L Dhlamini		*Non-executive independent*	Appointed 21 September 2021
Dr AP Jammine		*Non-executive independent*	
HM Mbanyele-Ntshinga		*Non-executive independent*	
DM Mncube		*Non-executive independent*	Resigned 31 May 2022
Dr JP Myers (USA)	*Chairman*	*Non-executive independent*	Resigned 8 June 2022
KM Nyanteh		*Non-executive independent*	
N Siyotula	*Chairperson*	*Non-executive independent*	Appointed 21 June 2022
AJ Solomons		*Non-executive*	Appointed 15 July 2022
GCD Stoltz	*Chief Executive Officer and interim Chief Financial Officer*	*Executive*	Appointed as CEO on 1 July 2022
PP van Zyl	*Chief Executive Officer*	*Executive*	Deceased 17 July 2021
A van der Veen		*Non-executive*	Appointed 11 November 2021
A Zetler		*Non-executive*	Appointed 15 July 2022

SPECIAL RESOLUTIONS

During the year, two special resolutions were passed by the shareholders of York Timber Holdings Limited and its subsidiaries. The resolutions were for general authority to repurchase shares and financial assistance in terms of sections 44 and 45 of the Companies Act.

AUDITOR

PricewaterhouseCoopers Inc. was appointed as auditor for the Group for 2022. The engagement partner appointed is Schalk Barnard.

SECRETARY

Han-hsiu Hsieh resigned as Company Secretary on 29 July 2022. Kilgetty Statutory Services (South Africa) Proprietary Limited was appointed as Company Secretary with effect from 1 August 2022.

Business address: York Corporate Office
3 Main Road
Sabie
1260

INTEREST IN SUBSIDIARIES

Details of the Group's investment in subsidiaries are set out in note 8 to the consolidated and separate annual financial statements.

GOING CONCERN

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

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

EVENTS AFTER THE REPORTING PERIOD

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

SHAREHOLDER PROFILE

The shareholder profile at 30 June 2022 was as follows:

Shareholder spread	Number of shareholder accounts	% number of shareholder accounts	Number of shares	% of number of shares
1 – 1 000	3 479	77,92	413 952	0,12
1 001 – 10 000	580	12,99	2 377 863	0,72
10 001 – 100 000	326	7,30	10 654 270	3,22
100 001 – 1 000 000	61	1,37	18 141 166	5,48
Over 1 000 000	19	0,42	299 653 346	90,46
Total	**4 465**	**100,00**	**331 240 597**	**100,00**
Assurance companies	2	0,04	26 888 892	8,12
Close corporations	14	0,31	211 693	0,06
Collective investment schemes	5	0,10	27 204 767	8,21
Custodians	5	0,10	1 789 539	0,54
Foundations and charitable funds	4	0,09	27 632	0,01
Hedge funds	3	0,07	13 284 802	4,01
Investment partnerships	8	0,18	979 628	0,30
Managed funds	3	0,07	26 301 955	7,94
Private companies	64	1,43	56 318 915	17,01
Public companies	3	0,07	8 110	–
Public entities	1	0,02	95 136 513	28,72
Retail shareholders	4 273	95,70	28 206 347	8,52
Retirement benefit funds	3	0,07	135 608	0,04
Scrip lending	1	0,02	383 890	0,12
Share schemes	1	0,02	48 200	0,01
Stockbrokers and nominees	10	0,22	47 308 072	14,28
Trusts	64	1,43	7 004 613	2,11
Unclaimed scrip	1	0,02	1 421	–
Total	**4 465**	**100,00**	**331 240 597**	**100,00**

Key shareholders	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
Directors and associates	4	0,09	72 884 085	22,00
Strategic holdings	1	0,02	95 136 513	28,72
Share schemes	1	0,02	48 200	0,01
Non-public shareholders	6	0,13	168 068 798	50,73
Public shareholders	4 459	99,87	163 171 799	49,27
Total	**4 465**	**100,00**	**331 240 597**	**100,00**

Beneficial shareholders' holding >3% of issued shares	Number of shares	% of issued shares
Industrial Development Corporation	95 136 513	28,72
Legae Peresec	46 762 264	14,12
Old Mutual Group	45 487 064	13,73
Bridge Creek Trading 10 Proprietary Limited	29 356 410	8,86
A2 Investment Partners Proprietary Limited	25 511 955	7,70
Rozendal Partners	13 165 201	3,97
Auburn Avenue Trading 55 Proprietary Limited	11 416 382	3,45
Agentimber Proprietary Limited	10 682 958	3,23
Total	**277 518 747**	**83,78**

INDEPENDENT AUDITOR'S REPORT

to the shareholders of York Timber Holdings Limited

Report on the audit of the consolidated and separate financial statements

OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of York Timber Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2022, and its consolidated and separate financial performance and its 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.

What we have audited

York Timber Holdings Limited's consolidated and separate financial statements set out on page 38 to 104 comprise:

- the consolidated and separate statements of financial position as at 30 June 2022;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

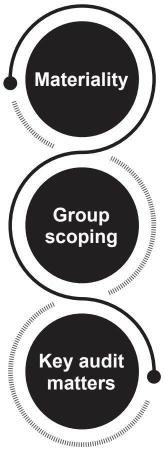
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

OUR AUDIT APPROACH

Overview



Overall Group materiality

- R18,38 million, which represents 1% of consolidated revenue.

Group audit scope

- We performed full scope audits on all the trading entities within the Group.
- Dormant entities were subject to independent reviews performed by another firm. These entities are insignificant to the Group.

Key audit matters

- Valuation of biological assets – pine and eucalyptus trees
- Impairment assessment of the Forestry cash-generating unit (CGU) which includes Goodwill.

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

MATERIALITY

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

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

Overall Group materiality	R18,38 million
How we determined it	1% of consolidated revenue
Rationale for the materiality benchmark applied	We chose consolidated revenue as the benchmark because, in our view, it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatility and near break-even earnings, and it is a generally accepted benchmark. We chose 1%, which is consistent with quantitative materiality thresholds used for companies in this sector.

HOW WE TAILORED OUR GROUP AUDIT SCOPE

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

The consolidated financial statements are a consolidation of the Company and 15 subsidiaries which consist of 6 trading entities and 9 dormant entities. All trading entities were subject to full scope audits based on their financial significance to the Group due to their contribution to consolidated revenue.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group's engagement team, as well as the component auditors. The 9 dormant entities are insignificant to the Group and only consist of intergroup balances, which all eliminate on consolidation. As such, we did not rely on the work of the component auditor.

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.

Key audit matter	How our audit addressed the key audit matter
Valuation of biological assets – pine and eucalyptus Refer to note 5 to the consolidated financial statements. Biological assets comprise planted pine and eucalyptus trees. As at 30 June 2022, the Group recognised biological assets with a fair value of R 2.478 billion in consolidated non-current assets and R 324 million in consolidated current assets. The Group measures its biological assets at fair value less costs to sell with any resultant gain or loss recognised through profit and loss. Refer to accounting policy 1.5 for further detail in this regard. Biological assets are classified as level 3 in the accounting standard IFRS 13 – *Fair Value Measurement*. This implies that fair value is determined with reference to unobservable inputs. The Group has used the discounted cash flow method to value the biological assets. This method is complex, highly judgemental and subject to significant assumptions. The most significant judgements and assumptions applied in determining the fair value of biological assets include: • determination of a discount rate which is calculated as an after tax weighted average cost of capital ("WACC"); • determination of expected yields per log class calculated based on relevant growth models (growth rate); • determination of a volume adjustment factor due to the susceptibility of the plantations to the environment; • determination of the price per cubic metre based on the current and future expected market prices per log class; and • determination of operational costs based on unit costs of the forest management activities. The valuation of the Group's biological assets was considered to be a matter of most significance to our current year audit due to: • the valuation being subject to complexity, significant judgement and management assumptions; • biological assets forming a key metric in the Group's business; and • the magnitude of the balance in relation to the consolidated statement of financial position.	Our audit addressed the key audit matter as follows: We evaluated the appropriateness and consistency of the significant judgements and assumptions applied by management in the discounted cash flow calculation by performing the procedures below: • Making use of our valuations expertise, we independently calculated the WACC using external data sources, including a recalculation of the biological asset value at year end. We found the discount rate used by management to be within an acceptable range of our independent calculation. • We tested the mathematical accuracy of management's valuation model. No material differences were noted. • We evaluated the reasonableness of: a) The projected volumes, including yields, that the existing plantations are predicted to produce, through assessment against the Group's historical production volumes; b) The volume adjustment factor with reference to actual deviations based on harvested results; c) The price per cubic meter against actual results and current market prices; and d) The operational costs of the forest management activities, based on our understanding of the business, past results and the economic outlook. Based on the results of our work performed, we accepted management's projected volumes, yields, volume adjustment factor and price per cubic metre and operational costs used in their assessment. • We performed an independent sensitivity analysis of the fair value assessment to assess the reasonableness of management's calculation, taking in account reasonable changes in the assumed growth rates and cash flows. We did not note any aspect in this regard which required further consideration. • We assessed management's significant judgements and assumptions against historical practices and the biological asset management plans. We noted no material inconsistencies in this regard. We also considered management bias in determining key assumptions by comparing assumptions to prior periods and considering changes in operations and the economic environment. We found assumptions to be consistent with prior periods and changes in operations and the economic environment with no indication of management bias.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of the Forestry Cash Generating Unit (CGU) which includes goodwill The Group recognised goodwill with a carrying amount of R357.6 million as at 30 June 2022. As set out in note 6 to the consolidated financial statements, goodwill is tested for impairment at each year end. For purposes of impairment testing, goodwill has been allocated to the forestry cash generating unit ("CGU"). Management performs an annual impairment assessment in respect of the CGU. The recoverable amount of the CGU is determined with reference to fair value less costs to sell. Assumptions made by management in determining the fair value less costs to sell are disclosed in note 6 to the consolidated financial statements and include projected cash flows, inflation rates, expected yields per log class, volume adjustment factors and price per cubic metre. We considered the impairment assessment of the forestry CGU, including its related goodwill, to be a matter of most significance to the current year audit due to the significant judgement, assumptions and estimation applied by management in determining the fair value less costs to sell.	We evaluated the appropriateness of the level at which impairment is assessed, being the Group's CGU's. We also assessed the level at which goodwill is monitored for impairment to evaluate whether it was tested at the appropriate CGU level in accordance with International Accounting Standard (IAS) 36 – *Impairment of Assets.* We performed the following in addressing the key audit matter: We evaluated the appropriateness and consistency of the significant judgements and assumptions applied by management in the discounted cash flow calculation by performing the procedures below: • Making use of our valuations expertise, we independently calculated the WACC using external data sources, including a recalculation of the fair value less cost to sell off the CGU at year end. We found the discount rate used by management to be within an acceptable range of our independent calculation. • We tested the mathematical accuracy of management's valuation model. No material differences were noted. • We performed an independent sensitivity analysis of the fair value assessment to assess the reasonableness of management's calculation, taking into account a reasonable change in the assumed growth rates and cash flows. We did not note any aspect in this regard which required further consideration. We evaluated the reasonableness of: • The future log prices by comparing it to actual results and current market prices; • The expected yields from the plantation based on rotation which includes replantings and associated costs with reference to the Group's historical production volumes; and • The forecasted growth rates by comparing it to historical actual growth and market expectations. We also considered management bias in determining key assumptions by comparing assumptions to prior periods and considering changes in operations and the economic environment. We found assumptions to be consistent with prior periods and changes in operations and the economic environment with no indication of management bias.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled *"York Timber Holdings Limited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2022" and "York Timbers Annual Report 2022"* includes the Directors' Report, the Audit Committee Report and the Company Secretary's Certification as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of York Timber Holdings Limited for 4 years.

PricewaterhouseCoopers Inc.
Director: Schalk Barnard
Registered Auditor
Mbombela, South Africa

20 September 2022

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2022

		GROUP		COMPANY	
	Note	2022 R'000	Restated* 2021 R'000	2022 R'000	2021 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	**910 355**	905 645	**–**	–
Investment property	4	**36 093**	34 180	**–**	–
Biological assets	5	**2 478 866**	2 502 597	**–**	–
Goodwill	6	**357 630**	357 630	**–**	–
Intangible assets	7	**237**	334	**–**	–
Investments in subsidiaries	8	**–**	–	**1 131 089**	1 123 919
Loans to Group companies	9	**–**	–	**1 240 449**	1 256 070
Other financial assets at amortised cost	10	**114 785**	97 583	**–**	–
Deferred tax	11	**3 778**	4 336	**36**	37
		3 901 744	3 902 305	**2 371 574**	2 380 026
Current assets					
Biological assets	5	**329 755**	375 554	**–**	–
Inventories	12	**223 276**	183 265	**–**	–
Trade and other receivables	13	**193 453**	271 933	**187**	138
Current tax receivable	14	**822**	1 072	**2**	–
Cash and cash equivalents	15	**16 364**	108 030	**–**	1
		763 670	939 854	**189**	139
Non-current assets held for sale	16	**–**	750	**–**	–
Total assets		**4 665 414**	4 842 909	**2 371 763**	2 380 165
EQUITY AND LIABILITIES					
Equity					
Share capital	17	**1 491 674**	1 484 157	**1 529 431**	1 521 914
Reserves		**3 243**	2 193	**1 014**	1 363
Retained income		**1 560 466**	1 531 338	**838 870**	855 076
		3 055 383	3 017 688	**2 369 315**	2 378 353
LIABILITIES					
Non-current liabilities					
Borrowings	20	**298 210**	347 330	**–**	–
Lease liability	21	**25 941**	394	**–**	–
Retirement benefit obligation	22	**24 081**	25 658	**–**	–
Deferred tax	11	**832 935**	885 035	**–**	–
Provisions	23	**17 670**	16 576	**–**	–
		1 198 837	1 274 993	**–**	–
Current liabilities					
Trade and other payables	24	**273 522**	337 535	**2 448**	1 812
Borrowings	20	**83 100**	167 461	**–**	–
Lease liability	21	**6 191**	4 690	**–**	–
Deferred income		**1 663**	502	**–**	–
Current tax payable	14	**5 202**	2 934	**–**	–
Provisions	23	**2 912**	256	**–**	–
Bank overdraft	15	**38 604**	36 850	**–**	–
		411 194	550 228	**2 448**	1 812
Total liabilities		**1 610 031**	1 825 221	**2 448**	1 812
Total equity and liabilities		**4 665 414**	4 842 909	**2 371 763**	2 380 165

* *Refer to note 34.*

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2022

		GROUP		COMPANY	
	Note	2022 R'000	Restated* 2021 R'000	2022 R'000	2021 R'000
Revenue	25	**1 838 810**	1 928 589	**6 564**	4 775
Cost of sales		**(1 346 236)**	(1 339 277)	**–**	–
Gross profit		**492 574**	589 312	**6 564**	4 775
Other operating income	26	**10 359**	28 743	**–**	–
Other operating gains/(losses)	27	**3 701**	(10 369)	**–**	–
Other operating expenses		**(401 654)**	(388 206)	**(7 080)**	(4 771)
Operating profit/(loss) before fair value adjustment on biological assets	28	**104 980**	219 480	**(516)**	4
Fair value adjustment on biological assets	29	**(68 596)**	14 173	**–**	–
Operating profit/(loss) after fair value adjustment on biological assets		**36 384**	233 653	**(516)**	4
Investment income	30	**5 011**	3 618	**1**	3 451
Finance cost	31	**(37 484)**	(48 447)	**(15 690)**	–
Other non-operating gains/(losses)	32	**–**	6 269	**–**	–
Profit/(loss) before taxation		**3 911**	195 093	**(16 205)**	3 455
Taxation	33	**25 217**	(58 024)	**(1)**	(1)
Profit/(loss) for the year		**29 128**	137 069	**(16 206)**	3 454
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability		**1 900**	2 001	**–**	–
Taxation related to remeasurements on net defined benefit liability		**(501)**	(560)	**–**	–
Total items that will not be reclassified to profit or loss		**1 399**	1 441	**–**	–
Other comprehensive income for the year net of taxation		**1 399**	1 441	**–**	–
Total comprehensive income/(loss) for the year		**30 527**	138 510	**(16 206)**	3 454
Earnings per share					
Per share information					
Basic earnings/(loss) per share (cents)	46	**9**	43	**(5)**	1
Diluted earnings/(loss) per share (cents)	46	**9**	43	**(5)**	1

* *Refer to note 34.*

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Share capital R'000	Share-based payment reserve R'000	Defined benefit plan reserve R'000	Total reserves R'000	Retained income R'000	Total equity R'000
GROUP						
Opening balance as previously reported	1 480 232	4 759	(611)	4 148	1 396 492	2 880 872
Adjustments:						
Change in accounting policy (refer to note 34)	–	–	–	–	(4 065)	(4 065)
Balance as at 1 July 2020 restated	1 480 232	4 759	(611)	4 148	1 392 427	2 876 807
Profit for the year restated (refer to note 34)	–	–	–	–	137 069	137 069
Other comprehensive income	–	–	1 441	1 441	–	1 441
Total comprehensive income for the year restated	–	–	1 441	1 441	137 069	138 510
Employee share option scheme	–	2 371	–	2 371	–	2 371
Employee share option vested	3 925	(5 767)	–	(5 767)	1 842	–
Total contributions by and distributions to owners of the Company recognised directly in equity	3 925	(3 396)	–	(3 396)	1 842	2 371
Balance as at 1 July 2021 restated	1 484 157	1 363	830	2 193	1 531 338	3 017 688
Profit for the year	**–**	**–**	**–**	**–**	**29 128**	**29 128**
Other comprehensive income	**–**	**–**	**1 399**	**1 399**	**–**	**1 399**
Total comprehensive income for the year	**–**	**–**	**1 399**	**1 399**	**29 128**	**30 527**
Employee share option scheme	**–**	**7 168**	**–**	**7 168**	**–**	**7 168**
Employee share option scheme vested	**7 517**	**(7 517)**	**–**	**(7 517)**	**–**	**–**
Total contributions by and distributions to owners of the Company recognised directly in equity	**7 517**	**(349)**	**–**	**(349)**	**–**	**7 168**
Balance as at 30 June 2022	**1 491 674**	**1 014**	**2 229**	**3 243**	**1 560 466**	**3 055 383**
Note	17	18	19			

	Share capital R'000	Share-based payment reserve R'000	Retained income R'000	Total equity R'000
COMPANY				
Balance as at 1 July 2020	1 521 914	4 759	851 622	2 378 295
Profit for the year	–	–	3 454	3 454
Total comprehensive income for the year	–	–	3 454	3 454
Employee share option scheme	–	2 371	–	2 371
Employee share options vested	–	(5 767)	–	(5 767)
Total contributions by and distributions to owners of the Company recognised directly in equity	–	(3 396)	–	(3 396)
Balance as at 1 July 2021	1 521 914	1 363	855 076	2 378 353
Loss for the year	**–**	**–**	**(16 206)**	**(16 206)**
Other comprehensive income	**–**	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**–**	**(16 206)**	**(16 206)**
Employee share option scheme	**–**	**7 168**	**–**	**7 168**
Employee share option scheme vested	**7 517**	**(7 517)**	**–**	**–**
Total contributions by and distributions to owners of the Company recognised directly in equity	**7 517**	**(349)**	**–**	**7 168**
Balance as at 30 June 2022	**1 529 431**	**1 014**	**838 870**	**2 369 315**
Note	17	18		

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2022

		GROUP		COMPANY	
	Note	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
Cash flows from operating activities					
Cash generated from operations	35	**202 227**	425 446	**70**	284
Interest income		**5 011**	3 618	**1**	1
Finance cost		**(36 257)**	(47 046)	**–**	–
Tax paid	36	**(24 309)**	(23 400)	**(2)**	(3)
Net cash from operating activities		**146 672**	358 618	**69**	282
Cash flows from investing activities					
Purchase of property, plant and equipment	3	**(86 795)**	(82 096)	**–**	–
Sale of property, plant and equipment	3	**1 407**	937	**–**	–
Purchase of investment property	4	**(1 506)**	(1 150)	**–**	–
Sale of investment property	4	**750**	–	**–**	–
Purchase of other intangible assets	7	**(14)**	(31)	**–**	–
Acquisition of business net of cash acquired	37	**–**	(77 805)	**–**	–
Loans advanced to Group companies		**–**	–	**(70)**	(281)
Purchase of other financial assets at amortised cost		**(51 786)**	(62 728)	**–**	–
Proceeds from other financial assets at amortised cost		**34 584**	18 476	**–**	–
Net cash applied to investing activities		**(103 360)**	(204 397)	**(70)**	(281)
Cash flows from financing activities					
Proceeds from borrowings	35	**39 487**	101 097	**–**	–
Repayment of borrowings	35	**(173 346)**	(170 204)	**–**	–
Repayment of lease liability		**(8 594)**	(8 124)	**–**	–
Net cash applied to financing activities		**(142 453)**	(77 231)	**–**	–
Total cash movement for the year		**(99 141)**	76 990	**(1)**	1
Cash at the beginning of the year		**71 180**	3 013	**1**	–
Effect of exchange rate movement on cash balances		**5 721**	(8 823)	**–**	–
Total cash at the end of the year	15	**(22 240)**	71 180	**–**	1

ACCOUNTING POLICIES

for the year ended 30 June 2022

CORPORATE INFORMATION

York Timber Holdings Limited is a public company incorporated and domiciled in South Africa.

The consolidated and separate annual financial statements for the year ended 30 June 2022 were approved by the Board of Directors on 15 September 2022.

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of preparation

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

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

The consolidated and separate annual financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in South African Rand, which is the Group and Company's functional currency and rounded to the nearest thousand (R'000).

All subsidiaries use uniform accounting policies.

These accounting policies are consistent with the previous period, except for the change in accounting policy as noted in note 34.

1.2 Segmental reporting

The Group determines and presents operating segments based on the information that is internally provided to the Group's Chief Operating Decision-Maker (CODM), comprising senior management and Executive Committee members.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and in which it may incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segment and to assess its performance where salient financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

1.3 Consolidation

Basis of consolidation

Acquisitions on or after 1 July 2009

For acquisitions on or after 1 July 2009, the Group measures goodwill as the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net identifiable assets being recognised at the acquisition date fair values. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of a pre-existing relationship between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards are exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) related to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in the consideration transferred and the market-based measure of the replacement awards is treated as a post-combination compensation cost.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

Acquisitions prior to 1 July 2009

For acquisitions prior to 1 July 2009, the Group measures goodwill as the excess of the cost of the acquisition over the Group's interest in the recognised amount of the identifiable assets, liabilities and contingent liabilities of the acquiree at the acquisition date fair value. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated annual financial statements.

Investments in subsidiaries in the separate annual financial statements

Subsidiaries are entities controlled by the Company. Control exists when the Company 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. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated annual financial statements from the date that control commences until the date that control ceases. They are deconsolidated from the date that control is lost. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Investments in subsidiaries are initially carried at cost and subsequently at cost less impairment.

1.4 Significant judgements and sources of estimation uncertainty

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

Key sources of estimation uncertainty

For details of judgements and estimates that have a significant effect on the consolidated annual financial statements, refer to:

- Note 3 – Property, plant and equipment
- Note 4 – Investment property
- Note 5 – Biological assets
- Note 6 – Goodwill
- Note 11 – Deferred tax
- Note 12 – Inventories
- Note 13 – Trade and other receivables
- Note 18 – Share-based payment reserve
- Note 21 – Lease liability
- Note 22 – Retirement benefit obligation
- Note 23 – Provisions

1.5 Biological assets

Pine and eucalyptus trees

Planted pine and eucalyptus trees are recognised as biological assets, where the Group controls the assets, future economic benefits are probable and the fair value can be reliably measured.

Biological assets are measured at fair value less costs to sell at each reporting period (31 December and 30 June), with any resultant gain or loss recognised as operating profit or loss in the statement of profit or loss and other comprehensive income.

Biological assets that are expected to be consumed in the next 12 months are disclosed under current assets. Biological assets are transferred to inventory upon harvesting.

The operating cycle will commence when the biological assets reach clearfell age at 20 years whereafter the biological assets will be consumed in the next 12 months as part of the normal operating cycle.

Unharvested fruit

The Group recognises a biological asset from unharvested avocados and macadamias when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the Group; and
- the fair value or cost of the asset can be measured reliably.

Avocados and macadamias growing on bearer plants (recognised in property, plant and equipment note 3) are accounted for as biological assets until the point of harvest. Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sell at the point of harvest. A gain or loss arising on initial recognition of unharvested agricultural produce at fair value less costs to sell is included in operating profit or loss for the period in which it arises as a fair value adjustment. Any fair value adjustments subsequent to initial recognition will be included in operating profit or loss for the period.

The fair value of avocados and macadamias growing on the bearer plants is determined by reference to market prices for local, export and reject classes, adjusted for expected costs to reach maturity, which is typically one to two months after the end of the reporting period. Significant estimates include the expected agricultural produce yields and quality, and the expected market price.

1.6 Investment property

Investment property is initially recognised at cost and subsequently measured at fair value. Transaction costs are included in the initial measurement of investment property.

Any gain or loss arising from a change in fair value is recognised as non-operating profit or loss in the statement of profit or loss and other comprehensive income. An external, independent valuation company, having an appropriate, recognised professional qualification and recent experience in the location and category of property being valued, is used to value the portfolio. External valuations are performed every three years. The valuations in-between the professional valuations are done internally by the directors. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

Rental income from investment property is accounted for as described in accounting policy 1.18.

When an item of property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is, to the extent that the remeasurement of an investment property on the date of classification results in a gain, applied first to reducing any impairment loss that was previously recognised in profit or loss and the remaining increase is recognised in other comprehensive income. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

When the Group begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, measured in terms of the fair value model, and is not reclassified as property, plant and equipment during the redevelopment.

1.7 Property, plant and equipment

Owned assets

Items of property, plant and equipment and bearer plants are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Bearer plants consist of citrus, macadamia and avocado trees.

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised interest and any other costs directly attributable to bringing the asset to a working condition for its intended use. The cost of self-constructed and acquired assets includes:

- the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing items and restoring the site on which they are located; and
- changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligations or from changes in the discount rate.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Capital work in progress is carried at cost less any impairments.

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The replaced part is subsequently derecognised. All other costs are recognised in profit or loss as an expense as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation of an item of property, plant and equipment commences when it is available for use and ceases on the earlier of the date it is classified as held for sale or the date it is derecognised upon disposal. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

The residual values, depreciation methods and useful lives are reassessed annually at the reporting date. The current estimated useful lives are as follows:

Item	Depreciation method	Useful life
Land	–	Indefinite
Buildings	Straight-line	10 to 49 years
Roads (included in buildings in note 3)	Straight-line	40 years
Right-of-use assets	Straight-line	2 to 5 years
Plant and machinery	Straight-line	5 to 12 years
Other equipment	Straight-line	3 to 15 years
Bearer plants	Straight-line	5 to 33 years

1.8 Leases

Where the Group is the lessee, a right-of-use asset and lease liability are recognised.

Payments made under leases are recognised against the lease liability over the period of the lease.

The right-of-use assets are initially measured at cost and include the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs where applicable and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The right-of-use assets and liabilities consist mainly of warehouses leased for a period of between two to five years and are measured at the present value of lease payments over the lease term at the Group's incremental borrowing rate adjusted for asset-specific risks and the lease term. Lease modifications that result in the addition of one or more assets are accounted for as a newly acquired asset and lease liability. Lease modification that does not result in the addition of one or more assets i.e. rent reductions and amendment of lease terms are accounted for as a right-of-use asset and lease liability adjustment at the adjusted incremental borrowing rate on the effective date of the modification.

Lease payments are allocated between principal and finance cost. The finance cost is changed to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group has elected to apply the recognition exemption to not recognise right-of-use assets and liabilities for short-term leases of 12 months or less and leases for which the underlying asset and liability is of low value.

The lease agreements are renegotiated at the termination of each lease contract.

1.9 Intangible assets

Goodwill

Initial measurement

Goodwill is measured at cost.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite life. Goodwill is tested annually for impairment and when impairment indicators exist.

Other intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Useful life

For all other intangible assets, amortisation is provided on a straight-line basis over their useful lives commencing when the asset is available for use and ceasing when the asset is disposed of or no longer generates benefits for the entity.

Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite, is an indicator that the asset may be impaired. As a result, the asset is tested for impairment when an impairment indicator exists and the remaining carrying amount is amortised over its useful life.

Subsequent measurement

The Group recognises in the carrying amount of an item of intangible assets, the cost of replacing part of such an item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The replaced part is subsequently derecognised. All other costs are recognised in profit or loss as an expense as incurred.

Amortisation

The residual values, amortisation methods and useful lives are reassessed annually at the reporting date.

Amortisation is recognised as part of operating expenses in the statement of profit or loss and other comprehensive income. Amortisation is provided to write down intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software	5 years

1.10 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9: *Financial Instruments*. Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost (this category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:

- Amortised cost.

Note 42 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

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

Loans receivable at amortised cost

Classification

Loans to Group companies (note 9) and self-insurance fund (note 10) are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

Loans receivable are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

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

Impairment

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

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

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

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

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, value added tax (VAT) and prepayments, are classified as financial assets subsequently measured at amortised cost (note 13).

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

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

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

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT, interest and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group calculated the expected credit loss under the simplified approach using a provision matrix. The expected credit loss is calculated by applying an expected loss ratio to each age receivable group. The loss ratio is calculated as the historical payment profile and adjusted for macro-economic forecasts. A default credit loss ratio is applied to ageing periods of 90 days and over if the debtor is covered by credit insurance. Debtors not covered by credit insurance are reviewed on an individual basis based on historical transactions and communication to determine debt loss.

Derecognition

Any gains or losses arising on the derecognition of trade and other receivables are included in profit or loss in the derecognition gains/(losses) on financial assets at amortised cost.

Borrowings

Classification

Borrowings (note 20) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value less transaction costs, if any.

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

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

Interest expense, calculated on the effective interest method, is included in profit or loss under finance cost (note 31).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 42 for details of risk exposure and the management thereof.

Trade and other payables

Classification

Trade and other payables (note 24), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

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

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance cost (note 31).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 42 for details of risk exposure and the management thereof.

Derecognition

Any gains or losses arising on the derecognition of trade and other payables are included in profit or loss in the derecognition gains/(losses) on financial assets at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are classified as financial assets initially and are subsequently measured at amortised cost and consist of cash on hand and bank balances.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost.

1.11 Tax

Current tax assets and liabilities

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Deferred tax assets and liabilities

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 taxation purposes.

Deferred tax is not recognised for the following temporary differences:

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be raised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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.

Deferred tax on investment property is provided for at the tax rate expected to apply to the proceeds on sale of the property.

Tax expenses

Income tax expense for the year comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

1.12 Inventories

Raw materials, work in progress and finished goods of timber and timber-related products, and consumable stores, are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is based on the weighted average cost method.

The cost of harvested timber and fruit produce is its fair value at the date of harvest based on the previous biological asset valuation performed, determined in accordance with the accounting policy for biological assets. Any change in value at the date of harvest is recognised in profit or loss.

The harvested timber is carried at roadside prices which includes the transport cost up to roadside. The ageing of logs is used to determine whether the logs should be written off. Logs older than 20 weeks are written off.

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

1.13 Impairment of assets

Financial assets

A financial asset, other than financial assets at fair value through profit or loss, is assessed at each reporting date to determine whether there is any objective evidence that it should be impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Individually significant financial assets at amortised cost are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

The recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the expected future cash flows from the asset are 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.

When an asset does not generate cash inflows that are largely independent from other assets, its recoverable amount is determined by assessing the recoverable amount of the cash-generating unit to which the asset belongs.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the acquirer's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Impairment losses recognised in terms of cash-generating units are allocated first to reduce the carrying value of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the cash-generating unit on a pro rata basis. An impairment loss is recognised in profit or loss whenever the carrying amount of the cash-generating unit exceeds its recoverable amount.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

1.14 Share capital and equity

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

1.15 Share-based payments

Equity-settled transactions

The grant date fair value of options allocated to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The Group allocated share-based payment scheme to the employees of a subsidiary. The grant date fair value of options allocated to employees is recognised as an investment in subsidiary, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an investment in subsidiary is adjusted to reflect the actual number of share options that vest.

1.16 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised in the period in which the employee renders the related service.

The accrual/liability for employee entitlements to wages, salaries and annual leave represents the amount which the Group has a present obligation to pay as a result of employees' services provided up to the reporting date. The accruals have been calculated at undiscounted amounts based on expected wage and salary rates.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's policy is not to provide post-retirement medical aid benefits to its employees. The provision is made for a closed group of existing and former employees.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting the amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. 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 comprise actuarial gains and losses are recognised immediately in other comprehensive income. 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The expense is included under operating expenses.

1.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of any discount is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

1.18 Revenue from contracts with customers

The Group recognises revenue from the following major sources:

- Sale of logs;
- Sale of timber products;
- Rendering of services – treating;
- Sale of food and beverages;
- Accommodation income;
- Sale of nuts and fruit;
- Income from fruit packaging;
- Rental income; and
- Transport income.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of logs

Revenue is recognised at a point in time for the sale of logs and includes the sale of logs and transport income.

For the sale of logs to customers, revenue is recognised when control of the goods has transferred, being at the point when the customer receives the goods. Payment of the transaction price is due immediately at the point when the customer purchases the goods, or within 30 days for account-holding customers. A receivable is recognised for account-holding customers. No financing element is recognised as the payment terms are within 30 days.

Sale of timber products

Revenue is recognised at a point in time for local and export sales of timber products and includes the sale of timber and transport income.

Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility of selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. In some instances the customer requires the Company to arrange transport with the sale of goods. The performance obligation on the sale of goods is then satisfied when the goods are delivered to the customer.

Rendering of services – treating

Revenue relating to treating services is recognised in the accounting period in which the services are rendered.

Sale of food and beverages

Revenue from sale of goods is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and VAT.

Accommodation income

Revenue is derived from accommodation income and is measured at the transaction price received or receivable after deducting VAT based on an overnight rate for accommodation. Revenue is recognised when the performance obligations are met over time as services are rendered.

Sale of nuts and fruit

Revenue is recognised at a point in time for sales of nuts and fruit.

For the sale of fruit, the final packed produce is sent to the marketing and distribution agent (agent) for local and export consumers. The title of the produce remains with the Group until the final payment for the product has been received by the agent and the risk in the produce will only pass to the end consumer on the sale between the agent and end consumer.

Deferred revenue is recognised for produce where the Group has received partial payment for the produce from the agent. For the sale of nuts, revenue is recognised when the nuts are delivered to the customer.

Income from fruit packaging

Revenue is recognised at a point in time.

Revenue derived from fruit packaging services rendered is recognised when the goods are packed from the growers based on the pack-out distribution of the produce delivered by the grower.

Rental income

Rental income from investment property is recognised in profit or loss (net of VAT) on a straight-line basis over the term of the lease. Other rental income is recognised in profit or loss.

Transport income

Revenue derived from transport services is recognised in the accounting period in which the services are rendered, at a point in time when the goods are delivered, at the gross amount of revenue received.

1.19 Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at the rate of exchange ruling on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at rates of exchange ruling at the reporting date (spot rate).

Any foreign exchange differences are recognised in profit or loss in the year in which the difference occurs. The profits are included under other income and the losses are included under other operating gains/(losses).

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

1.20 Investment income and finance cost

Investment income comprises interest income on funds invested, interest charged on overdue trade receivables and interest charged at a market-related interest rate for loans to Group companies in line with IFRS 9.

Interest income is recognised as it accrues using the effective interest method.

Finance cost comprises interest expenses on borrowings, interest expenses on lease liabilities, interest expenses charged on overdue trade payables and interest charged at market-related interest rates for loans to Group companies in line with IRFS 9 and overdraft facilities.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2022

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

During the current financial year, there were no new standards and interpretations applicable to the Group that were adopted.

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2022 or later periods:

Deferred tax related to assets and liabilities arising from a single transaction: Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction, must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 1 January 2023.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the consolidated and separate annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of the accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in consolidated and separate annual financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 1 January 2023.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Classification of liabilities as current or non-current: Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period to defer settlement of a liability for at least 12 months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within 12 months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2023.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Annual Improvement to IFRS 2018 – 2020: Amendments to IFRS 9

The amendment concerns fees in the '10 percent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date for the Group is for years beginning on or after 1 January 2022.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts is now specifically required.

The effective date for the Group is for years beginning on or after 1 January 2022.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate annual financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	GROUP					
	2022			2021		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Land	**140 880**	**–**	**140 880**	140 880	–	140 880
Buildings	**356 893**	**(103 442)**	**253 451**	337 319	(89 939)	247 380
Right-of-use assets	**37 158**	**(6 127)**	**31 031**	25 077	(21 265)	3 812
Plant and machinery	**662 365**	**(341 770)**	**320 595**	630 130	(278 040)	352 090
Motor vehicles	**212 882**	**(115 510)**	**97 372**	192 066	(99 343)	92 723
Bearer plants	**20 987**	**(2 672)**	**18 315**	23 071	(921)	22 150
Other equipment*	**14 032**	**(8 850)**	**5 182**	22 274	(9 016)	13 258
Capital – work in progress	**43 529**	**–**	**43 529**	33 352	–	33 352
Total	**1 488 726**	**(578 371)**	**910 355**	1 404 169	(498 524)	905 645

	GROUP					
	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Total R'000
2022						
Reconciliation of property, plant and equipment						
Land	**140 880**	**–**	**–**	**–**	**–**	**140 880**
Buildings	**247 380**	**21 002**	**(165)**	**(407)**	**(14 359)**	**253 451**
Right-of-use assets	**3 812**	**34 286**	**–**	**–**	**(7 067)**	**31 031**
Plant and machinery	**352 090**	**34 299**	**–**	**–**	**(65 794)**	**320 595**
Motor vehicles	**92 723**	**16 864**	**(1 169)**	**–**	**(11 046)**	**97 372**
Bearer plants	**22 150**	**47**	**(1 563)**	**–**	**(2 319)**	**18 315**
Other equipment*	**13 258**	**4 406**	**(23)**	**–**	**(12 459)**	**5 182**
Capital – work in progress	**33 352**	**10 177**	**–**	**–**	**–**	**43 529**
	905 645	**121 081**	**(2 920)**	**(407)**	**(113 044)**	**910 355**

	Opening balance R'000	Additions R'000	Additions through business combinations R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Impairment loss R'000	Total R'000
2021								
Reconciliation of property, plant and equipment								
Land	111 928	–	28 952	–	–	–	–	140 880
Buildings	218 674	5 431	29 063	(3)	7 649	(13 320)	(114)	247 380
Right-of-use assets	9 649	–	–	–	–	(5 837)	–	3 812
Plant and machinery	377 575	946	7 071	(208)	25 886	(59 180)	–	352 090
Motor vehicles	82 979	24 891	5 756	(2 240)	–	(18 663)	–	92 723
Bearer plants	–	11 140	11 931	–	–	(921)	–	22 150
Other equipment*	12 973	–	410	(35)	3 152	(3 242)	–	13 258
Capital – work in progress	30 351	39 688	–	–	(36 687)	–	–	33 352
	844 129	82 096	83 183	(2 486)	–	(101 163)	(114)	905 645

* *Other equipment refers to furniture and fittings, computer equipment and critical spares. They have been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment. In the prior year financial statements, motor vehicles were included in the other equipment balance. This has now been disclosed separately in the current and prior year and excluded from the other equipment.*

3. PROPERTY, PLANT AND EQUIPMENT continued

Property, plant and equipment encumbered as security

Landholdings amounting to 57 178 hectares (2021: 57 178 hectares) with a carrying value of R29,8 million were encumbered in favour of Micawber 558 Proprietary Limited (unrelated to the Group), as security for loans and borrowings, as per note 20.

Assets comprising the plywood plant with a carrying value of R231,7 million (2021: R262,7 million) are subject to a notarial bond.

Assets are encumbered in terms of instalment sale agreements.

	GROUP	
	2022 R'000	**2021 R'000**
Carrying value of plant and equipment under instalment sale agreement obligation		
Plant and machinery	**19 608**	27 613
Motor vehicles	**86 470**	81 487

The Group has entered into instalment sale agreements with Absa, Mercedes Benz Financial Services, Daimler Financial Services and Toyota Financial Services for plant, equipment and vehicles (refer to note 20).

The present value of minimum instalment sale agreement payments due at year-end was R65 million (2021: R64 million) (refer to note 20).

Impairment

The impairment in the prior year relates to the wetmill roof that was damaged. It was included in other operating expenses.

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

4. INVESTMENT PROPERTY

	GROUP	
	2022 Valuation R'000	**2021 Valuation R'000**
Investment property	**36 093**	34 180

	GROUP			
	Opening balance R'000	**Additions R'000**	**Transfers R'000**	**Total R'000**
2022				
Reconciliation of investment property				
Investment property	**34 180**	**1 506**	**407**	**36 093**

	GROUP				
	Opening balance R'000	**Additions R'000**	**Classified as held for sale R'000**	**Fair value adjustments R'000**	**Total R'000**
2021					
Reconciliation of investment property					
Investment property	30 740	1 150	(750)	3 040	34 180

Lease agreements for investment properties are at market-related rentals and are renewed annually. The property held for sale in the 2021 financial year has been sold.

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

4. INVESTMENT PROPERTY continued

Details of valuations

There is a three-year external valuation cycle and external valuations were performed on 21 May 2021.

Revaluations were performed by independent valuators, Tetragon Valuers Proprietary Limited. These valuators are not connected to the Company and have recent experience in the location and category of the investment properties being valued. The directors assessed the fair value as at 30 June 2022 and deemed the existing values to be reasonable.

The fair value measurement for investment property of R36 million (2021: R34,1 million) has been categorised as at level 3 fair value. A 1% change in the value of investment property would result in a R0,4 million (2021: R0,3 million) adjustment to profit or loss.

	GROUP	
	2022 R'000	2021 R'000
Amounts recognised in profit or loss for the year excluding fair value adjustments		
Rental income from investment property	**2 132**	1 874
Direct operating expenses from rental-generating property	**(718)**	(1 070)
Total	**1 414**	804

5. BIOLOGICAL ASSETS

The biological assets comprise of pine and eucalyptus trees and unharvested fruit.

Pine and eucalyptus trees

The calculation to establish the value of the plantation biological assets is based on existing, sustainable harvesting plans and assessments regarding growth, timber prices, harvesting and silviculture costs and selling expenses. The calculation is performed for a harvesting cycle for biological assets that York estimates to average 20 years and does not include replanting of trees once harvested. The change in value is recognised as part of operating profit or loss in the statement of profit or loss and other comprehensive income.

	GROUP	
	2022 R'000	2021 R'000
Reconciliation of biological assets: pine and eucalyptus trees		
Opening balance	**2 875 903**	2 906 890
Standing timber purchased	**–**	935
Standing timber harvested	**(935)**	(44 880)
Reconciliation of biological assets due to changes in standing volume:		
Fair value adjustment		
– Increase due to growth and enumerations[1]	**436 431**	362 074
– Decrease due to harvesting and disposals	**(242 861)**	(342 632)
Adjustment to standing timber values to reflect changes to sales price, cost and discount rate assumptions[2]	**(265 300)**	(6 484)
Closing balance	**2 803 238**	2 875 903
Classified as non-current assets	**2 478 866**	2 502 597
Classified as current assets[3]	**324 372**	373 306
	2 803 238	2 875 903

1 Enumerations refer to updates that are made to the merchandising model's data due to more accurate information being collected about the trees in the plantations. These are used to adjust the model's theoretical yields to actual yields and are done systematically over the life of the plantations.

2 Being the movement after the increases in growth and enumeration and decreases due to harvesting, from the opening balance value, and consists of the impact of changes to the discount rate, log sales prices and operating costs from the prior year balance.

3 The biological assets to be harvested and sold in the 12 months after year-end.

5. BIOLOGICAL ASSETS continued

Pine and eucalyptus trees continued

	GROUP	
	2022 R'000	**2021 R'000**
Change in discounted cash flow value (DCF) attributable to:		
Opening balance	**2 875 903**	2 906 890
Change in product mix and age*[4]	**70 393**	36 761
Revenue and price*[5]	**290 174**	136 894
Operating costs*	**(233 852)**	(53 251)
Discount rate*	**(396 911)**	(107 596)
Standing timber purchased	**–**	935
Standing timber harvested	**(935)**	(44 880)
Change in volume*[6]	**198 466**	150
Closing balance	**2 803 238**	2 875 903

* *The total of these amounts equals the fair value adjustment disclosed in note 29.*

[4] *Represents the cash flow profile change from the prior year yield forecast as a result of the change in the product mix and the age profile of the plantation biological assets.*

[5] *Revenue and price changes relate to inflationary adjustments over the next year, following year and over the long term.*

[6] *Change in volume in the DCF model refers to changes in the forecast yield at maturity of planted trees. Temporary unplanted hectares decreased by 1 806 hectares from the prior year. The DCF volumes over the 20-year period remained in line with the prior year volumes. An accuracy factor is used to calculate the accounting estimated volume. This is a downwards adjustment of harvestable volume.*

	GROUP	
	2022	**2021**
Reconciliation of standing volume (m^3)		
Opening balance	**6 285 007**	6 244 607
Increase due to growth and enumeration[1]	**952 241**	744 151
Decrease due to harvesting and sales	**(529 893)**	(703 751)
	6 707 355	6 285 007
Landholding (hectares)		
Pine[7]	**56 473**	54 562
Eucalyptus[7]	**292**	289
Temporary unplanted areas[7]	**1 998**	3 804
Conservancy areas[7]	**30 701**	30 816
Agricultural land[7]	**115**	108
	89 579	89 579

[1] *Enumerations refer to updates that are made to the merchandising model's data due to more accurate information being collected about the trees in the plantations. These are used to adjust the model's theoretical yields to actual yields and are done systematically over the life of the plantations.*

[7] *The planted pine and eucalyptus trees are valued in determining the fair value of the biological assets. The temporary unplanted, conservation and agricultural land areas are carried at cost and included under land in note 3.*

5. BIOLOGICAL ASSETS continued

Methodology and assumptions used in determining fair value

The key inputs into the 20-year discounted model (DCF) are set out below. The DCF does not take replantings into account and is based on a 20-year finite period. This is consistent with the expected rotation of the plantations.

Log prices: Log prices per cubic metre and per log class are based on current and future expected market prices. Current prices were adjusted upwards for inflation by 5,80% over the next year, 4,70% over the following year and 4,60% over the long term. (2021: 4,40% over the next year and 4,50% per annum over the following year and long term).

Operating costs: Costs include harvesting, maintenance and associated fixed overhead costs. No replanting and associated costs are included. The overhead costs are based on a unit cost on the remaining planted hectares, and reduce over the discount period as the remaining planted hectares reduce. The current costs were adjusted upwards for inflation by 5,80% over the next year, 4,70% over the following year and 4,60% over the long term (2021: 4,40% over the next year and 4,50% per annum over the following year and over the long term).

Costs to sell: Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes. Costs to sell include the harvesting cost and the cost to bring logs to roadside, that are part of the operating cost.

Discount rate: In determining the weighted average cost of capital (WACC), a comparable group of forestry companies' Beta is used to determine the Beta applied in the WACC. York applied the debt/equity ratio of market participants included in its comparable company basket.

Volumes and volume adjustment factor: The total maturity volumes over a 20-year cycle is 21 440 029m^3 (2021: 20 055 548m^3). The projected volumes from the harvesting plans are risk-adjusted by a weighted average of 3% (2021: 5%) based on the most recent actual yield reconciliation data to account for normal and abnormal deviations and operational losses.

	GROUP	
Year	Maturity volume (m^3) 2022	Maturity volume (m^3) 2021
One to five	**3 785 099**	3 649 502
Six to ten	**6 406 816**	5 858 281
11 to 15	**4 998 934**	4 690 971
16 to 20	**6 249 180**	5 856 794
Total	**21 440 029**	20 055 548

Level 3 fair value

The valuation model considers the present value of the net cash flows expected to be generated from the plantations. The cash flow projections include specific estimates for 20 years (June 2021: 20 years). The expected cash flows are risk-adjusted for current economic conditions.

	GROUP	
	2022	2021
Key assumptions used in the calculation of the discount rate		
Beta factor[9]	**1,16**	1,16
Risk-free rate[8] (%)	**11,00**	9,26
Cost of equity (%)	**18,17**	16,45
Pre-tax cost of debt (%)	**8,25**	7,00
After-tax WACC (%)	**15,27**	13,61
Debt/equity ratio[9]	**24:76**	25:75

[8] *The GSAB10YR yield curve was used (2021: GSAB10YR yield curve).*
[9] *York applied a relevered Beta and a debt/equity ratio of the market participants included in its comparable company basket.*

5. BIOLOGICAL ASSETS continued

Level 3 fair value continued

The Group is exposed to a number of risks relevant to its commercial tree plantations, namely:

Regulatory and environmental risk: The Group has established environmental policies and procedures aimed at compliance with environmental legislation. Management performs regular reviews to identify environmental risks and to ensure that the management systems in place are adequate. The Group manages its plantations in compliance with the international Forest Stewardship Council's requirements for sustainable forestry.

Supply and demand risks: The Group is exposed to risks arising from fluctuations in the price and demand for log products. When possible, the Group manages these risks by aligning its harvest volumes to market demand. Management performs regular industry trend analyses to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with expected demand on a sustainable basis.

Climate and other risks: The Group's plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks. The Group subscribes to various national fire prevention associations which use differing weather conditions to indicate fire risk. The Group insures itself against natural disasters such as fires and floods. Refer to note 10. The Group is mapping areas in terms of expected climatical conditions over York's landholdings and identifying suitable genetic material in response to climate changes and pest tolerance. To address the climate change, the Group developed hybrid material that is more heat tolerant and less dependent on water.

Pledged as security

Landholdings amounting to 57 178 hectares (2021: 57 178 hectares) with biological assets valued at R1,8 billion were encumbered in favour of Micawber 558 Proprietary Limited as security for loans and borrowings as per note 20.

Sensitivity analysis

The sensitivity analysis below shows how the present value of the discounted cash flows would be affected if the key valuation parameters were attributed to other values than those that form the basis of the current valuation of the discounted cash flows. A decrease by the same percentage would have the opposite effect on the valuation.

	GROUP	
	R'000	**R'000**
Sensitivity analysis		
100 basis points increase in the current log price	**46 469**	45 282
25 basis points increase in forecast log prices (years 1 and 2 and long term)	**85 674**	88 800
25 basis points increase in the forecast cost inflation rate	**(24 456)**	(24 168)
50 basis points increase in the pre-tax cost of debt	**(20 122)**	(22 054)
25 basis points increase in the discount rate	**(57 101)**	(60 902)
100 basis points increase in projected volumes	**38 665**	37 718

5. BIOLOGICAL ASSETS continued

Unharvested fruit

	GROUP	
	2022 R'000	**2021 R'000**
Reconciliation of biological assets		
Opening balance	**2 248**	–
Additions through business combination	**–**	3 892
Change in fair value of avocados and macadamias due to harvesting	**(2 248)**	(2 859)
Change in fair value of avocados and macadamias due to growth	**5 383**	1 215
	5 383	2 248

Methodology and assumptions used in determining fair value

The agricultural produce volumes were reduced by a weighted average of 1% based on the historical actual volumes harvested compared to estimated volumes and volume distribution between export, local and reject markets based on the historical pack-out rates. The fair value of avocados and macadamias growing on the bearer plants is determined by reference to market prices for local, export and reject classes, adjusted for expected costs to reach maturity, which is typically one to two months after the end of the reporting period. Costs to sell include the packaging cost and harvesting cost. Significant estimates include the expected agricultural produce yields and quality and the expected market price.

Maturity of bearer plants

As at 30 June 2022, the Group had 117 hectares (2021: 108 hectares) of bearer plants. From the 117 hectares, 38 hectares were immature and 79 hectares were mature (2021: 108 hectares; 30 hectares were immature, and 78 hectares were mature). During the year, 685 tonnes (2021: 379 tonnes) of agricultural produce were harvested.

	GROUP	
	2022 R'000	**2021 R'000**
Sensitivity analysis		
100 basis points increase in market prices	**61**	24
25 basis points increase in harvesting cost	**(2)**	(2)
100 basis points increase in volumes	**54**	26

The above sensitivity analysis shows how the fair value would be affected if the key valuation parameters were attributed to other values than those that form the basis of the current valuation. A decrease by the same percentage would have the opposite effect on the valuation.

	GROUP	
	2022 R'000	**2021 R'000**
Classified as current assets	**5 383**	2 248

	GROUP	
	2022 R'000	**2021 R'000**
Total biological assets (pine and eucalyptus trees and unharvested fruit)		
Classified as non-current assets	**2 478 866**	2 502 597
Classified as current assets	**329 755**	375 554
	2 808 621	2 878 151

6. GOODWILL

	GROUP					
	2022			2021		
	Cost R'000	Accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated impairment R'000	Carrying value R'000
Goodwill	**566 626**	**(208 996)**	**357 630**	566 626	(208 996)	357 630

Goodwill of R565 million arose from the business combination that took place in July 2007 and represents the difference between the fair value of the net assets purchased and the then acquisition price.

Goodwill is tested for impairment at each year-end. For the purpose of impairment testing, goodwill has been allocated to the Forestry segment. The segment net assets are compared to the fair value less costs to sell that are expected to flow from the Forestry segment cash flows only.

The fair value less costs to sell was determined based on the assumptions detailed below. The cash flows have been based on the approved budget for the 2023 financial year as well as a forecast to 2037 using a long-term inflation rate of 4,60% (2021: 4,50%). The period is longer than would normally be the case due to the nature of the underlying assets. The plantations are managed in rotation based on a clearfell age for pine of approximately 20 years (2021: 20 years). The plantations are managed to harvest approximately 3 000 hectares per annum and include the replanting of plantations whereas the biological asset valuation has no replantings.

Volumes: The expected yields per log class are calculated with reference to the yield curves of the species and growth sites relevant to the planted area. The growth models are derived from actual trial data that has been measured annually since 1976. A merchandising model, using the modelled tree shapes at various ages, is used to split the trees into predefined products.

Volume adjustment factor: Harvesting volumes expected from York plantations in MicroForest were further reduced by a weighted average of 3% (2021: 5%) for the first rotation period, based on the most recent actual yield reconciliation data, and in the residual period the volumes were adjusted for the expected yield.

Log prices: The price per cubic metre is based on current and future expected market prices per log class. It was assumed that prices will increase at 5,80% over the next year, 4,70% over the following year and 4,60% over the long term (2021: 4,40% over the next year and 4,50% over the following year and over the long term).

Operating costs: The costs are based on the unit cost of the forestry management activities required to enable the trees to reach the age of felling. The costs include the current and future expected costs for establishment, harvesting, maintenance and risk management, as well as associated fixed overhead costs. Costs include all costs associated to deliver the product at roadside (point of sale). A long-term inflation rate of 4,60% (2021: 4,50%) was used.

Discount rate: In determining the WACC, a comparable group of forestry companies' Beta is used to determine the Beta applied in the WACC. York applied the debt/equity ratio of market participants included in its comparable company basket.

6. GOODWILL continued

Level 3 fair value

The valuation model considers the present value of net cash flows expected to be generated from the segment. The cash flow projections include specific estimates for 15 years, thereafter a terminal value is determined. The expected net cash flows are discounted using a risk-adjusted discount rate that takes into account the Beta factors of a comparable group of forestry companies. York applied the debt/equity ratio of the market participants included in its comparable company basket.

	GROUP	
	2022 R'000	**2021 R'000**
Results of impairment testing		
Carrying amount of segment assets	**2 378 183**	2 418 211
Fair value less costs to sell[1]	**(2 746 586)**	(2 626 111)
Net result: headroom	**(368 403)**	(207 900)

[1] *The present value of the segment was impacted by the following:*
- *Decrease in disposal value of non-commercial areas;*
- *Increase in long-term inflation forecast;*
- *Decrease in the biological asset value included in the carrying amount of the segment assets;*
- *Decrease in tax rate from 28% to 27%; and*
- *Increase in discount rate.*

	GROUP	
	2022	**2021**
Key assumptions used in the calculation of the discount rate		
Risk-free rate[2] (%)	**11,00**	9,26
Cost of equity (%)	**18,17**	16,45
Pre-tax cost of debt (%)	**8,25**	7,00
Debt/equity ratio[3]	**24:76**	25:75
After-tax WACC (%)	**15,27**	13,61
Beta factor[3]	**1,16**	1,16

[2] *The GSAB10YR yield curve (2021: GSAB10YR yield curve) was used.*
[3] *York applied the relevered Beta and debt/equity ratio of the market participants included in its comparable company basket (refer to note 5).*

The following sensitivity analysis shows how the present value of the segment's future cash flows would be affected if the key valuation parameters were attributed other values than those that form the basis of the current valuation of the segment's future cash flows. A decrease by the same percentage would have the opposite effect on the valuation.

	GROUP	
	2022 R'000	**2021 R'000**
Sensitivity analysis[4]		
100 basis points increase in the current log price	**81 393**	106 231
25 basis points increase in forecast log prices	**104 004**	130 100
25 basis points increase in forecast cost inflation rate	**(22 061)**	(35 301)
50 basis points increase in the pre-tax cost of debt	**(26 869)**	(31 824)
25 basis points increase in the discount rate	**(75 734)**	(87 090)
100 basis points increase in projected volumes	**52 682**	47 726

[4] *When comparing the sensitivity analysis above to note 5, the biological asset valuation, the key differences in the valuation methodologies should be taken into account. The valuation above reflects the Forestry segment as a stand-alone business with the plantations in rotation and therefore includes a residual period. The fair valuation of the biological assets (note 5) is calculated on the assumption that no replanting of the plantations is done and therefore relates to a finite period.*

6. GOODWILL continued

Level 3 fair value continued

	GROUP			
	Opening balance R'000	**Additions through business combinations R'000**	**Impairment loss R'000**	**Total R'000**
2021				
Reconciliation of goodwill				
Goodwill	**357 630**	**1 184**	**(1 184)**	**357 630**

Goodwill of R1,2 million arose from the business combination that took place in the 2021 financial year as per note 37 and represents the difference between the fair value of the net assets purchased, liabilities assumed and the acquisition price. The goodwill was impaired in the prior financial year as the goodwill originated from a deferred tax liability recognised at the acquisition date for immovable assets acquired for farming purposes not being deductible for taxation purposes.

7. INTANGIBLE ASSETS

	GROUP					
	2022			2021 Restated		
	Cost R'000	**Accumulated amortisation R'000**	**Carrying value R'000**	**Cost R'000**	**Accumulated amortisation R'000**	**Carrying value R'000**
Computer software	**3 189**	**(2 952)**	**237**	3 175	(2 841)	334

	GROUP			
	Opening balance R'000	**Additions R'000**	**Amortisation R'000**	**Total R'000**
2022				
Reconciliation of intangible assets				
Computer software	**334**	**14**	**(111)**	**237**

	GROUP			
		Restated		
	Opening balance R'000	**Additions R'000**	**Amortisation R'000**	**Total R'000**
2021				
Reconciliation of intangible assets				
Computer software	430	31	(127)	334

8. INVESTMENTS IN SUBSIDIARIES

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

	COMPANY			
Name of company	**% holding 2022**	**% holding 2021**	**Carrying amount 2022 R'000**	**Carrying amount 2021 R'000**
South African Plywood Proprietary Limited	**100**	100	**–**	–
Global Forest Products Proprietary Limited*[1]	**100**	100	**1 117 743**	1 117 743
York Timbers Proprietary Limited[2]	**100**	100	**13 346**	6 176
Agentimber Proprietary Limited	**100**	100	**–**	–
Madiba Forest Products Proprietary Limited*	**100**	100	**–**	–
Madiba Timbers Proprietary Limited*	**100**	100	**–**	–
York Timbers Chile Limitada*	**100**	100	**–**	–
York Timbers Energy (RF) Proprietary Limited*	**100**	100	**–**	–
York Fleet Solutions Proprietary Limited	**100**	100	**–**	–
York Carbon Proprietary Limited*	**51**	51	**–**	–
Mbulwa Estate Proprietary Limited	**100**	100	**–**	–
York Power (RF) Proprietary Limited*	**100**	100	**–**	–
Sonrach Proprietary Limited	**100**	100	**–**	–
Stadsrivier Vallei Proprietary Limited	**100**	100	**–**	–
Nicholson & Mullin V2 Proprietary Limited*	**100**	–	**–**	–
			1 131 089	1 123 919

** The entities are currently dormant and not actively trading.*
[1] The Company has a direct investment in these companies. All other companies are indirect investments.
[2] Increase of investment in subsidiary through share-based payment scheme.

The Company granted certain employees of its subsidiary, York Timbers Proprietary Limited, the right to receive 1 300 000 (2021: 3 601 504) shares. The options will vest at the end of three years at no consideration to the employees. Refer to note 18.

	COMPANY	
	2022 R'000	***2021 R'000***
Fair value of options		
Value of options	***7 170***	*2 371*

Subsidiaries detail

The carrying amount of subsidiaries is shown net of impairment losses.

All of the companies are incorporated and domiciled in the Republic of South Africa, except for York Timbers Chile Limitada which is incorporated and domiciled in Chile.

9. LOANS TO GROUP COMPANIES

Subsidiaries

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
York Timbers Proprietary Limited	**–**	–	**1 240 449**	1 256 070
The loan to the Group company is unsecured, bears no interest and has a notice period of at least 367 days.				
Split between non-current and current portions				
Non-current assets	**–**	–	**1 240 449**	1 256 070
Current assets	**–**	–	**–**	–
	–	–	**1 240 449**	1 256 070
Face value of loan	**–**	–	**1 340 965**	1 340 896

Exposure to credit risk

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

The expected credit loss for the inter-company loan was assessed by taking into account macro-economic factors and the solvency and liquidity for the underlying subsidiary and no credit loss was deemed necessary. The underlying subsidiary's credit risk and the loss given default were taken into account, after exclusion of the assets held as security for borrowings, and no impairment was necessary.

Repayment of the loan has been subordinated as security for borrowings as per note 20.

The loan has been amortised in terms of IFRS 9 at an interest rate of 8,25%, being the prime interest rate (2021: 6,75%).

10. OTHER FINANCIAL ASSETS

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Other financial assets at amortised cost	**114 785**	97 583	**–**	–
Other financial assets at amortised cost				
Self-insurance fund	**114 785**	97 583		
The capacity target of the fund is R173 million (2021: R173 million) and is reassessed annually to take into account changing insurance cover requirements. For periods where the Experience Account balance is positive, the investment accrues interest at the 32-day call rate average for FNB, Absa and Nedbank as published on the first business day of each month. Where the Experience Account balance is negative, interest is charged at the prime lending rate plus 200 basis points.				
	114 785	97 583	**–**	–
Split between non-current and current portions				
Non-current assets	**114 785**	97 583	**–**	–

Risk exposure

The investments held by the Group expose it to interest rate risk. Refer to note 42 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

The carrying amount reasonably approximates its fair value.

11. DEFERRED TAX

The deferred tax asset and the deferred tax liability relate to income tax in the same jurisdiction, which allows net settlement.

	GROUP		COMPANY	
	2022 R'000	**Restated 2021 R'000**	**2022 R'000**	**2021 R'000**
Deferred tax liability	**(832 935)**	(885 035)	**–**	–
Deferred tax asset	**3 778**	4 336	**36**	37
Total net deferred tax (liability)/asset	**(829 157)**	(880 699)	**36**	37
Reconciliation of deferred tax (liability)/asset				
At the beginning of the year	**(880 699)**	(839 690)	**37**	37
Increase/(decrease) in tax losses available for set-off against future taxable income*	**1 786**	(39 320)	**–**	–
Taxable/(deductible) temporary differences*	**82 972**	(1 832)	**–**	–
Changes to other comprehensive income	**(501)**	(560)	**–**	–
Rate change*	**(30 132)**	–	**(1)**	–
Prior year under provision*	**(2 583)**	703	**–**	–
Closing balance	**(829 157)**	(880 699)	**36**	37
The balance comprises the following items:				
Capital allowances	**(106 605)**	(100 742)	**–**	–
Biological assets	**(755 496)**	(805 620)	**–**	–
Provisions	**27 965**	21 752	**36**	37
Estimated tax loss	**5 803**	4 234	**–**	–
Defined benefit plan reserve	**(824)**	(323)	**–**	–
	(829 157)	(880 699)	**36**	37
Deferred tax asset not recognised				
Assessed loss not recognised	**17 446**	13 111	**–**	–
Potential tax benefit on assessed loss	**4 710**	3 671	**–**	–

* *The total of these amounts equals the deferred tax movement in profit or loss in note 33.*

12. INVENTORIES

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Raw materials	**27 866**	34 080	**–**	–
Work in progress	**34 263**	38 210	**–**	–
Timber products	**102 595**	54 941	**–**	–
Merchandise	**2 857**	1 895	**–**	–
Consumables	**57 407**	53 751	**–**	–
Agricultural produce	**1 663**	3 401	**–**	–
	226 651	186 278	**–**	–
Write-downs	**(3 375)**	(3 013)	**–**	–
Total inventory	**223 276**	183 265	**–**	–
The total movement in cost of sales regarding inventory write-downs was an expense of R0,4 million (2021: expense of R0,5 million). The movement of inventory in cost of sales was R261,9 million (2021: R394,2 million).				
Finished goods at net realisable value				
Finished goods carried at net realisable value	**10 781**	7 784	**–**	–

13. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Financial instruments				
Trade receivables	**168 285**	249 205	**178**	178
Loss allowance	**(7 186)**	(10 057)	**(178)**	(178)
Trade receivables at amortised cost	**161 099**	239 148	**–**	–
Deposits	**5 873**	10 277	**–**	20
Employee costs paid in advance	**1 563**	1 804	**–**	–
Other receivables	**7 637**	7 726	**–**	–
Non-financial instruments				
Value added taxation	**5 477**	1 565	**–**	35
Prepayments	**11 804**	11 413	**187**	83
Total trade and other receivables	**193 453**	271 933	**187**	138

Trade and other receivables pledged as security

At year-end, trade receivables and Credit Guarantee Insurance Corporation of Africa Limited (CGIC) insurance had been ceded to Absa Bank as security for banking facilities (refer to note 15). The amount of trade receivables that has been pledged as security was R152,4 million (2021: R224,8 million).

Exposure to credit risk

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

There have been no significant changes in the credit risk management policies and processes since the prior reporting period. Refer to note 42 for details on credit risk exposure.

	2022		2021	
Expected credit loss rate	**Estimated gross carrying amount R'000**	**Loss allowance (lifetime expected credit loss) R'000**	**Estimated gross carrying amount R'000**	**Loss allowance (lifetime expected credit loss) R'000**
GROUP				
Current	**125 428**	**(1 299)**	190 780	(2 098)
30 days	**33 606**	**(377)**	39 637	(422)
60 days	**4 440**	**(930)**	8 962	(876)
90 days and over	**4 811**	**(4 580)**	9 826	(6 661)
Total expected credit loss	**168 285**	**(7 186)**	249 205	(10 057)
COMPANY				
60 days and over	**178**	**(178)**	178	(178)

13. TRADE AND OTHER RECEIVABLES continued

Exposure to credit risk continued

Reconciliation of loss allowance

The following table shows the movement in the loss allowance (lifetime expected credit losses) based on the simplified approach for trade and other receivables:

	GROUP		COMPANY	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Opening balance	**(10 057)**	(13 547)	**(178)**	(178)
Provision raised on new trade receivables	**(9)**	(78)	**–**	–
Remeasurement of loss allowance	**97**	1 018	**–**	–
Bad debt written off	**2 783**	2 550	**–**	–
Closing balance	**(7 186)**	(10 057)	**(178)**	(178)

A 0,25% to 1,82% (2021: 1% to 1,34%) credit loss ratio is applied to current up to 60 days debtors, taking into account macro-economic factors such as the inflation rate and economic outlook.

Included in the credit loss ratio is an additional loss ratio of 0,25% (2021: 0,25%) applied to take account of future economic uncertainty.

A default loss ratio of 20% (2021: 20%) was applied to debtors ageing over 90 days if they are covered by credit insurance. Debtors not covered by credit insurance are reviewed individually to determine the risk of expected credit losses.

All other receivables are neither past due nor impaired as there is no risk of expected loss.

14. CURRENT TAX RECEIVABLE/(PAYABLE)

Income tax receivable relates to an overestimate and payment of provisional taxes.

Income tax payable relates to an underestimate and payment of provisional taxes.

15. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Cash and cash equivalents consist of:				
Cash on hand	**143**	143	**–**	–
Bank balances	**12 632**	74 782	**–**	1
Short-term deposits	**3 589**	33 105	**–**	–
Bank overdraft[1]	**(38 604)**	(36 850)	**–**	–
	(22 240)	71 180	**–**	1
Current assets	**16 364**	108 030	**–**	1
Current liabilities	**(38 604)**	(36 850)	**–**	–
	(22 240)	71 180	**–**	1

[1] *At year-end, the invoice discounting facility granted by Absa Bank was secured by a cession of a clearing account held with Absa Bank and cession of trade receivables with a maximum exposure limit of R150 million, and insurance (refer to note 13). The invoice discounting facility bears interest at the prime interest rate on the utilised amount. This facility is available to all companies in the Group. Refer to note 42 for credit ratings on the various banks. The funds in use balance was a credit balance of R102,2 million at year-end with an offsetting clearing account debt balance of R63,6 million – net credit balance of R38,6 million. The availability on the Absa invoice discounting facility is limited to the lower of 85% of qualifying debtors or R150 million.*

The carrying amount reasonably approximates its fair value.

15. CASH AND CASH EQUIVALENTS continued

The total facilities and guarantees available to the Group are as follows:

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Absa invoice discounting facility	**150 000**	150 000	**–**	–
Guarantees	**6 000**	6 000	**–**	–
Letters of credit	**1 000**	1 000	**–**	–
Guarantees to Eskom Holdings Limited	**3 334**	3 334	**–**	–
Forward exchange contracts	**1 000**	1 000	**–**	–
Foreign exchange settlement limit	**5 000**	5 000	**–**	–
Absa asset and vehicle finance facility	**90 000**	90 000	**–**	–

The Group utilised R36,9 million of the Absa asset and vehicle finance facility.

16. NON-CURRENT ASSETS HELD FOR SALE

An offer to purchase a residential house on Portion 5 of Erf 254, Claremont, Pretoria, with a fair value of R820 thousand, was signed on 20 May 2021 for a selling price of R750 thousand. The transfer of the property was not completed at the 2021 financial year-end. A loss in fair value adjustment of R70 thousand was recognised in the statement of profit or loss and other comprehensive income. The property was sold in the current year and R750 thousand proceeds were received.

	GROUP	
	2022 R'000	**2021 R'000**
Assets and liabilities		
Non-current assets held for sale		
Investment property	**–**	750

17. SHARE CAPITAL

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Authorised				
600 000 000 ordinary shares of R0,05 each	**30 000**	30 000	**30 000**	30 000
Reconciliation of number of shares issued				
Opening balance ('000)	**317 520**	316 048	**331 241**	331 241
Exercise of options ('000)	**3 376**	1 472	**–**	–
Total ('000)	**320 896**	317 520	**331 241**	331 241
Reconciliation of issued shares (Rand)				
331 240 597 (2021: 331 240 597) ordinary shares of R0,05 each	**16 562**	16 562	**16 562**	16 562
10 344 355 (2021: 13 720 552) treasury shares of R0,05 each	**(517)**	(686)	**–**	–
Exercise of options	**11 199**	3 851	**7 517**	–
Share premium	**1 464 430**	1 464 430	**1 505 352**	1 505 352
Total	**1 491 674**	1 484 157	**1 529 431**	1 521 914

All issued shares are fully paid.

The Group repurchased shares during the 2016 and 2017 financial years in the open market in order to benefit from the discount between the share price and the tangible net asset value (TNAV) per share. A total of 10,3 million shares (2021: 13,7 million shares) were held by the subsidiary at 30 June 2022 and are treated as treasury shares for accounting purposes.

18. SHARE-BASED PAYMENT RESERVE

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Opening balance	**1 363**	4 759	**1 363**	4 759
Share-based payment movement	**(349)**	(3 396)	**(349)**	(3 396)
Closing balance	**1 014**	1 363	**1 014**	1 363

	GROUP		COMPANY	
	2022 units	**2021 units**	**2022 units**	**2021 units**
Opening balance	**3 601 504**	4 360 902	**3 601 504**	4 360 902
Units awarded	**1 300 000**	3 000 000	**1 300 000**	3 000 000
Units vested	**(3 601 504)**	(3 759 398)	**(3 601 504)**	(3 759 398)
Closing balance	**1 300 000**	3 601 504	**1 300 000**	3 601 504

The shares allocated as part of the share-based payment employment schemes are approved as per the 2015 Share Plan which states that the maximum number of shares which may be issued and allocated shall not exceed 9 000 000 shares.

In the 2022 financial year, the Company granted certain employees of York Timbers Proprietary Limited the right to receive 1 300 000 shares.

In the current year, the share-based payment schemes awarded in the 2019 financial year and the restricted shares granted to the late CEO in the 2021 financial year vested with 3 601 504 units awarded to qualifying individuals at an exercise price of Rnil.

Due to the entity not expecting a dividend flow within the next three years and no consideration payable at exercise date, the grant date fair value is deemed to be equal to the share price at award date.

18. SHARE-BASED PAYMENT RESERVE continued

During the period ended 30 June 2022, the Company had one (2021: three) share-based payment schemes, with the following details:

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Key assumptions used in the 2022 award				
York share price as at the reporting date (R)	**2,46**	–	**2,46**	–
Number of shares awarded	**1 300 000**	–	**1 300 000**	–
Award date	**2021/08/12**	–	**2021/08/12**	–
Expiry/vesting date	**2024/08/12**	–	**2024/08/12**	–
Fair value of options as at the grant date (R)	**3,32**	–	**3,32**	–
Exercise price (R)	**–**	–	**–**	–
Expected vesting rate (%)	**80**	–	**80**	–
Vesting conditions	**Three years' service**	–	**Three years' service**	–
CEO's share plan				
York share price as at the reporting date (R)	**–**	1,87	**–**	1,87
Number of shares awarded	**–**	1 800 000	**–**	1 800 000
Award date	**–**	2021/03/30	**–**	2021/03/30
Expiry/vesting date	**–**	2024/03/30	**–**	2024/03/30
Fair value of options as at the grant date (R)	**–**	2,34	**–**	2,34
Exercise price (R)	**–**	–	**–**	–
Expected vesting rate (%)	**–**	100	**–**	100
Vesting conditions		Achievement of a TNAV per share at the year-end reporting date		Achievement of a TNAV per share at the year-end reporting date

The following scales were in place for the vesting conditions of the above award:

- TNAV per share of R7,89: receive nil units;
- TNAV per share of R8,13: receive 900 000 units;
- TNAV per share of R8,37: receive 1 200 000 units; and
- TNAV per share of R8,62: receive 1 800 000 units.

18. SHARE-BASED PAYMENT RESERVE continued

	GROUP		COMPANY	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
CEO's share plan				
York share price as at the reporting date (R)	–	1,87	–	1,87
Number of shares awarded	–	1 200 000	–	1 200 000
Award date	–	2021/03/30	–	2021/03/30
Expiry/vesting date	–	2024/03/30	–	2024/03/30
Fair value of options as at the grant date (R)	–	2,34	–	2,34
Exercise price (R)	–	–	–	–
Expected vesting rate (%)	–	100	–	100
Vesting conditions		Achievement of a volume-weighted average share price		Achievement of a volume-weighted average share price

The following scales were in place for the vesting conditions of the above award:

- Share price of R2,31: receive nil units;
- Share price of R2,43: receive 600 000 units;
- Share price of R2,54: receive 800 000 units;
- Share price of R2,66: receive 900 000 units;
- Share price of R2,77: receive 960 000 units;
- Share price of R2,89: receive 1 000 000 units; and
- Share price of R3: receive 1 200 000 units.

	GROUP		COMPANY	
	2022	2021	2022	2021
Key assumptions used in the 2019 awards				
York share price as at the reporting date (R)	–	1,87	–	1,87
Number of shares awarded	–	601 504	–	601 504
Award date	–	2019/06/19	–	2019/06/19
Expiry/vesting date	–	2022/06/19	–	2022/06/19
Fair value of options as at the grant date (R)	–	1,90	–	1,90
Exercise price (R)	–	–	–	–
Expected vesting rate (%)	–	80	–	80
Vesting conditions		Three years' service		Three years' service

19. DEFINED BENEFIT PLAN RESERVE

The reserve is a result of the actuarial gains/(losses) on the defined benefit plan.

	GROUP	
	2022 R'000	2021 R'000
Opening balance	**830**	(611)
Movement through other comprehensive income	**1 399**	1 441
Closing balance	**2 229**	830

20. BORROWINGS

	GROUP	
	2022 R'000	2021 R'000
Held at amortised cost		
Secured		
Land Bank term loan	**226 701**	274 385
Land Bank Plywood Expansion Project loan	**–**	79 495
Land Bank Press loan	**9 662**	16 482
Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited)	**75 000**	74 837
Instalment sale agreements	**65 272**	64 089
Loan raising fee	**(1 157)**	(1 411)
Absa Capital fund loan (Sonrach Properties Proprietary Limited)	**5 832**	6 914
	381 310	514 791
Split between non-current and current portions		
Non-current liabilities	**298 210**	347 330
Current liabilities	**83 100**	167 461
	381 310	514 791

Land Bank term loan: This loan bears interest at an interest rate of prime less 0,5% (2021: prime less 0,5%) per annum and is payable monthly in arrears over 10 years of which four are remaining.

Refer to note 42 Financial instruments and risk management for details on loan covenants.

Land Bank Plywood Expansion Project loan: This loan bears interest at an interest rate of prime less 0,5% (2021: prime less 0,5%) per annum and is payable monthly in arrears, after interest and a capital holiday for the first 12 months and a capital holiday for the second 12 months, over seven years. The loan was repaid during the year.

Refer to note 42 Financial instruments and risk management for details on loan covenants.

Land Bank Press loan: This loan bears interest at an interest rate of prime less 0,5% (2021: prime less 0,5%) per annum and is payable monthly in arrears over five years and six months, of which one year and five months are remaining.

Security over the Land Bank debt:

- Guarantee by security special purpose vehicle (SPV), Micawber 558 Proprietary Limited (unrelated to the Group), in respect of all of the Group's obligations under the loan;
- Indemnity by the Group in favour of the security SPV limited to R720 million in respect of any claim under the guarantee;
- Mortgage covering bonds for an amount of R1,8 billion, limited to the indemnity of R720 million, and limited to the land holding of 57 178 hectares (2021: 57 178 hectares) as recorded in note 5;
- Cession of insurance policy;
- Subordination of the shareholder's loan from York Timber Holdings Limited. The facility is held in York Timbers Proprietary Limited; and
- A notarial covering bond(s) over the movable assets of the borrower, in respect of the Sabie plywood plant for an amount of R231,7 million (2021: R306 million) in favour of the security SPV guarantor.

20. BORROWINGS continued

Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited): The loan for the business combination as per note 37 bears interest at prime and is repayable over five years of which three years and 10 months are remaining. The interest is repayable on a quarterly basis and quarterly capital repayments of R1,5 million from 31 March 2024.

Security over the Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited):

- A pledge and cession of all the shares, securities and other ownership interests held by Stadsrivier Vallei Proprietary Limited, together with all its debt claims (on the shareholder loan account or otherwise);
- A cession of all its present and future claims against any person;
- A cession of all its rights and claims in respect of bank accounts maintained in South Africa (including all cash balances standing to the credit of those bank accounts);
- A cession of all insurances taken out by or for the benefit of the borrower, and all the proceeds receivable under those insurances at any time;
- First-ranking covering mortgage bonds over Stadsrivier Vallei Proprietary Limited's properties and all other immovable property of which the borrower is the registered owner; and
- A general notarial bond over all its movable assets.

Refer to note 42 Financial instruments and risk management for details on loan covenants.

Loan raising fees: The Land Bank and Absa loan raising fees are amortised over the period of the loan using the effective interest rate method. The amortised amount is included in finance expenses (refer to note 31).

Absa Capital fund loan (Sonrach Properties Proprietary Limited): This loan bears interest at an interest rate of prime less 0,75% (2021: prime less 0,75%) per annum and is payable in monthly instalments in arrears over a period of 10 years of which four are remaining.

The carrying amounts reasonably approximate its fair value.

Exposure to liquidity risk

Refer to note 42 Financial instruments and risk management for details of liquidity risk exposure and management.

Exposure to interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group does not have a policy to hedge long-term interest rate risk and will only make use of hedging instruments to reduce the short-term sensitivity of the Group to interest rate changes.

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

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only loans held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The sensitivity analysis was calculated based on 1% higher and lower than the actual rate.

	GROUP			
Increase or decrease in rate	**Increase 2022 R'000**	**Decrease 2022 R'000**	**Increase 2021 R'000**	**Decrease 2021 R'000**
Impact on profit or loss				
Finance cost	**4 269**	**(4 269)**	997	(997)
Taxation	**(1 195)**	**1 195**	(279)	279
	3 074	**(3 074)**	718	(718)

20. BORROWINGS continued

Instalment sale agreements

These liabilities consist of 137 (2021: 164) instalment sale agreements, payable over a period of three to six years at effective interest rates of prime less 1% to prime plus 0,5% (2021: 6% to 9%) per annum. These liabilities are secured by plant and equipment and motor vehicles with a carrying value of R106,1 million (2021: R109,1 million) (refer to note 3). These instalment sale agreements have no escalation clauses. Repayments are based on the outstanding debt at the prevailing interest rate.

	GROUP	
	2022 R'000	**2021 R'000**
Instalment sale agreement obligation		
– within one year	**28 148**	35 127
– in second to fifth year inclusive	**43 035**	34 237
Total	**71 183**	69 364
Less: future finance charges	**(5 911)**	(5 275)
Present value of minimum instalment sale agreement payments	**65 272**	64 089

	GROUP			
Instalment sale providers	**Quantity 2022**	**Interest rate 2022 %**	**Quantity 2021**	**Interest rate 2021 %**
Absa Bank	**101**	**7,25 – 8,75**	124	6 – 7,75
Mercedes Finance	**26**	**7,75 – 8,55**	23	6,5 – 6,75
Toyota Finance	**8**	**7,25 – 7,75**	17	6 – 6,5
Daimler Truck	**2**	**8,5**	–	–

	GROUP	
	2022 R'000	**2021 R'000**
Present value of minimum instalment sale agreement payments		
– within one year	**24 843**	32 044
– in second to fifth year inclusive	**40 429**	32 045
	65 272	64 089

21. LEASE LIABILITY

	GROUP	
	2022 R'000	**2021 R'000**
Non-current liabilities	**25 941**	394
Current liabilities	**6 191**	4 690
	32 132	5 084
Contractual undiscounted cash flows		
Less than one year	**8 425**	4 897
One to five years	**29 451**	349
	37 876	5 246

The lease liability relates to the warehouse facilities rented by the Company for three to five years (2021: two to five years).

The lease liability is measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate adjusted for asset-specific risk and the lease term. The lease liability is measured at amortised cost using the effective interest method.

	GROUP	
	2022	**2021**
Assumptions used		
Lease terms	**3 – 5 years**	2 – 5 years
Group's incremental borrowing rate (%)	**6,75 – 9,50**	9,50 – 9,75
Adjustment to asset-specific risk – unsecured debt (%)	**0,25**	0,25
Adjustment over the lease term (%)	**0,25**	0,25
Effective interest rate (%)	**7,25 – 10**	10 – 10,25

Refer to note 3 for disclosure around the right-of-use assets, accumulated depreciation, impairment and depreciation, note 28 for the depreciation, variable lease payments, short-term leases and leases of low-value assets and note 31 for the finance cost on leases.

22. RETIREMENT BENEFIT OBLIGATION

Defined benefit plan

The Group's policy is not to provide post-retirement medical aid benefits to its employees. However, a provision is made for a closed group of current and former employees in respect of legacy post-retirement medical scheme contribution subsidies. Independent actuaries determine the value of this obligation and the annual costs of the benefits. The assumptions used are consistent with those adopted by the actuaries in determining pension costs, and in addition, include long-term estimates of the increases in medical costs and appropriate discount rates. An actuarial valuation was carried out at year-end.

	GROUP	
	2022 R'000	**2021 R'000**
Present value of defined benefit obligation		
Opening balance	**(25 658)**	(26 910)
Service cost	**(2)**	(3)
Interest cost	**(2 745)**	(3 067)
Actuarial gain	**1 900**	2 001
Benefits paid	**2 424**	2 321
Closing balance	**(24 081)**	(25 658)

The closing balance is the present value of the defined benefit obligation and is wholly unfunded. There is no asset funding plan in place.

The actuarial gain for the current year consists of two factors, demographic and financial. The demographic factors contributed a loss of R0,5 million (2021: loss of R0,4 million) and the financial factors a gain of R2,4 million (2021: gain of R2,4 million).

22. RETIREMENT BENEFIT OBLIGATION continued

Sensitivity analysis

Assumed healthcare cost trend rates have a significant effect on the amount recognised in profit or loss.

	GROUP	
	2022 R'000	**2021 R'000**
A 1% change in the medical inflation rate would have the following effects:		
100 basis points increase: Increase in aggregate of the service and interest cost	**211**	223
100 basis points increase: Increase in defined benefit obligation	**1 887**	2 079
A 1% change in the investment discount rate would have the following effects:		
100 basis points increase: Increase in aggregate of the service and interest cost	**41**	46
100 basis points increase: Decrease in defined benefit obligation	**(1 638)**	(1 796)

Limitations to sensitivity analysis

The limitations that apply to the valuation's assumptions and methodology also apply to the sensitivity analysis. Furthermore, the sensitivity analysis changes a single variable without considering the impact of that change on other variables. The individual assumptions of the discount rate and healthcare inflation are less important than the gap between them. It is also important to recognise that the assumptions chosen are assumed to prevail over the long term based on market conditions at the time, whereas short-term fluctuations occur. A decrease by the same percentage would have the opposite effect on the valuation.

	GROUP	
	2022	**2021**
Contributions towards defined benefit plan		
Current service cost (R'000)	**2 511**	2 633
Key assumptions used		
Active number of members	**6**	8
Retired number of members	**36**	37
Total number of members	**42**	45
Average expected duration of the scheme (years)	**17,10**	17,00
Average expected remaining working lifetime (years)	**1,80**	2,10
Discount rate (estimated corporate bond yield) (%)	**11,20**	10,70
Medical contribution inflation rate (%)	**9,20**	8,70

22. RETIREMENT BENEFIT OBLIGATION continued

Defined contribution plan: Retirement fund

The Group has three provident fund schemes, York Timbers Provident Fund, the Hospitality and General Provident Fund and the Alexander Forbes Provident Fund. The Group also has an Alexander Forbes Pension Fund, Momentum Pension Fund and an Allan Gray Retirement Annuity. Pensioners under these schemes have had their pensions bought from insurers in the form of annuities and there is no ongoing liability to the Group. The schemes are governed by the Pension Funds Act, 24 of 1956, as amended.

	GROUP		COMPANY	
	2022 Number	**2021 Number**	**2022 Number**	**2021 Number**
The number of members of the provident funds at year-end:				
Hospitality and General Provident Fund	**130**	243	**–**	–
York Timbers Provident Fund	**1 798**	1 874	**–**	–
Alexander Forbes Provident Fund	**293**	283	**–**	–

Defined contribution plan: Pension fund and retirement annuity

	GROUP		COMPANY	
	2022 Number	**2021 Number**	**2022 Number**	**2021 Number**
The Group has two pension funds and one retirement annuity, with the following number of members at year-end:				
Alexander Forbes Pension Fund	**7**	7	**–**	–
Momentum Pension Fund	**85**	108	**–**	–
Allan Gray Retirement Annuity	**–**	7	**–**	–

Defined contribution plan: Medical aid fund

The Group facilitates contributions to a defined medical aid scheme for the benefit of its permanent employees and their dependants. In terms of the Group's policy, there is no post-retirement medical aid obligation for current or retired employees, other than the closed group referred to above. The Group is under no obligation to cover any unfunded benefits.

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Contributions towards defined contribution funds				
Hospitality and General Provident Fund	**2 816**	1 810	**–**	–
York Timbers Provident Fund	**20 613**	21 180	**–**	–
Alexander Forbes Provident Fund	**11 356**	11 424	**–**	–
Alexander Forbes Pension Fund	**409**	550	**–**	–
Momentum Pension Fund	**1 037**	376	**–**	–
Allan Gray Retirement Annuity	**190**	130	**–**	–
	36 421	35 470	**–**	–
Expected contributions for the next year				
Hospitality and General Provident Fund	**2 968**	1 919	**–**	–
York Timbers Provident Fund	**21 726**	22 451	**–**	–
Alexander Forbes Provident Fund	**11 969**	12 110	**–**	–
Alexander Forbes Pension Fund	**431**	583	**–**	–
Momentum Pension Fund	**1 093**	398	**–**	–
Allan Gray Retirement Annuity	**201**	138	**–**	–
	38 388	37 599	**–**	–

These amounts are included in salary, wages and other employee costs per note 28.

22. RETIREMENT BENEFIT OBLIGATION continued

Defined benefit plan: Post retirement medical benefit continued

Below is the undiscounted maturity analysis of the retirement benefit obligation. The weighted average duration for pensioners is 17,1 years and 1,8 years for the active members until benefit payments commence (2021: 17 years for pensioners and 2,1 years for the active members).

	Pensioners R'000	Active members R'000	Total R'000
2022			
Less than a year	**2 506**	**11**	**2 517**
One to two years	**2 632**	**8**	**2 640**
Two to five years	**8 568**	**5**	**8 573**
More than five years	**75 582**	**–**	**75 582**
	89 288	**24**	**89 312**
2021			
Less than a year	2 570	27	2 597
One to two years	2 695	21	2 716
Two to five years	8 759	17	8 776
More than five years	76 987	2	76 989
	91 011	67	91 078

23. PROVISIONS

	GROUP			
	Opening balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
2022				
Reconciliation of provisions				
Restructuring	**–**	**2 912**	**–**	**2 912**
Environmental rehabilitation	**16 832**	**838**	**–**	**17 670**
	16 832	**3 750**	**–**	**20 582**
2021				
Reconciliation of provisions				
Environmental rehabilitation	16 249	653	(70)	16 832

	GROUP	
	2022 R'000	2021 R'000
Non-current liabilities	**17 670**	16 576
Current liabilities	**2 912**	256
	20 582	16 832

Environmental liability

The provision of R17,7 million arose from a business combination during the 2007 financial year. It comprised contingent amounts assessed at the date of the transaction. At each financial period-end the amount is reassessed. The expected timing of the outflow of economic benefits is estimated to be during the next two to five years. The reassessment in the current year comprises an inflation adjustment only. The inflation rate applied during the year was 6,6% (2021: 4,1%).

Restructuring liability

The restructuring provision in the current year relates to a restructuring at one of the warehouses which is expected to be finalised within the next 12 months.

24. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Financial instruments				
Trade payables	**178 884**	210 935	**60**	51
Payroll-related accruals	**84 255**	108 690	**2 334**	1 761
Accruals	**5 381**	5 398	**–**	–
Deposits received	**124**	328	**–**	–
Other payables	**1 815**	4 296	**–**	–
Non-financial instruments				
Value added taxation	**3 063**	7 888	**54**	–
	273 522	337 535	**2 448**	1 812

Exposure to liquidity risk

Refer to note 42 Financial instruments and risk management for details of liquidity risk exposure and management. The carrying amounts reasonably approximate its fair value.

25. REVENUE

	GROUP		COMPANY	
	2022 R'000	**Restated 2021 R'000**	**2022 R'000**	**2021 R'000**
Revenue from contracts with customers				
Sale of goods	**1 819 231**	1 911 381	**–**	–
Rendering of services	**18 617**	16 203	**6 564**	4 775
Rental income	**962**	1 005	**–**	–
	1 838 810	1 928 589	**6 564**	4 775

25. REVENUE continued

Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from customers as follows:

	GROUP		COMPANY	
	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
Sale of goods				
Food and beverage sales	**116**	7 296	**–**	–
Lumber sales[1]	**1 010 950**	1 049 834	**–**	–
Plywood sales[1]	**669 181**	728 134	**–**	–
Fruit and nut sales	**16 645**	2 110	**–**	–
Sundry income*[1]	**38 997**	57 959	**–**	–
Log sales[2]	**83 342**	66 048	**–**	–
	1 819 231	1 911 381	**–**	–
Rendering of services				
Administration and management fees received	**–**	–	**6 564**	4 775
Transport income[2]	**1 357**	464	**–**	–
Income from fruit packed	**12 618**	10 426	**–**	–
Treating income[1]	**3 979**	3 841	–	–
Accommodation income	**663**	1 472	**–**	–
	18 617	16 203	**6 564**	4 775
Other revenue				
Rental income	**962**	1 005	**–**	–
Total revenue from contracts with customers	**1 838 810**	1 928 589	**6 564**	4 775

* *Sundry income mainly consists of sawdust and chips income.*

[1] *A portion of the lumber and plywood sales, sundry income and treating income is disclosed as part of the external sales of the Processing, Agricultural and Wholesale operating segments in note 38.*

[2] *The log sales and transport income are included in the external sales of the Forestry and Fleet operating segment in note 38.*

Timing of revenue recognition

	GROUP		COMPANY	
	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
At a point in time				
Sale of goods	**1 819 231**	1 911 381	**–**	–
Rendering of services	**17 954**	14 731	**6 564**	4 775
	1 837 185	1 926 112	**6 564**	4 775
Over time				
Rendering of services	**663**	1 472	**–**	–
Other revenue	**962**	1 005	**–**	–
	1 625	2 477	**–**	–
Total revenue from contracts with customers	**1 838 810**	1 928 589	**6 564**	4 775

Refer to note 38 for revenue per geographical area.

26. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Other rental income[1]	**4 092**	4 318	**–**	–
Bad debts recovered	**20**	1	**–**	–
Sundry income[2]	**3 875**	3 952	**–**	–
Insurance income[3]	**1 235**	17 904	**–**	–
Scrap sales	**1 137**	2 568	**–**	–
	10 359	28 743	**–**	–

[1] Other rental income relates to income derived from rental income on telecommunication infrastructure placed on York's property and other property rental.
[2] Sundry income relates to seedlings sold and income received for training programmes.
[3] Insurance claim received relates to a claim on a fire in the sawmill (2021: business interruption in the 2018 financial year).

27. OTHER OPERATING GAINS/(LOSSES)

		GROUP		COMPANY	
	Note	**2022 R'000**	**Restated 2021 R'000**	**2022 R'000**	**2021 R'000**
Losses on disposals and scrappings					
Property, plant and equipment	3	**(2 021)**	(1 549)	**–**	–
Foreign exchange gains/(losses)					
Net foreign exchange gains/(losses)		**5 722**	(8 820)	**–**	–
Total other operating gains/(losses)		**3 701**	(10 369)	**–**	–

28. OPERATING PROFIT/(LOSS)

Operating profit/(loss) before fair value adjustment on biological assets for the year is stated after charging/(crediting) the following, among others:

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Auditor's remuneration – external				
Audit fees	**2 750**	4 221	**–**	–
Remuneration, other than to employees				
Administrative and managerial services	**4 013**	4 965	**1 186**	632
Consulting and professional services	**12 449**	14 108	**445**	–
Total remuneration, other than to employees	**16 462**	19 073	**1 631**	632

28. OPERATING PROFIT/(LOSS) continued

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Employee costs				
Salaries, wages, bonuses and other benefits	**165 214**	160 897	**4 590**	3 371
Employee costs included in cost of sales	**236 057**	229 688	**–**	–
Other short-term costs	**2**	1	**–**	–
Retirement benefit plans: defined contribution expense	**1**	–	**–**	–
Retirement benefit plans: defined benefit expense	**2 740**	3 129	**–**	–
Equity-settled share-based payment expense	**7 814**	2 371	**–**	–
Total employee costs	**411 828**	396 086	**4 590**	3 371
Leases				
Short-term leases	**1 305**	1 759	**–**	–
Depreciation and amortisation				
Depreciation of property, plant and equipment	**113 044**	101 163	**–**	–
Amortisation of intangible assets	**111**	127	**–**	–
Total depreciation and amortisation	**113 155**	101 290	**–**	–
Depreciation of R76,8 million on property, plant and equipment that forms part of the production process is included in cost of sales and all other depreciation and amortisation are included in operating expenses.				
Impairment losses				
Property, plant and equipment	**–**	114	**–**	–

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

	GROUP		COMPANY	
	2022 R'000	**2021 R'000**	**2022 R'000**	**2021 R'000**
Changes in inventories of finished goods and work in progress	**261 972**	394 240	**–**	–
Employee costs	**411 828**	396 086	**4 590**	3 371
Lease expenses	**1 305**	1 759	**–**	–
Depreciation, amortisation and impairment	**113 155**	101 404	**–**	–
Other expenses	**622 266**	516 765	**2 490**	1 400
Utilities	**87 498**	82 456	**–**	–
Fuel	**43 669**	29 056	**–**	–
Transport	**206 197**	205 717	**–**	–
	1 747 890	1 727 483	**7 080**	4 771

29. FAIR VALUE ADJUSTMENT

	GROUP		COMPANY	
	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
Fair value (losses)/gains				
Biological assets – pine and eucalyptus trees	**(71 731)**	12 958	**–**	–
Biological assets – unharvested fruit	**3 135**	1 215	**–**	–
	(68 596)	14 173	**–**	–

30. INVESTMENT INCOME

	GROUP		COMPANY	
	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
Interest income				
Loans to:				
Group loans*				
Investments in financial assets:	**–**	–	**–**	3 450
Bank and other cash	**2**	498	**1**	1
Other financial assets	**5 009**	3 120	**–**	–
Total interest income	**5 011**	3 618	**1**	3 451

* *Interest relates to the amortisation of the interest-free inter-company loan in terms of IFRS 9 with an interest rate of 8,25%, being the prime interest rate (2021: 6,75%).*

Interest was generated from financial assets at amortised cost.

31. FINANCE COST

	GROUP		COMPANY	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Group loans*	–	–	15 690	–
Trade and other payables	**10**	420	**–**	–
Lease liabilities	**1 355**	908	**–**	–
Interest on borrowings held at amortised cost	**31 115**	43 093	**–**	–
Loan raising fee – amortised	**436**	524	**–**	–
Other interest paid	**4 568**	3 502	**–**	–
Total finance cost	**37 484**	48 447	**15 690**	–

* *Interest relates to the amortisation of the interest-free inter-company loan in terms of IFRS 9 with an interest rate of 8,25%, being the prime interest rate (2021: 6,75%).*

32. OTHER NON-OPERATING GAINS/(LOSSES)

		GROUP		COMPANY	
	Note	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
Bargain purchase		**–**	4 413	**–**	–
Fair value adjustment on investment property	4	**–**	3 040	**–**	–
Impairment of goodwill		**–**	(1 184)	**–**	–
		–	6 269	**–**	–

33. TAXATION

	GROUP		COMPANY	
	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
Major components of the tax expense/(income)				
Current				
Local income tax: current period	**26 827**	25 737	**–**	1
Deferred				
Deferred tax: current period	**(21 912)**	32 989	**1**	–
Deferred tax: rate change	**(30 132)**	–	**–**	–
Deferred tax: prior periods	**–**	(702)	**–**	–
	(52 044)	32 287	**1**	–
Total	**(25 217)**	58 024	**1**	1

	GROUP		COMPANY	
	2022 %	2021 %	2022 %	2021 %
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	**28**	28	**28**	28
Legal fees, fines, penalties and impairment of goodwill	**97,71**	1,50	**–**	–
Learnership agreements and bargain purchase	**(83,24)**	(1,18)	**–**	–
Assessed loss not recognised	**30,17**	1,24	**–**	–
Amortisation of inter-group loans	**–**	–	**(28,00)**	(27,97)
Rate change	**(717,41)**	–	**(0,01)**	–
Prior year under provision	**–**	0,18	**–**	–
	(644,77)	29,74	**(0,01)**	0,03

During the year, the South African Government announced a change in the tax rate from 28% to 27%, effective for years of assessment on or after 31 March 2023. The announced rate was used to measure the deferred tax assets and liabilities at year-end.

	GROUP		COMPANY	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Taxation related to components of other comprehensive income				
Remeasurements of defined benefit liability	**(501)**	(560)	**–**	–

34. PRIOR PERIOD RESTATEMENTS

Reclassification of prior year figures

(1) In the previous year, fair value movements on biological assets: pine and eucalyptus trees were incorrectly presented within other non-operating gains/(losses) within the statement of profit or loss and other comprehensive income. As these fair value movements form part of the Group's operating activities, the prior year results have been restated to reflect the movement within operating profit/(loss). It was decided to reflect fair value adjustments on biological assets as a separate line within the statement of profit or loss and other comprehensive income. An amount of R12,96 million (2021) has been taken from other non-operating gains/(losses) to the fair value adjustment on biological assets line item.

As a result of the additional line item, fair value adjustments on biological assets, being reflected in the statement of profit or loss and other comprehensive income, an amount of R1,2 million (2021) relating to fair value movements on biological assets – unharvested fruit has been taken from other operating (losses)/gains to the fair value adjustment line.

(2) In the previous financial year, inter-company sales of R99,2 million were incorrectly eliminated against the operating expenses line instead of cost of sales. Also, cost of sales of R23 million relating to transport cost was incorrectly classified as operating expenses. As a result, operating expenses and cost of sales have been restated by an amount of R76,2 million to correct these errors.

(3) York transports the timber it sells to its customers' premises. Where York had to make use of a third party to deliver the timber, this was incorrectly treated as a separate performance obligation, and the revenue from transport was presented net of fees paid to the service provider, as though York was acting as an agent in arranging for the delivery. This accounting was incorrect as York is not acting as an agent in arranging the delivery but as a principal in the promise to sell and deliver timber to its customers. As control of the timber only passes to its customers upon delivery, the sale and transport should have been treated as a single performance obligation. To correct for this error, the revenue and cost of sales for 2021 have respectively been increased by R77,9 million.

These reclassifications do not have an impact on the net profit for the year ended 30 June 2021.

Change in accounting policy

(4) The Group previously accounted for the customisation and configuration cost of the new enterprise resource planning system as part of work in progress intangible assets as per IAS 38. Following the IFRIC agenda decision on the accounting treatment of costs of configuring or customising of a supplier's application software in a cloud computing or Software as a Service arrangement in March 2021, the Group has reconsidered its accounting treatment and adopted the treatment set out in the IFRIC agenda decision. The cost of customisation and configuration has been expensed in the statement of profit or loss and other comprehensive income. This change in accounting treatment has been accounted for retrospectively and comparative information has been restated. The results for the 2020 and 2021 financial years have been restated for this new IFRIC agenda decision by R5,6 million and R3,6 million, respectively. This restatement resulted in a decrease in the deferred tax liability reflected in the 2021 statement of financial position of R2,6 million and a resulting decrease in the taxation reflected in the 2021 statement of profit or loss and other comprehensive income of R1 million; the difference of R1,6 million was reflected as an adjustment to the 2021 opening retained earnings.

In addition, this change in accounting policy from capitalising to expensing the customisation and configuration cost has resulted in the 2021 statement of cash flow being restated, so as to reflect the cash outflow as operating instead of investing as was previously presented.

34. PRIOR PERIOD RESTATEMENTS continued

The impact this adjustment has had on earnings, diluted earnings, headline earnings and core earnings per share has been included in the table below.

	GROUP			
	Balance as previously stated R'000	Reclassification R'000	Change in accounting policy R'000	Restated total
Statements of profit or loss and other comprehensive income				
Other non-operating gains[1]	19 227	(12 958)	–	6 269
Other operating losses[1]	(9 154)	(1 215)	–	(10 369)
Fair value adjustment on biological assets[1]	–	14 173	–	14 173
Revenue[3]	(1 850 670)	(77 919)	–	(1 928 589)
Cost of sales[2 and 3]	1 337 549	1 728	–	1 339 277
Operating expenses[2 and 4]	308 439	76 191	3 576	388 206
Taxation[4]	59 025	–	(1 001)	58 024
Statements of financial position				
Intangible assets[4]	9 556	–	(9 222)	334
Opening retained income 1 July 2020[4]	(1 396 492)	–	4 065	(1 392 427)
Deferred taxation[4]	(887 618)	–	2 583	(885 035)
Statements of cash flows				
Net cash from operating activities[4]	362 194	–	(3 576)	358 618
Net cash applied to investing activities[4]	(207 973)	–	3 576	(204 397)
Notes to the consolidated and separate annual financial statements				
Earnings and diluted earnings per share (cents)[4]	44	–	(1)	43
Headline earnings and diluted headline earnings per share (cents)[4]	43	–	(1)	42
Core earnings and diluted core earnings per share (cents)[4]	41	–	(1)	40

[1, 2, 3 and 4] *Refer to notes on page 84.*

35. CASH GENERATED FROM OPERATIONS

	GROUP		COMPANY	
	2022 R'000	**Restated 2021 R'000**	**2022 R'000**	**2021 R'000**
Profit/(loss) before taxation	**3 911**	195 093	**(16 205)**	3 455
Adjustments for:				
Depreciation and amortisation	**113 155**	101 290	**–**	–
Losses on disposals and scrappings	**2 021**	1 549	**–**	–
(Gains)/losses on foreign exchange	**(5 722)**	8 820	**–**	–
Interest income	**(5 011)**	(3 618)	**(1)**	(3 451)
Finance cost	**37 484**	48 447	**15 690**	–
Fair value losses/(gains)	**68 596**	(20 442)	**–**	–
Net impairments	**–**	114	**–**	–
Purchase of biological assets	**–**	(935)	**–**	–
Harvesting of purchased biological assets	**935**	47 739	**–**	–
Movements in retirement benefit liabilities	**323**	256	**–**	–
Movement in provision	**3 750**	583	**–**	–
Share-based payment expenses: equity-settled	**7 170**	2 371	**–**	–
Changes in working capital:				
Inventories	**(40 011)**	48 238	**–**	–
Trade and other receivables	**78 481**	(107 137)	**(49)**	18
Trade and other payables	**(64 016)**	102 576	**635**	262
Deferred income	**1 161**	502	**–**	–
	202 227	425 446	**70**	284

35. CASH GENERATED FROM OPERATIONS continued

Changes in liabilities arising from financing activities	GROUP Borrowings R'000	GROUP Lease liabilities R'000	GROUP Total R'000
Balance as at 1 July 2021	**514 733**	**5 084**	**519 817**
Cash flow movements			
Proceeds from borrowings (instalment sale agreement)	**39 487**	**–**	**39 487**
Lease and borrowings payments	**(173 346)**	**(8 594)**	**(181 940)**
Non-cash flow movements			
Loan raising fee	**436**	**–**	**436**
Finance cost	**–**	**1 355**	**1 355**
Additions to lease liability	**–**	**34 286**	**34 286**
	381 310	**32 131**	**413 441**
Balance as at 1 July 2020	583 898	12 302	596 200
Cash flow movements			
Proceeds from borrowings	101 097	–	101 097
Repayment of borrowings	(170 786)	–	(170 786)
Lease payments	–	(8 140)	(8 140)
Non-cash flow movements			
Loan raising fee	524	–	524
Finance cost	–	908	908
Disposal	–	14	14
Balance as at 30 June 2021	514 733	5 084	519 817

36. TAX PAID

	GROUP 2022 R'000	GROUP 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Net balance at the beginning of the year	**(1 862)**	475	**–**	(2)
Current tax recognised in profit or loss	**(26 827)**	(25 737)	**–**	(1)
Net balance at the end of the year	**4 380**	1 862	**(2)**	–
Total	**(24 309)**	(23 400)	**(2)**	(3)

37. BUSINESS COMBINATIONS

	GROUP	
	2022 R'000	2021 R'000
Aggregated business combinations		
Property, plant and equipment (including bearer plants)	–	83 182
Biological assets: unharvested fruit	–	3 892
Deferred tax	–	(8 163)
Inventories	–	2 312
Trade and other payables	–	(189)
Total identifiable net assets	–	81 034
Goodwill	–	1 184
Bargain purchase gain in a business combination	–	(4 413)
Consideration paid	–	77 805
Funded through:		
Cash	–	(2 805)
Borrowing facility	–	(75 000)
	–	(77 805)
Net cash outflow on acquisition		
Cash consideration paid	–	(77 805)

Twycross

On 1 February 2021, Stadsrivier Vallei Proprietary Limited (previously known as York Agri Proprietary Limited) acquired the businesses of PVT Timber Products Proprietary Limited, Twycross Farms Proprietary Limited and Twycross Packers Proprietary Limited as going concerns. These businesses comprise sawmilling and pallet making, farming of avocados and macadamias and a fruit packing facility and were acquired for a net cash consideration of R64 million. R62 million of the acquisition was funded by way of a loan. This transaction was published on the Stock Exchange News Service on 15 December 2020.

The acquisition will enable the Group to diversify its earnings.

A bargain purchase was recognised as a result of the net assets purchased at fair value and bearer fruit produce on the trees exceeding the consideration paid as agreed between the Group and the seller.

A deferred tax liability was recognised as a result of the immovable assets acquired for farming operations that are not deductible for taxation purposes in terms of paragraph 12 of the first schedule of the Income Tax Act.

Acquisition costs of R618 970 were incurred for legal fees and due diligence costs. The costs were included as part of other operating expenses in the statement of profit or loss and other comprehensive income as well as cash flow from operating activities in the statement of cash flow for the period ended 30 June 2021.

	GROUP	
	2022 R'000	2021 R'000
Fair value of assets acquired and liabilities assumed		
Property, plant and equipment (including bearer plants)	–	69 682
Biological assets: unharvested fruit	–	3 471
Deferred tax	–	(6 558)
Inventories	–	2 312
Trade and other payables	–	(189)
Total identifiable net assets	–	68 718
Gain on a bargain purchase in a business combination	–	(4 413)
Consideration paid	–	64 305

37. BUSINESS COMBINATIONS continued

Tropicado

On 12 May 2021, Stadsrivier Vallei Proprietary Limited entered into a purchase agreement with Skillfull 1018 CC to acquire its business of farming of avocados and macadamias for a net cash consideration of R13,5 million. R13 million of the acquisition was funded by way a of loan. Although registration of the land at the deeds office was not completed as at the 2021 financial year-end, the substance over form of the transaction was considered and Stadsrivier Vallei Proprietary Limited accounted for the transaction as at 30 June 2021. The transfer of the land was completed on 5 July 2021.

The acquisition will enable the Group to diversify its earnings.

The fair value was determined based on a revaluation performed by an independent external valuer and the most recent transactions in the external market. Goodwill was recognised due to the net cash consideration paid exceeding the fair value of the net identifiable assets purchased as a result of the immovable assets acquired for farming purposes not being deductible for taxation purposes.

A deferred tax liability was recognised as a result of the immovable assets acquired for farming operations that are not deductible for taxation purposes in terms of paragraph 12 of the first schedule of the Income Tax Act.

Acquisition costs of R68 122 were incurred for legal fees. The costs have been included as part of other operating expenses in the statement of profit or loss and other comprehensive income as well as cash flow from operating activities in the statement of cash flow for the period ended 30 June 2021.

	GROUP	
	2022 R'000	2021 R'000
Fair value of assets acquired and liabilities assumed		
Property, plant and equipment (including bearer plants)	–	13 500
Biological assets: unharvested fruit	–	421
Deferred tax	–	(1 605)
Total identifiable net assets	–	12 316
Goodwill	–	1 184
Consideration paid	–	13 500

Revenue and profit contribution

The acquired businesses contributed revenues of R21,7 million and net profit of R4,3 million for the period 1 February 2021 to 30 June 2021.

The contributed revenues and net profit if the acquisition had occurred on 1 July 2020 are not included due to the determination of the amount not being practical. This is due to accurate prior period information on income and expenses only applicable to the businesses acquired not being readily available and the revenue contribution from the fruit packing facility being dependent on volumes received from external sources.

38. OPERATING SEGMENTS

The Group has four reportable segments which are the Group's strategic divisions. Management has identified the segments based on the internal reports reviewed monthly by the Group's CODM. The CODM at the reporting date is senior management and the Executive Committee members. The responsibility of the CODM is to assess performance and to make resource allocation decisions related to the individual operations of the Group. The segment financial information provided to and used by the CODM forms the basis of the segment disclosure in these annual financial statements.

The business is considered from an operating perspective based on the products cultivated or produced and sold. The reportable segments comprise:

- **Processing plants:** The Group has aggregated two divisions. These divisions produce timber-related products and have therefore been assessed as one segment by management. The cash-generating units are:
  - **Sawmilling:** Three sawmills located in close proximity to Sabie, Graskop and Warburton that produce and sell a broad range of structural and industrial sawn timber products.
  - **Plywood:** A plywood plant in Sabie that manufactures and sells plywood timber products.
- **Forestry and Fleet:** The Group owns plantations in the Mpumalanga province on which it grows pine and eucalyptus trees that are cultivated and managed on a rotational basis. The segment sells its products to its Processing segment and to external customers. Fleet Solutions owns heavy motor vehicles used to transport logs.
- **Wholesale:** The Group has five distribution centres located in Germiston, Polokwane, Gqeberha, Durban and Cape Town, that sell timber-related products from the sawmills, plywood plant and external suppliers.
- **Agricultural:** The Group owns land with avocado, citrus and macadamia orchards, a fruit packaging facility and a sawmill that produces lumber and pallets in the Mpumalanga province.

The Group operates in three geographical areas, namely South Africa, countries in the Southern Africa Development Community (SADC) and non-SADC regions. Refer to the section on credit risk in note 42 for disclosure on major customers.

Performance in internal management reports is measured based on earnings before interest, taxation, depreciation and amortisation (EBITDA) and the fair value adjustment on biological assets. Management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate in the industry.

The amounts included in the internal management reports are measured in a manner consistent with the annual financial statements.

The segment assets and liabilities are not separately disclosed as this information is not presented to the CODM. All non-current assets owned by the Group are located in South Africa.

Transactions between segments are done at arm's length. The segment information for the year ended 30 June 2022 is as follows:

	GROUP				
	Processing plants R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
2022					
Revenue: external sales	**1 192 080**	**513 974**	**84 699**	**46 261**	**1 837 014**
Revenue: inter-segment sales	**250 190**	**110 572**	**713 305**	**10 746**	**1 084 813**
	1 442 270	**624 546**	**798 004**	**57 007**	**2 921 827**
Material segment expenses					
Depreciation, amortisation and impairments	**(71 052)**	**(8 281)**	**(28 392)**	**(4 191)**	**(111 916)**
– Employment cost	**(232 494)**	**(18 848)**	**(64 207)**	**(19 147)**	**(334 696)**
– Utilities	**(69 872)**	**(2 995)**	**(3 389)**	**(3 473)**	**(79 729)**
– Fuel	**(16 395)**	**(3 747)**	**(20 452)**	**(2 079)**	**(42 673)**
– Transport	**(62 099)**	**(8 488)**	**(133 814)**	**(1 796)**	**(206 197)**
Reportable segment profit/(loss)[1]	**203 485**	**157 589**	**(127 977)**	**(15 863)**	**217 234**
Other non-cash item					
– Fair value adjustment to biological assets	**–**	**–**	**(71 731)**	**3 135**	**(68 596)**
Capital expenditure	**43 378**	**209**	**30 579**	**11 929**	**86 095**

[1] *Being EBITDA and fair value adjustments on biological assets (2021: EBITDA and fair value adjustments on pine and eucalyptus biological assets).*

38. OPERATING SEGMENTS continued

	GROUP				
	Processing plants R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
2021					
Revenue: external sales – restated	1 290 652	549 274	66 512	19 555	1 925 993
Revenue: inter-segment sales	304 732	–	812 168	3 420	1 120 320
	1 595 384	549 274	878 680	22 975	3 046 313
Material segment expenses					
Depreciation, amortisation and impairments	(70 630)	(7 093)	(19 389)	(1 685)	(98 797)
– Employment cost	(255 197)	(15 979)	(44 216)	(8 597)	(323 989)
– Utilities	(71 069)	(2 562)	(2 683)	(1 158)	(77 472)
– Fuel	(15 255)	(2 930)	(9 102)	(763)	(28 050)
– Transport	(71 012)	(6 673)	(127 138)	(893)	(205 716)
Reportable segment profit/(loss)[1]	150 486	34 163	145 117	4 492	334 258
Other non-cash item					
– Fair value adjustment to biological assets (pine and eucalyptus)	–	–	12 958	–	12 958
Capital expenditure	41 482	282	25 156	12 079	78 999

[1] *Being EBITDA and fair value adjustments on pine and eucalyptus biological assets.*

	GROUP	
	2022 R'000	Restated 2021 R'000
Reconciliation of reportable segment revenue and profit		
Revenue		
Total revenue for reportable segments	**2 921 827**	3 046 313
Non-reporting segment revenue	**1 796**	2 596
Elimination of reportable inter-segment revenue	**(1 084 813)**	(1 120 320)
Consolidated revenue	**1 838 810**	1 928 589
Profit		
Total profit for reportable segments*	**217 234**	334 258
Depreciation and amortisation for reportable segments	**(111 916)**	(98 797)
Fair value adjustment on unharvested fruit	**–**	(1 215)
Depreciation, amortisation and impairment for non-reporting segments	**(1 239)**	(2 607)
Non-reporting segments profit/(loss)*	**901**	(12 159)
Operating profit before fair value adjustment on biological assets	**104 980**	219 480

* *Being EBITDA and fair value adjustments on biological assets (2021: EBITDA and fair value adjustment on pine and eucalyptus trees).*

Refer to note 42 where sales to the three largest customers are disclosed. Refer also to note 28, where the components of operating profit are disclosed. Refer to note 34 for details on the restatement.

38. OPERATING SEGMENTS continued

	GROUP	
	2022 R'000	Restated 2021 R'000
Revenue per geographical area		
South Africa	**1 521 041**	1 616 585
SADC	**225 355**	204 375
International (non-SADC)[2]	**92 414**	107 629
Total	**1 838 810**	1 928 589

[2] *International sales refer to plywood sales to the United Kingdom, Belgium, Canada, Italy, Holland, Germany and the United States of America.*

39. COMMITMENTS

	GROUP		COMPANY	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Authorised capital expenditure				
Already contracted for but not provided for				
– Property, plant and equipment	**1 472**	16 749	**–**	–
Not yet contracted for				
– Property, plant and equipment	**68 077**	49 315	**–**	–

This committed expenditure will be financed through existing cash resources, available loan facilities and funds generated internally.

Capital commitments are based on capital projects approved to date and the budget approved by the Board. Major capital projects require further approval before they commence.

40. RELATED PARTIES

Relationships

Subsidiaries	York Timbers Proprietary Limited Agentimber Proprietary Limited Sonrach Properties Proprietary Limited Global Forest Products Proprietary Limited* Madiba Forest Products Proprietary Limited Madiba Timbers Proprietary Limited South African Plywood Proprietary Limited* York Timbers Energy (RF) Proprietary Limited York Fleet Solutions Proprietary Limited York Timbers Chile Limitada Mbulwa Estates Proprietary Limited York Power (RF) Proprietary Limited York Carbon Proprietary Limited** Stadsrivier Vallei Proprietary Limited Nicholson and Mullin V2 Proprietary Limited
Other related entities	York Timbers Community Proprietary Limited York Timber Staff Proprietary Limited
Directors	Refer to note 41

* *The Company has a direct investment in these companies. All other companies are indirect investments.*

** *Non-controlling interest in the subsidiary amounts to 49% for York Carbon Proprietary Limited (equivalent to an amount of R49 (2021: R49)). Non-controlling interest is not disclosed in the Group's consolidated annual financial statements as this amount is less than one thousand Rand.*

All of the companies are incorporated and domiciled in the Republic of South Africa, except for York Timbers Chile Limitada which is incorporated and domiciled in Chile. The holdings in and voting power of York Timber Holdings Limited in all subsidiaries is 100%, except in York Carbon Limited, where it is 51%.

Transactions between York Timber Holdings Limited and the respective subsidiaries, which are related parties, have been eliminated on consolidation.

Related party balances

Refer to note 9.

Related party transactions

	COMPANY	
	2022 R'000	**2021 R'000**
Recoveries received		
York Timbers Proprietary Limited	**(6 564)**	(4 775)
Finance cost/(investment income) from loan to Group companies		
York Timbers Proprietary Limited	**15 690**	(3 450)

The directors hold 26 121 821 shares (2021: 5 117 276 shares) in York Timber Holdings Limited.

41. DIRECTORS' EMOLUMENTS

	Emoluments R'000	Other benefits* R'000	Bonus R'000	Share options received R'000	Total R'000
Executive					
2022					
GCD Stoltz	**3 342**	**301**	**2 233**	**–**	**5 876**
PP van Zyl	**688**	**90**	**5 899**	**5 820**	**12 497**
2021					
GCD Stoltz	**2 312**	**1 886**			**4 198**
PP van Zyl	**5 253**	**1 073**			**6 326**

* *Other benefits relate to expense allowance and pension fund contributions (2021: other benefits relate to performance-related payment, expense allowance and pension fund contributions).*

	Directors' fees R'000	Total R'000
Non-executive		
2022		
AW Brink	**553**	**553**
L Dhlamini	**339**	**339**
Dr AP Jammine	**586**	**586**
HM Mbanyele-Ntshinga	**506**	**506**
DM Mncube	**477**	**477**
Dr JP Myers	**722**	**722**
KM Nyanteh	**477**	**477**
A van der Veen	**252**	**252**
A Zetler	**107**	**107**
	4 019	**4 019**
2021		
AW Brink	443	443
Dr AP Jammine	442	442
HM Mbanyele-Ntshinga	362	362
SAU Meer	238	238
DM Mncube	477	477
Dr JP Myers	1 024	1 024
KM Nyanteh	385	385
	3 371	3 371

41. DIRECTORS' EMOLUMENTS continued

Equity-settled share-based payment

	Fair value of options at the grant date R	Total value provided at the end of the year R'000	Awards held at the beginning of the year Units '000	Awards awarded/ (vested) during the year Units '000	Awards held at the end of the year Units '000
2022					
PP van Zyl	**2,34**	**–**	**3 000**	**(3 000)**	**–**
2021					
PP van Zyl	2,60	–	752	(752)	–
GCD Stoltz	2,34	589	–	3 000	3 000

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure consists of debt, which includes borrowings disclosed in note 20, cash and cash equivalents disclosed in note 15, lease liabilities in note 21 and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing percentage.

Covenant compliance

The Group's loan agreements with Land Bank and Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited), as per note 20, are subject to covenant clauses, whereby the Company is required to meet certain key financial ratios. The Group did fulfilled all the covenants in the current and prior financial year. The following covenants are required:

Land Bank loan covenant	Required ratio	As calculated	Compliance (yes/no)
Security cover ratio	>=1,5:1	7,09	Yes
Interest cover ratio	>= 2:1	8,10	Yes
Debt/equity ratio	<= 1:1	0,11	Yes
Absa Capital fund loan (Stadsrivier) covenant			
Loan to value	<1	0,90	Yes
Debt to equity	<0,3	0,15	Yes
Leverage	<3	1,90	Yes
Interest cover	>3	6,64	Yes

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

The capital structure and gearing ratio of the Group at the reporting date were as follows:

	Note	GROUP 2022 R'000	GROUP Restated 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Borrowings repayable within one year	20	**83 100**	167 461	**–**	–
Borrowings repayable after one year	20	**298 210**	347 330	**–**	–
Lease liabilities	21	**32 132**	5 084	**–**	–
Total borrowings		**413 442**	519 875	**–**	–
Bank overdraft (cash and cash equivalents)	15	**22 240**	(71 180)	**–**	–
Net borrowings		**435 682**	448 695	**–**	–
Equity		**3 055 383**	3 017 688	**2 369 315**	2 378 353
Gearing ratio %		**14**	15	**–**	–

Financial risk management

Overview

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

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

This note presents information about the Group and Company's financial risk management framework, objectives, policies and processes for measuring and managing risk, and the Group and Company's exposure to these financial risks, and the Company's management of capital. Furthermore, quantitative disclosures are included throughout the annual financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Group and Company's executives are responsible for developing and monitoring the Group and Company's risk management policies. The Group's executives report regularly to the Board of Directors on these activities.

The Group and Company's risk management policies are established to identify and analyse the risks faced by the Group and Company, 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 and Company's activities. The Group and Company, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board has a Risk and Opportunity Committee, which oversees how management monitors compliance with the Group and Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and Company. The Risk and Opportunity Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures.

The Group and Company monitor their forecast financial positions on a regular basis. The Group and Company's executive meets regularly and considers cash flow projections for the following 12 months in detail, taking into consideration the impact of market conditions. The Group and Company's executive also receives reports from independent consultants and receives presentations from advisors on current and forecasted economic conditions.

The Group and Company's objectives, policies and processes for managing risks arising from financial instruments have not changed from the previous reporting period.

The Group and Company's forecasted financial risk position with respect to key financial objectives and compliance with treasury practice is regularly reported to the Board.

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and Company's receivables from customer and investment securities.

Management has established a centralised receivables department and a credit policy. Under the credit policy, each new customer is analysed individually for creditworthiness before the Group and Company's standard payment and delivery terms and conditions are offered. The Group and Company's review includes external ratings, when available, and in some cases bank references. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board.

The utilisation of credit limits is regularly monitored. Customers that fail to meet the Group's benchmark on creditworthiness may transact with the Group only on a prepayment basis. The Group does not require collateral in respect of trade and other receivables.

Credit guarantee insurance is purchased from CGIC. The total credit limit guaranteed by CGIC is R100 million, with a deductible annual aggregate of R0,5 million.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		2022			2021		
	Note	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost R'000	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost R'000
GROUP							
Other financial assets at amortised cost	10	**114 785**	**–**	**114 785**	97 583	–	97 583
Trade and other receivables	13	**183 358**	**(7 186)**	**176 172**	269 012	(10 057)	258 955
Cash and cash equivalents	15	**16 364**	**–**	**16 364**	108 030	–	108 030
		314 507	**(7 186)**	**307 321**	474 625	(10 057)	464 568
COMPANY							
Loans to Group companies	9	**1 240 449**	**–**	**1 240 449**	1 256 070	–	1 256 070
Trade and other receivables	13	**178**	**(178)**	**–**	198	(178)	20
Cash and cash equivalents	15	**–**	**–**	**–**	1	–	1
		1 240 627	**(178)**	**1 240 449**	1 256 269	(178)	1 256 091

Trade receivables comprise a widespread customer base. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 27% (2021: 30%) of the Group's revenue is attributable to sales transactions with three (2021: three) multinational customers. The outstanding balance on these customers was approximately 30% (2021: 26%) of the trade receivables balance. These are customers of the Processing and Wholesale divisions.

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Credit risk continued

	GROUP	
	2022 %	**2021 %**
Customer		
A	**11**	13
B	**7**	9
C	**9**	8
	27	30

The risk rating grades of cash and cash equivalents and the self-insurance fund are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

		GROUP	
	Credit ratings of financial institution	**2022 Net cash and cash equivalents and other financial assets at amortised cost R'000**	**2021 Net cash and cash equivalents and other financial assets at amortised cost R'000**
FirstRand Bank	BBB-	**9 717**	38 883
Standard Bank	AA+	**60**	69
Absa Bank	AA+	**(32 155)**	32 085
The Hollard Insurance Company Limited	AA	**114 785**	97 583
		92 407	168 620

Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting their obligations associated with their financial liabilities that are settled by delivering cash or other financial assets. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate level of committed credit facilities. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Refer to note 15.

The Group and Company's liquidity risk is a function of the funds available to cover future commitments. The Group and Company manage liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are maintained and monitored.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Liquidity risk continued

The table below analyses the Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Note	GROUP			
		Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Total R'000
2022					
Non-current liabilities					
Borrowings	20	**–**	**97 052**	**244 969**	**342 021**
Lease liabilities	21	**–**	**8 617**	**20 834**	**29 451**
Current liabilities					
Trade and other payables	24	**270 459**	**–**	**–**	**270 459**
Borrowings	20	**109 542**	**–**	**–**	**109 542**
Lease liabilities	21	**8 425**	**–**	**–**	**8 425**
Bank overdraft	15	**38 604**	**–**	**–**	**38 604**
		427 030	**105 669**	**265 803**	**798 502**

	Note	GROUP				
		Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years	Total R'000
2021						
Non-current liabilities						
Borrowings	20	–	98 489	304 578	438	403 505
Lease liabilities	21	–	215	134	–	349
Current liabilities						
Trade and other payables	24	329 647	–	–	–	329 647
Borrowings	20	196 218	–	–	–	196 218
Lease liabilities	21	4 897	–	–	–	4 897
Bank overdraft	15	36 850	–	–	–	36 850
		567 612	98 704	304 712	438	971 466

	Note	COMPANY	
		Less than 1 year R'000	Total R'000
2022			
Current liabilities			
Trade and other payables	24	**2 394**	**2 394**
2021			
Current liabilities			
Trade and other payables	24	1 812	1 812

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Foreign currency risk

The Group operates in three geographical segments, namely South Africa, countries within the SADC and non-SADC regions. All transactions with customers in the SADC countries are denominated in South Africa Rand and do not expose the Company to currency risks. Transactions with non-SADC countries are denominated in United States Dollar (USD).

The Group sells to foreign customers in USD and collects the money in USD-denominated bank accounts. Future commitments as well as recognised assets and liabilities that are denominated in a currency that is not the functional currency expose the Group to currency risks. Most of the Group's purchases are denominated in South African Rand. However, certain engineering machinery and equipment were purchased and plywood products imported denominated in USD was purchased during the year. This exposed the Group to changes in foreign exchange rates. Sales denominated in foreign currency provide a natural hedge to purchases denominated in foreign currency. This is done on an ad hoc basis as deemed appropriate or when required by the supplier. In the current year, the Group had a realised foreign exchange gain of R5,7 million (2021: loss of R8,8 million).

The Company's cash deposits are all denominated in South African Rand and USD.

Exposure in foreign currency amounts

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

		GROUP	
	Note	2022 USD'000	2021 USD'000
USD exposure			
Current assets			
Cash and cash equivalents	15	**539**	4 326
Trade receivables	13	**177**	–
Current liabilities			
Trade payables	24	**(1 917)**	–
Net USD exposure		**(1 201)**	4 326

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. The sensitivity analysis was calculated based on 1% higher and lower than the actual rate.

	GROUP			
	2022		2021	
Increase or decrease in rate	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
Impact on profit or loss				
South African Rand exposure in USD balances	**(158)**	**158**	619	(619)

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk, while borrowings at fixed rates expose the Group to fair value interest rate risk. The Group does not have a policy to hedge long-term interest rate risk and will only make use of hedging instruments to reduce the short-term sensitivity of the Group to interest rate changes. A sensitivity analysis of interest is disclosed in note 20.

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate profile

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

		GROUP			
		Average effective interest rate		Carrying amount	
	Note	2022 %	2021 %	2022 R'000	2021 R'000
Variable rate instruments					
Liabilities					
Borrowings	20	**7,25 – 8,75**	6 – 7,75	**382 467**	516 202
Variable rate financial liabilities as a percentage of total interest-bearing financial liabilities				**100%**	100%

43. FAIR VALUE INFORMATION

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.

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

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

		GROUP		COMPANY	
Level 3	**Note**	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Recurring fair value measurements					
Assets					
Investment property	4				
Investment property		**36 093**	34 180	**–**	–
Total		**36 093**	34 180	**–**	–

		GROUP		COMPANY	
Level 3	**Note**	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Recurring fair value measurements					
Assets					
Biological assets	5				
Pine and eucalyptus trees		**2 803 238**	2 875 903	**–**	–
Unharvested fruit		**5 383**	2 248	**–**	–
Total biological assets		**2 808 621**	2 878 151	**–**	–

44. GOING CONCERN

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

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

45. EVENTS AFTER THE REPORTING PERIOD

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

46. EARNINGS PER SHARE

	GROUP		COMPANY	
	2022 Cents	Restated 2021 Cents	2022 Cents	2021 Cents
Basic earnings/(loss) per share				
Basic earnings/(loss) per share (cents)	**9**	43	**(5)**	1
Diluted basic earnings/(loss) per share (cents)	**9**	43	**(5)**	1

The bonus element of the share-based payment did not have a dilutive effect, due to rounding, on the shares (2021: did not have a dilutive effect).

	GROUP		COMPANY	
	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
Reconciliation of profit/(loss) for the year to basic earnings				
Profit/(loss) for the year attributable to equity holders of the Parent	**29 128**	137 069	**(16 206)**	3 454
Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share				
Weighted average number of ordinary shares used for basic earnings per share	**320 383**	316 416	**331 241**	331 241
Adjusted for:				
Bonus element of share-based payment	**565**	664	**565**	664
	320 948	317 080	**331 806**	331 905

46. EARNINGS PER SHARE continued

	GROUP		COMPANY	
	2022 Cents	Restated 2021 Cents	2022 Cents	2021 Cents
Headline earnings/(loss) and diluted headline earnings/(loss) per share				
Headline earnings/(loss) per share (cents)	**9**	42	**(5)**	1
Diluted headline earnings/(loss) per share (cents)	**9**	42	**(5)**	1

The bonus element of the share-based payment did not have a dilutive effect, due to rounding, on the shares (2021: did not have a dilutive effect).

	GROUP		COMPANY	
	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
Reconciliation between earnings/(loss) and headline earnings/(loss)				
Basic earnings/(loss)	**29 128**	137 069	**(16 206)**	3 454
Adjusted for:				
Loss on sale of assets	**2 021**	1 549	**–**	–
Tax on loss on sale of assets	**(566)**	(433)	**–**	–
Impairment of property, plant and equipment	**–**	114	**–**	–
Tax on impairment of property, plant and equipment	**–**	(32)	**–**	–
Fair value adjustment on investment property	**–**	(3 040)	**–**	–
Tax on fair value adjustment on investment property	**–**	851	**–**	–
Bargain purchase	**–**	(4 413)	**–**	–
Impairment of goodwill	**–**	1 184	**–**	–
Insurance payouts from loss of assets	**(1 235)**	–	**–**	–
Tax on insurance payouts from loss of assets	**346**	–	**–**	–
Headline earnings/(loss)	**29 694**	132 849	**(16 206)**	3 454

	GROUP		COMPANY	
	2022 Cents	Restated 2021 Cents	2022 Cents	2021 Cents
Core earnings/(loss) per share*				
Core earnings/(loss) per share (cents)	**25**	40	**(5)**	1
Diluted core earnings/(loss) per share (cents)	**24**	40	**(5)**	1

* *Core earnings is defined as basic earnings adjusted for fair value adjustments on biological assets after taxation.*

The bonus element of the share-based payment had a dilutive effect on the shares (2021: did not have a dilutive effect).

46. EARNINGS PER SHARE continued

	GROUP		COMPANY	
	2022 R'000	Restated 2021 R'000	2022 R'000	2021 R'000
Reconciliation between basic earnings/(loss) and core earnings/(loss)				
Basic earnings/(loss)	**29 128**	137 069	**(16 206)**	3 454
Adjusted for:				
Fair value adjustment on biological assets	**68 596**	(14 173)	**–**	–
Tax on fair value adjustment on biological assets	**(19 207)**	3 968	**–**	–
	78 517	126 864	**(16 206)**	3 454

04

SHAREHOLDERS' INFORMATION

SHAREHOLDERS' PROFILE

As at 30 June 2022

Shareholder spread	Number of shareholder accounts	% number of shareholder accounts	Number of shares	% of number of shares
1 – 1 000	3 479	77,92	413 952	0,12
1 001 – 10 000	580	12,99	2 377 863	0,72
10 001 – 100 000	326	7,30	10 654 270	3,22
100 001 – 1 000 000	61	1,37	18 141 166	5,48
Over 1 000 000	19	0,42	299 653 346	90,46
Total	**4 465**	**100,00**	**331 240 597**	**100,00**
Assurance companies	2	0,04	26 888 892	8,12
Close corporations	14	0,31	211 693	0,06
Collective investment schemes	5	0,10	27 204 767	8,21
Custodians	5	0,10	1 789 539	0,54
Foundations and charitable funds	4	0,09	27 632	0,01
Hedge funds	3	0,07	13 284 802	4,01
Investment partnerships	8	0,18	979 628	0,30
Managed funds	3	0,07	26 301 955	7,94
Private companies	64	1,43	56 318 915	17,01
Public companies	3	0,07	8 110	–
Public entities	1	0,02	95 136 513	28,72
Retail shareholders	4 273	95,70	28 206 347	8,52
Retirement benefit funds	3	0,07	135 608	0,04
Scrip lending	1	0,02	383 890	0,12
Share schemes	1	0,02	48 200	0,01
Stockbrokers and nominees	10	0,22	47 308 072	14,28
Trusts	64	1,43	7 004 613	2,11
Unclaimed scrip	1	0,02	1 421	–
Total	**4 465**	**100,00**	**331 240 597**	**100,00**

Key shareholders	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
Directors and associates	4	0,09	72 884 085	22,00
Strategic holdings	1	0,02	95 136 513	28,72
Share schemes	1	0,02	48 200	0,01
Non-public shareholders	6	0,13	168 068 798	50,73
Public shareholders	4 459	99,87	163 171 799	49,27
Total	**4 465**	**100,00**	**331 240 597**	**100,00**

Beneficial shareholders' holding >3% of issued shares	Number of shares	% of issued shares
Industrial Development Corporation	95 136 513	28,72
Legae Peresec	46 762 264	14,12
Old Mutual Group	45 487 064	13,73
Bridge Creek Trading 10 Proprietary Limited	29 356 410	8,86
A2 Investment Partners Proprietary Limited	25 511 955	7,70
Rozendal Partners	13 165 201	3,97
Auburn Avenue Trading 55 Proprietary Limited	11 416 382	3,45
Agentimber Proprietary Limited	10 682 958	3,23
	277 518 747	**83,78**

NOTICE OF ANNUAL GENERAL MEETING

York Timber Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1916/004890/06)
(**York** or the **Company** or the **Group**)
ISIN: ZAE000133450
Share code: YRK

Notice is hereby given that the annual general meeting (**AGM**) of shareholders of the Company will be held on Wednesday, 9 November 2022 at 09:00 at the Auditorium at the JSE Limited, One Exchange Square, Gwen Lane, Sandown, 2196, subject to any cancellation, postponement or adjournment, to deal with such business as may lawfully be dealt with at an AGM and to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act of South Africa, 71 of 2008, as amended (the **Companies Act**), the memorandum of incorporation of the Company (**MOI**) and the JSE Limited Listings Requirements (**JSE Listings Requirements**).

The notice of the Company's AGM has been sent to shareholders who were recorded as such in the Company's securities register maintained by the transfer secretaries (Computershare Investor Services Proprietary Limited) on Friday, 23 September 2022, being the record date used to determine which shareholders are entitled to receive this notice of AGM.

The record date on which shareholders must be recorded as such in the Company's securities register for the purpose of being entitled to participate in and vote at the AGM is Friday, 28 October 2022. The last day to trade in order to be entitled to participate in and vote at the AGM will be Tuesday, 25 October 2022.

Meeting participants (including shareholders and/or their proxies) are required to provide satisfactory identification before being entitled to attend or participate in the AGM. Forms of identification include valid identity documents, driver's licences and passports.

In accordance with regulation 43(5)(c) of the Companies Regulations, 2011, promulgated under the Companies Act, a member of the Social and Ethics Committee is required to report to shareholders at the AGM on the matters within the mandate of the Social and Ethics Committee. The Social and Ethics Committee's report is contained on page 20 of the annual report.

Shareholders are requested to consider, and if deemed fit, pass, with or without modification, the following resolutions by way of separate resolutions:

ORDINARY RESOLUTION NUMBER 1

Adoption of the consolidated and separate annual financial statements for the year ended 30 June 2022

"Resolved that the consolidated and separate annual financial statements of the Company and its subsidiaries, incorporating the reports of the external auditor, the Audit Committee of the Company (**Audit Committee**) and directors of the Company (**directors**) for the year ended 30 June 2022, be and are hereby adopted."

The consolidated and separate annual financial statements of the Company, as approved by the Board of Directors (the **Board**), incorporating the reports of the external auditor, Audit Committee and directors for the year ended 30 June 2022, have been distributed as required and are presented.

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

The complete consolidated and separate annual financial statements and annual report are available on the Company's website:
http://www.york.co.za/downloads/annualreport2022.pdf.

ORDINARY RESOLUTIONS NUMBERS 2.1 TO 2.6

Re-election and appointment of directors

"Resolved that shareholders elect each director listed below, by way of a separate vote, who retire by rotation in terms of the MOI, and who, being eligible, have offered themselves for re-election:

2.1 Maxwell Nyanteh;
2.2 Andries Brink; and
2.3 Hetisani Mbanyele-Ntshinga.

It is further resolved that the shareholders ratify the appointment of the following directors, by way of a separate vote:

2.4 Nonzukiso Siyotula;
2.5 Alton Solomons; and
2.6 Adrian Zetler."

Brief résumés of the directors offering themselves for re-election, and whose appointment requires ratification by shareholders, are contained on pages 14 and 15 of the annual report.

The percentage of voting rights that will be required for each of these resolutions to be adopted is more than 50% of the votes exercised on each resolution.

ORDINARY RESOLUTION NUMBER 3

Re-appointment of the external auditor

"Resolved that PricewaterhouseCoopers Inc. (with Mr Schalk Barnard being the designated external audit partner) be and are hereby re-appointed as the external auditor of the Company from the conclusion of this AGM."

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

ORDINARY RESOLUTIONS NUMBERS 4.1 TO 4.4

Re-election and election of the Audit Committee members

"Resolved that shareholders elect, by way of a separate vote, the below directors as members of the Audit Committee, subject to the re-election and election of Maxwell Nyanteh, Andries Brink and Adrian Zetler as directors in terms of ordinary resolutions numbers 2.1, 2.2 and 2.6, respectively, with effect from the end of this AGM until the conclusion of the next AGM of the Company:

4.1 Maxwell Nyanteh;

4.2 Andries Brink;

4.3 Dr Azar Jammine; and

4.4 Adrian Zetler."

Brief résumés of the directors offering themselves for election as members of the Audit Committee are contained on pages 14 and 15 of the annual report.

The percentage of voting rights that will be required for each of these resolutions to be adopted is more than 50% of the votes exercised on each resolution.

ORDINARY RESOLUTIONS NUMBERS 5.1 AND 5.2

Endorsement of the Company's remuneration policy and implementation report

5.1 "Resolved that shareholders endorse, by way of a non-binding advisory vote, the Company's remuneration policy, as set out on page 23 of the annual report."

5.2 "Resolved that shareholders endorse, by way of a non-binding advisory vote, the Company's remuneration implementation report, as set out on page 24 of the annual report."

The percentage of voting rights that will be required for each of these non-binding advisory resolutions to be adopted is more than 50% of the votes exercised on each resolution.

ORDINARY RESOLUTION NUMBER 6

General authority to issue shares for cash

"Resolved that, subject to the passing of ordinary resolution number 7, the Board be and is hereby authorised, by way of general authority, to (i) allot and issue any authorised but unissued ordinary shares in the Company or securities convertible into ordinary shares in the Company for cash, or (ii) grant any options for the subscription of authorised but unissued ordinary shares in the Company for cash, or (iii) sell or otherwise dispose of ordinary shares in the Company held by York's subsidiaries for cash, in respect of less than 30% of the issued share capital of the Company (excluding treasury shares), representing not more than 96 268 873 ordinary shares in the Company, as at the date of this notice of AGM, subject to the MOI, the Companies Act and the JSE Listings Requirements, and provided that:

(a) this authority shall be valid until the Company's next AGM or for 15 months from the date on which this resolution is passed, whichever period is shorter;

(b) the equity securities which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;

(c) such shares may only be issued to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and subject to the paragraph (f) below, not to related parties;

(d) the maximum discount (if any) at which such shares may be issued is 10% of the weighted average traded price of the Company's shares on the JSE over the 30 business days preceding the date that the price of issue is agreed between the Company and the party subscribing for the shares;

(e) after the Company has issued shares in terms of this general authority representing, on a cumulative basis within the period for which this general authority remains valid, 5% or more of the number of shares in issue prior to that issue, the Company is required in terms of paragraph 11.22 of the JSE Listings Requirements to publish an announcement containing full details of the issue; and

(f) related parties may participate in a general issue of shares for cash through a bookbuild process at a maximum bid price or at book close price, in compliance with the provisions of paragraph 5.52(f) of the JSE Listings Requirements."

The percentage of voting rights that will be required for this resolution to be adopted is a 75% majority of the votes exercised on the resolution.

Reason for and effect of ordinary resolution number 6

The reason for and effect of ordinary resolution number 6 is to grant the Board a general authority, subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements, to issue not more than 32 089 624 ordinary shares in the Company for cash.

ORDINARY RESOLUTION NUMBER 7

Placing authorised but unissued shares under the control of the Board

"Resolved that the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the Board and that the Board be and is hereby authorised to issue the authorised but unissued ordinary shares in the Company or sell or otherwise dispose of ordinary shares in the Company held by York's subsidiaries, at their discretion, subject always to the provisions of the MOI, the Companies Act and the JSE Listings Requirements."

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the votes exercised on the resolution.

SPECIAL RESOLUTIONS NUMBERS 1.1 TO 1.5

Remuneration of non-executive directors

"Resolved that the fees payable by the Company to non-executive directors for their services as directors (in terms of section 66 of the Companies Act) be and are hereby approved, by way of separate votes, for the period January 2023 to December 2023 as follows:

Resolution	Proposed remuneration for the period 1 January 2023 to 31 December 2023 (annual fee and meeting fees paid quarterly in arrears) Annual retainer R	Fee per meeting R
1.1 Chairperson of the Board	408 491	83 211
1.2 Board members	104 616	21 311
1.3 Chairpersons of Board committees	92 007	23 428
1.4 Board committee members	49 766	12 672

Given that the remuneration for the Chairperson of the Board for the period January 2022 to December 2022 failed to achieve the requisite majority of votes at the Company's previous AGM held on 11 November 2021, it is further resolved that shareholders approve the remuneration for the newly appointed Chairperson of the Board, Nonzukiso Siyotula, for the period commencing 21 June 2022 (being the date of her appointment) to 31 December 2022.

Resolution	Proposed remuneration for the period 21 June 2022 to 31 December 2022 (annual fee and meeting fee to be paid in arrears in 2023) Annual retainer* R	Fee per meeting R
1.5 Chairperson of the Board	204 344	78 316

* *The annual retainer has been pro rated for the period 21 June 2022 (being the date of the Chairperson's appointment) to 31 December 2022.*

The annually scheduled meetings for the Board and Audit Committee are four meetings. The Remuneration and Nomination Committee, Risk and Opportunity Committee and Social and Ethics Committee have two annual scheduled meetings, per committee. If more meetings are required and held by the Board and/or other Board committees, the Chairperson and Board/committee members will be paid a fee per meeting as set out above."

The fees for the period January 2023 to December 2023 have been split into an annual retainer fee and a fee per meeting, which constitutes a 6,25% increase from the proposed and/or approved non-executive director fees for January 2022 to December 2022.

The percentage of voting rights that will be required for each of these resolutions to be adopted is at least 75% of the votes exercised on each resolution.

Reason for and effect of special resolutions numbers 1.1 to 1.5

The Companies Act requires shareholder approval of non-executive directors' fees prior to payment of such fees.

SPECIAL RESOLUTION NUMBER 2

Authority to issue shares in terms of section 41(1) of the Companies Act

"Resolved that, to the extent required and subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements and the passing of ordinary resolution number 7, the Board be and is hereby authorised to issue the authorised but unissued shares in the share capital of the Company, on such terms as they deem appropriate, to (i) directors, future directors, prescribed officers or future prescribed officers of the Company; (ii) persons related or inter-related to the Company, or to a director or prescribed officer of the Company or (iii) a nominee of the persons contemplated in (i) and (ii), for purposes of affording such persons (as shareholders of the Company) an opportunity to participate alongside the Company's other shareholders in the general issue of shares for cash or a rights offer (including pursuant to an underwriting of such rights offer) or similar corporate action from time to time."

The percentage of voting rights that will be required for this resolution to be adopted is at least 75% of the votes exercised on the resolution.

Reason for and effect of special resolution number 2

The reason for and effect of special resolution number 2 is to grant the Board the authority, to the extent required and subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements, to issue ordinary shares in the Company pursuant to a general issue of shares for cash or a rights offer (including pursuant to an underwriting of such rights offer) or similar corporate action, to persons listed in section 41(1) of the Companies Act.

SPECIAL RESOLUTION NUMBER 3

Authority to issue shares in terms of section 41(3) of the Companies Act

"Resolved that, to the extent required and subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements and the passing of ordinary resolution number 7, the Board be and is hereby authorised to issue the authorised but unissued shares in the capital of the Company, on such terms as it deems appropriate, such that the voting power of the shares to be issued will be equal to or exceed 30% of the voting power of the Company's shares held by shareholders of the Company immediately before such issue, on the basis that such authority will be limited to an issue of shares pursuant to a rights offer to the shareholders of the Company (including pursuant to an underwriting of such rights offer) or similar corporate action from time to time."

The percentage of voting rights that will be required for this resolution to be adopted is at least 75% of the votes exercised on the resolution.

Reason for and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to grant the Board the authority, to the extent required and subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements, to issue ordinary shares in the Company pursuant to a rights offer (including pursuant to an underwriting of such rights offer) or similar corporate action, such that the voting power of the shares to be issued will equal to or exceed 30% of the voting power of the Company's shares held by shareholders of the Company immediately before such issue, as contemplated in section 41(3) of the Companies Act.

VOTING INSTRUCTIONS

In terms of the Companies Act, any shareholder entitled to attend, participate in and vote at the AGM may appoint one or more persons as a proxy to attend, participate in and vote in his/her stead. A proxy need not be a shareholder of the Company.

The Company has retained the services of The Meeting Specialist Proprietary Limited (**TMS**) to act as scrutineers for the AGM and to assist shareholders with the requirements for attendance, participation in and/or voting at the AGM.

Forms of proxy must be emailed to TMS via **proxy@tmsmeetings.co.za** or deposited at the office of TMS at JSE Building, One Exchange Square, 2 Gwen Lane, Sandown, 2196 not later than 48 hours before the time fixed for the AGM (excluding Saturdays, Sundays and public holidays), being Monday, 7 November 2022 at 09:00, or be submitted to the Chairperson of the AGM (including copying in the meeting facilitator, TMS, as set out in this notice of AGM), before the appointed proxy exercises any of the relevant shareholder's rights.

If your York shares have been dematerialised and are held in a nominee account, then your Central Securities Depository Participant (**CSDP**) or broker, as the case may be, should contact you to ascertain how you wish to cast your vote at the AGM and thereafter cast your vote in accordance with your instructions.

If you have not been contacted, it would be advisable for you to contact your CSDP or broker, as the case may be, and furnish them with your instructions. If your CSDP or broker, as the case may be, does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them, or if the mandate is silent in this regard, to abstain from voting.

Dematerialised shareholders whose shares are held in a nominee account must not complete the attached form of proxy. Unless you advise your CSDP or broker timeously in terms of the agreement between yourself and your CSDP or broker by the cut-off time advised by them that you wish to attend the AGM or appoint a proxy to represent you at the AGM, your CSDP or broker will assume you do not wish to attend the AGM or appoint a proxy. If you wish to attend the AGM, your CSDP or broker will issue the necessary letter of representation to you to attend the AGM.

Shareholders who have dematerialised their shares through a CSDP or broker, other than "own name" registered dematerialised shareholders, who wish to attend the AGM, must request their CSDP or broker to issue them with a letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement/mandate entered into between them and the CSDP or broker.

SHAREHOLDER RIGHTS

In terms of section 58 of the Companies Act, shareholders have the right to be represented by proxy as herewith stated. An extract of section 58 is included in the form of proxy on page 118.

TELEPHONIC PARTICIPATION IN THE AGM

In terms of sections 63(2) and 63(3) of the Companies Act, shareholders or their proxies may participate in (but not vote at) the AGM by way of a telephone conference call and, if they wish to do so, they:

- must contact the Company Secretary (by email at **matthew.wray@kilgetty.co.za**) by no later than Monday, 7 November 2022 at 09:00 in order to obtain a personal identification number (PIN) and dial-in details for the conference call;
- will be required to provide satisfactory identification; and
- will be billed separately by their own telephone service provider for their telephone call to participate in the AGM.

PRINTING AND DISTRIBUTION OF THE ANNUAL REPORT

In line with York's continuous efforts to contain costs, and the environmental benefits of electronic communication with shareholders, the Company hereby proposes to shareholders that various documents, records, statements and notices (report(s)) in respect of the Company, be, as far as possible, delivered to shareholders by electronic mail (email) or posted on the Company's website with an email alert being sent to shareholders notifying them that, inter alia, the reports are available on the Company's website.

Should you wish to avail yourself of these options, kindly request this via email to **ecomms@computershare.co.za**.

By order of the Board

Kilgetty Statutory Services (South Africa) Proprietary Limited
Company Secretary

20 September 2022

Meeting facilitator
The Meeting Specialist Proprietary Limited
JSE Building
One Exchange Square, 2 Gwen Lane
Sandown, 2196
PO Box 62043, Marshalltown, 2107
+27 (0)84 433 4836
+27 (0)81 711 4255
+27 (0)61 440 0654
proxy@tmsmeetings.co.za

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING AND PROPOSED RESOLUTIONS

ORDINARY RESOLUTION NUMBER 1: CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The ordinary business to be considered at the AGM is more fully governed in terms of the MOI. In summary, the ordinary business at an AGM is to receive and consider the consolidated and separate annual financial statements, to declare or sanction dividends (where applicable), to elect directors, the auditor and other officers in the place of those retiring by rotation or otherwise and to elect the Audit Committee members. No special business shall be transacted at an AGM unless due notice thereof has been given.

ORDINARY RESOLUTIONS NUMBERS 2.1 TO 2.6: RE-ELECTION AND APPOINTMENT OF DIRECTORS

The rotation of directors is more fully governed in terms of clauses 5.1.3 to 5.1.8 of the MOI, which require one-third of the non-executive directors to retire from office at the AGM. The retiring directors at each AGM shall be those who have been the longest in office since their last election or appointment. If, at the date of the AGM, any director will have held office for a period of three years since his/her last election or appointment, he/she shall retire at such AGM either as one of the directors to retire in pursuance of the foregoing or additionally thereto. A retiring director shall act as a director throughout the AGM at which he/she retires. The retiring directors may be re-elected provided that they are eligible. Maxwell Nyanteh, Andries Brink and Hetisani Mbanyele-Ntshinga have offered themselves for re-election.

Paragraph 5.1.12 of the MOI provides that the appointment of a director, whether to fill a casual vacancy or as an addition to the Board (or otherwise), must be confirmed by shareholders at the AGM following such appointment. Nonzukiso Siyotula was appointed as an independent non-executive director by the Board with effect from 21 June 2022. In addition, Alton Solomons and Adrian Zetler were appointed as non-executive directors by the Board with effect from 15 July 2022. Accordingly, each of the appointments of Nonzukiso Siyotula, Alton Solomons and Adrian Zetler require ratification by shareholders at the AGM.

ORDINARY RESOLUTION NUMBER 3: RE-APPOINTMENT OF THE EXTERNAL AUDITOR

The Audit Committee has nominated PricewaterhouseCoopers Inc. for re-appointment as the external auditor of the Company under section 90 of the Companies Act. In accordance with paragraph 3.84(g)(iii), as read with paragraph 22.15(h) of the JSE Listings Requirements, the Audit Committee has assessed the suitability of PricewaterhouseCoopers Inc. (with Mr Schalk Barnard being the designated external audit partner) for re-appointment as the external auditor.

Furthermore, the Audit Committee has, in terms of paragraph 3.86 of the JSE Listings Requirements, considered and satisfied itself that PricewaterhouseCoopers Inc. is accredited and appears on the JSE list of Auditors and Accounting Specialists, and that Mr Schalk Barnard does not appear on the JSE list of disqualified individual auditors, as set out in section 22 of the JSE Listings Requirements. The Board has accepted the recommendation of the Audit Committee, subject to shareholder approval, as required in terms of section 90(1) of the Companies Act. In addition, notwithstanding the provisions of section 90(6) of the Companies Act, in compliance with paragraph 3.84(g)(iv) of the JSE Listings Requirements, the Audit Committee has ensured that the appointment of the external auditor (including the designated external audit partner) is presented and included as a resolution at the AGM pursuant to section 61(8) of the Companies Act.

The external auditor will remain the appointed external auditor until the conclusion of the next AGM of the Company.

ORDINARY RESOLUTIONS NUMBERS 4.1 TO 4.4: RE-ELECTION AND ELECTION OF AUDIT COMMITTEE MEMBERS

In terms of section 94(2) of the Companies Act and in compliance with the JSE Listings Requirements, the Company must elect an Audit Committee comprising at least three directors as members. While the members of the Audit Committee are nominated by the Board, the election of each member to the Audit Committee must be individually approved by the shareholders at each AGM. The proposed members of the Audit Committee have experience in auditing, accounting, economics, human resources, commerce and general industry, among others.

The Board confirms that the Audit Committee comprises four non-executive directors, the majority of whom are independent.

Each proposed member of the Audit Committee is a suitably qualified and skilled director. The proposed members of the Audit Committee are, inter alia, not:

- involved in the day-to-day management of the Company and have not been so involved at any time during the previous financial year;
- prescribed officers or full-time employees of the Company or another related or inter-related company, or have been such an officer or employee at any time during the previous three financial years;
- material suppliers or customers of the Company; and
- related to any person who falls within the criteria set out above.

ORDINARY RESOLUTIONS NUMBERS 5.1 AND 5.2: ENDORSEMENT OF THE COMPANY'S REMUNERATION POLICY AND IMPLEMENTATION REPORT

The King IV Report on Corporate Governance for South Africa, 2016™ (**King IV™**) recommends, and the JSE Listings Requirements require, that a company's remuneration policy and implementation report be tabled as separate non-binding advisory votes by shareholders at each AGM.

This enables shareholders to express their views on the Company's remuneration policy and implementation thereof.

Ordinary resolutions numbers 5.1 and 5.2 are of an advisory nature only and failure to pass one or both of these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements.

The Board will, however, take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy.

Shareholders are reminded that in terms of King IV™ and the JSE Listings Requirements, should 25% or more of the votes cast be against one or both of the non-binding advisory resolutions, York undertakes to engage with its shareholders as to the reasons therefore, and undertakes to make recommendations based on the feedback received.

ORDINARY RESOLUTION NUMBER 6: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

This is to grant the Company and its subsidiaries a general authority to, inter alia, issue shares for cash, as contemplated in paragraph 5.50(b), read with paragraph 5.52 of the JSE Listings Requirements, which general authority shall be valid until the next AGM of the Company, provided that this general authority shall not extend beyond 15 months from the date of the passing of ordinary resolution number 6.

ORDINARY RESOLUTION NUMBER 7: PLACING AUTHORISED BUT UNISSUED SHARES UNDER THE CONTROL OF THE BOARD

This is to place the authorised but unissued ordinary shares in the capital of the Company under the control and authority of the Board and to authorise the Board to issue and/or sell or otherwise dispose of such unissued ordinary shares in the Company at its discretion, as required in terms of the MOI.

SPECIAL RESOLUTIONS NUMBERS 1.1 TO 1.5: REMUNERATION OF NON-EXECUTIVE DIRECTORS

In terms of sections 66(8) and (9) of the Companies Act, remuneration may only be paid to directors, for their service as directors, in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of the MOI.

SPECIAL RESOLUTION NUMBER 2: AUTHORITY TO ISSUE SHARES IN TERMS OF SECTION 41(1) OF THE COMPANIES ACT

In terms of section 41(1) of the Companies Act and the MOI, a special resolution is required to be adopted by shareholders for authorised but unissued shares in the capital of the Company to be issued to (i) directors, future directors, prescribed officers or future prescribed officers of the Company; (ii) persons related or inter-related to the Company, or to a director or prescribed officer of the Company or (iii) a nominee of the persons contemplated in (i) and (ii).

This provides the Board with the requisite authority, subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements, to issue ordinary shares in the Company to persons listed in section 41(1) of the Companies Act should the Company propose a general issue of shares for cash or a rights offer to the Company's shareholders (including an issue of shares pursuant to an underwriting of such rights offer) or similar corporate action.

SPECIAL RESOLUTION NUMBER 3: AUTHORITY TO ISSUE SHARES IN TERMS OF SECTION 41(3) OF THE COMPANIES ACT

In terms of section 41(3) of the Companies Act, a special resolution is required to be adopted by shareholders in the event that the voting power of a class of shares that is to be issued as a result of a transaction, or a series of integrated transactions, will be equal to or exceed 30% of the voting power of that class of shares held by shareholders immediately prior to the transaction or series of transactions.

This provides the Board with the requisite authority, subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements, to issue ordinary shares in the Company pursuant to a rights offer (including pursuant to an underwriting of such rights offer) or similar corporate action, if proposed, such that the voting power of the shares to be issued will equal to or exceed 30% of the voting power of the Company's shares held by shareholders of the Company immediately before such issue, as contemplated in section 41(3) of the Companies Act.

ELECTION FORM

To electronically receive the documents required to be distributed, published, provided or delivered to shareholders in terms of the Companies Act

YORK TIMBERS

York Timber Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1916/004890/06)
ISIN: ZAE000133450
Share code: YRK
(**York** or the **Company**)

To: The directors
York Timber Holdings Limited

I/We ______________________________
the undersigned (please print)

of (address) ______________________________

being the registered holder(s) of ______________________________ ordinary shares in the capital of the Company

do hereby elect to receive (i) any documents, notices, records or statements from York (collectively, the documents), by electronic communication, and/or (ii) electronic communication containing a notification that the documents will be available on the Company's website, to the extent that the Company is permitted to distribute, publish, provide or deliver such documents in terms of the Companies Act, and any and every other statute, ordinance, regulation or rule in force from time to time, including the JSE Listings Requirements, concerning companies and affecting York.

I/We hereby furnish the following email address for such electronic communication:

Email address ______________________________

Any written amendment or withdrawal of any such notice of consent by me/us shall only take effect if signed by me/us and received by the Company.

Signed at ______________________________ on ______________________________ 2022

Signature ______________________________ ______________________________ Assisted by me (where applicable)

Please complete, detach and return this election form to York's transfer secretaries, Computershare Investor Services Proprietary Limited, by no later than Monday, 7 November 2022 at 09:00 by way of any of the methods listed below:

Delivery: Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Post: PO Box 61051, Marshalltown, 2107
Email: **ecomms@computershare.co.za**
Fax: +27 (0) 11 688 5248

FORM OF PROXY

YORK TIMBERS

York Timber Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1916/004890/06)
ISIN: ZAE000133450
Share code: YRK
(**York** or the **Company**)

Form of proxy for the annual general meeting (AGM) to be held on Wednesday, 9 November 2022 at 09:00 at the Auditorium at the JSE Limited, One Exchange Square, Gwen Lane, Sandown, 2196, subject to any cancellation, postponement or adjournment – for use by certificated ordinary shareholders and dematerialised ordinary shareholders with "own name" registration only.

Holders of dematerialised ordinary shares other than "own name" registration must inform their Central Securities Depository Participant (**CSDP**) or broker of their intention to attend and/or participate in the AGM and request their CSDP to issue them with the necessary authorisation to attend and/or participate in the AGM in person or provide their CSDP or broker with their voting instructions should they not wish to attend the AGM in person but wish to be represented thereat.

I/We ____
(Please print)

of (address) ____

being the registered holder(s) of ____________________ ordinary shares in the capital of the Company do hereby appoint

1. ____ or failing him/her,

2. ____ or failing him/her,

the Chairperson of the AGM as my/our proxy to act on my/our behalf at the AGM of the Company which will be held on Wednesday, 9 November 2022 at 09:00 (subject to any cancellation, postponement or adjournment) for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions:

		For	Against	Abstain
1.	**Ordinary resolution number 1:** Adoption of the annual financial statements			
2.	**Ordinary resolution number 2:** Re-election of directors who retire by rotation (by separate resolutions):			
2.1	Maxwell Nyanteh			
2.2	Andries Brink			
2.3	Hetisani Mbanyele-Ntshinga			
2.4	Ratify the appointment of the following directors who were appointed by the Board: Nonzukiso Siyotula, as an independent non-executive director with effect from 21 June 2022			
2.5	Alton Solomons, as a non-executive director with effect from 15 July 2022			
2.6	Adrian Zetler, as a non-executive director with effect from 15 July 2022			
3.	**Ordinary resolution number 3:** Re-appointment of the external auditor (with Mr Schalk Barnard being the designated external audit partner)			

		For	Against	Abstain
4.	**Ordinary resolution number 4**: Re-election and election of the Audit Committee members (by separate resolutions):			
4.1	Maxwell Nyanteh			
4.2	Andries Brink			
4.3	Dr Azar Jammine			
4.4	Adrian Zetler			
5.	**Ordinary resolution number 5:** Endorsement of the Company's remuneration policy and implementation report (by separate resolutions):			
5.1	Endorsement of York's remuneration policy			
5.2	Endorsement of York's remuneration implementation report			
6.	**Ordinary resolution number 6:** General authority to issue shares for cash			
7.	**Ordinary resolution number 7:** Placing authorised but unissued shares under the control of the Board			
1.	**Special resolution number 1:** Remuneration of non-executive directors (by separate resolutions):			
For the period January 2023 to December 2023				
1.1	Chairperson of the Board			
1.2	Board members			
1.3	Chairpersons of Board committees			
1.4	Board committee members			
For the period 21 June 2022 to 31 December 2022				
1.5	Chairperson of the Board			
2.	**Special resolution number 2:** Authority to issue shares in terms of section 41(1) of the Companies Act			
3.	**Special resolution number 3:** Authority to issue shares in terms of section 41(3) of the Companies Act			

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

Signed at ______________________________ on ______________________________ 2022

Signature ______________________________ ______________________________ Assisted by me (where applicable)

NOTES TO THE FORM OF PROXY

1. An ordinary shareholder holding dematerialised shares with "own name" registration, or who holds shares that are not dematerialised, may insert the name of a proxy or the names of up to two alternative proxies of the ordinary shareholder's choice in the space provided, with or without deleting "the Chairperson of the AGM". The person whose name stands first on the proxy form and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow. Should a proxy not be specified, this will be exercised by the Chairperson of the AGM. A proxy need not be a shareholder of the Company.

2. An ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company. An ordinary shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the ordinary shareholder in the appropriate box(es). An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of the entire shareholder's votes exercisable thereat. An ordinary shareholder or his/her proxy is not obliged to use all the votes exercisable by the ordinary shareholder, or to cast all those votes exercised in the same way, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the ordinary shareholder.

3. If any ordinary shareholder does not indicate on this instrument that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may be properly put before the AGM be proposed, the proxy shall be entitled to vote as he/she thinks fit.

4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat instead of any proxy appointed in terms hereof.

5. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form, unless previously recorded by the Company or waived by the Chairperson of the AGM.

6. The Chairperson of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.

7. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.

8. It is requested that this form of proxy be emailed to The Meeting Specialist Proprietary Limited (TMS) via **proxy@tmsmeetings.co.za** or deposited at the office of TMS at JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196 not later than 48 hours before the time fixed for the AGM (excluding Saturdays, Sundays and public holidays), being Monday, 7 November 2022 at 09:00, or be submitted to the Chairperson of the AGM (including copying in the meeting facilitator, TMS, as set out in this notice of AGM), before the appointed proxy exercises any of the relevant shareholder's rights.

Additional forms of proxy are available from the transfer secretaries and/or TMS on request.

SUMMARY OF THE RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
- a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise; and
- if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
  - the relevant shareholder; or
  - the proxy or proxies, if the relevant shareholder has (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.

SHAREHOLDERS' DIARY

Financial year-end	30 June
Announcement of annual results	21 September 2022
Annual report posted	7 October 2022
Annual general meeting	9 November 2022
Announcement of interim results	March 2023

CORPORATE INFORMATION

York Timber Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 1916/004890/06
JSE share code: YRK
ISIN: ZAE000133450
(**York** or the **Company** or the **Group**)

Tax reference number
9225/039/71/9

Country of incorporation and domicile
South Africa

Nature of business and principal activities
Operation of plantations, sawmills, a plywood plant and wholesale lumber sales

Auditor for the financial year ended 30 June 2022
PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Auditors

Transfer secretaries
Computershare Investor Services Proprietary Limited

Sponsor
One Capital

The meeting facilitator and scrutineers
The Meeting Specialist Proprietary Limited

York Timbers registered office and business address
York Corporate Office
3 Main Road, Sabie, 1260
Mpumalanga, South Africa

Tel: +27 (013) 764 9200
Fax: +27 (013) 764 1027

Postal address
PO Box 1191, Sabie, 1260
Mpumalanga, South Africa

Directors
Executive director
Gabriël Stoltz *(Chief Financial Officer and interim Chief Executive Officer)*

Non-executive directors
Nonzukiso Siyotula* (*Chairperson*)
Dr Azar Jammine*
Maxwell Nyanteh*
Hetisani Mbanyele-Ntshinga*
Andries Brink*
Lindani Dhlamini*
André van der Veen
Alton Solomons
Adrian Zetler
** Independent*

Company Secretary
Kilgetty Statutory Services (South Africa) Proprietary Limited

www.york.co.za

YORK TIMBERS

www.york.co.za