YORK TIMBERS
ANNUAL REPORT **2023**

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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, York's eight-year financial overview and the risks and opportunities arising from our 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

Forward-looking statements have not been reviewed nor reported on by the Company's auditors. 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

Deloitte & Touche, 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 (B-BBEE) rating and scorecard have been verified by an accredited rating agency, Moore Infinity.

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 the Chief Financial Officer (CFO), Schalk Barnard 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 (CEO)

30 October 2023

All signatures have been removed to protect the security and privacy of the signatories.

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;
- **Transport** logs with its own fleet;
- Operates **efficient processing** plants;
- **Produce** and pack high value crops;
- 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.

York 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.

Revenue

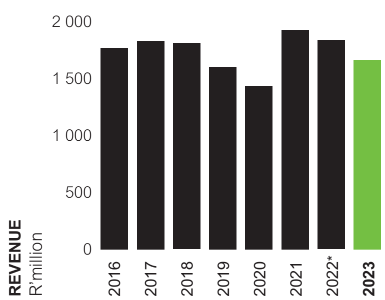
R1 666 MILLION 9% ↓

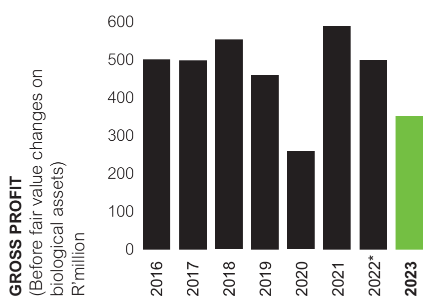
(2022: R1 839 million)

Gross profit (excluding fair value adjustment on biological assets)

R348 MILLION 30% ↓

(2022: R500 million*)





Other operating expenses

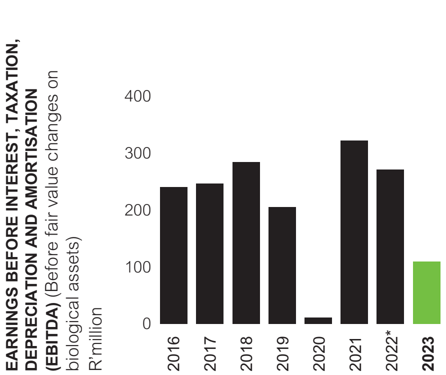
R371 MILLION 3% ↑

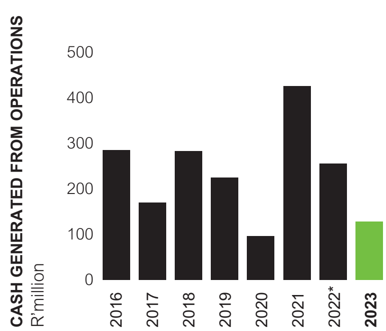
(2022: R358 million*)

Core loss per share

8 CENTS 124% ↓

(2022: core earnings per share of 34 cents*)





Net finance cost

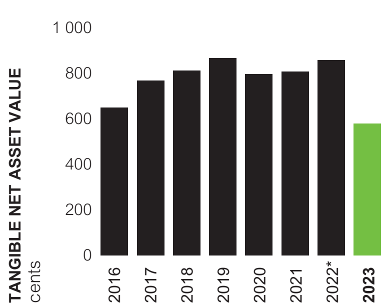
R32 MILLION

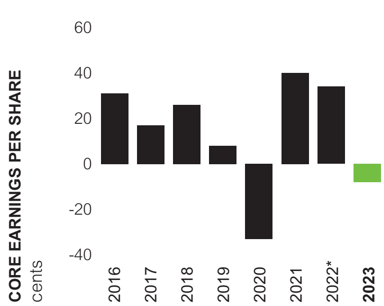
(2022: R32 million)

Interest-bearing borrowings

R394 MILLION 6% ↓

(2022: R420 million*)





* *Restated.*

EIGHT-YEAR FINANCIAL REVIEW

		Audited 2023	Audited* 2022	Audited* 2021	Audited 2020	Audited 2019	Audited 2018	Audited 2017	Audited 2016
Group revenue	R'000	**1 666 294**	1 838 810	1 928 589	1 438 825	1 600 522	1 812 350	1 832 805	1 771 049
Gross profit (excluding fair value adjustments on biological assets)**	R'000	**348 033**	499 591	589 312	258 067	460 355	552 631	497 502	500 566
*Gross profit margin (excluding fair value adjustments on biological assets)**	%	**20,9**	27,2	30,6	17,9	28,8	30,5	27,1	28,3
Operating profit/(loss) before fair value adjustment on biological assets	R'000	**(9 438)**	158 137	219 480	(82 108)	(106 314)	196 045	151 369	182 933
Operating margin	%	**(0,6)**	8,6	11,4	(5,7)	(6,6)	10,8	8,3	10,3
EBITDA, excluding fair value adjustment on biological assets	R'000	**110 257**	271 292	322 099	11 646	204 668	283 666	246 101	240 048
EBITDA to revenue	%	**6,6**	14,8	16,7	0,8	12,8	15,7	13,4	13,6
Net profit/(loss) before finance costs	R'000	**(378 850)**	253 957	243 540	(238 392)	106 856	272 271	599 038	390 032
Finance costs	R'000	**47 109**	37 484	48 447	61 049	77 537	84 325	88 595	56 632
Cash flow from operations	R'000	**128 102**	255 387	425 446	96 191	223 822	283 173	169 979	284 963
Biological assets	R'000	**2 536 265**	2 881 636	2 738 600	2 906 890	3 154 557	2 918 550	2 828 518	2 334 327
Interest-bearing borrowings	R'000	**393 677**	419 914	551 641	583 898	683 436	804 595	912 302	894 145
Investment in property, plant and equipment	R'000	**61 063**	88 701	82 096	42 085	81 170	64 680	154 258	283 241
Net working capital	R'000	**128 726**	141 542	117 161	159 218	161 517	230 155	245 991	162 685
Basic earnings/(loss)	R'000	**(312 864)**	182 755	137 069	(217 637)	(36 268)	138 280	367 286	238 212
Weighted average number of shares	Number	**404 077**	343 963	317 080	318 873	317 439	316 874	317 209	325 286
Earnings/(loss) per share	Cents	**(77)**	53	43	(69)	(11)	44	116	73
Core earnings/(loss) per share	Cents	**(8)**	34	40	(33)	8	26	17	31
Headline earnings/(loss) per share	Cents	**(76)**	53	42	(70)	50	45	116	73
EBITDA** per share	Cents	**27**	79	102	4	64	90	78	74
Net asset value per share	Cents	**579**	857	806	912	980	990	943	809
Tangible net asset value per share	Cents	**579**	857	806	796	866	811	768	649
Return on equity	%	**(11,7)**	6,6	5,4	(7,6)	(1,2)	4,4	12,3	9,0
Total cost	R'000	**1 675 733**	1 680 673	1 709 109	1 520 933	1 499 024	1 616 305	1 681 436	1 588 116
External log purchases	R'000	**240 582**	258 046	247 834	230 986	261 728	201 723	269 982	140 887
Cost excluding log purchases	R'000	**1 435 150**	1 422 627	1 461 275	1 289 947	1 237 296	1 414 582	1 411 454	1 447 229
Cost as % of revenue	%	**(86,1)**	77,4	75,8	89,7	77,3	78,1	77,0	81,7

* *Restated.*
** *Excluding fair value changes on biological assets.*

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:

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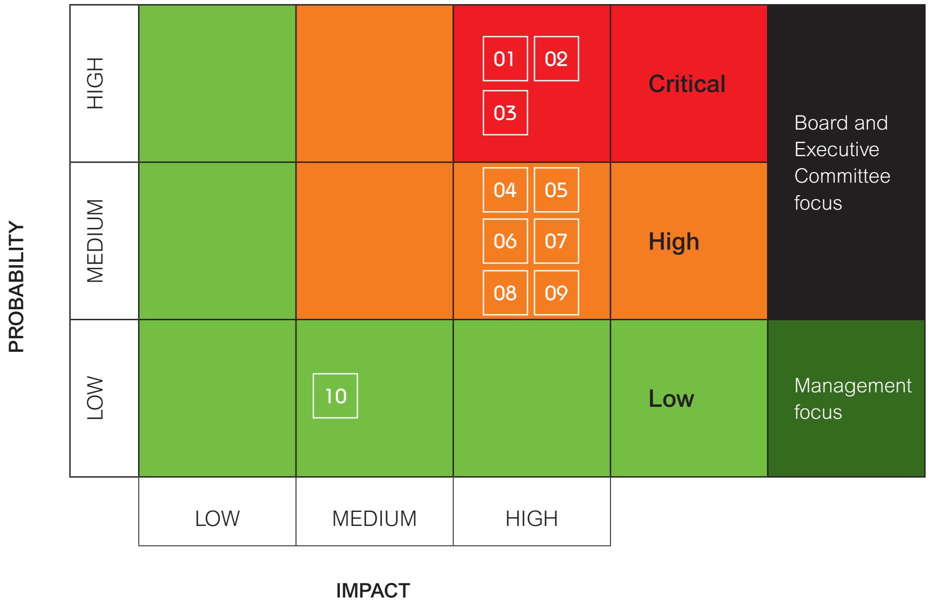


The numbers on the heat map correspond to risks discussed on pages 6 and 7.

YORK CONTINUALLY ASSESSES ITS MAJOR RISKS AND RESPONSES THERETO.

TOP 10 RISKS continued

01 COST PRESSURE

Probability | Impact

- Rising total cost of employment, electricity and diesel.
- Sabie sawmill is loss-making as a result of increases in costs and the decline in the average selling price of lumber.

Mitigating strategies and opportunities arising

- Review cost models and acquire own equipment to unlock efficiency gains.
- Strengthen overall control environment.
- Changes in product range and rebalance the plant to the bottleneck capacity.

02 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

- Planned end-of-life component replacement and upgrades at the plywood plant scheduled for the 2024 financial year.
- Development of capital project programme for the replacement of redundant and high-risk machines.
- Introduction of failure modes and effects analysis (FMEA) processes and appointment of Reliability Engineer on Sabie site.
- Implementation of computerised maintenance management system and effectively managing processing asset risks.

03 LOG SUPPLY AND DELIVERY

Probability | Impact

- Dependency on South African Forestry Company Limited (SAFCOL).
- Rateability of log supply.
- SAFCOL failing to meet contractual obligations due to operational capacity constraints.

Mitigating strategies and opportunities arising

- Continuous engagement with SAFCOL executive management.
- Expand insourced mechanised operations to include the Escarpment to increase flexibility and ability to better react to supply disruption.
- Managing SAFCOL supply by working together to improve control over the execution of their annual plan of operation.
- Alternative log supply solutions are being actively pursued and procured.

04 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 supplier.
- Proactive pricing adjustments.
- Exploring export opportunities and certification requirements.
- Identification and introduction of new product lines.

05 HUMAN CAPITAL

Probability | Impact

- Retaining and recruitment of critical skills.
- York staff is targeted for recruitment.
- Shortage of experienced maintenance and specialised skills.

Mitigating strategies and opportunities arising

- Competitive remuneration policy and career path development.
- Adoption of long- and short-term remuneration schemes.
- Active recruitment to ensure hired skills are a fit with York's values.
- Opening of offices in Mbombela to expand recruitment pool.
- Introduction of retention schemes for critical positions.

06 ELECTRICITY SUPPLY

Probability | Impact

- High fuel prices and increased load shedding.
- Power interruptions affecting processing production output and planning.
- Risk of Eskom total blackout.
- No backup power at plywood plant.
- Insufficient backup power at Jessievale sawmill and expensive diesel costs.

Mitigating strategies and opportunities arising

- Explore renewable energy options.
- Evaluate cost of backup power versus risk going forward.
- Evaluate cost for additional backup power.
- Invest in generator capacity and solar systems at the Jessievale Sawmill.

High Medium Low

07 FIRES

Probability: Medium | Impact: High

- Firefighting preparation and associated costs.
- Effectiveness of response.
- The risk of unpreparedness of fires on neighbouring properties.
- Contractor preparedness and suitable equipment.
- Escalating cost of aerial support and detection fees from third-party suppliers.
- Fuel load in plantations adds to higher fire risk.
- Entering on El Nino Southern Oscillation cycle over the next year.

Mitigating strategies and opportunities arising

- Further invest 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.
- Under-canopy 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'S INVESTMENT PROPOSITION

Probability: Medium | Impact: High

- 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.
- Negative perception of the Company among investor community.
- Investors not valuing York's "green" credentials and its contribution in carbon sequestration.

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 expectation.
- Illustrating York's cash flow and forestry yield profile to manage shareholder expectations on returns.
- Developed a dividend policy that will guide returns to shareholders once the Escarpment plantation returns to rotation.

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 European and other international markets, including 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.
- Diversify product offering through the introduction of eucalyptus face plywood panels.

CHAIRPERSON'S REPORT

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

OUR ECONOMIC ENVIRONMENT

The 2023 financial year has proven to be a challenging one for York, marked by poor financial results that reflect the complex interplay of external factors.

The global economic landscape has been characterised by volatility and uncertainty, impacting industries across the board. The manufacturing industry, which traditionally plays a vital role in South Africa's economic fabric, has faced headwinds driven by a confluence of factors:

High interest rates: The prevailing high interest rates have put pressure on our operational costs, particularly in terms of servicing debt and capital expenditure.

Difficult trading conditions: The industry faced challenging trading conditions as a result of weakened consumer demand, supply chain disruptions and increased competition. This has negatively affected our ability to achieve the desired sales volumes.

Low sales prices: Our financial results were significantly impacted by the prolonged period of low sales prices for our forest products, resulting in decreased revenue and margins.

YORK'S PERFORMANCE IN 2023

The economic environment and industry challenges directly impacted York's results.

Despite these challenges, York recorded the following results for the year:

- Temporary unplanted areas increased by 26%;
- Revenue was down 9% on the previous year;
- Borrowings (excluding the Absa IMX facility) were reduced by R60 million; and
- Biological assets are down 12%.

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

CHANGES TO THE BOARD

Gabriël Stoltz was appointed as CEO on 1 July 2022. Schalk Barnard was appointed as CFO on 1 May 2023.

Dr Azar Jammine's position as an independent non-executive director of the Company came to an end as a result of his tenure on the Board of Directors of York exceeding nine years, after the Company's annual general meeting (AGM) held on 9 November 2022. We thank him for his contributions and wish him well for the future.

No new non-executive directors were appointed.

Refer to Schalk Barnard's abbreviated curriculum vitae on page 12.

The year gone by has underscored the significance of a strong, cohesive Board, and I am truly privileged to work alongside such a talented and committed group of individuals. York's Board members bring a wealth of expertise from various industries, enabling York to make well-informed decisions that drive sustainable growth. Their unwavering dedication and valuable contributions have been instrumental in guiding York through these challenging waters. I am immensely proud of the collaborative spirit and professionalism displayed by each Board member.

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

While the challenges were formidable, we remain resolute in our commitment to safeguard the interests of our shareholders and stakeholders alike. In response to the adverse economic conditions, we took several strategic actions.

- **Operational efficiency:** We embarked on a thorough review of our operations to identify opportunities for greater efficiency, cost reduction, and resource optimisation.
- **Diversification and innovation:** Our focus on diversifying our product portfolio and exploring innovative solutions remains unwavering. These efforts aim to insulate us from the impact of volatile market conditions and create new avenues for growth.
- **Cost rationalisation:** We adopted a disciplined approach to cost management, carefully scrutinising all expenditure to ensure alignment with strategic goals and objectives.

APPRECIATION

Your support and trust in York has played an integral role in York's continued success. It is York's shareholders' and stakeholders' belief in our vision and commitment that propels York forward, even when the road becomes arduous. York is acutely aware of the responsibilities that come with shareholder investment, and York remains committed to maximising shareholder value and providing transparency in York operations.

York is proactively identifying emerging opportunities and investing in York's people to ensure long-term sustainability. York's firm dedication to ethical business practices, innovation and the relentless pursuit of excellence will remain at the core of York's initiatives.

In closing, I wish to express my gratitude to York's exceptional employees, its resilient shareholders and steadfast stakeholders. Your unwavering support during this challenging year has demonstrated the strength of our collective commitment to York's long-term success.

Nonzukiso Siyotula
Chairperson

30 October 2023

CHIEF EXECUTIVE OFFICER'S REVIEW

YORK'S PERFORMANCE IN 2023

The 2023 financial year reports the difficult trading conditions faced by our manufacturing sector and the impact on our sales prices and demand due to high interest rates and low confidence in the construction and building sector.

LABOUR RELATIONS

The financial year commenced while the Escarpment operations were still impacted by the National Union of Metalworkers of South Africa (NUMSA) strike. Employees found guilty of misconduct were dismissed and mass recruitment from the local communities commenced. Following the strike, York's Driekop sawmill was mothballed and the majority of the Driekop employees were dismissed. York established employee forums that create a platform for employees and managers to engage and find solutions to concerns, safety and production-related matters. NUMSA is no longer a recognised union of York.

RESET AND REBUILD

The past few years were categorised by many NUMSA strikes and the COVID-19 pandemic that resulted in disruptive resignations across the business and a loss of experienced maintenance personnel and managers. The executive team has been strengthened over the past 12 months, and our recruitment and talent management efforts have seen York welcome experienced and well-qualified personnel who have already made an impact on our business. The introduction of the long-term incentive plan approved by the Remuneration Committee forms part of the initiatives to retain our people. York offers its employees a dynamic working environment where they are encouraged to grow professionally, interact with highly skilled individuals across all sections of the business and make an impact. The process of rebuilding the management and maintenance teams is still not completed and will continue into the new financial year.

PLANT AVAILABILITY AND PROCESSES

Delayed and underspending on maintenance over the past few years have impacted plant availability. York recruited an experienced consultant to implement the 5S (sort, straighten, shine, standardise and sustain) principles at York's Sabie operations. These principles change the environment in which our plants are operated and the approach and culture towards it. This process was required to be completed before the implementation of FMEA (failure modes and effects analysis) to ensure repetitive breakdowns are understood and the causes are corrected. Maintenance and capital expenditure are focused on addressing the causes of repetitive downtime.

TRADING ENVIRONMENT

The lumber market has seen a decline of 5% for the year, following a decline of 5% in the preceding year. Industry average selling prices have reduced by 3% from the prior year and continue to be under pressure with industry stocks increasing by 28% over the period. We have mothballed Driekop sawmill and have seen the closure of another formal sawmill during the year which negatively impacts employment in these rural areas. Many informal sawmills with rudimentary technology have started operating in the sector with little regard for environmental and other legislation. York is challenged to change its lumber product offering and explore export markets.

Our penetration into export markets has been slow and hampered by country-specific factors and quality standards. We remain committed to diversifying our markets and product offerings.

The plywood market has remained flat and prices have been fluctuating due to a lower international US Dollar price but a weaker local currency.

PRODUCTION COSTS

The cost of doing business has increased significantly over the past year. In an industry where logs are procured at plantation, transported to the mills and then sold as delivered to our clients, we were impacted by more than 40% increases in logistical costs and diesel prices. This, combined with above-inflation increases in log and utility costs and load shedding, has resulted in production costs increasing by 13% despite better production volumes at our remaining operations. These increases combined with a decline in average selling prices of 4% for lumber have impacted the profitability of the Group and resulted in the Sabie sawmill operating at a loss.

The personnel changes, review of production processes and focused capital spending are aimed at improving efficiencies and curbing production costs. York has invested in generator capacity and solar systems at its Jessievale sawmill to reduce the impact of load shedding and cost increases. We have reviewed our product offering, identified new local and international markets and have already secured trial orders.

RIGHTS OFFER

As reported in the Rights Offer Circular dated 9 December 2022, York reviewed its biological assets and its optimal harvesting age to increase shareholder returns. The change in methodology will impact profitability in the short term and dependence on SAFCOL. For the financial year under review, the incremental cost due to external purchases was R209 million.

OUTLOOK

York's plantations are its key asset and responsible management thereof is focused on ensuring optimal and sustainable returns to shareholders. The demand for fibre is expected to continue to increase as the building industry transforms towards sustainable, low-carbon building materials. York's dependency on SAFCOL and external suppliers is a risk in the short term. We continue to work well with our suppliers to ensure continuity of delivery of raw materials. We have also employed new scanner technology that enables York to better manage its procurement and accuracy of logs invoiced.

Recruitment and retention of skills in the rural areas where we operate are strategic objectives. Our investment in human capital and focused spending on areas identified through the FMEA will continue in the new financial year.

Trading conditions are expected to remain difficult in our traditional lumber market. Our Sabie sawmill viability depends on new products and markets together with improvements in efficiencies.

We are committed to reducing the costs of mothballed and non-core operations. These erode our results in an already difficult environment.

Our Agricultural segment contributed positive earnings before interest, tax, depreciation and amortisation and fair value movement of biological assets (EBITDA) to the Group. The first crop of soft citrus will be harvested during the 2024 harvesting season. Our expectations remain high from this investment.

FAREWELL

I would like to thank Dr Azar Jammine for his service and contribution to York as an independent non-executive director of the Company.

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 continue to work hard in a tough economic environment.

WELCOME

I would like to welcome Schalk Barnard to the Executive team at York. Schalk has the experience needed to help steer the Company through these challenging times. Since joining York, he has already made a positive impact and I look forward to working with him.

Gabriël Stoltz
Chief Executive Officer

30 October 2023

02
CORPORATE GOVERNANCE

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.

GABRIËL STOLTZ

(BORN 1978)
CHIEF EXECUTIVE OFFICER

Appointed: To board 1 December 2017 and as CEO 1 July 2022

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.

SCHALK BARNARD

(BORN 1974)
CHIEF FINANCIAL OFFICER

Appointed: 1 May 2023

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

Skills and experience: Schalk is a qualified chartered accountant (South Africa, Australia and New Zealand) and he also holds Executive Leadership and Professional Services Leadership Diplomas from Harvard Business School. Schalk's previous experience includes heading up Ernst & Young's Growth Markets Practice across Oceania, when he spent 15 years in Australia. After returning from Australia in 2017, he held the positions of Business Development Leader Africa and Energy, Utilities and Resources Leader Africa for EY.

His experience includes capital and debt raisings, business rationalisation projects, buy-side due diligence, initial public offerings and external audit.

He served as York Timbers' external audit partner, representing PricewaterhouseCoopers Incorporated (PwC) from 2019 to 2022.

MAXWELL NYANTEH

(BORN 1978)
LEAD INDEPENDENT DIRECTOR

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 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.

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

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, reappointed 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 PwC 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

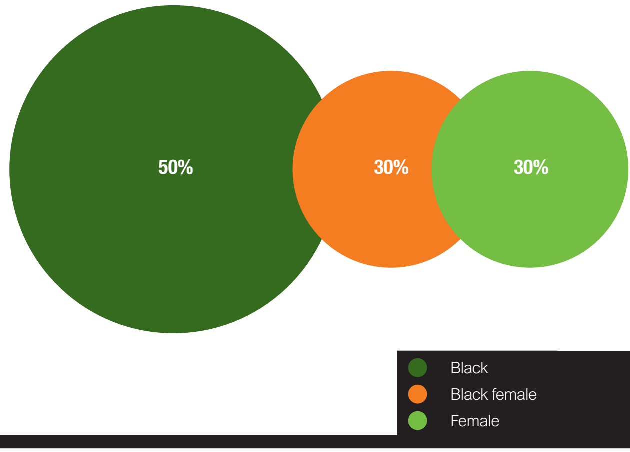
Appointed: 11 November 2021

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

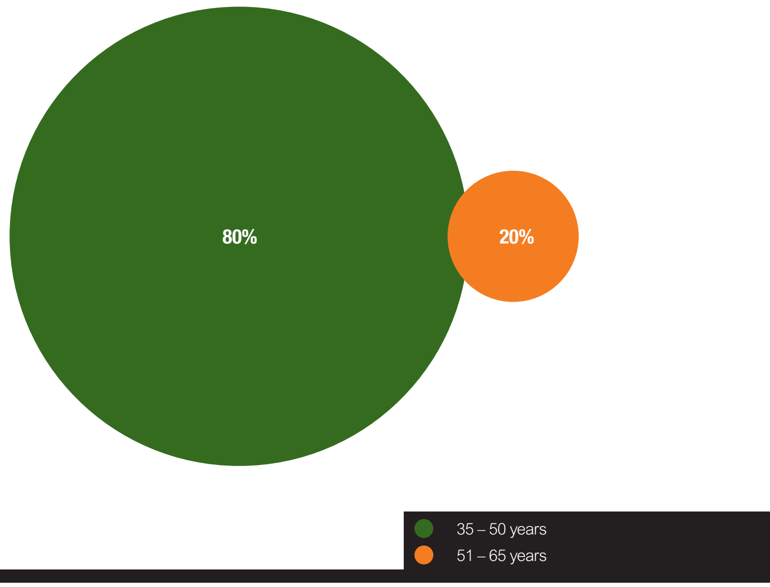
Skills and experience: During his 30-year career, André has invested in and managed several companies across a wide range of industries. He has served as a director of numerous companies including Tsogo Sun Holdings Limited, Clover Industries Limited, Hosken Consolidated Investments (HCI) and Montauk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

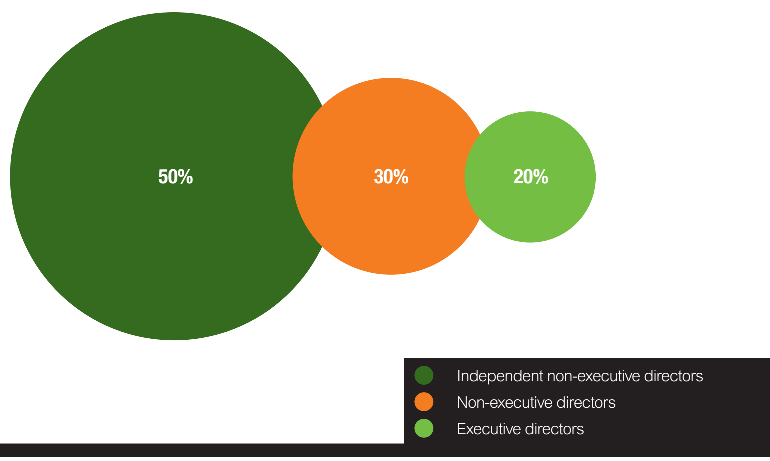
BOARD DIVERSITY



DIVERSITY OF AGE



INDEPENDENCE



CORPORATE GOVERNANCE

COMMITMENT TO ETHICAL AND EFFECTIVE LEADERSHIP

York's governing body is its Board and it supports our commitment to ethical and effective leadership within our organisation. York believes that sound corporate governance practices are essential in building trust, fostering long-term sustainability, elevating shareholder value for all stakeholders and improving the performance of York and its subsidiaries (the Group).

The Board firmly believes that ethical behaviour forms the foundation on which a successful and sustainable business is built. The Board further understands that effective ethical leadership is crucial in steering York toward achieving its strategic objectives and delivering sustainable growth for the Group and its stakeholders. The Board is fully dedicated to upholding the highest standards of corporate governance and is committed to delivering sustainable growth and value creation for York shareholders.

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 12 and 13 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 in mind and in the best interest of the Company.

BOARD CHANGES

Directors are appointed formally and transparently. 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 AGM of shareholders.

Dr Azar Jammine's position as an independent non-executive director of the Company came to an end as a result of his tenure on the Board of Directors of York exceeding nine years, at the conclusion of the Company's AGM held on 9 November 2022. We thank him for his contributions and wish him well for the future. Azar's contribution to the Board over the years of his service has been immeasurable.

Gabriël Stoltz was appointed as the full-time CEO on 1 July 2022 and Schalk Barnard was appointed as the CFO on 1 May 2023.

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 March and June 2023, the directors visited York's Sabie operations. During the visit, directors had opportunities to interact with staff from various divisions ranging from junior to management levels.

BOARD COMMITTEE COMPOSITION

The allocation of roles and responsibilities and the composition of Board committees have been considered holistically by the Board to promote 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 achieved are 30% and 50%, respectively, for 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, culture, age, 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 will be performed in the upcoming financial year due to the reconstitution of the current Board. The evaluations will be conducted formally and in accordance with the methodology approved by the Board.

The Board is 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	4/11	2/5	3/4 Remuneration#		
	Maxwell Nyanteh	11/11	5/5		2/2	
	Hetisani Mbanyele-Ntshinga	11/11		4/4	2/2#	
	Andries Brink	11/11	5/5#			2/2
	Lindani Dhlamini	10/11	3/5	4/4		2/2#
	Nonzukiso Siyotula	10/11		4/4 Nomination#		2/2
Non-executive	Adrian Zetler	11/11	4/5		1/2	
	André van der Veen	11/11		4/4 Remuneration#		2/2
	Alton Solomons	11/11			1/2	1/2
Executive	Gabriël Stoltz	11/11	5/5##	4/4##	2/2	2/2
	Schalk Barnard	2/11##	2/5##	1/4##	1/2##	1/2##
Membership is in compliance with King IV™		Majority independent non-executive directors	Majority independent non-executive directors	**Remuneration** All non-executive directors with the majority being independent **Nomination** All non-executive directors with majority being independent	Executive and non-executive directors with the majority being non-executive	Executive and non-executive directors with the 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 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 publication of the condensed, summary or 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 29.

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 27.

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

30 October 2023

SOCIAL AND ETHICS COMMITTEE REPORT

COMPOSITION AS AT THE REPORTING DATE

Chairperson: Hetisani Mbanyele-Ntshinga

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

Certain members of senior management attend the committee meetings by invitation. The Company Secretary of York acts as the Committee Secretary.

The Social and Ethics Committee focuses on corporate governance, employee welfare, environmental and community development initiatives, and the Company has demonstrated its commitment to sustainable and responsible practices. The committee will continue to monitor and address emerging social and ethical challenges, adapting strategies to align with evolving expectations and best practices.

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

FOCUS AREAS

York employee forums

After the termination of NUMSA's recognition agreement in 2022, York established employee forums. These forums provide an opportunity for worker participation.

The main functions of these forums are:

- First place of contact for employees to raise concerns or suggestions;
- To consult with employees or employee representatives on work-related matters;
- To seek to promote the interests of all employees in the workplace;
- To enhance efficiency in the workplace; and
- To improve consensus building and dispute resolution.

These forums were established at all York business units and meet on a monthly basis.

Corporate social investment 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 engaged with the community including political engagement on local and provincial levels for this project and entered into a memorandum of agreement with the local municipality to improve the road conditions in Sabie.

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:

- the alcohol and drug use policy;
- anonymous whistle-blowing policy;
- forestry contractor labour compliance policy;
- preventing harassment in the workplace policy;
- smoking policy;
- training on the Forest Stewardship Council and environmental principles policy; and
- use of mobile devices at work policy.

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

30 October 2023

RISK AND OPPORTUNITY COMMITTEE REPORT

COMPOSITION AS AT THE REPORTING DATE

Chairperson: Lindani Dhlamini

Other committee members:

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

Invitee: Adrian Zetler

Certain members of senior management, internal and external audit attend the committee meetings by invitation.

The Company Secretary of York acts as the Committee Secretary.

Our dedicated Risk and Opportunity Committee, composed of experienced and knowledgeable members, plays a vital role in overseeing the identification, assessment and management of risk factors. Throughout the year, the committee actively reviews York's risk management framework and strategies, evaluates emerging risks and provides recommendations for mitigating and capitalising opportunities for the year ahead. The committee remains committed to continuous improvement, maintaining a proactive stance in addressing risks and seizing opportunities to create sustainable value for York's stakeholders.

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 due to increased diesel costs. To address the unreliable electricity supply and the high annual electricity cost increase, the committee approved a project to consolidate the existing generators at the main substation and to add a 300kW solar photovoltaic farm to the site. Combined with the existing 400kW solar farm, the Jessievale sawmill will be more efficient during load shedding and all the production areas in the mill will run at full capacity. Diesel expenditure will also be reduced.

York developed comprehensive business continuity plans (the plans) for each business unit that are linked to one another and combined serve as York's business continuity plan (BCP). The plans cover the operations and services of York and its subsidiaries. These business units may share certain personnel, systems, governance and facilities in providing, as necessary and appropriate, administrative and support services for their respective customers and suppliers. The BCP is administered at the enterprise level for all affiliated companies. The plan is designed to ensure that the Group is prepared to continue operating if it experiences a significant disruption of any kind to its business operations.

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 Chairman 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 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

30 October 2023

REMUNERATION AND NOMINATION COMMITTEE REPORT

COMPOSITION AS AT THE REPORTING DATE

Chairpersons: André van der Veen *(Remuneration)*
Nonzukiso Siyotula *(Nomination)*

Other committee members:
Hetisani Mbanyele-Ntshinga,
Lindani Dhlamini

Invitees: Adrian Zetler and Gabriël Stoltz

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 Committee

The following changes were made to the Board during the year.

Dr Azar Jammine's tenure as an independent non-executive director of the Company came to an end at the conclusion of the Company's AGM held on 9 November 2022.

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 1 May 2023, being the date upon which the new full-time CFO was appointed. The new CFO, Schalk Barnard, commenced as CFO and executive director of the Group and Company on 1 May 2023.

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

Maxwell Nyanteh, in line with good governance and King IV™ principles, was appointed as the lead independent director with effect from 9 November 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 2023 financial reporting period.

Remuneration Committee

The formulation of the long-term incentive (LTI) and short-term incentive (STI) schemes for the 2022/23 financial year was communicated to shareholders on the Stock Exchange News Service on 7 November 2022.

The STI scheme was reviewed to align senior employee rewards with very specific outcomes as detailed in York's 10-year plan.

The participants in the scheme are typically senior management employees across the York entities. The STI scheme allocates a maximum participation level based on a percentage of participants' annual guaranteed remuneration. The STI scheme is self-funding.

The STI scheme is aligned with the Group's and individual business units' adjusted EBITDA targets. The first hurdle is the achievement of 80% of the Group's adjusted EBITDA target. Individual business unit targets are weighted 75% to achieving the business unit's adjusted EBITDA target and 25% to operational targets.

Operational managers earn their STI based on the areas of the Group that they manage. In this regard, the processing management targets reflect operational efficiency and volume targets that more closely align with plant capacities, rather than historical performance.

The executive team's individual targets are determined by the CEO and the next tier below is developed in conjunction with the respective divisional heads to ensure alignment with business unit objectives and the individual's sphere of influence.

The CEO's and CFO's STIs are capped at 50% of their total cost-to-company (TCTC) in any given year.

The non-achievement of B-BBEE targets will reduce the maximum bonus of those employees that influence B-BBEE scoring levels, otherwise earned by a significant percentage. The maximum reduction due to B-BBEE is 25% of the incentive earned for key staff members in any particular year.

The LTI scheme, only available to certain key employees, is a deferred cash bonus scheme. The scheme relies on the same specific performance criteria defined each year for the STI scheme.

A summary of the salient criteria for the LTI scheme is as follows:

- A participating employee's TCTC is used as the basis for the calculation of the individual's bonusable amount (IBA). The CEO and CFO will have an IBA of 3 times their TCTC, with the balance of the participating employees having multiples of 2,5 and lower, as approved by Remco;
- Each annual entitlement to the LTI scheme is calculated as a third of the employee's IBA multiplied by the STI achievement factor in that year;
- The annual amount earned will be paid at the end of year three. The scheme resets every year;
- Employees will have the option to increase the value of the contribution to the scheme by 25% if, rather than electing a cash option for the annual contribution on the drawdown date, they elect to use the annual contribution to purchase ordinary shares in York (shares);
- The employee has to be employed by York when the annual amount becomes payable (end of year three);
- Each employee will have a maximum share conversion percentage, with the CEO and CFO having the right to convert 100% of their annual entitlement and senior management 75%; and
- Other participating employees may have lower percentages as determined by Remco.

The LTI scheme commenced in June 2023 with participants having first access to the accrual in June 2025, subject to the employee remaining in the employ of York.

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 Group and encourage and influence performance while aligning with shareholder interests.

At the Company's 2022 AGM, the Company's remuneration policy and remuneration implementation report were approved by 94,06% and 94,15% of voting shareholders, respectively.

Overview of the remuneration policy

The Company's remuneration policy takes into account the level of complexity, the role and the responsibility, 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;
- Variable remuneration (13th cheque); and
- York Adventure Club, to promote a work-life balance.

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 and long-term incentive schemes

Both schemes were implemented as from June 2023. The features and eligibility of the schemes are set out earlier in this report.

Measuring executive performance

The results for the year ended 30 June 2023 are measured against the set 2023 performance targets. The applicable weighting was applied to the categories achieved. None of the CEO targets were met. As such no STI's were paid to the CEO for the financial year.

The newly appointed CFO has a minimum guaranteed STI for the first two years of his employment: R1 million in year one and R750 000 in the second year. None of the STI targets were achieved for this financial year and, as such, he received a pro rata payment of his minimum guaranteed STI.

Performance targets for 2023

Remco agreed that the performance criteria for the STI be weighted at 75% for profitability achieved and 25% on agreed operational metrics.

No performance targets for 2023 were achieved.

	Basic salary R'000	Other cash benefits R'000	Bonus R'000	Share options received R'000	Total R'000
2023					
PS Barnard	**490**	**226**	**–**	**–**	**716**
GCD Stoltz	**4 087**	**392**	**–**	**–**	**4 479**
Total	**4 577**	**618**	**–**	**–**	**5 195**
2022					
GCD Stoltz	3 342	301	2 233	–	5 876
Total	3 342	301	2 233	–	5 876

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 Chairpersons 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 9 November 2022, it was approved that the non-executive directors' fees (save for the Chairperson of the Board's fees) for the period January 2023 to December 2023 be increased by applying a 6,25% increase.

Non-executive directors' fees paid for the 2022 and 2023 financial years

Non-executive directors	Directors' fees 2023 R'000	Directors' fees 2022 R'000
AW Brink	**663**	553
L Dhlamini	**644**	339
Dr AP Jammine*[1]	**265**	586
HM Mbanyele-Ntshinga	**571**	506
DM Mncube[2]		477
Dr JP Myers[3]		722
KM Nyanteh	**710**	477
N Siyotula	**1 563**	
AJ Solomons	**434**	
A van der Veen*	**546**	252
A Zetler*	**470**	107
Total	**5 866**	4 019

* *Directors' fees paid to these non-executive directors were paid to the companies represented by them.*
[1] *Tenure came to an end on 9 November 2022.*
[2] *Tenure came to an end on 31 May 2022.*
[3] *Tenure came to an end on 8 June 2022.*

REMUNERATION AND NOMINATION COMMITTEE REPORT continued

The Board and Board committee fee structure consists of an annual retainer and a fee per meeting. Remco considered non-executive director fees for the period 1 January 2024 onwards and proposed an increase of 6% 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 ended 30 June 2024. The proposed fees, as set out below, are included in the notice of AGM for payment on a quarterly basis.

	Proposed remuneration for the period 1 January 2024 onwards	
	Annual retainer R	**Fee per meeting R**
Chairperson of the Board	433 000	88 204
Lead independent director	281 563	27 107
Board members	110 893	22 590
Chairpersons of Board committees	97 527	24 834
Board committee members	52 752	13 432

The annual scheduled meetings for the Board and Audit Committee are four meetings. Remco and the 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.

André van der Veen
Chairperson of the Remuneration Committee

Nonzukiso Siyotula
Chairperson of the Nomination Committee

30 October 2023

03

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 of South Africa, 71 of 2008, as amended (Companies Act) and the JSE Limited Listings Requirements (JSE Listings Requirements).

PREPARER

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

Schalk Barnard CA(SA)
Chief Financial Officer (CFO)

28 September 2023

COMPANY SECRETARY'S CERTIFICATE

In terms of section 88(2)(e) of the Companies Act, I certify that the Group and Company have 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

28 September 2023

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the audited 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) and the Companies Act. 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 the Companies Act 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 Group and Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and 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 Group and 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 audited 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 2024 and, in light of this review and the current financial position, they are satisfied that the Group and Company have 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 audited consolidated and separate annual financial statements. The audited consolidated and separate annual financial statements have been examined by the Group's external auditor and their report is presented on pages 32 to 35.

The audited consolidated and separate annual financial statements set out on pages 36 to 100, which have been prepared on the going concern basis, were approved by the Board of Directors on 28 September 2023 and were signed on their behalf by:

Approval of the consolidated and separate annual financial statements

Nonzukiso Siyotula
Chairperson

Gabriël Stoltz
Chief Executive Officer (CEO)

RESPONSIBILITY STATEMENT BY THE EXECUTIVE DIRECTORS

Each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 36 to 100, fairly present in all material respects the financial position, financial performance and cash flows of York Timber Holdings Limited (York) in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the 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 our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit Committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Gabriël Stoltz
Chief Executive Officer

Schalk Barnard
Chief Financial Officer

28 September 2023

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 (Board), 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 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 2022 and the consolidated and separate annual financial statements for the year ended 30 June 2023;
- Satisfied itself that the external auditor, Deloitte, and its audit partner, complied with the suitability criteria for reappointment as required by paragraph 3.84(g) (iii) as read with paragraph 22.15(h) of the JSE Listings Requirements and are properly accredited and independent and assessed the quality of the audit;
- Approved the external auditor's fees and terms of engagement for the 2023 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;
- Evaluated the performance of the internal audit function and resolved to continue to source the internal audit function from BDO and approved the internal audit plan and budgeted fee for the 2023 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 substantiated complaints, from either within or outside the Company, relating to the accounting practices, the internal audits, 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 Limited as part of their proactive monitoring of financial statements;
- Confirmed that a whistle-blowing facility was in place and considered the actions taken in 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 which included a capacity-building plan that will be executed in the immediate future;
- 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. Taking the circumstances into account as outlined in the going concern paragraph of the directors' report, the Audit Committee is satisfied that the Company is still a going concern;
- 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 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;

- 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, going concern and the valuation of biological assets for pine and eucalyptus trees have been presented fairly in the consolidated and separate annual financial statements; and
- Approved the circular for the rights offer.

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 2023 financial year were:

- **AW Brink** CA(SA), *(Independent non-executive, Audit Committee Chairman)*;
- **KM Nyanteh** CA(SA), *(Independent non-executive)*;
- **Dr AP Jammine** BSc Hons Mathematical Statistics (Wits), BA Hons Economic *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)* (Resigned 9 November 2022);
- **A Zetler** CA(SA) CFA® Charterholder, *(Non-executive)* (Appointed 15 September 2022); and
- **L Dhlamini** CA (SA); *(Independent non-executive)* (Appointed 9 November 2022).

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	8 Sep 2022	1 Nov 2022	2 Feb 2023	17 Mar 2023
AW Brink (*Chairman*)	Yes	Yes	Yes	Yes
KM Nyanteh	Yes	Yes	Yes	Yes
Dr AP Jammine (resigned 9 November *2022)*	Yes	Yes	N/a	N/a
L Dhlamini	N/a	N/a	Yes	Yes
A Zetler	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 regarding safeguarding of assets and the integrity of financial information.

Management continuously reviews the adequacy of the internal control environment and addresses any shortcomings identified.

During the current financial year, certain significant deficiencies were identified in internal control over financial reporting. These deficiencies relate to review controls in the financial statement close process and automated controls over general journal entries in the new ERP system. No other significant deficiencies were identified.

The CEO's and CFO's evaluation of controls included:

- the identification and classification of risks based on material account balances in the statement of financial position and statement of profit or loss;
- identification of controls, control owners and frequency of controls over these risks; and
- utilising Internal Audit to test the operating effectiveness of controls addressing high-risk areas.

Remedial action was taken to mitigate the risk of material error during the year-end close process. Automated controls have subsequently been implemented to improve the controls over general journal entries. Other remedial actions are in place with specific timelines assigned.

The Audit Committee has discussed and documented the basis for its conclusion, which includes discussions with the internal and external auditors as well as management.

The Audit Committee is of the view that the internal controls are designed and implemented effectively, other than the deficiencies mentioned above. All shortcomings in the internal control environment identified by the respective reviews by Internal Audit and External Audit have been 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 of South Africa, 71 of 2008, 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 for the year ended 30 June 2023 were approved by the Board of Directors on 28 September 2023. 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.

Andries Brink
Chairman of the Audit Committee

28 September 2023

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the audited consolidated and separate annual financial statements of York Timber Holdings Limited (York, the Company or the Group) for the year ended 30 June 2023.

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 applied to the consolidated and separate financial statements have been applied consistently compared to the prior year, except for the changes as disclosed in note 32.

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.

The total consolidated comprehensive loss for the period was R313,3 million (2022: restated total consolidated comprehensive profit R184,3 million).

The results were negatively impacted by an increase in operational costs related to electricity load shedding, increases in diesel costs, external log purchases following the revised clearfell strategy and downward pressure on sales. The biological asset value decreased by R384 million, contributing to the loss for the year.

SHARE CAPITAL

	2023 R'000	2022 R'000	2023 Number of shares	2022 Number of shares
Issued				
Ordinary shares	**23 188**	16 045	**463 753 384**	320 896 242

In the current year, the Company had a rights issue where the Company issued 142 857 142 shares for R250 million.

DIVIDENDS

The Board has resolved not to declare a dividend for the year ended 30 June 2023.

DIRECTORS' SHAREHOLDING

As at 30 June 2023, the directors of the Company held direct beneficial interests in 0,2% (2022: 0,18%) and indirect beneficial interests in 31,55% (2022: 21,82%) of its issued ordinary shares, as set out below. There were no changes to the directors' shareholding between 30 June 2023 and the date of approval of the annual financial statements.

Interests in shares

	2023 Number of shares	2022 Number of shares	2023 % share-holding	2022 % share-holding
GCD Stoltz (direct interest)	**924 888**	609 866	**0,20**	0,18
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)	**149 623 485**	72 274 219	**31,55**	21,82
	150 548 373	72 884 085	**31,75**	22,00

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 memorandum of incorporation, the Board may raise debt from time to time for the purposes of the Group.

The Group and its subsidiary, York Timbers Proprietary Limited, are 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 below 0,3, in terms of the Absa Capital Fund loan (refer to notes 19 and 39).

DIRECTORATE

The directors in office at the reporting date, including changes during the year, are as follows:

Directors	Office	Designation	Changes
PS Barnard	*Chief Financial Officer*	*Executive*	Appointed 1 May 2023
AW Brink		*Non-executive independent*	
L Dhlamini		*Non-executive independent*	
Dr AP Jammine		*Non-executive independent*	Resigned 9 November 2022
HM Mbanyele-Ntshinga		*Non-executive independent*	
KM Nyanteh		*Lead non-executive independent*	
N Siyotula	*Chairperson*	*Independent non-executive*	
AJ Solomons		*Non-executive*	Appointed 15 July 2022
GCD Stoltz	*Chief Executive Officer*	*Executive*	Appointed as CEO on 1 July 2022
A van der Veen		*Non-executive*	
A Zetler		*Non-executive*	Appointed 15 July 2022

AUDITOR

Deloitte & Touche were appointed as the auditor for the Group with effect from 20 February 2023. The appointed engagement partner is Logan Govender.

SECRETARY

Kilgetty Statutory Services (South Africa) Proprietary Limited were appointed as the Company Secretary with effect from 1 August 2022.

Business address

1st Floor, Building 33
Waterford Office Park
Waterford Drive
Fourways, 2191

INTEREST IN SUBSIDIARIES

Details of the Group's investment in subsidiaries are set out in note 7 to the consolidated and separate annual financial statements.

GOING CONCERN

The audited 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 increases in the interest rate and the related higher interest expense continues to put pressure on the Group's covenants under both the Absa and Land Bank facility agreements.

Management have proactively engaged with both banks and received a condonement from Absa for the expected 30 September 2023 breach. Based on current forecasts and current ratio parameters, the 31 December 2023 interest and leverage covenants are expected to be breached. Absa is conducting its annual review during October 2023 where covenant ratios will be reset. The Group expects to have sufficient funds available to settle the Absa debt, should it become payable in January 2024. However, this is unlikely based on indications from the bank.

The Land Bank facility provides a remedy to cure a breach within 20 days of notifying the bank of a potential breach. York has notified the bank of a potential breach and has applied the remedy in the compliance certificate issued to the bank, for the 30 September 2023 measurement period. The remedy cures the breach, and as such the Group is not in default.

The rights issue funds are available to the Group to fund the increased external purchases as well as for liquidity. At year-end, R158 million of the funds were invested in a short-term fixed deposit and available to the Group.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited consolidated and separate annual financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

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 2023 was as follows:

Shareholder spread	Number of shareholder accounts	% number of shareholder accounts	Number of shares	% of number of shares
1 – 1 000	3 585	76,24	386 649	0,08
1 001 – 10 000	617	13,12	2 341 352	0,49
10 001 – 100 000	376	8,00	13 034 601	2,75
100 001 – 1 000 000	97	2,06	27 828 563	5,87
Over 1 000 000	27	0,58	430 506 574	90,81
Total	**4 702**	**100,00**	**474 097 739**	**100,00**
Assurance companies	1	0,02	37 901 567	7,99
Close corporations	13	0,28	336 867	0,07
Collective investment schemes	8	0,17	43 715 988	9,22
Custodians	3	0,06	1 000 014	0,21
Foundations and charitable funds	12	0,26	492 896	0,10
Hedge funds	6	0,13	26 722 033	5,64
Investment partnerships	7	0,15	4 254 719	0,90
Managed funds	5	0,11	54 002 704	11,39
Private companies	84	1,79	59 638 094	12,58
Public companies	3	0,06	88 180	0,02
Public entities	1	0,02	95 136 513	20,07
Retail shareholders	4 470	95,07	38 907 462	8,21
Retirement benefit funds	2	0,04	280 965	0,06
Scrip lending	1	0,02	627 745	0,13
Share schemes	1	0,02	48 200	0,01
Stockbrokers and nominees	10	0,21	101 353 729	21,38
Trusts	74	1,57	9 588 642	2,02
Unclaimed scrip	1	0,02	1 421	–
Total	**4 702**	**100,00**	**474 097 739**	**100,00**

Key shareholders	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
Directors and associates	4	0,09	150 548 373	31,75
Share schemes	1	0,02	48 200	0,01
Non-public shareholders	5	0,11	150 596 573	31,76
Public shareholders	4 697	99,89	323 501 166	68,24
Total	**4 702**	**100,00**	**474 097 739**	**100,00**

Beneficial shareholders holding >3% of issued shares	Number of shares	% of issued shares
Legae Peresec	96 876 915	20,43
Industrial Development Corporation	95 136 513	20,07
Old Mutual Group	62 073 126	13,09
A2 Investment Partners Proprietary Limited	52 746 570	11,13
Mr D Hayward (previously disclosed as held by Bridge Creek Trading 10 Proprietary Limited)	29 356 410	6,19
Rozendal Partners	22 806 359	4,81
Total	**358 995 893**	**75,72**

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

We have audited the consolidated and separate financial statements of York Timber Holdings Limited (the Group and Company) set out on pages 36 to 100 which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of York Timber Holdings Limited and its subsidiaries as at 30 June 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter	How the matter was addressed in the audit
Valuation of biological assets (timber plantation) The biological asset comprises pine and eucalyptus (timber plantation) as well as unharvested fruit. As disclosed in note 5 of the consolidated financial statements, the valuation of timber plantation included in the biological assets amounted to R2 529 million (2022 restated: R2 876 million). The net fair value adjustment for the year ended 30 June 2023 amounted to a decrease in profit of R386 million (2022 restated: increase of R88 million). The timber plantation is measured at fair value less estimated costs to sell in accordance with IAS 41: *Agriculture* ('IAS 41') and IFRS 13 *Fair value adjustment* ("IFRS 13"). The fair value is determined using a discounted cash flow model. These discounted cash flows require estimates, assumptions and judgements relating to log prices, operating costs, costs to sell, discount rates and volumes. As a result of the significant audit effort required to assess the judgements made by management with regards to the inputs into the discounted cash flows, this was considered a key audit matter in our audit of the consolidated financial statements.	Our audit procedures to address the key audit matter were as follows: • Assessed the design and tested implementation of both automated and manual controls in respect of the determination of inputs into the timber plantation fair value model as well as the application of the relevant IFRS considerations. • Testing the operating effectiveness of the controls relating to thinning, planting harvesting and enumerations which informs forecasted volumes. • Utilised internal valuation experts to test the logic of the biological asset model and the appropriateness of the discount rate used in the discounted cash flows. • Performed a retrospective review on prior years forecasted volumes to the actual volumes achieved for thinning's and harvesting. We further challenged management's use of theoretical thinning and harvesting volumes in the model against historical thinnings and harvestings. • Assessed the reasonableness of the assumptions contained within the fair value model relating to sales prices and operating costs. • Engaged internal land experts on the appropriateness of the contributory asset charge deduction on the biological asset model. • We performed independent sensitivity analysis on the biological asset model for all key assumptions within the model. • Assessed whether the disclosures in the consolidated financial statements in relation to the fair value of the biological assets and the disclosures relating to the estimation uncertainty are complete, appropriate and in compliance with IFRS 13 as disclosed in note 5. Based on the procedures performed above, the inputs, assumptions and the related disclosure used in the timber valuation is appropriate in all material aspects. Please refer to note 5 and 32.7 of the consolidated annual financial statements.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>

Goodwill valuation

The Group previously recognised goodwill which arose on the purchase of the forestry cash generating unit (“CGU”). The goodwill was held at a carrying amount of R357 million as disclosed in note 32.8 of the consolidated annual financial statements and has been impaired retrospectively.

The directors conduct an annual impairment assessment in accordance with IAS 36 to assess the recoverability of the carrying value of goodwill. This is performed by calculating the fair value less to cost of disposal of the forestry CGU using a discounted cashflow model.

These discounted cash flows require estimates, assumptions and judgements relating to log prices, operating costs, costs to sell, discount rates and volumes.

IFRS 13 requires determination of highest and best use of the timber plantation from the perspective of market participants, even if an entity intends a different use.

As a result of the significant audit effort required to assess the judgements made by management in determining the recoverable amounts of the CGU and the associated impairment of goodwill, this was considered a key audit matter in our audit of the consolidated financial statements.

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Our audit procedures to address the key audit matter were as follows:

- Assessed the design and tested the implementation of the management review control in respect of the determination of inputs into the impairment model as well as the application of the relevant IFRS considerations.
- Utilised internal valuation experts to test the logic of the goodwill model and the appropriateness of the discount rate used in the discounted cash flows.
- Assessed the reasonableness of the model that was used to calculate the fair value less cost to determine if the model complied with the valuation principles as well as that of IAS 36 and IFRS 13.
- Challenged managements highest and best economic use of the timber plantation when compared to the cash flow forecast of the timber plantation valuation.
- Challenged the application of the IAS 36 guidance on the determination of the assets and liabilities to be included in the carrying amount of the CGU.
- Challenged the appropriateness of the period in which the impairment indicators arose in order to conclude on the prior year restatement.
- Assessed the appropriateness of the disclosures in note 32.8 of the consolidated financial statements in relation to the restatement of Goodwill.

Based on our procedures performed above, the restatement of the Goodwill balance is appropriate in all material aspects. Please refer to note 32.8 of the consolidated annual financial statements.

</td></tr>
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Going Concern assumption

International standard on auditing 570, Going concern prescribes that under the going concern basis of accounting, the financial statements are prepared on the assumption that the entity is a going concern and will continue its operations for the foreseeable future.

Note 41 of the consolidated financial statements sets out managements going concern considerations. The note further describes the pressure on the Groups covenants under both the ABSA and Land Bank of South Africa (Land Bank) agreements which includes managements anticipated breaching of financial covenants in September 2023 and December 2023, as well as how management have proactively engaged with the lenders to remedy or resolve the potential breaches.

Due to the significant and pervasive impact the going concern assumption has on the financial statements, and the extent of judgement involved in assessing the appropriateness of the going concern assumption given the circumstances outlined above, this was considered to be a key audit matter in our audit of the consolidated financial statements.

</td><td>

Our audit procedures to address the key audit matter were as follows:

- Obtaining management’s assessment of going concern, which included the assessment of the impact of the anticipated breach and the related steps undertaken to remedy.
- Testing management’s assessment, including challenging and critically assessing the assumptions made by management against independent observable data and the Group’s historical performance, and assessing the budgeting and forecast process.
- Inspecting and assessing the condonement agreement with the lender including fulfillment of the conditions precedent.
- Attending meetings with management and certain financiers to understand the remedy available to a potential breach in covenants.
- Engaged internal legal experts to review and interpret key clauses in the lending agreements relating to potential breaches and remedies.
- Reviewing the correspondence between management and management’s legal counsel to understand the legal impact of breaches and remedies on the facility agreements.
- Reviewing the calculation supporting the remedy to the potential breach, including the compliance certificate submitted to the banking institutions.
- Performing a scenario analysis over managements cashflow forecasts.
- Assessing the appropriateness of the disclosures in note 41 of the consolidated financial statements in relation to going concern.
- Entrusting the audit work to senior personnel and personnel with specialised experience.

Based on our procedures performed above, the going concern assumptions appears appropriate in all material aspects. Please refer to note 41 of the consolidated annual financial statements.

</td></tr>
</table>

OTHER MATTER

The consolidated and separate financial statements of the Group and Company for the year ended 30 June 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 20 September 2022.

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 Audited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2023", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 Audit Committee 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 Audit Committee, 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 Deloitte & Touche has been the auditor of York Timber Holdings Limited for 1 year.

Deloitte & Touche
Registered Auditor

Per: Partner
Logan Govender CA(SA); RA

2 Vuna Close
Umhlanga Ridge
4319
South Africa

29 September 2023

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2023

	Note	GROUP			COMPANY		
		2023 R'000	Restated* 2022 R'000	Restated* 2021 R'000	2023 R'000	Restated* 2022 R'000	Restated* 2021 R'000
ASSETS							
Non-current assets							
Property, plant and equipment	3	**878 819**	934 348	927 732	**–**	–	–
Investment property	4	**13 884**	12 100	12 093	**–**	–	–
Biological assets	5	**2 216 402**	2 538 757	2 375 009	**–**	–	–
Intangible assets	6	**128**	237	334	**–**	–	–
Investments in subsidiaries	7	**–**	–	–	**1 261 452**	1 260 302	1 253 132
Loans to Group companies	8	**–**	–	–	**1 411 971**	1 240 449	1 256 070
Other financial assets at amortised cost	9	**133 005**	114 785	97 583	**–**	–	–
Deferred tax	10	**9 991**	9 703	4 336	**–**	36	37
		3 252 229	3 609 930	3 417 087	**2 673 423**	2 500 787	2 509 239
Current assets							
Biological assets	5	**319 863**	342 879	363 591	**–**	–	–
Inventories	11	**243 931**	223 276	183 265	**–**	–	–
Trade and other receivables	12	**230 056**	193 453	271 933	**184**	187	138
Current tax receivable	13	**2 812**	822	1 072	**2**	2	–
Cash and cash equivalents	14	**191 916**	16 364	108 030	**1**	–	1
		988 578	776 794	927 891	**187**	189	139
Non-current assets held for sale and assets of disposal groups		**–**	–	750	**–**	–	–
Total assets		**4 240 807**	4 386 724	4 345 728	**2 673 610**	2 500 976	2 509 378
EQUITY AND LIABILITIES							
Equity							
Share capital	15	**1 735 670**	1 491 674	1 484 157	**1 773 427**	1 529 431	1 521 914
Reserves	16, 17	**18 336**	17 587	16 391	**2 164**	1 014	1 363
Retained income	18	**928 925**	1 241 788	1 059 033	**896 989**	968 083	984 289
		2 682 931	2 751 049	2 559 581	**2 672 580**	2 498 528	2 507 566
LIABILITIES							
Non-current liabilities							
Borrowings	19	**237 375**	298 210	347 330	**–**	–	–
Lease liability	20	**21 925**	25 941	394	**–**	–	–
Retirement benefit obligation	21	**26 430**	24 081	25 658	**–**	–	–
Deferred tax	10	**741 122**	858 575	845 961	**–**	–	–
Provisions	22	**18 518**	17 670	16 576	**–**	–	–
		1 045 370	1 224 477	1 235 919	**–**	–	–
Current liabilities							
Trade and other payables	23	**345 271**	273 526	337 535	**1 030**	2 448	1 812
Borrowings	19	**156 302**	121 704	204 311	**–**	–	–
Lease liability	20	**8 236**	6 191	4 690	**–**	–	–
Deferred income		**–**	1 663	502	**–**	–	–
Current tax payable	13	**41**	5 202	2 934	**–**	–	–
Provisions	22	**2 656**	2 912	256	**–**	–	–
		512 506	411 198	550 228	**1 030**	2 448	1 812
Total liabilities		**1 557 876**	1 635 675	1 786 147	**1 030**	2 448	1 812
Total equity and liabilities		**4 240 807**	4 386 724	4 345 728	**2 673 610**	2 500 976	2 509 378

* *Refer to note 32 for details on the restatements.*

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2023

		GROUP		COMPANY	
	Note	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Revenue	24	**1 666 294**	1 838 810	**6 404**	6 564
Cost of sales**	25	**(1 702 360)**	(1 248 408)	**–**	–
Gross (loss)/profit		**(36 066)**	590 402	**6 404**	6 564
Other operating income	26	**15 879**	10 359	**–**	–
Other operating (losses)/gains	27	**(3 005)**	3 701	**–**	–
Movement in credit loss allowances		**309**	2 758	**–**	–
Other operating expenses		**(370 654)**	(358 274)	**(8 907)**	(7 080)
Operating (loss)/profit	28	**(393 537)**	248 946	**(2 503)**	(516)
Investment income	29	**14 687**	5 011	**2**	1
Finance cost	30	**(47 109)**	(37 484)	**(68 557)**	(15 690)
(Loss)/profit before taxation		**(425 959)**	216 473	**(71 058)**	(16 205)
Taxation	31	**113 095**	(33 718)	**(36)**	(1)
(Loss)/profit for the year		**(312 864)**	182 755	**(71 094)**	(16 206)
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements to retirement benefit obligation		**(2 074)**	1 900	**–**	–
Gains on property revaluation		**334**	146	**–**	–
Taxation related to remeasurements retirement benefit obligation		**1 339**	(501)	**–**	–
Total items that will not be reclassified to profit or loss		**(401)**	1 545	**–**	–
Other comprehensive (loss)/income for the year net of taxation		**(401)**	1 545	**–**	–
Total comprehensive (loss)/income for the year		**(313 265)**	184 300	**(71 094)**	(16 206)
Earnings per share					
Per share information					
Basic (loss)/earnings per share (cents)	43	**(77)**	53	**(17)**	(5)
Diluted (loss)/earnings per share (cents)	43	**(77)**	53	**(17)**	(5)

* *Refer to note 32 for details on the restatements.*

** *The fair value loss on biological assets of R384 million (2022: profit of R90,8 million) is included in cost of sales.*

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2023

	Share capital R'000	Revaluation reserve R'000	Share-based payment reserve R'000	Retirement benefit obligation reserve R'000	Total reserves R'000	Retained income R'000	Total equity R'000
GROUP							
Balance at 1 July 2021 as restated (refer to note 32)	1 484 157	14 198	1 363	830	16 391	1 059 033	2 559 581
Profit for the year restated (refer to note 32)	–	–	–	–	–	182 755	182 755
Other comprehensive income restated (refer to note 32)	–	146	–	1 399	1 545	–	1 545
Total comprehensive income for the year	–	146	–	1 399	1 545	182 755	184 300
Employee share option scheme	–	–	7 168	–	7 168	–	7 168
Employee share options 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 at 1 July 2022 as restated (refer to note 32)	1 491 674	14 344	1 014	2 229	17 587	1 241 788	2 751 049
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(312 864)**	**(312 864)**
Other comprehensive loss	**–**	**334**	**–**	**(735)**	**(401)**	**–**	**(401)**
Total comprehensive loss for the year	**–**	**334**	**–**	**(735)**	**(401)**	**(312 864)**	**(313 265)**
Issue of shares	**243 996**	**–**	**–**	**–**	**–**	**–**	**243 996**
Employee share option scheme	**–**	**–**	**1 150**	**–**	**1 150**	**–**	**1 150**
Total contributions by and distributions to owners of the Company recognised directly in equity	**243 996**	**–**	**1 150**	**–**	**1 150**	**–**	**245 146**
Balance at 30 June 2023	**1 735 670**	**14 678**	**2 164**	**1 494**	**18 336**	**928 925**	**2 682 931**
Note	15	16	17	18			

	Share capital R'000	Share-based payment reserve R'000	Total reserves R'000	Retained income R'000	Total equity R'000
COMPANY					
Balance at 1 July 2021 as restated (refer to note 32)	1 521 914	1 363	1 363	984 289	2 507 566
Loss for the year	–	–	–	(16 206)	(16 206)
Total comprehensive loss for the year	–	–	–	(16 206)	(16 206)
Employee share option scheme	–	7 168	7 168	–	7 168
Employee share options 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 at 1 July 2022 as restated (refer to note 32)	1 529 431	1 014	1 014	968 083	2 498 528
Loss for the year	**–**	**–**	**–**	**(71 094)**	**(71 094)**
Total comprehensive loss for the year	**–**	**–**	**–**	**(71 094)**	**(71 094)**
Issue of shares	**243 996**	**–**	**–**	**–**	**243 996**
Employee share option scheme	**–**	**1 150**	**1 150**	**–**	**1 150**
Total contributions by and distributions to owners of the Company recognised directly in equity	**243 996**	**1 150**	**1 150**	**–**	**245 146**
Balance at 30 June 2023	**1 773 427**	**2 164**	**2 164**	**896 989**	**2 672 580**
Note	15	17			

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2023

	Note	GROUP 2023 R'000	GROUP Restated* 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
Cash flows from operating activities					
Cash generated from/(used in) operations	33	**128 102**	255 387	**(3 918)**	70
Interest income	29	**14 687**	5 011	**2**	1
Finance cost		**(44 356)**	(36 257)	**–**	–
Tax paid	34	**(10 549)**	(24 309)	**–**	(2)
Net cash from/(applied to) operating activities		**87 884**	199 832	**(3 916)**	69
Cash flows from investing activities					
Purchase of property, plant and equipment	3	**(29 026)**	(64 322)	**–**	–
Proceeds from sale of property, plant and equipment	3	**1 727**	1 407	**–**	–
Proceeds from sale of investment property	4	**–**	1 150	**–**	–
Purchases of intangible assets	6	**–**	(14)	**–**	–
Cash advanced to Group companies	8	**–**	–	**(240 079)**	(70)
Purchase of other financial assets at amortised cost	9	**(18 220)**	(17 202)	**–**	–
Establishment cost on biological assets		**(38 728)**	(53 160)	**–**	–
Net cash applied to investing activities		**(84 247)**	(132 141)	**(240 079)**	(70)
Cash flows from financing activities					
Proceeds from issue of share capital	15	**250 000**	–	**250 000**	–
Payment of rights issue cost	15	**(6 004)**	–	**(6 004)**	–
Repayments of borrowings	33	**(58 561)**	(156 483)	**–**	–
Repayments of lease liabilities	33	**(9 383)**	(8 594)	**–**	–
Net cash from/(applied to) financing activities		**176 052**	(165 077)	**243 996**	–
Total cash movement for the year		**179 689**	(97 386)	**1**	(1)
Cash and cash equivalents at the beginning of the year		**16 364**	108 029	**–**	1
(Losses)/gains on foreign exchange on cash and cash equivalents		**(4 137)**	5 721	**–**	–
Cash and cash equivalents at the end of the year	14	**191 916**	16 364	**1**	–

* *Refer to note 32 for details on the restatements.*

ACCOUNTING POLICIES

for the year ended 30 June 2023

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 2023 were approved by the Board on 28 September 2023.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these audited 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 and IFRS Interpretations Committee interpretations issued and effective at the time of preparing these consolidated and separate annual financial statements and the Companies Act.

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

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 32.

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 consideration transferred and the market-based measure of the replacement awards is treated as 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 audited 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 5 – Biological assets
- Note 11 – Inventories
- Note 12 – Trade and other receivables
- Note 20 – Lease liability
- Note 21 – Retirement benefit obligation
- Note 22 – 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 in cost of sales 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 to 23 years whereafter the biological assets will be consumed in the next 12 months as part of the normal operating cycle.

Establishment costs which include activities such as site preparation, planting and the cost of the seedlings are capitalised to the biological assets. All subsequent costs are expensed through profit or loss. Refer to note 32 for the change in accounting policy.

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 cost 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 three 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. An external valuation was performed in the current year.

Rental income from investment property is accounted for as described in accounting policy 1.17.

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

All items of property, plant and equipment, except for residential buildings 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. Residential buildings are measured based on the revaluation model at fair value less accumulated depreciation and accumulated impairment losses since the last revaluation. The residual value of the residential buildings equals their fair value, therefore, no depreciation was recognised.

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.

Significant capital spares are included within property, plant and equipment. The capital spares are carried at cost less any impairments and depreciated when they are installed.

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, after taking the residual value into account for 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
Roads	Straight-line	40 years
Buildings	Straight-line	10 to 49 years
Residential buildings	Straight-line	49 years
Right-of-use assets – warehouses and office space	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	20 to 30 years

In the current year, the useful lives of the assets were reviewed and certain bearer plants' useful lives were extended by 15 years, information technology (IT) equipment was extended between three to five years, plant and machinery were extended between three to five years and motor vehicles were extended by five years. Refer to note 3 for details on the change in estimate.

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 lease payments are fixed with annual escalations over the lease term.

The right-of-use assets and liabilities consist mainly of warehouses and office space leased for a period between three 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 modifications that do 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 charged 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.

The lease extension periods are not included in the assessment of the right-of-use asset and lease liability due to the Company not being reasonably certain about the exercise of lease extension periods and no significant leasehold improvements are undertaken. The lease agreements are renegotiated at the termination of each lease contract.

1.9 Intangible assets

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 39 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 8) and the self-insurance fund (note 9) 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 is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans. A significant increase in credit risk will arise if the underlying subsidiary is not solvent and liquid after taking assets held as security for borrowings into account.

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 12).

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.

Impairment

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 as the receivable balance is then handed over to the credit insurers. 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 19) 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.

Interest expense, calculated on the effective interest method, is included in profit or loss under finance cost (note 30).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 39 for details of risk exposure and the management thereof.

Trade and other payables

Classification

Trade and other payables (note 23), excluding VAT and amounts received in advance, and payroll accruals 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.

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 30).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 39 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.

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

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

Tax expenses

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 is its fair value less cost to sell 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 cost of agricultural produce is its fair value less cost to sell, based on the previous biological asset valuation performed, determined in accordance with the accounting policy for biological assets.

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 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.

1.14 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 a 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.

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.

1.15 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 current policy is not to provide post-retirement medical aid benefits to its employees. However, there is a legacy fund 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.

1.16 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.

1.17 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.

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 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 sales 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 on 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. A volume discount is applied to certain sales transactions. The performance obligation on the sale of goods is then satisfied when the goods are delivered to the customer.

Revenue is deferred when performance obligations have not been satisfied. This is mostly for export sales.

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 the sale of food and beverages 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). 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.

1.18 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.

1.19 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 IFRS 9 and overdraft facilities.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Annual Improvement to IFRS Standards 2018 to 2020: Amendment 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.

No amendments needed to be made during the year.

Property, Plant and Equipment: Proceeds before Intended Use: Amendment 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.

No amendments needed to be made during the year.

Annual Improvement to IFRS Standards 2018 to 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.

The Group has adopted the amendment for the first time in the 2023 audited consolidated and separate annual financial statements.

The impact of the amendment is set out in note 32: Change in Accounting Policy and Prior Year Error Restatements.

Property, Plant and Equipment: Proceeds before Intended Use: Amendment 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.

The Group has adopted the amendment for the first time in the 2023 audited consolidated and separate annual financial statements.

The impact of the amendment is set out in note 32: Change in Accounting Policy and Prior Year Error Restatements.

2.2 Standards and interpretations not yet effective

Deferred tax related to assets and liabilities arising from a single transaction: Amendment 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 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: Amendment 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.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine "lease payments" or "revised lease payments" in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 1 January 2024.

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

Initial application of IFRS 17 and IFRS 9: Comparative information

A narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.

The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

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 audited 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 audited 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 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 audited consolidated and separate annual financial statements.

Definition of accounting estimates: Amendment to IAS 8

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

3. PROPERTY, PLANT AND EQUIPMENT

	GROUP					
	2023			Restated** 2022		
	Cost or revaluation R'000	Accumulated depreciation R'000	Carrying value R'000	Cost or revaluation R'000	Accumulated depreciation R'000	Carrying value R'000
Land	**140 880**	**–**	**140 880**	140 880	–	140 880
Buildings[1]	**321 628**	**(103 490)**	**218 138**	317 882	(86 650)	231 232
Plant and machinery	**680 327**	**(399 587)**	**280 740**	662 365	(341 770)	320 595
Residential property	**24 567**	**–**	**24 567**	22 745	–	22 745
Motor vehicles	**233 149**	**(132 815)**	**100 334**	212 882	(115 510)	97 372
Right-of-use assets – warehouse and office space[2]	**64 377**	**(37 039)**	**27 338**	59 365	(28 334)	31 031
Bearer plants	**26 689**	**(3 530)**	**23 159**	20 987	(2 672)	18 315
Roads[1]	**40 259**	**(18 031)**	**22 228**	40 259	(16 792)	23 467
Other property, plant and equipment*	**19 393**	**(11 534)**	**7 859**	14 032	(8 850)	5 182
Capital – work in progress	**33 576**	**–**	**33 576**	43 529	–	43 529
Total	**1 584 845**	**(706 026)**	**878 819**	1 534 926	(600 578)	934 348

* *Other equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment has 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.*

** *Refer to note 32 for details on the restatements.*

[1] *In the prior year financial statements, roads were included as part of the buildings balance. This has now been disclosed separately in the current and prior years and excluded from buildings as they have a different useful life as compared to buildings and fall within a different class of asset to be aligned to IAS 16 and is a correction of an error.*

[2] *In the prior year financial statements, the cost and accumulated depreciation of warehouse right-of-use assets that reached the end of their lease term were incorrectly disposed. The cost and accumulated depreciation of R22,2 million were corrected in the prior year in line with IFRS 16 requirements. This restatement had a Rnil impact on the net book value of the right-of-use assets.*

Reconciliation of property, plant and equipment

	GROUP							
	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Revaluations R'000	Depreciation R'000	Impairment loss R'000	Total R'000
2023								
Land	**140 880**	**–**	**–**	**–**	**–**	**–**	**–**	**140 880**
Buildings[1]	**231 232**	**–**	**(91)**	**3 964**	**–**	**(12 938)**	**(4 029)**	**218 138**
Plant and machinery	**320 595**	**–**	**(501)**	**21 663**	**–**	**(60 938)**	**(79)**	**280 740**
Residential property	**22 745**	**148**	**–**	**1 248**	**426**	**–**	**–**	**24 567**
Motor vehicles	**97 372**	**16 973**	**(1 827)**	**9 921**	**–**	**(21 960)**	**(145)**	**100 334**
Right-of-use assets – warehouse and office space	**31 031**	**5 013**	**–**	**–**	**–**	**(8 706)**	**–**	**27 338**
Bearer plants	**18 315**	**–**	**–**	**5 702**	**–**	**(858)**	**–**	**23 159**
Roads[1]	**23 467**	**–**	**–**	**–**	**–**	**(1 239)**	**–**	**22 228**
Other property, plant and equipment*	**5 182**	**–**	**(21)**	**5 725**	**–**	**(3 011)**	**(16)**	**7 859**
Capital – work in progress	**43 529**	**43 942**	**–**	**(48 223)**	**–**	**–**	**(5 672)**	**33 576**
	934 348	**66 076**	**(2 440)**	**–**	**426**	**(109 650)**	**(9 941)**	**878 819**

* *Other equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment has 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.*

[1] *In the prior year financial statements, roads were included as part of the buildings balance. This has now been disclosed separately in the current and prior years and excluded from buildings as they have a different useful life as compared to buildings and fall within a different class of asset to be aligned to IAS 16 and is a correction of an error.*

3. PROPERTY, PLANT AND EQUIPMENT continued

Reconciliation of property, plant and equipment continued

	GROUP					
Restated**	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depre-ciation R'000	Total R'000
2022						
Land	140 880	–	–	–	–	140 880
Buildings[1]	224 576	20 308	(165)	(407)	(13 080)	231 232
Plant and machinery	352 090	34 299	–	–	(65 794)	320 595
Residential property	22 087	658	–	–	–	22 745
Motor vehicles	92 723	16 864	(1 169)	–	(11 046)	97 372
Right-of-use assets – warehouse and office space	3 812	34 286	–	–	(7 067)	31 031
Bearer plants	22 150	47	(1 563)	–	(2 319)	18 315
Roads[1]	22 804	1 942	–	–	(1 279)	23 467
Other property, plant and equipment*	13 258	4 406	(23)	–	(12 459)	5 182
Capital – work in progress	33 352	10 177	–	–	–	43 529
	927 732	122 987	(2 920)	(407)	(113 044)	934 348

* *Other equipment refers to furniture and fittings, computer equipment and critical spares. The total other equipment has 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.*

** *Refer to note 32 for details on the restatements.*

[1] *In the prior year financial statements, roads were included as part of the buildings balance. This has now been disclosed separately in the current and prior years and excluded from buildings as they have a different useful life as compared to buildings and fall within a different class of asset to be aligned to IAS 16 and is a correction of an error.*

Property, plant and equipment encumbered as security

Landholdings amounting to 57 178 hectares (2022: 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 19.

Assets comprising the plywood plant with a carrying value of R201,4 million (2022: R231,7 million) are subject to a notarial bond.

Assets are encumbered in terms of instalment sale agreements.

Useful life revision

In the current year, the useful lives of the assets were reviewed and certain bearer plants, IT equipment, plant and machinery and motor vehicles were adjusted. The change in useful life was due to the current condition of the assets and regular maintenance resulting in an increase in the useful life.

The change resulted in a decrease of R1,2 million in depreciation in the current period and an expected increase of R1,2 million in depreciation in future periods.

	GROUP	
	2023 R'000	2022 R'000
Carrying value of plant and equipment under instalment sale agreement obligation		
Plant and machinery	**17 358**	19 608
Motor vehicles	**66 268**	86 470
	83 626	106 078

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 19).

The present value of minimum instalment sale agreement payments due at year-end was R61 million (2022: R65 million) (refer to note 19).

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.

Impairment

The impairment relates to work-in-progress projects that were stopped and not capitalised as an item of property, plant and equipment as well as the impairment of fixed assets that are no longer in use.

4. INVESTMENT PROPERTY

	GROUP 2023 Valuation R'000	GROUP Restated* 2022 Valuation R'000
Investment property	**13 884**	12 100

	GROUP Opening balance R'000	GROUP Fair value adjustments R'000	GROUP Total R'000
2023			
Reconciliation of investment property			
Investment property	**12 100**	**1 784**	**13 884**

Restated*	GROUP Opening balance R'000	GROUP Disposals R'000	GROUP Transfers R'000	GROUP Total R'000
2022				
Reconciliation of investment property				
Investment property	12 093	(400)	407	12 100

* *Refer to note 32 for details on the restatements.*

Lease agreements for investment properties are at market-related rentals and are renewed annually.

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

Details of valuations

There is a three-year external valuation cycle. External valuations were performed on 29 June 2023.

Revaluations were performed by independent valuators, Tetragon Valuers Proprietary Limited. These valuators are independent to the Company and have recent experience in the location and category of the investment properties being valued. A comparable sales approach was used to value the investment properties. The valuation takes into account a combination of market-related rent in the area as well as comparable sales to determine a fair value.

The fair value measurement for investment property of R14,1 million (2022: R12,1 million) has been categorised as a Level 3 fair value. A 1% change in the value of investment property would result in a R0,1 million (2022: R0,1 million) adjustment to profit or loss.

The Group's investment properties comprise residential houses, flats and other recreational buildings leased to third parties.

Amounts recognised in profit or loss for the year excluding fair value adjustments

	GROUP 2023 R'000	GROUP 2022 R'000
Rental income from investment property	**834**	743
Direct operating expenses from rental-generating property	**(424)**	(414)
Total	**410**	329

5. BIOLOGICAL ASSETS

The biological assets comprise pine and eucalyptus plantations and unharvested fruit.

Pine and eucalyptus plantations

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 to 23 years (2022: 20 years) and does not include replanting of trees once harvested. During the year, the planned rotation period of the Escarpment plantations was extended to 23 years (2022: 20 years).

The change in value is recognised as part of cost of sales in the statement of profit or loss and other comprehensive income.

	GROUP	
	2023 R'000	**Restated* 2022 R'000**
Reconciliation of biological assets: pine and eucalyptus plantations		
Opening balance	**2 876 253**	2 736 352
Standing timber harvested	**–**	(935)
Reconciliation of biological assets due to changes in standing volume:		
Fair value adjustment		
– Increase due to growth and enumerations[1]	**322 408**	414 585
– Decrease due to harvesting and disposals	**(243 860)**	(230 704)
– Adjustment to standing timber values to reflect changes to sales price, cost and discount rate assumptions[2]	**(464 327)**	(96 205)
Establishment cost	**38 728**	53 160
Closing balance	**2 529 202**	2 876 253
Classified as non-current assets	**2 216 402**	2 538 757
Classified as current assets[3]	**312 800**	337 496
	2 529 202	2 876 253

* *Refer to note 32 for details on the restatement.*

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.*

	GROUP	
	2023 R'000	**2022 R'000**
Change in discounted cash flow (DCF) value attributable to:		
Opening balance	**2 876 253**	2 736 352
Change in product mix and age*[4]	**(315 326)**	33 532
Revenue and price*[5]	**121 747**	503 862
Operating costs*	**(162 234)**	(255 175)
Discount rate*	**(240 164)**	(383 398)
Establishment cost	**38 728**	53 160
Purchased standing timber harvested	**–**	(935)
Change in volume*[6]	**210 198**	188 855
Closing balance	**2 529 202**	2 876 253

* *The total of these amounts equals the fair value adjustment disclosed in note 28 included in cost of sales in the statement of profit or loss and other comprehensive income.*

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 increased by 536 hectares from the prior year. The DCF volumes over the 20 to 23-year period increased from the prior year by 1 566 844m^3. An accuracy factor is used to calculate the accounting estimated volume. This is a downward adjustment of harvestable volume.*

5. BIOLOGICAL ASSETS continued

Change in estimates

The increase in the rotation period resulted in a net R246,2 million decrease in the value in the current year. This decrease is due to the timing of the expected cash flow which will realise later than in the previous 20-year rotation model. Total volumes increased by 1 647 244m^3, with a richer product mix. This value will realise in later years.

	GROUP	
	2023	**2022**
Reconciliation of standing volume (excluding purchased plantations) (m^3)		
Opening balance	**6 707 355**	6 285 007
Increase due to growth and enumeration[1]	**751 849**	952 241
Decrease due to harvesting and sales	**(568 677)**	(529 893)
	6 890 527	6 707 355
Landholding (hectares)		
Pine[7]	**55 925**	56 473
Eucalyptus[7]	**304**	292
Temporary unplanted areas[7]	**2 534**	1 998
Conservancy areas[7]	**30 701**	30 701
Agricultural land[7]	**115**	115
	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 land value of the Group's total landholdings is carried at cost and included under land in note 3.*

Methodology and assumptions used in determining fair value

The key inputs into the DCF model are set out below. The DCF model does not take replanting into account and is based on a finite period. This is consistent with the expected average rotation of the plantations, being 23 years in the Escarpment and 20 years in the Highveld.

Log prices: Log prices per cubic metre and per log class are based on current and future expected market prices. Future prices were adjusted upwards for inflation by 4,8% over the next year, 4,4% over the following year and 4,6% over the long term (2022: 5,8% over the next year, 4,7% over the following year and 4,6% over the long term).

Operating costs: Costs include harvesting, maintenance and associated fixed overhead costs as well as a contributory asset charge. No replanting and associated costs are included. The overhead is based on a unit cost on the remaining planted hectares and reduces over the discount period as the remaining planted hectares reduce. Future costs were adjusted upwards for inflation by 4,8% over the next year, 4,4% over the following year and 4,6% over the long term (2022: 5,8% over the next year, 4,7% over the following year and 4,6% over the long term) was used.

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 costs and costs to bring logs to roadside that are part of operating costs.

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 volume over the 20 to 23-year cycle is 23 006 873m^3 (2022: 21 440 029m^3). The projected volumes from the harvesting plans are risk-adjusted by a weighted average of 3% (2022: 3%) based on the most recent actual yield reconciliation data to account for normal and abnormal deviations and operational losses.

5. BIOLOGICAL ASSETS continued

Methodology and assumptions used in determining fair value continued

Year	GROUP Maturity volume (m³) 2023	GROUP Maturity volume (m³) 2022
Year one to five	**3 390 586**	3 785 099
Year six to 10	**5 830 549**	6 406 816
Year 11 to 15	**5 681 580**	4 998 934
Year 16 and above	**8 104 158**	6 249 180
Total	**23 006 873**	21 440 029

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 to 23 years (June 2022: 20 years). The expected cash flows are risk-adjusted for current economic conditions.

	GROUP 2023	GROUP 2022
Key assumptions used in the calculation of the discount rate		
Beta factor[9]	**1,07**	1,16
Risk-free rate[8] (%)	**11,76**	11,00
Cost of equity (%)	**18,42**	18,17
Pre-tax cost of debt (%)	**8,58**	6,02
After-tax WACC (%)	**16,26**	15,27
Debt/equity ratio[9]	**22:78**	24:76

[8] *The GSAB10YR yield curve was used (2022: GSAB10YR yield curve).*
[9] *York applied a relevered Beta and a debt/equity ratio of the market participants included in its comparable company basket.*

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 change and pest tolerance. To address 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 (2022: 57 178 hectares) with biological assets valued at R1,4 billion were encumbered in favour of Micawber 558 Proprietary Limited, as security for loans and borrowings, as per note 19.

5. BIOLOGICAL ASSETS continued

Sensitivity analysis

The sensitivity analysis below shows how the present value of the DCF 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 DCF. 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	**45 576**	47 895
25 basis points increase in forecast log prices (years 1 and 2 and long term)	**88 808**	88 185
25 basis points increase in the forecast cost inflation rate	**(28 517)**	(25 200)
50 basis points increase in the pre-tax cost of debt	**(17 977)**	(20 699)
25 basis points increase in the discount rate	**(55 337)**	(58 739)
100 basis points increase in projected volumes	**45 576**	47 895

Unharvested fruit

	GROUP	
	2023 R'000	2022 R'000
Reconciliation of biological assets: Unharvested fruit		
Opening balance	**5 383**	2 248
Change in fair value of avocados and macadamias due to harvesting	**(5 383)**	(2 248)
Change in fair value of avocados and macadamias due to growth	**7 063**	5 383
	7 063	5 383

Methodology and assumptions used in determining the Level 3 fair value

Prices: 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 three months (2022: one to two months) after the end of the reporting period.

Costs to sell: Costs to sell include packaging and harvesting costs

Volume: The agricultural produce volumes were reduced by a weighted average of 1% (2022:1%) for avocados and 13% (2022:13%) moisture loss for macadamias. These adjustments were based on the historical actual volumes harvested compared to estimated volumes and volume distribution between export, local and reject markets on the historical pack-out yields.

Maturity of bearer plants

As at 30 June 2023, the Group had 176 hectares (2022: 117 hectares) of bearer plants. Of the 176 hectares, 97 hectares were immature and 79 hectares were mature (2022: 117 hectares: 38 hectares were immature and 79 hectares were mature). During the year, 827 tonnes (2022: 685 tonnes) of agricultural produce were harvested. The bearer plants are included in note 3.

	GROUP	
	2023 R'000	2022 R'000
Sensitivity analysis		
100 basis points increase in market prices	**76**	61
25 basis points increase in harvesting cost	**(1)**	(2)
100 basis points increase in volumes	**71**	54

The above sensitivity analysis shows how the fair value would be affected if the key valuation parameters were attributed 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.

5. BIOLOGICAL ASSETS continued

	GROUP	
	2023 R'000	**2022 R'000**
Classified as current assets (unharvested fruit)	**7 063**	5 383

	GROUP	
	2023 R'000	**2022 R'000**
Total biological assets (pine and eucalyptus plantations and unharvested fruit)		
Classified as non-current assets	**2 216 402**	2 538 757
Classified as current assets	**319 863**	342 879
	2 536 265	2 881 636

The fair value movement in biological assets is included in cost of sales in the statement of profit or loss and other comprehensive income.

6. INTANGIBLE ASSETS

	GROUP					
	2023			**2022 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	**3 158**	**(3 030)**	**128**	3 189	(2 952)	237

	GROUP			
	Opening balance R'000	**Disposals R'000**	**Amortisation R'000**	**Total R'000**
2023				
Reconciliation of intangible assets				
Computer software, other	**237**	**(5)**	**(104)**	**128**

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

7. 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	**Percentage holding 2023 %**	**Percentage holding 2022 %**	**Carrying amount 2023 R'000**	**Restated** Carrying amount 2022 R'000**
South African Plywood Proprietary Limited*[1]	**100**	100	**–**	–
Global Forest Products Proprietary Limited[1]	**100**	100	**1 117 743**	1 117 743
York Timbers Proprietary Limited[2]	**100**	100	**143 709**	142 559
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**	100	**–**	–
York Timbers Zambia Proprietary Limited*	**100**	–	**–**	–
			1 261 452	1 260 302

** The entities are currently dormant and not actively trading.*
*** Refer to note 32 for details on the restatements.*
1 The Company has a direct investment in these companies. All other companies are indirect investments.
2 Increase of investment in subsidiary through a share-based payment scheme.

The Company granted certain employees of its subsidiary, York Timbers Proprietary Limited, the right to receive 1 300 000 (2022: 1 300 000) shares. The options will vest at the end of three years at no consideration to the employees. Refer to note 17.

	COMPANY	
	2023 R'000	***2022 R'000***
Fair value of options		
Value of options	***2 164***	*7 170*

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 and York Timbers Zambia which are incorporated and domiciled in Chile and Zambia, respectively.

8. LOANS TO GROUP COMPANIES

Subsidiaries

	GROUP		COMPANY	
	2023 R'000	**2022 R'000**	**2023 R'000**	**2022 R'000**
York Timbers Proprietary Limited The loan to the Group company is unsecured, bears no interest and has a notice period of at least 367 days.	**–**	–	**1 411 971**	1 240 449
Split between non-current and current portions				
Non-current assets	**–**	–	**1 411 971**	1 240 449
Current assets	**–**	–	**–**	–
	–	–	**1 411 971**	1 240 449
Face value of loan	**–**	–	**1 581 044**	1 340 965

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 of 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 as the underlying subsidiary has sufficient assets to cover outstanding debt and therefore has no loss at default.

Repayment of the loan has been subordinated as security for borrowings as per note 19.

The loan has been amortised in terms of IFRS 9 at the prime interest rate.

9. OTHER FINANCIAL ASSETS

	GROUP		COMPANY	
	2023 R'000	**2022 R'000**	**2023 R'000**	**2022 R'000**
Other financial assets at amortised cost (contingency fund)	**133 005**	114 785	**–**	–
Split between non-current and current portions				
Non-current assets	**133 005**	114 785	**–**	–

The capacity target of the fund is R198,8 million (2022: 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.

Risk exposure

The investments held by the Group expose it to interest rate risk. Refer to note 39 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.

10. 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	
	2023 R'000	**Restated** 2022 R'000**	**2023 R'000**	**2022 R'000**
Deferred tax liability	**(741 122)**	(858 575)	**–**	36
Deferred tax asset	**9 991**	9 703	**–**	–
Total net deferred tax (liability)/asset	**(731 131)**	(848 872)	**–**	36
Reconciliation of deferred tax (liability)/asset				
At the beginning of the year	**(848 872)**	(841 625)	**36**	37
Increase in tax losses available for set-off against future taxable income*	**13 143**	1 786	**–**	–
Taxable temporary differences*	**103 387**	47 051	**–**	–
Changes to other comprehensive income	**1 247**	(356)	**–**	–
Deferred tax not recognised*	**(36)**	–	**(36)**	–
Rate change*	**–**	(30 132)	**–**	(1)
Prior year under provision*	**–**	(25 596)	**–**	–
Closing balance	**(731 131)**	(848 872)	**–**	36
The balance comprises the following items:				
Capital allowances	**(117 179)**	(106 605)	**–**	–
Biological assets	**(684 791)**	(775 211)	**–**	–
Provisions	**55 422**	27 965	**–**	36
Estimated tax loss	**18 946**	5 803	**–**	–
Defined benefit plan reserve and revaluation reserve	**(3 529)**	(824)	**–**	–
	(731 131)	(848 872)	**–**	36
Deferred tax asset not recognised				
Assessed loss not recognised	**5 965**	17 446	**–**	–
Potential tax benefit on assessed loss	**1 611**	4 710	**–**	–

* *The total of these amounts equals the deferred tax movement in profit or loss in note 31.*

** *Refer to note 32 for details on the restatements.*

11. INVENTORIES

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Raw materials	**30 420**	27 866	**–**	–
Work in progress	**41 423**	34 263	**–**	–
Timber products	**113 968**	102 595	**–**	–
Merchandise	**2 638**	2 857	**–**	–
Consumables	**57 531**	57 407	**–**	–
Agricultural produce	**813**	1 663	**–**	–
	246 793	226 651	**–**	–
Write-downs	**(2 862)**	(3 375)	**–**	–
Total inventory	**243 931**	223 276	**–**	–
The total movement in cost of sales regarding inventory write-downs was an income of R0,5 million (2022: expense of R0,4 million). The movement of inventory in cost of sales was R514,6 million (2022: R569,8 million).				
Finished goods at net realisable value				
Finished goods carried at net realisable value	**22 429**	10 781	**–**	–

12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Financial instruments				
Trade receivables	**193 462**	168 285	**178**	178
Loss allowance	**(7 243)**	(7 186)	**(178)**	(178)
Trade receivables at amortised cost	**186 219**	161 099	**–**	–
Deposits	**8 675**	5 873	**–**	–
Staff loans	**1 823**	1 563	**–**	–
Other receivables	**9 549**	7 637	**–**	–
Non-financial instruments				
Value added taxation	**8 297**	5 477	**–**	–
Prepayments	**15 493**	11 804	**184**	187
Total trade and other receivables	**230 056**	193 453	**184**	187

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 19). The amount of trade receivables that has been pledged as security was R160 million (2022: R152,4 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 39 for details on credit risk exposure.

The carrying amount reasonably approximates its fair value.

12. TRADE AND OTHER RECEIVABLES continued

Exposure to credit risk continued

Expected credit loss rate	2023 Gross carrying amount R'000	2023 Loss allowance R'000	2022 Gross carrying amount R'000	2022 Loss allowance R'000
GROUP				
Current	**128 427**	**(2 753)**	125 428	(1 299)
30 days	**48 973**	**(1 070)**	33 606	(377)
60 days	**8 654**	**(233)**	4 440	(930)
90 days and over	**7 408**	**(3 187)**	4 811	(4 580)
	193 462	**(7 243)**	168 285	(7 186)
COMPANY				
60 days and over	**178**	**(178)**	178	(178)

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	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Opening balance	**(7 186)**	(10 057)	**(178)**	(178)
Provision raised on new trade receivables	**–**	(9)	**–**	–
Remeasurement of loss allowance	**(2 148)**	97	**–**	–
Bad debt written off	**2 091**	2 783	**–**	–
Closing balance	**(7 243)**	(7 186)	**(178)**	(178)

A 0,25% to 2,52% (2022: 0,25% to 1,82%) 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% (2022: 0,25%) applied to take account of future economic uncertainty.

A default loss ratio of 20% (2022: 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. There was an increase in debtors covered by CGIC in the current year.

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

13. CURRENT TAX RECEIVABLE/(PAYABLE)

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Normal tax	**2 771**	(4 380)	**2**	2

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

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

14. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Cash and cash equivalents consist of:				
Cash on hand	**158**	143	**–**	–
Bank balances	**33 002**	12 632	**1**	–
Short-term deposits	**158 756**	3 589	**–**	–
	191 916	16 364	**1**	–

* *Refer to note 32 for details on the restatements.*

The carrying amount reasonably approximates its fair value.

15. SHARE CAPITAL

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 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 ('000)				
Opening balance	**320 896**	317 520	**331 241**	331 241
Exercise of options	**–**	3 376	**–**	–
Rights issue	**142 857**	–	**142 857**	–
	463 753	320 896	**474 098**	331 241
Issued (R'000)				
474 097 739 (2022: 331 240 597) ordinary shares	**23 705**	16 562	**23 705**	16 562
10 344 355 (2022: 10 344 355) treasury shares	**(517)**	(517)	**–**	–
Rights issue cost	**(6 006)**	–	**(6 006)**	–
Exercise of options	**–**	11 199	**–**	7 517
Share premium	**1 718 488**	1 464 430	**1 755 728**	1 505 352
	1 735 670	1 491 674	**1 773 427**	1 529 431

* *Refer to note 32 for details on the restatements.*

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 per share. A total of 10,3 million shares (2022: 10,3 million shares) were held by the subsidiary at 30 June 2023 and are treated as treasury shares for accounting purposes.

In the current year, the entity had a rights issue where the entity issued 142 857 142 shares for R250 million.

16. REVALUATION RESERVE

	GROUP		COMPANY	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Opening balance	**14 344**	14 198	**–**	–
Current year fair value adjustment	**426**	–	**–**	–
Current year deferred tax movement through other comprehensive income	**(92)**	146	**–**	–
	14 678	14 344	**–**	–

* *Refer to note 32 for details on the restatements.*

17. SHARE-BASED PAYMENT RESERVE

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Opening balance	**1 014**	1 363	**1 014**	1 363
Share-based payment movement	**1 150**	(349)	**1 150**	(349)
Closing balance	**2 164**	1 014	**2 164**	1 014

	GROUP		COMPANY	
	2023 units	2022 units	2023 units	2022 units
Opening balance	**1 300 000**	3 601 504	**1 300 000**	3 601 504
Units awarded	**–**	1 300 000	**–**	1 300 000
Units vested	**–**	(3 601 504)	**–**	(3 601 504)
Closing balance	**1 300 000**	1 300 000	**1 300 000**	1 300 000

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

In the prior 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.

During the period ended 30 June 2023, the Company had one (2022: one) share-based payment scheme, with the following details:

	GROUP		COMPANY	
	2023	2022	2023	2022
Key assumptions used in the 2022 award				
York share price as at the reporting date (R)	**1,90**	–	**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)	**2,32**	–	**3,32**	–
Exercise price (R)	**–**	–	**–**	–
Expected vesting rate (%)	**80**	–	**80**	–
Vesting conditions	**Three years' service**	–	**Three years' service**	–

18. DEFINED BENEFIT PLAN RESERVE

The reserve is a result of the actuarial gains on the defined benefit plan.

	GROUP 2023 R'000	GROUP 2022 R'000
Opening balance	**2 229**	830
Movement through other comprehensive income	**(735)**	1 399
Closing balance	**1 494**	2 229

19. BORROWINGS

	GROUP 2023 R'000	GROUP Restated* 2022 R'000
Held at amortised cost		
Secured		
Land Bank term loan	**177 805**	226 701
Land Bank Press loan	**2 842**	9 662
Instalment sale agreements	**61 455**	65 272
Loan raising fee	**(804)**	(1 157)
Absa IMX facility	**72 645**	38 604
Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited)	**75 000**	75 000
Absa Capital fund loan (Sonrach Properties Proprietary Limited)	**4 734**	5 832
	393 677	419 914
Split between non-current and current portions		
Non-current liabilities	**237 375**	298 210
Current liabilities	**156 302**	121 704
	393 677	419 914

* *Refer to note 32 for details on the restatements.*

Land Bank term loan: This loan bears interest at an interest rate of prime less 0,5% (2022: prime less 0,5%) per annum and is payable monthly in arrears over 10 years of which three are remaining.

Refer to financial instruments and risk management, note 39, for details on the loan covenants.

Land Bank Press loan: This loan bears interest at an interest rate of prime less 0,5% (2022: prime less 0,5%) per annum and is payable monthly in arrears, over five years and six months, of which 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 R1,4 billion, limited to the indemnity of R720 million, and limited to the land holding of 57 178 hectares (2022: 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 assets of the borrower, in respect of the Sabie plywood plant for an amount of R306 million with a net book value of R201,4 million (2022: R231,7 million) in favour of the security SPV guarantor.

19. BORROWINGS continued

Absa IMX facility: The IMX facility is a receivable finance facility provided by Absa Bank. Absa purchases the right to receive payments from certain qualifying debtors and in return advances up to 85% of the value of debtors/invoices. Absa has full recourse on amounts advanced when a debtor does not settle its accounts by the due date, normally 30 days.

At year-end, the IMX facility granted by Absa Bank was secured by a cession of a restricted clearing account held with Absa Bank and a cession of trade receivables with a maximum exposure limit of R150 million and CGIC insurance (refer to note 13). The IMX facility bears interest at the prime interest rate on the utilised amount. This facility is available to all companies in the Group. The funds in use balance was a credit balance of R98,1 million at year-end with an offsetting clearing account debit balance of R25,5 million – net credit balance of R72,6 million. The availability on the facility is limited to the lower of 85% of qualifying debtors or R150 million.

Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited): The loan bears interest at prime and is repayable over five years of which two 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 and a once-off payment at the end of the term of R63,5 million.

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 financial instruments and risk management, note 39, for details on the 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 30).

Absa Capital fund loan (Sonrach Properties Proprietary Limited): This loan bears interest at an interest rate of prime less 0,75% (2022: prime less 0,75%) per annum and is payable in monthly instalments in arrears over a period of 10 years of which three are remaining.

The carrying amounts reasonably approximate its fair value.

Exposure to liquidity risk

Refer to note 39 Financial instruments and financial 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.

19. BORROWINGS continued

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 rate than the actual rate.

	GROUP			
Increase or decrease in rate	**Increase 2023 R'000**	**Decrease 2023 R'000**	**Increase 2022 R'000**	**Decrease 2022 R'000**
Impact on profit or loss				
Finance cost	**3 806**	**(3 806)**	4 269	(4 269)
Taxation	**(1 028)**	**1 028**	(1 195)	1 195
	2 778	**(2 778)**	3 074	(3 074)

Instalment sale agreements

The Instalment Sale Agreements liabilities consist of 113 (2022: 137) 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% (2022: prime less 1% to prime plus 0,5%) per annum. These liabilities are secured by plant and equipment and motor vehicles with a carrying value of R107,7 million (2022: R106,1 million), refer to note 3. They have no escalation clauses. Repayments are based on the outstanding debt at the prevailing interest rate.

	GROUP	
	2023 R'000	**2022 R'000**
Instalment sale agreement obligation		
– within one year	**29 476**	28 148
– in second to fifth year inclusive	**42 233**	43 035
Total	**71 709**	71 183
Less: future finance charges	**(10 254)**	(5 911)
Present value of minimum instalment sale agreement payments	**61 455**	65 272

	GROUP			
Instalment sale providers	**Quantity 2023**	**Interest rate 2023 %**	**Quantity 2022**	**Interest rate 2022 %**
Absa Bank	**89**	**10,75 – 12,25**	101	7,25 – 8,75
Mercedes Finance	**14**	**11,25 – 12**	26	7,75 – 8,55
Toyota Finance	**8**	**10,75 – 11,25**	8	7,25 – 7,75
Daimler Truck	**2**	**11,75 – 12**	2	8,50

	GROUP	
	2023 R'000	**2022 R'000**
Present value of minimum instalment sale agreement payments		
– within one year	**23 873**	24 843
– in second to fifth year inclusive	**37 582**	40 429
	61 455	65 272

20. LEASE LIABILITY

	GROUP 2023 R'000	GROUP 2022 R'000
Non-current liabilities	**21 925**	25 941
Current liabilities	**8 236**	6 191
	30 161	32 132
Contractual undiscounted cash flows		
Less than one year	**10 298**	8 425
One to five years	**23 513**	29 451
	33 811	37 876

The lease liability relates to the warehouse facilities and office space rented by the Group for three to five years (2022: three 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. This liability is measured at amortised cost.

	GROUP 2023	GROUP 2022
Assumptions used		
Lease terms	**3 – 5 years**	3 – 5 years
Group's incremental borrowing rate (%)	**7 – 10**	6,75 – 9,50
Adjustment to asset-specific risk – unsecured debt (%)	**0,25**	0,25
Adjustment over the lease term (%)	**0,25**	0,25
Effective interest rate (%)	**7,5 – 10,5**	7,25 – 10

Refer to note 3 for disclosure on 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 30 for the finance costs on leases.

21. RETIREMENT BENEFIT OBLIGATION

Defined benefit plan

The Group's current 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 2023 R'000	GROUP 2022 R'000
Present value of defined benefit obligation		
Opening balance	**24 081**	25 658
Service cost	**1**	2
Interest cost	**2 697**	2 745
Actuarial loss/(gain)	**2 074**	(1 900)
Benefits paid	**(2 423)**	(2 424)
Closing balance	**26 430**	24 081

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 loss for the current year consists of two factors, demographic and financial. The demographic factors contributed a gain of R3,1 million (2022: loss of R0,4 million) and the financial factors a loss of R5,2 million (2022: gain of R2,4 million).

21. RETIREMENT BENEFIT OBLIGATION continued

Sensitivity analysis

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

	GROUP	
	2023 R'000	**2022 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	**968**	211
100 basis points increase: Increase in defined benefit obligation	**1 986**	1 887
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	**61**	41
100 basis points increase: Decrease in defined benefit obligation	**(1 729)**	(1 638)

	GROUP	
	2023	**2022**
Contributions towards defined benefit plan		
Current service cost (R'000)	**2 628**	2 511
Key assumptions used		
Number of active members	**–**	6
Number of retired members	**35**	36
Total number of members	**35**	42
Average expected duration of the scheme for pensioners (years)	**7,40**	17,10
Average expected duration of the scheme for active members (years)	**–**	1,80
Discount rate (estimated corporate bond yield) (%)	**12,90**	11,20
Medical contribution inflation rate (%)	**10,90**	9,20

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 and a Momentum Pension Fund. 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	
	2023 Number	**2022 Number**
The number of members of the provident funds at year-end		
Hospitality and General Provident Fund	**102**	130
York Timbers Provident Fund	**1 379**	1 798
Alexander Forbes Provident Fund	**400**	293

Defined contribution plan: Pension fund and retirement annuity

	GROUP	
	2023 Number	**2022 Number**
The Group has two pension funds, with the following number of members at year-end		
Alexander Forbes Pension Fund	**7**	7
Momentum Pension Fund	**141**	85

21. RETIREMENT BENEFIT OBLIGATION continued

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 previously. The Group is under no obligation to cover any unfunded benefits.

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Contributions towards defined contribution funds				
Hospitality and General Provident Fund	**2 854**	2 816	**–**	–
York Timbers Provident Fund	**16 588**	20 613	**–**	–
Alexander Forbes Provident Fund	**12 847**	11 356	**–**	–
Alexander Forbes Pension Fund	**429**	409	**–**	–
Momentum Pension Fund	**269**	1 037	**–**	–
Allan Gray Retirement Annuity	**–**	190	**–**	–
	32 987	36 421	**–**	–
Expected contributions for the next year				
Hospitality and General Provident Fund	**2 997**	2 968	**–**	–
York Timbers Provident Fund	**17 418**	21 726	**–**	–
Alexander Forbes Provident Fund	**13 489**	11 969	**–**	–
Alexander Forbes Pension Fund	**451**	431	**–**	–
Momentum Pension Fund	**283**	1 093	**–**	–
Allan Gray Retirement Annuity	**–**	201	**–**	–
	34 638	38 388	**–**	–

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

Below is the undiscounted maturity analysis of the retirement benefit obligation. The weighted average duration for pensioners in payment is 7,4 years and 1,8 years for the active members (2022: 7,5 years for pensioners and 1,8 years for the active members).

	Pensioners R'000	Active members R'000	Total R'000
2023			
Less than a year	**2 777**	**–**	**2 777**
One to two years	**2 952**	**–**	**2 952**
Two to five years	**9 839**	**–**	**9 839**
More than five years	**103 349**	**–**	**103 349**
	118 917	**–**	**118 917**
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

22. PROVISIONS

	GROUP			
	Opening balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
2023				
Reconciliation of provisions				
Restructuring	**2 912**	**–**	**(256)**	**2 656**
Environmental rehabilitation	**17 670**	**848**	**–**	**18 518**
	20 582	**848**	**(256)**	**21 174**
2022				
Reconciliation of provisions				
Restructuring	–	2 912	–	2 912
Environmental rehabilitation	16 832	838	–	17 670
	16 832	3 750	–	20 582

	GROUP	
	2023 R'000	2022 R'000
Non-current liabilities	**18 518**	17 670
Current liabilities	**2 656**	2 912
	21 174	20 582

Environmental liability

The provision of R18,5 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 4,8% (2022: 6,6%).

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.

23. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Financial instruments				
Trade payables	**273 533**	178 889	**230**	60
Accruals	**32 950**	57 264	**2**	–
Deposits received	**206**	124	**–**	–
Other payables	**1 594**	1 305	**–**	–
Non-financial instruments				
Payroll-related accruals*	**34 281**	32 881	**698**	2 334
Value added taxation	**2 707**	3 063	**100**	54
	345 271	273 526	**1 030**	2 448

** Payroll-related accruals erroneously classified under financial instruments previously were correctly reallocated to non-financial instruments in the current and prior years as accruals by their nature are not financial instruments under IFRS 9.*

Exposure to liquidity risk

Refer to note 39 Financial instruments and financial risk management for details of liquidity risk exposure and management. The carrying amounts reasonably approximate its fair value.

24. REVENUE

	GROUP 2023 R'000	GROUP 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
Revenue from contracts with customers				
Sale of goods	**1 637 997**	1 819 231	**–**	–
Rendering of services	**28 297**	18 617	**6 404**	6 564
Rental income	**–**	962	**–**	–
	1 666 294	1 838 810	**6 404**	6 564

Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from customers as follows:

	GROUP 2023 R'000	GROUP 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
Sale of goods				
Food and beverage sales	**111**	116	**–**	–
Lumber sales	**823 239**	1 010 950	**–**	–
Plywood sales	**652 702**	669 181	**–**	–
Fruit and nut sales	**14 655**	16 645	**–**	–
Sundry income[1]	**38 499**	38 997	**–**	–
Log sales	**108 791**	83 342	**–**	–
	1 637 997	1 819 231	**–**	–
Rendering of services				
Administration and management fees received	**–**	–	**6 404**	6 564
Transport income	**3 189**	1 357	**–**	–
Income from fruit packed	**19 628**	12 618	**–**	–
Treating income	**4 407**	3 979	**–**	–
Accommodation income	**1 073**	663	**–**	–
	28 297	18 617	**6 404**	6 564
Other revenue				
Rental income	**–**	962	**–**	–
Total revenue from contracts with customers	**1 666 294**	1 838 810	**6 404**	6 564

[1] *The majority of the sundry sales consist of sawdust and chip sales.*

Timing of revenue recognition

	GROUP 2023 R'000	GROUP Restated 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
At a point in time				
Sale of goods	**1 637 996**	1 819 231	**–**	–
Rendering of services	**27 225**	17 954	**6 404**	6 564
	1 665 221	1 837 185	**6 404**	6 564
Over time				
Rendering of services – accommodation income	**1 073**	663	**–**	–
Other revenue	**–**	962	**–**	–
	1 073	1 625	**–**	–
Total revenue from contracts with customers	**1 666 294**	1 838 810	**6 404**	6 564

Refer to note 35 for revenue per geographical area.

25. COST OF SALES

	GROUP		COMPANY	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Cost of sales before fair value adjustment on biological assets	**1 318 261**	1 339 219	**–**	–
Fair value loss/(gain) on biological assets (refer to note 5)	**384 099**	(90 811)	**–**	–
	1 702 360	1 248 408	**–**	–

* *Refer to note 32 for details on the restatement.*

26. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Other rental income[1]	**4 969**	4 092	**–**	–
Bad debts recovered	**63**	20	**–**	–
Sundry income[2]	**4 282**	3 875	**–**	–
Insurance income	**322**	1 235	**–**	–
Scrap sales	**6 243**	1 137	**–**	–
	15 879	10 359	**–**	–

[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.*

27. OTHER OPERATING (LOSSES)/GAINS

		GROUP		COMPANY	
	Note	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Losses on disposals, scrappings and settlements					
Property, plant and equipment	3	**(652)**	(2 021)	**–**	–
Foreign exchange (losses)/gains					
Net foreign exchange (losses)/gains		**(4 137)**	5 722	**–**	–
Fair value gains					
Investment property	4	**1 784**	–	**–**	–
Total other operating (losses)/gains		**(3 005)**	3 701	**–**	–

28. OPERATING (LOSS)/PROFIT

Operating (loss)/profit for the year is stated after charging (crediting) the following, among others:

	GROUP		COMPANY	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Auditor's remuneration – external				
Audit fees	**3 388**	2 750	**–**	–
Remuneration, other than to employees				
Administrative, consulting and professional services	**19 053**	16 463	**2 347**	1 631
Employee costs				
Salaries, wages, bonuses and other benefits	**112 471**	121 381	**5 360**	4 590
Employee cost included in cost of sales	**272 115**	279 893	**–**	–
Retirement benefit plans: defined benefit expense	**2 601**	2 740	**–**	–
Equity-settled share-based payment expense	**1 150**	7 814	**–**	–
Total employee costs	**388 337**	411 828	**5 360**	4 590
Leases				
Short-term leases	**1 647**	1 305	**–**	–
Depreciation and amortisation				
Depreciation of property, plant and equipment	**109 650**	113 044	**–**	–
Amortisation of intangible assets	**104**	111	**–**	–
Total depreciation and amortisation	**109 754**	113 155	**–**	–
Depreciation of R71,9 million (2022: 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	**9 941**	–	**–**	–
Fair value adjustment on biological assets				
Fair value adjustment on biological assets (included in cost of sales)	**(385 779)**	87 676		
Harvested fruit (included in cost of sales)	**1 680**	3 135	**–**	–
	(384 099)	90 811	**–**	–

* *Refer to note 32 for details on the restatements.*

28. OPERATING (LOSS)/PROFIT continued

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	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Changes in inventories of finished goods and work in progress excluding fair value adjustment due to harvested timber	**270 719**	339 050	**–**	–
Employee costs	**388 337**	411 828	**5 360**	4 590
Lease expenses	**1 647**	1 305	**–**	–
Depreciation, amortisation and impairment	**119 694**	113 155	**–**	–
Other expenses	**383 385**	356 223	**3 547**	2 490
Utilities	**90 618**	87 498	**–**	–
Roads	**18 210**	16 564	**–**	–
Fuel	**66 654**	43 669	**–**	–
Repairs and maintenance	**48 718**	42 707	**–**	–
Transport	**227 678**	206 197	**–**	–
Harvesting contractors	**72 946**	76 539	**–**	–
Fair value adjustment to biological assets	**384 099**	(90 811)		
	2 072 705	1 603 924	**8 907**	7 080

* *Refer to note 32 for details on the restatements.*

29. INVESTMENT INCOME

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Interest income				
Investments in financial assets:				
Bank and other cash	**3**	2	**2**	1
Other financial assets	**14 684**	5 009	**–**	–
Total interest income	**14 687**	5 011	**2**	1

Interest was generated from financial assets at amortised cost.

30. FINANCE COST

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Group loans*	**–**	–	**68 557**	15 690
Trade and other payables	**381**	10	**–**	–
Lease liabilities	**2 400**	1 355	**–**	–
Interest on borrowings held at amortised cost	**34 712**	31 115	**–**	–
Loan raising fee – amortised	**353**	436	**–**	–
Other interest paid	**9 263**	4 568	**–**	–
Total finance cost	**47 109**	37 484	**68 557**	15 690

* *Interest relates to the amortisation of the interest-free inter-company loan in terms of IFRS 9 with the prime interest rate.*

31. TAXATION

	GROUP		COMPANY	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Major components of the tax expense/(income)				
Current				
Local income tax: current period	**3 398**	26 827	**–**	–
Deferred				
Deferred tax: current period	**(116 493)**	14 008	**36**	1
Deferred tax: rate change	**–**	(30 132)	**–**	–
Deferred tax: prior periods	**–**	23 015	**–**	–
	(116 493)	6 891	**36**	1
Total	**(113 095)**	33 718	**36**	1

	GROUP		COMPANY	
	2023 %	2022 %	2023 %	2022 %
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate				
Applicable tax rate	**(27)**	28	**27**	28
Legal fees, fines and penalties	**4,73**	1,76	**–**	–
Learnership agreements and bargain purchase	**(4,66)**	(1,51)	**–**	–
Assessed loss not recognised	**0,38**	0,46	**(0,82)**	–
Amortisation of inter-Group loans	**–**	–	**(26,23)**	(28,00)
Rate change	**–**	(18,03)	**–**	(0,01)
Prior year under provision	**–**	4,90	**–**	–
	(26,55)	15,58	**(0,05)**	(0,01)

* *Refer to note 32 for details on the restatements.*

The South African Government announced a change in the tax rate to 27%, effective for years of assessment on or after 31 March 2023.

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Taxation related to components of other comprehensive income				
Remeasurements of defined benefit liability	**1 339**	(501)	**–**	–
Revaluation on property, plant and equipment	**(92)**	146	**–**	–

32. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ERROR RESTATEMENTS

Change in accounting policy

The Group previously expensed establishment costs of its pine plantations as part of cost of sales in the statement of profit or loss. During the current year, the Group changed this policy to capitalising establishment costs to the biological assets on the statement of financial position. These costs include activities such as site preparation, planting and the cost of the seedlings. These activities create an asset, being the plantation and, as such, the costs incurred should be capitalised. This provides a better economic presentation of the nature of the costs, as the establishment costs create the asset that is carried at fair value. The associated costs and cash flow to create the asset should be regarded as an investing activity as it creates an asset. The biological assets are stated at fair value and, as such, are not impacted by this change.

The net impact of the change in the statement of profit or loss is a reduction of R53,2 million in cost of sales and an increase in the fair value loss of the same amount. There is no impact on the statement of financial position. In the statement of cash flows, cash from operations increased by R53,2 million and cash applied to investing activities increased by the same amount. The impact on the core earnings per share was an increase of 11 cents.

Prior period error restatements

Reclassification of cost within the statement of profit or loss and other comprehensive income

Reclassification of other operating costs to cost of sales

In the prior period, production costs of R46 million were incorrectly classified as other operating costs instead of included in cost of sales in the statement of profit or loss. This has been corrected in the prior period comparative by reducing other operating costs by R46 million and increasing cost of sales by the same amount. This was restated due to the cost related to bringing the inventory into the place and condition ready to be sold and should be classified as cost of sales. The statement of financial position and statement of cash flows have not been impacted.

Fair value adjustment – biological assets

The fair value movement on the biological assets of R90,8 million was previously not disclosed as part of cost of sales but as a separate line item on the face of the statements of profit or loss and other comprehensive income, below gross profit. The movement in the fair value relates to harvested trees, the increase in value due to growth and the effect of movement in assumptions. All these items are considered to be part of cost of sales as per IAS 1 and IAS 2.

Movement in credit loss allowance

In the prior year, the movement in the credit loss allowance of R2,8 million was included in other operating expenses. This has now been disclosed as a separate line item, “Movement in credit loss allowance”, on the statements of profit or loss and other comprehensive income in line with IAS 1. The statements of financial position and statements of cash flows have not been impacted.

Bank overdraft facility (Absa IMX facility)

In the prior year, the IMX bank facility of R38,6 million (2021: R36,9 million) was disclosed as a current liability, “Bank overdraft”, on the statements of financial position. This has been reclassified to borrowings under current liabilities. This restatement did not have an impact on the statements of profit or loss and other comprehensive income, but resulted in an increase in the cash and cash equivalents closing balance on the statements of cash flow and a decrease in cash flow from financing activity in the statements of cash flows of R1,7 million relating to the movement in the IMX facility. The IMX facility is financing in nature and forms part of borrowings; the restatement ensures compliance with IAS 7.

Statement of cash flows – instalment sale agreements

In the prior year, an inflow from borrowings of R24,4 million was shown with a corresponding increase in property, plant and equipment purchased on the statements of cash flow. In the current year, this classification has been corrected and is shown as a non-cash flow movement. The basic requirement of IAS 7 is that an entity should prepare and present statements of cash flows that report the cash flows of the entity during the period (IAS 7:10). As a general principle, only transactions that require the use of cash or cash equivalents should be included in a statement of cash flows. As the purchase of property, plant and equipment via instalment sale agreements does not affect cash or cash equivalents, these movements are not regarded as cash flow movements.

Incorrect disclosure of reportable segment results in the operating segment note

In the prior period, the individual segment results in note 35, operating segments, were incorrectly stated due to an arithmetic error between the reported profit or loss within the reportable segments. The total segment result was, however, correct.

The error impacts only one line in the disclosure as shown in the segment reporting note. This is an error in disclosure and has no impact on the primary statements.

32. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ERROR RESTATEMENTS continued

Investment property

Investment property consisting of residential property leased to employees at market-related rentals was previously included as part of investment property instead of property, plant and equipment as required per IAS 16. The residential property has now been reclassified to property, plant and equipment as residential buildings carried at revaluation due to the category of asset being different to other buildings in the Group. The residual value of the property is equal to its revalued amount, therefore no depreciation is recognised.
This restatement resulted in a decrease in investment property in 2021 of R22,1 million, an increase in property, plant and equipment of R22,1 million and a resultant retained income adjustment of R14,2 million, and a revaluation reserve of R14,2 million. The impact of the restatement on the 2022 financials is a decrease in investment property of R23,9 million and an increase in buildings of R23,9 million with a R14,2 million revaluation reserve and a retained income opening balance adjustment of R14,2 million. The other comprehensive income increased by R0,1 million.

Biological assets

Corrections were made to the valuation model as follows:

- Log prices were changed to reflect current market prices of logs. Previously, a weighted price was used. This change decreased the value by R79,5 million in 2021 and increased the value by R143 million in 2022;
- The contributory asset charge for land was increased as it did not reflect a current market-related rental charge. This correction decreased the value by R90 million in 2021 and R89 million in 2022; and
- Certain establishment costs were incorrectly included in the model. The model does not take replantings into account. This correction increased the value by R30 million in 2021 and R19 million in 2022.

The net impact of the corrections resulted in a 5% decrease of R139,6 million in 2021, a 3% increase of R73 million in 2022 on the biological asset value in the statement of financial position and a fair value adjustment on biological assets included in the statement of profit or loss and other comprehensive income. The deferred tax liability decreased by R39 million in 2021 and increased by R20 million in 2022.

The restatement resulted in an increase in the 2022 financial year basic and diluted basic earnings per share of 45 cents per share and an increase in headline and diluted headline earnings per share of 45 cents per share.

Goodwill

During the current year, it was concluded that the deferred tax liability associated with the biological assets of the Forestry cash-generating unit should be excluded from the carrying value of the cash-generating unit as per the requirements of IAS 36 and IFRS 13. As a result of this exclusion, the carrying value of the cash-generating unit exceeded the recoverable amount. As a result, goodwill of R357,6 million has been retrospectively impaired from 2021.

Remeasurement of interest-free loan (Company only)

The Company incurred a “day one loss” as a result of granting an interest-free loan to a subsidiary. This day one loss was recorded in retained earnings on transition to IFRS 9.

This amount represents the fair value of providing the subsidiary with interest-free finance, and therefore represents a capital contribution to the subsidiary which should have been capitalised to the investment in that subsidiary. The resulting adjustment of R129 million is recorded as an increase in retained earnings and an increase in the investment in the subsidiary.

Retrospective restatement due to the rights offer

The Company had a rights offer where 142 857 142 ordinary shares, with a par value of R0,05 per share, were issued to qualifying shareholders based on their shareholding as at 15 December 2022 at a discounted price of R1,75. The rights offer closed on 6 January 2023.

32. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ERROR RESTATEMENTS continued

As a result of the issue being at a discount to the York share price, the 30 June 2022 weighted average number of ordinary shares used for the earnings per share calculations were retrospectively adjusted, proportionately for the bonus portion of the rights issue in terms of IAS 33. This resulted in a decrease in earnings and diluted earnings per share as well as headline and diluted headline earnings per share of 1 cents per share, a decrease of 2 cents per share in core earnings per share and a decrease of 1 cent per share in diluted core earnings per share. The rights issue is not a restatement due to error – it is a retrospective application per IAS 33.

IAS 33.64: If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorised for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The fact that per share calculations reflect such changes in the number of shares shall be disclosed. In addition, basic and diluted earnings per share of all periods presented shall be adjusted for the effects of errors and adjustments resulting from changes in accounting policies accounted for retrospectively.

The table below summarises the impact of the change in the accounting policy as well as the prior period restatement.

	GROUP			
	Balance as previously stated 2022 R'000	**Change in accounting policy R'000**	**Prior year statement R'000**	**Restated 2022 total R'000**
Statement of profit or loss and other comprehensive income				
Cost of sales	(1 346 236)	53 160	44 668	(1 248 408)
Operating expenses	(401 654)	–	43 381	(358 273)
Fair value adjustment on biological assets	(68 596)	(53 160)	121 756	–
Movement in credit loss allowance	–	–	2 758	2 758
Taxation	25 217	–	(58 935)	(33 718)
Profit for the year	29 128	–	153 628	182 756
Other comprehensive income	1 399	–	146	1 545
Statements of financial position				
Property, plant and equipment	910 355	–	23 993	934 348
Investment property	36 093	–	(23 993)	12 100
Biological assets	2 808 621	–	73 015	2 881 636
Goodwill	357 630	–	(357 630)	–
Retained income	(1 560 462)	–	318 674	(1 241 788)
Reserve	(3 243)	–	(14 344)	(17 587)
Deferred tax	(829 157)	–	(19 715)	(848 872)
Borrowings (current liability)	(83 100)	–	(38 604)	(121 704)
Bank overdraft (current liability)	(38 604)	–	38 604	–
Statements of cash flows				
Net cash from operating activities	146 672	53 160	–	199 832
Net cash applied to investing activities	(103 360)	(53 160)	24 379	(132 141)
Net cash applied to financing activities	(142 453)	–	(22 624)	(165 077)
Total cash and cash equivalents at the end of the year	(22 240)	–	38 604	16 364
Notes to the annual financial statements				
Basic/diluted earnings per share (cents)	9	–	44	53
Basic/diluted headline earnings per share (cents)	9	–	44	53
Basic core earnings per share (cents)	25	11	(2)	34
Diluted core earnings per share (cents)	24	11	(1)	34

32. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ERROR RESTATEMENTS continued

	GROUP				
	Processing R'000	Warehouse R'000	Forestry and Fleet R'000	Agriculture R'000	2022 total R'000
Segment reporting note					
Reportable segment profit/(loss) as previously stated	203 485	157 589	(127 977)	(15 863)	217 234
Reportable segment profit/(loss) after corrections in arithmetic error	203 485	38 349	(19 483)	(5 117)	217 234
Change in accounting policy	–	–	53 160	–	53 160
Reportable segment profit/(loss) as restated*	203 485	38 349	33 677	(5 117)	270 394

* *The Forestry segment's earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by R53,2 million due to the change in accounting policy.*

	GROUP			
	As previously stated 2021 R'000	Change in accounting policy R'000	Prior year statement R'000	Restated 2021 total R'000
Statement of financial position				
Property, plant and equipment	905 645	–	22 087	927 732
Investment property	34 180	–	(22 087)	12 093
Biological assets	2 878 151	–	(139 551)	2 738 600
Goodwill	357 630	–	(357 630)	–
Retained income	(1 531 338)	–	472 305	(1 059 033)
Reserves	(2 193)	–	(14 198)	(16 391)
Deferred tax	(880 699)	–	39 074	(841 625)
Borrowings (current liabilities)	(167 461)	–	(36 850)	(204 311)
Bank overdraft (current liabilities)	(36 850)	–	36 850	–
	1 557 065	–	–	1 557 065

	COMPANY			
	As previously stated 2022 R'000	Change in accounting policy R'000	Prior year statement R'000	Restated 2022 total R'000
Investment in subsidiary	1 131 089	–	129 213	1 260 302
Retained earnings	(838 870)	–	(129 213)	(968 083)
	292 219	–	–	292 219

	COMPANY			
	As previously stated 2021 R'000	Change in accounting policy R'000	Prior year statement R'000	Restated 2021 total R'000
Investment in subsidiary	1 123 919	–	129 213	1 253 132
Retained earnings	(855 076)	–	(129 213)	(984 289)
	268 843	–	–	268 843

33. CASH GENERATED FROM/(USED IN) OPERATIONS

	GROUP		COMPANY	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
(Loss)/profit before taxation	**(425 959)**	216 475	**(71 058)**	(16 205)
Adjustments for non-cash items				
Depreciation and amortisation	**109 754**	113 155	**–**	–
Losses on sale of assets and liabilities	**653**	2 021	**–**	–
Losses/(gains) on exchange differences	**4 137**	(5 722)	**–**	–
Fair value losses/(gains)	**382 315**	(90 806)	**–**	–
Impairments on assets	**9 940**	–	**–**	–
Impairment of trade receivables	**(309)**	(2 758)	**–**	–
Movements in provisions	**592**	3 750	**–**	–
Movement in retirement benefit liabilities	**275**	323	**–**	–
Harvesting of purchased biological assets	**–**	935	**–**	–
Share-based payment expenses: equity-settled	**1 150**	7 170	**–**	–
Adjust for items which are presented separately:				
Interest income	**(14 687)**	(5 011)	**(2)**	1
Finance costs	**47 109**	37 484	**68 557**	15 690
Changes in working capital:				
(Increase)/decrease in inventories	**(20 655)**	(40 011)	**–**	–
(Increase)/decrease in trade and other receivables	**(36 294)**	81 238	**3**	(49)
Increase/(decrease) in trade and other payables	**71 744**	(64 017)	**(1 418)**	633
Decrease/(increase) in deferred income	**(1 663)**	1 161	**–**	–
	128 102	255 387	**(3 918)**	70

* *Refer to note 32 for details on the restatement.*

33. CASH GENERATED FROM/(USED IN) OPERATIONS continued

	GROUP		
	Borrowings R'000	Lease liabilities R'000	Total R'000
2023			
Balance as at 1 July 2022	**419 914**	**32 131**	**452 045**
Cash flow movements			
Lease and borrowings payments	**(58 561)**	**(9 382)**	**(67 943)**
Non-cash flow movements			
Loan raising fee	**353**	**–**	**353**
New instalment agreements entered into	**31 971**	**–**	**31 971**
Finance cost	**–**	**2 400**	**2 400**
Additions to lease liability	**–**	**5 012**	**5 012**
	393 677	**30 161**	**423 838**
2022			
Balance as at 1 July 2021	551 640	5 084	556 724
Cash flow movements			
Lease and borrowings payments	(156 483)	(8 594)	(165 077)
Non-cash flow movements			
Loan raising fee	436	–	436
New instalment agreements entered into	24 321	–	24 321
Finance cost	–	1 355	1 355
Additions to lease liability	–	34 287	34 287
	419 914	32 132	452 046

34. TAX PAID

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Balance at the beginning of the year	**(4 380)**	(1 862)	**2**	–
Current tax recognised in profit or loss	**(3 398)**	(26 827)	**–**	–
Balance at the end of the year	**(2 756)**	4 380	**(2)**	(2)
Total	**(10 534)**	(24 309)	**–**	(2)

35. SEGMENT REPORTING

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:** Two sawmills located in close proximity to Sabie 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 and countries in the SADC and non-SADC regions. Refer to the section on credit risk in note 39 for disclosure on major customers.

Performance in internal management reports is measured based on 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.

35. SEGMENT REPORTING continued

Transactions between segments are done at arm's length. The segment information for the year ended 30 June 2023 is as follows:

	GROUP				
	Processing plants R'000	Wholesale R'000	Forestry and Fleet R'000	Agriculture R'000	Total R'000
2023					
Revenue: external sales					
– Lumber sales	543 185	259 846	–	20 225	823 256
– Plywood sales	444 664	208 037	–	–	652 701
– Fruit and nut sales	–	–	–	14 655	14 655
– Sundry income	35 255	1 365	–	1 814	38 434
– Log sales	–	–	108 700	91	108 791
– Transport income	–	–	3 189	–	3 189
– Income from fruit packed	–	–	–	19 628	19 628
– Treating income	3 890	518	–	–	4 408
Revenue: inter-segment sales	316 733	94 050	719 479	9 279	1 139 541
	1 343 727	563 816	831 368	65 692	2 804 603
Revenue: external sales					
– South Africa	727 765	441 710	111 889	56 413	1 337 777
– SADC	170 720	28 056	–	–	198 776
– International (non-SADC)**	128 509	–	–	–	128 509
Revenue: inter-segment sales	316 733	94 050	719 479	9 279	1 139 541
	1 343 727	563 816	831 368	65 692	2 804 603
Material segment expenses					
– Depreciation, amortisation and impairments	(70 343)	(9 706)	(29 544)	(2 966)	(112 559)
– Employment cost	(211 526)	(16 311)	(76 959)	(21 652)	(326 448)
– Utilities	(74 957)	(2 402)	(3 292)	(4 134)	(84 785)
– Fuel	(22 265)	(4 685)	(33 959)	(4 157)	(65 066)
– Transport	(74 779)	(10 392)	(141 037)	(1 470)	(227 678)
Reportable segment profit*	64 453	21 113	17 205	2 494	105 265
Other non-cash item					
– Fair value adjustment to biological assets included in cost of sales	–	–	(385 779)	1 680	(384 099)
Capital expenditure	27 204	911	24 731	3 234	56 080
Material segment assets					
Property, plant and equipment	422 249	56 339	166 410	99 987	744 985
Biological assets	–	–	2 529 202	7 063	2 536 265

* *Being the EBITDA and fair value adjustments on biological assets.*
** *International sales refer to plywood sales to the United Kingdom, Belgium, Canada, Italy, Holland, Germany and the United States of America.*

35. SEGMENT REPORTING continued

	GROUP				
	Processing plants R'000	**Wholesale R'000**	**Forestry and Fleet R'000**	**Agriculture R'000**	**Total R'000**
2022					
Revenue: external sales					
– Lumber sales	719 676	275 982	–	15 292	1 010 950
– Plywood sales	432 340	236 841	–	–	669 181
– Fruit and nut sales	–	–	–	16 645	16 645
– Sundry income	36 272	964	–	1 706	38 942
– Log sales	–	–	83 342	–	83 342
– Transport income	–	–	1 357	–	1 357
– Income from fruit packed	–	–	–	12 618	12 618
– Treating income	3 792	187	–	–	3 979
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
Revenue: external sales					
– South Africa	904 979	483 306	84 699	46 261	1 519 236
– SADC	194 687	30 668	–	–	225 355
– International (non-SADC)**	92 414	–	–	–	92 414
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)	(127 977)	(15 863)	(214 427)
Reportable segment profit/(loss) – Restated*[1]	203 485	38 349	33 677	(5 117)	270 394
Other non-cash item					
– Fair value adjustment to biological assets included in cost of sales[1]	–	–	87 676	3 135	90 811
Capital expenditure	43 378	209	30 579	11 929	86 095
Material segment assets					
Property, plant and equipment	566 612	36 692	171 473	99 723	874 500
Biological assets[1]	–	–	2 876 253	5 383	2 881 636

* *Being EBITDA and fair value adjustments on biological assets.*

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

[1] *Refer to note 32 for details on the restatement.*

35. SEGMENT REPORTING continued

	GROUP	
	2023 R'000	Restated** 2022 R'000
Reconciliation of reportable segment revenue and profit		
Revenue		
Total revenue for reportable segments	**2 804 603**	2 921 827
Non-reporting segment revenue	**1 003**	1 796
Elimination of reportable inter-segment revenue	**(1 139 312)**	(1 084 813)
Consolidated revenue	**1 666 294**	1 838 810
Profit		
Total profit for reportable segments*	**105 265**	270 394
Depreciation and amortisation for reportable segments	**(116 692)**	(111 916)
Depreciation and amortisation and impairment for non-reporting segments	**(3 002)**	(1 239)
Non-reporting segments profit*	**4 991**	896
Fair value adjustment on biological assets	**(384 099)**	90 811
Operating (loss)/profit	**(393 537)**	248 946

* *Being EBITDA and fair value adjustments on biological assets.*
** *Refer to note 32 for details on the restatement.*

Refer to note 39 where sales to the three largest customers are disclosed. Refer also to note 28 where the components of operating profit or loss are disclosed. Refer to note 32 for details on the restatement.

36. COMMITMENTS

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Authorised capital expenditure				
Already contracted for but not provided for				
– Property, plant and equipment	**18 283**	1 472	**–**	–
Not yet contracted for				
– Property, plant and equipment	**67 758**	68 077	**–**	–

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.

37. 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 York Timbers Zambia Proprietary Limited
Other related entities	York Timbers Community Proprietary Limited York Timber Staff Proprietary Limited
Directors	Refer to note 38

* *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 (2022: 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 8.

Related party transactions

	GROUP		COMPANY	
	2023 R'000	**2022 R'000**	**2023 R'000**	**2022 R'000**
Recoveries received				
York Timbers Proprietary Limited	**–**	–	**(6 404)**	(6 564)
Finance cost from loan to Group companies				
York Timbers Proprietary Limited	**–**	–	**68 557**	15 690
Underwriting fees paid to related party				
A2 Investment Partners Proprietary Limited	**4 780**	–	**4 780**	–

The directors held 150 548 373 shares (2022: 72 884 085 shares) in York Timber Holdings Limited.

38. DIRECTORS' EMOLUMENTS

	Emoluments R'000	Other benefits* R'000	Total R'000
Executive			
2023			
PS Barnard	**490**	**226**	**716**
GCD Stoltz	**4 087**	**392**	**4 479**
	4 577	**618**	**5 195**

	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
	4 030	391	8 132	5 820	18 373

* *Other benefits relate to expense allowance and pension fund contributions.*

	Directors' fees R'000	Total R'000
Non-executive		
2023		
AW Brink	**663**	**663**
L Dhlamini	**644**	**644**
Dr AP Jammine	**265**	**265**
HM Mbanyele-Ntshinga	**571**	**571**
KM Nyanteh	**710**	**710**
N Siyotula	**1 563**	**1 563**
AJ Solomons	**434**	**434**
A van der Veen	**546**	**546**
A Zetler	**470**	**470**
	5 866	**5 866**
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

39. 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 19, lease liabilities in note 20 and cash and cash equivalents disclosed in note 14 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 agreement with Land Bank and the Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited), as per note 19, are subject to covenant clauses, whereby the Company is required to meet certain key financial ratios. Absa waived the right to call an event of default at year-end due to the non-compliance of the leverage and interest cover ratio.

	Required ratio	As calculated	Compliance (yes/no)
Land Bank loan covenant			
Security cover ratio	>=1,5:1	8,08	Yes
Interest cover ratio	>= 2:1	4,02	Yes
Debt/equity ratio	<= 1:1	0,13	Yes
Absa Capital fund loan (Stadsrivier) covenant			
Loan to value	<1	0,91	Yes
Debt to equity	<0,3	0,09	Yes
Leverage	<2,5	3,25	No
Interest cover	>3,5	2,20	No

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

		GROUP		COMPANY	
	Note	2023 R'000	Restated 2022 R'000	2023 R'000	2022 R'000
Borrowings repayable within one year	19	**156 302**	121 704	**–**	–
Borrowings repayable after one year	19	**237 375**	298 210	**–**	–
Lease liabilities	20	**30 161**	32 132	**–**	–
Total borrowings		**423 838**	452 046	**–**	–
Cash and cash equivalents	14	**(191 916)**	(16 364)	**–**	–
Net borrowings		**231 922**	435 682	**–**	–
Equity		**2 682 936**	2 751 050	**2 672 580**	2 498 528
Gearing ratio (%)		**9**	16	**–**	–

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Financial risk management

Overview

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

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, 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 training and management standards and procedures, aims 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 position 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 forecast 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 forecast financial risk position with respect to key financial objectives and compliance with treasury practice are regularly reported to the Board.

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 customers 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 who fail to meet the Group's benchmark on creditworthiness may transact with the Group only on a pre-payment basis. The Group does not require collateral in respect of trade and other receivables.

Credit guarantee insurance is purchased from Credit Guarantee Insurance Corporation of Africa Limited (CGIC). The total credit limit guaranteed by CGIC is R100 million, with a deductible annual aggregate of R0,5 million.

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Credit risk continued

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		2023			Restated** 2022		
	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	9	**133 005**	**–**	**133 005**	114 785	–	114 785
Trade and other receivables	12	**213 509**	**(7 243)**	**206 266**	183 358	(7 186)	176 172
Cash and cash equivalents	14	**191 916**	**–**	**191 916**	16 364	–	16 364
		538 430	**(7 243)**	**531 187**	314 507	(7 186)	307 321
COMPANY							
Loans to Group companies	8	**1 411 971**	**–**	**1 411 971**	1 240 449	–	1 240 449
Trade and other receivables	12	**178**	**(178)**	**–**	178	(178)	–
Cash and cash equivalents	14	**1**	**–**	**1**	–	–	–
		1 412 150	**(178)**	**1 411 972**	1 240 627	(178)	1 240 449

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 26% (2022: 27%) of the Group's revenue is attributable to sales transactions with three (2022: three) multinational customers. The outstanding balance on these customers was approximately 27% (2022: 30%) of the trade receivables balance. These are customers of the Processing plants and Wholesale division. Refer to the table below for the percentage of sales to three multinational customers.

	GROUP	
	2023 %	2022 %
Customer		
A	**12**	11
B	**6**	7
C	**8**	9
	26	27

The risk rating grades of cash and cash equivalents and the self-insurance fund are set out as follows. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Credit risk continued

	Credit rating of financial institution	GROUP 2023 Net cash and cash equivalents and other financial assets at amortised cost R'000	GROUP 2022 Net cash and cash equivalents and other financial assets at amortised cost R'000
FirstRand Bank Limited	BBB-	**29 342**	9 717
Standard Bank	AA+	**–**	60
Absa Bank	AA+	**89 777**	(32 155)
The Hellard Insurance Company Limited (self-insurance fund)	AA	**133 005**	114 785
		252 124	92 407

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.

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

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Absa IMX 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	**–**	–
Daimler asset and vehicle finance facility	**50 000**	50 000	**–**	–
	306 334	306 334		

The Group utilised R51,2 million (2022: R36,9 million) of the Absa asset and vehicle finance facility, R8,9 million (2022: R15,8 million) of the Daimler asset and vehicle finance facility and R72,6 million (2022: R38,6 million) of the IMX facility.

39. 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.

		GROUP				
	Note	1 to 6 months R'000	7 to 12 months R'000	1 to 2 years R'000	2 to 5 years R'000	Total R'000
2023						
Non-current liabilities						
Borrowings	19	**–**	**–**	**86 222**	**145 687**	**231 909**
Lease liabilities	20	**–**	**–**	**10 355**	**13 158**	**23 513**
Instalment sale agreements	19	**–**	**–**	**22 444**	**19 788**	**42 232**
Current liabilities						
Trade and other payables	23	**308 273**	**–**	**–**	**–**	**308 273**
Borrowings	19	**116 009**	**43 396**	**–**	**–**	**159 405**
Lease liabilities	20	**4 986**	**5 312**	**–**	**–**	**10 298**
Instalment sale agreements	19	**15 934**	**13 542**	**–**	**–**	**29 476**
		445 202	**62 250**	**119 021**	**178 633**	**805 106**

		GROUP			
Restated*	**Note**	**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	19	–	79 949	219 039	298 988
Lease liabilities	20	–	8 617	20 834	29 451
Instalment sale agreements	19	–	17 103	25 930	43 033
Current liabilities					
Trade and other payables	23	237 580	–	–	237 580
Borrowings	19	119 998	–	–	119 998
Lease liabilities	20	8 425	–	–	8 425
Instalment sale agreements	19	28 148	–	–	28 148
		394 151	105 669	265 803	765 623

* *Refer to note 32 for details on the restatement.*

		COMPANY	
	Note	Less than 1 year R'000	Total R'000
2023			
Current liabilities			
Trade and other payables	23	**232**	**232**
2022			
Current liabilities			
Trade and other payables	23	60	60

39. 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 African 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 Euro and collects the money in the USD and Euro-denominated bank account. 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 and plywood products were imported and denominated in USD, Euro's and Canadian Dollars (CAD) were purchased during the year. This exposed the Group to changes in the foreign exchange rates. Sales denominated in foreign currency provide a natural hedge to purchases denominated in foreign currency. In the current year, the Group had a realised foreign exchange loss of R4,1 million (2022: gain of R5,7 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	2023 '000	2022 '000
USD exposure			
Current assets			
Trade and other receivables	12	**67**	177
Cash and cash equivalents	14	**1 023**	539
Current liabilities			
Trade and other payables	23	**(59)**	(1 917)
Net USD exposure		**1 031**	(1 201)
Euro exposure			
Current assets			
Trade and other receivables	12	**77**	–
Cash and cash equivalents	14	**293**	–
Current liabilities			
Trade and other payables	23	**(156)**	–
Net Euro exposure		**214**	–
CAD exposure			
Current liabilities			
Trade and other payables	23	**(3)**	–
Net CAD exposure		**(3)**	–

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

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			
	2023		2022	
	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
Increase or decrease in rate				
Impact on profit or loss				
South African Rand exposure	**(238)**	**238**	(158)	158

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 19.

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	2023 %	2022 %	2023 R'000	2022 R'000
Variable rate instruments					
Liabilities					
Borrowings	19	**10,50 – 12,25**	7,25 – 8,75	**393 677**	419 914
Variable rate financial liabilities as a percentage of total interest-bearing financial liabilities		**100**	100		

40. 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**	**2023 R'000**	**Restated* 2022 R'000**	**2023 R'000**	**2022 R'000**
Recurring fair value measurements					
Assets					
Investment property	4				
Investment property		**13 884**	12 100	**–**	–
Total		**13 884**	12 100	**–**	–

		GROUP		COMPANY	
Level 3	**Note**	**2023 R'000**	**Restated* 2022 R'000**	**2023 R'000**	**2022 R'000**
Recurring fair value measurements					
Assets					
Biological assets	5				
Pine and eucalyptus trees		**2 529 202**	2 876 253	**–**	–
Unharvested fruit		**7 063**	5 383	**–**	–
Total biological assets		**2 536 265**	2 881 636	**–**	–

* *Refer to note 32 for details on the restatement.*

41. GOING CONCERN

The audited 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 increase in interest rates and related higher interest expense continue to put pressure on the Group's covenants under both the Absa and Land Bank facility agreements.

Management have proactively engaged with both banks and received a condonement from Absa for the expected 30 September 2023 breach. Based on current forecasts and current ratio parameters, the 31 December 2023 interest and leverage covenants are expected to be breached. Absa is conducting its annual review during October 2023 where covenant ratios will be reset. The Group expects to have sufficient funds available to settle the Absa debt, should it become payable in January 2024. However, this is unlikely based on indications from the bank.

The Land Bank facility provides a remedy to cure a breach within 20 days of notifying the bank of a potential breach. York has notified the bank of a potential breach and has applied the remedy in the compliance certificate issued to the bank, for the 30 September 2023 measurement period. The remedy cures the breach and, as such, the Group is not in default.

The rights issue funds are available to the Group to fund the increased external purchases as well as for liquidity. At year-end, R158 million of the funds were invested in a short-term fixed deposit and available to the Group.

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

42. EVENTS AFTER THE REPORTING PERIOD

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

43. EARNINGS PER SHARE

	GROUP		COMPANY	
	2023 Cents	Restated* 2022 Cents	2023 Cents	2022 Cents
Basic earnings per share				
Basic (loss)/earnings per share (cents)	**(77)**	53	**(17)**	(5)
Diluted basic (loss)/earnings per share (cents)	**(77)**	53	**(17)**	(5)

* *Refer to note 32 for details on the restatement.*

The bonus element of the share-based payment did not have a dilutive effect, due to rounding, on the shares (2022: did not have a dilutive effect).

	GROUP		COMPANY	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Reconciliation of (loss)/profit for the year to basic earnings				
(Loss)/profit for the year attributable to equity holders of the Parent	**(312 864)**	182 755	**(71 094)**	(16 206)
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	**320 859**	320 383	**331 241**	331 241
Adjusted for:				
Bonus element from rights issue	**23 580**	23 580	**23 580**	23 580
Rights offer shares issued for value	**59 638**	–	**59 638**	–
	404 077	343 963	**414 459**	354 821
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	**404 077**	343 963	**404 077**	331 241
Adjusted for:				
Bonus element of share-based payment	**762**	565	**762**	565
	404 839	344 528	**404 839**	331 806

* *Refer to note 32 for details on the restatement.*

The bonus element of the share-based payment did not have a dilutive effect, due to rounding, on the shares (2022: did not have a dilutive effect).

43. EARNINGS PER SHARE continued

	GROUP		COMPANY	
	2023 R'000	Restated* 2022 R'000	2023 R'000	2022 R'000
Headline (loss)/earnings and diluted headline (loss)/earnings per share				
Headline (loss)/earnings per share (cents)	**(76)**	53	**(17)**	(5)
Diluted headline (loss)/earnings per share (cents)	**(76)**	53	**(17)**	(5)
Reconciliation between basic (loss)/earnings and headline (loss)/earnings				
Headline (loss)/earnings	**(312 864)**	182 755	**(71 094)**	(16 206)
Adjusted for:				
Loss on sale of assets	**652**	2 021	**–**	–
Tax on loss on sale of assets	**(176)**	(566)	**–**	–
Impairment of property, plant and equipment	**9 941**	–	**–**	–
Tax on impairment of property, plant and equipment	**(2 684)**	–	**–**	–
Fair value adjustment on investment property	**(1 784)**			
Tax on fair value adjustment on investment property	**482**			
Insurance payouts from loss of assets	**(322)**	(1 235)	**–**	–
Tax on insurance payouts from loss of assets	**87**	346	**–**	–
Headline (loss)/earnings	**(306 668)**	183 321	**(71 094)**	(16 206)

* *Refer to note 32 for details on the restatement.*

43. EARNINGS PER SHARE continued

The bonus element of the share-based payment did not have a dilutive effect on the shares (2022: did not have a dilutive effect).

	GROUP		COMPANY	
	2023 R'000	**Restated* 2022 R'000**	**2023 R'000**	**2022 R'000**
Core (loss)/earnings per share**				
Core (loss)/earnings per share (cents)	**(8)**	34	**(17)**	(5)
Diluted core (loss)/earnings per share (cents)	**(8)**	34	**(17)**	(5)
Reconciliation between basic (loss)/earnings and core (loss)/earnings				
Basic (loss)/earnings	**(312 864)**	182 755	**(71 094)**	(16 206)
Adjusted for:				
Fair value adjustment on biological assets	**384 099**	(90 811)	**–**	–
Tax on fair value adjustment on biological assets	**(103 707)**	25 427	**–**	–
Core (loss)/earnings	**(32 472)**	117 371	**(71 094)**	(16 206)

* *Refer to note 32 for details on the restatement.*

** *Core earnings is defined as basic earnings adjusted for fair value adjustments on biological assets after taxation. This is a non-IFRS measure.*

44. CONTINGENT LIABILITY

A previous provident fund of the Group made a claim against a subsidiary, for the incorrect deduction of contributions from members' salaries based on the fund's rules, for a period between 2007 and 2014. York paid the full amount deducted from employees to the fund for the period in question. There was no money withheld by York. While a High Court ruling found in favour of the fund, York continues to contest the claim.

04
SHAREHOLDERS' INFORMATION

SHAREHOLDERS' PROFILE

As at 30 June 2023

Shareholder spread	Number of shareholdings	% of total shareholding	Number of shares	% of number of shares
1 – 1 000	3 585	76,24	386 649	0,08
1 001 – 10 000	617	13,12	2 341 352	0,49
10 001 – 100 000	376	8,00	13 034 601	2,75
100 001 – 1 000 000	97	2,06	27 828 563	5,87
Over 1 000 000	27	0,58	430 506 574	90,81
Total	**4 702**	**100,00**	**474 097 739**	**100,00**
Assurance companies	1	0,02	37 901 567	7,99
Close corporations	13	0,28	336 867	0,07
Collective investment schemes	8	0,17	43 715 988	9,22
Custodians	3	0,06	1 000 014	0,21
Foundations and charitable funds	12	0,26	492 896	0,10
Hedge funds	6	0,13	26 722 033	5,64
Investment partnerships	7	0,15	4 254 719	0,90
Managed funds	5	0,11	54 002 704	11,39
Private companies	84	1,79	59 638 094	12,58
Public companies	3	0,06	88 180	0,02
Public entities	1	0,02	95 136 513	20,07
Retail shareholders	4 470	95,07	38 907 462	8,21
Retirement benefit funds	2	0,04	280 965	0,06
Scrip lending	1	0,02	627 745	0,13
Share schemes	1	0,02	48 200	0,01
Stockbrokers and nominees	10	0,21	101 353 729	21,38
Trusts	74	1,57	9 588 642	2,02
Unclaimed scrip	1	0,02	1 421	0,00
Total	**4 702**	**100,00**	**474 097 739**	**100,00**

Key shareholders	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
Directors and associates	4	0,09	150 548 373	31,75
Share schemes	1	0,02	48 200	0,01
Non-public shareholders	5	0,11	150 596 573	31,76
Public shareholders	4 697	99,89	323 501 166	68,24
Total	**4 702**	**100,00**	**474 097 739**	**100,00**

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued shares
Legae Peresec	96 876 915	20,43
Industrial Development Corporation	95 136 513	20,07
Old Mutual Group	62 073 126	13,09
A2 Investment Partners Proprietary Limited	52 746 570	11,13
Mr D Hayward (previously disclosed as held by Bridge Creek Trading 10 Proprietary Limited)	29 356 410	6,19
Rozendal Partners	22 806 359	4,81
Total	**358 995 893**	**75,72**

Total number of shareholdings	**4 702**
Total number of shares in issue	**474 097 739**

Share price performance	
Opening price 1 July 2022	R2,50
Closing price 30 June 2023	R1,96
Closing high for period	R3,00
Closing low for period	R1,76
Number of shares in issue	474 097 739
Volume traded during the period	28 111 833
Ratio of volume traded to shares issued	5,93%
Rand value traded during the period	R63 943 659
Market capitalisation as at 30 June 2023	R929 231 568

NOTICE OF ANNUAL GENERAL MEETING

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** or the **Group**)

Notice is hereby given that the annual general meeting (AGM) of shareholders of the Company will be held on Thursday, 23 November 2023 at 09:00 at Glencore, South 32 Building, 39 Melrose Boulevard, Melrose Arch, Sandton, 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, 13 October 2023, 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, 17 November 2023. The last day to trade in order to be entitled to participate in and vote at the AGM will be Tuesday, 14 November 2023.

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 in the 2023 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 2023

"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 2023, 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 2023, 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: **www.york.co.za**.

ORDINARY RESOLUTIONS NUMBERS 2.1 TO 2.4

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 Nonzukiso Siyotula;

2.2 Lindani Dhlamini; and

2.3 André van der Veen.

It is further resolved that the shareholders ratify the appointment of the following director, by way of a separate vote:

2.4 Schalk Barnard."

Brief résumés of the directors offering themselves for re-election and whose appointment requires ratification by shareholders are contained on pages 12 and 13 of the 2023 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

Appointment of the external auditor

"Resolved that Deloitte & Touche (with Mr Logan Govender being the designated external audit partner) be and are hereby 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

Election of the Audit Committee members

"Resolved that shareholders elect, by way of a separate vote, the following non-executive directors, the majority of whom are independent, as members of the Audit Committee, subject to the re-election of Lindani Dhlamini as a director in terms of ordinary resolution number 2.2 with effect from the end of this AGM until the conclusion of the next AGM of the Company:

4.1 Andries Brink;

4.2 Maxwell Nyanteh;

4.3 Lindani Dhlamini; and

4.4 Adrian Zetler."

Brief résumés of the directors offering themselves for election as members of the Audit Committee are contained on pages 12 and 13 of the 2023 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 resolution, the Company's remuneration policy, as set out on pages 20 to 24 of the 2023 annual report."

5.2 "Resolved that shareholders endorse, by way of a non-binding advisory resolution, the Company's remuneration implementation report, as set out on pages 21 to 24 of the 2023 annual report."

The percentage of voting rights that will be required for each of these non-binding advisory resolutions to be adopted so that no engagement with dissenting shareholders will be required is more than 75% 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 10% of the issued share capital of the Company, representing not more than 47 409 773 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 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 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 47 409 773 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 1 January 2024 onwards as follows:

Resolution		Proposed remuneration for the period 1 January 2024 onwards (annual fee and meeting fees paid quarterly in arrears)	
		Annual retainer R	Fee per meeting R
1.1	Chairperson of the Board	433 000	88 204
1.2	Lead independent director	281 563	27 107
1.3	Board members	110 893	22 590
1.4	Chairperson of a Board committee	97 527	24 834
1.5	Board committee members	52 752	13 432

The annual scheduled meetings for the Board and Audit Committee are four meetings each. The Remuneration and Nomination Committee, Risk and Opportunity Committee and Social and Ethics Committee have two annual scheduled meetings. If additional 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 1 January 2024 onwards have been split into an annual retainer fee and a fee per meeting, which constitutes a 6% increase from the proposed and/or approved non-executive director fees for 1 January 2023 to 31 December 2023.

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

Financial assistance in terms of sections 44 and 45 of the Companies Act

"Resolved that the Board be and is hereby authorised, subject to sections 44 and 45 of the Companies Act, the MOI and the JSE Listings Requirements, to authorise the Company to provide direct or indirect financial assistance to the Company's wholly owned subsidiaries and their respective subsidiaries which assistance is done at commercial arm's-length terms, provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of two years from the date of the adoption of this special resolution number 2."

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 the special resolution referred to above is to permit the Company to provide direct or indirect financial assistance to the entities referred to above.

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 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 Tuesday, 21 November 2023 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 rights to be represented by proxy as herewith stated. An extract of section 58 is included in the form of proxy on page 112.

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 at **ecomms@computershare.co.za.**

By order of the Board

Kilgetty Statutory Services (South Africa) Proprietary Limited
Company Secretary

10 October 2023

Meeting facilitator

The Meeting Specialist Proprietary Limited
JSE Building
One Exchange Square, 2 Gwen Lane
Sandown, 2196
PO Box 62043, Marshalltown, 2107
011 520 7951/0/2

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 2.4: 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 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 or her last election or appointment, he or 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 or she retires. The retiring directors may be re-elected provided that they are eligible. Nonzukiso Siyotula, Lindani Dhlamini and André van der Veen 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. Schalk Barnard was appointed as an executive director by the Board with effect from 1 May 2023. Accordingly, the appointment of Schalk Barnard requires ratification by shareholders at the AGM.

ORDINARY RESOLUTION NUMBER 3: APPOINTMENT OF THE EXTERNAL AUDITOR

The Audit Committee has nominated Deloitte & Touche for 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 Deloitte & Touche (with Mr Logan Govender being the designated external audit partner) for 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 Deloitte & Touche is accredited and appears on the JSE list of auditors and accounting specialists, and that Mr Logan Govender 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.

Deloitte & Touche was appointed as the external auditor with effect from 20 February 2023. Accordingly, the appointment of Deloitte & Touche requires ratification by shareholders at the AGM.

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: ELECTION OF AUDIT COMMITTEE MEMBERS

In terms of section 94(2) of the Companies Act, and in compliance with the King IV Report on Corporate Governance for South Africa, 2016™ (King IV™), the Company must elect an Audit Committee comprising at least three independent non-executive 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 Andries Brink, Maxwell Nyanteh, Lindani Dhlamini and Adrian Zetler are non-executive directors, the majority of whom are independent as contemplated in King IV™ and the JSE Listings Requirements.

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

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 resolutions 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 their 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 services 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: FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT

This general authority would assist the Company with, inter alia, making inter-company loans to wholly owned subsidiaries as well as granting letters of support and guarantees in appropriate circumstances. The existence of a general shareholder authority would avoid the need to refer each instance to shareholders for approval which might impede the negotiations and add time and expense. If approved, this general authority will expire at the end of two years from the date of the passing of the resolution.

The Board must, when considering such assistance, either for the specific recipient or generally for a category, ensure that:

- the Company will satisfy the solvency and liquidity test immediately after providing the financial assistance; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

FORM OF PROXY

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** or the **Group**)

Form of proxy for the annual general meeting (AGM) to be held on Thursday, 23 November 2023 at 09:00 at Glencore, South 32 Building, 39 Melrose Boulevard, Melrose Arch, Sandton, 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 Tuesday, 21 November 2023 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	Nonzukiso Siyotula			
2.2	Lindani Dhlamini			
2.3	André van der Veen			
	Ratify the appointment of the following director who was appointed by the Board:			
2.4	Schalk Barnard, as executive director with effect from 1 May 2023			
3.	**Ordinary resolution number 3:** Appointment of the external auditor (with Mr Logan Govender being the designated external audit partner)			
4.	**Ordinary resolution number 4:** Election of Audit Committee members (by separate resolutions):			
4.1	Andries Brink			
4.2	Maxwell Nyanteh			
4.3	Lindani Dhlamini			
4.4	Adrian Zetler			
5.	**Ordinary resolution number 5:** Endorsement of the Company's remuneration policy and implementation report (by separate non-binding advisory 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			

		For	Against	Abstain
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):			
	Proposed remuneration for the period 1 January 2024 onwards			
1.1	Chairperson of the Board			
1.2	Lead independent director			
1.3	Board members			
1.4	Chairperson of a Board committee			
1.5	Board committee members			
2.	**Special resolution number 2:** Financial assistance in terms of sections 44 and 45 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 ______________________ 2023

______________________ ______________________

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 a 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 Tuesday, 21 November 2023 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 RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT OF SOUTH AFRICA, 71 OF 2008 (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.

ELECTION FORM

TO ELECTRONICALLY RECEIVE THE DOCUMENTS REQUIRED TO BE DISTRIBUTED, PUBLISHED, PROVIDED OR DELIVERED TO SHAREHOLDERS IN TERMS OF THE COMPANIES ACT

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** or the **Group**)

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, 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, as amended, 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 ______________________________ 2023

______________________________ ______________________________

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 Tuesday, 21 November 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: 011 688 5248

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 2023

Deloitte & Touche
Chartered Accountants (SA)
Registered Auditors

Transfer secretaries

Computershare Investor Services Proprietary Limited

Sponsor

One Capital Sponsor Services Proprietary Limited

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 directors
Gabriël Stoltz *(Chief Executive Officer)*
Schalk Barnard *(Chief Financial Officer)*

Non-executive directors
Nonzukiso Siyotula* (*Chairperson*)
Maxwell Nyanteh* (*Lead Independent Director*)
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

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