York Timber Holdings Limited
(Registration number 1916/004890/06)
Consolidated and Separate Annual Financial Statements
for the year ended 30 June 2021

These consolidated and separate annual financial statements were prepared under the supervision of:
GCD Stoltz CA(SA)
Chief Financial Officer

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The reports and statements set out below comprise the consolidated and separate annual financial statements presented to shareholders:

Audit Committee Report

1. Mandate and terms of reference

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

The Audit Committee performed the following statutory and regulatory duties:

- Reviewed and recommended for adoption by the board the publicly disclosed financial information which comprised the Group's consolidated interim results for the six months ended 31 December 2020 and the consolidated and separate annual financial statements for the year ended 30 June 2021;
- Satisfied itself that the external auditor, PricewaterhouseCoopers Incorporated, and its audit partner, complied with the suitability criteria for re-appointment as required by Paragraph 3.84(g)(iii) as read with later paragraph 22.15(h) of the JSE Listings Requirements, are properly accredited and independent and assessed the quality of the audit;
- Approved the external auditor's fees and terms of engagement for the 2021 financial year;
- Determined the nature and extent of the non-audit services that may be provided by the external auditors and pre-approved any proposed agreements with them for the provision of such services;
- The Audit Committee evaluated the performance of the internal audit function and resolved to continue to source the internal audit function from Tereo Krino Business Assurance Consultants Proprietary Limited and approved the internal audit plan and budgeted fee for the 2021 financial year;
- Reviewed the Audit Committee charter in line with King IV recommendations;
- Held separate meetings with management and the external and internal auditors to discuss relevant matters;
- Noted that it had not received any complaints, from either within or outside the Company, relating to the accounting practices, the internal audits, the content or auditing of the annual financial statements, the internal financial controls or any other related matters;
- 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 Chief Financial Officer, as required by paragraph 3.84(g)(i) of the JSE Listings Requirements;
- Satisfied itself as to the expertise, resources and experience of the Company's finance function;
- Considered the Group's liquidity and solvency positions;
- 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;
- Satisfied itself that the adoption of the going concern basis by York Timber Holdings Limited in preparing the consolidated annual financial statements was appropriate;
- 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 of the Company, pursuant to Section 61(8) of the Companies Act; and
- Satisfied itself through management representations and findings by the external auditor, as well as work performed by the internal auditors that the key audit matters relating to Goodwill, including the impairment assessment of the Forestry cash generating unit and the valuation of Biological Assets for Pine and Eucalyptus trees have been presented fairly in the consolidated and separate annual financial statements.

2. Membership

In terms of section 94(2) of the Companies Act, the Audit Committee is a statutory committee and in terms of the JSE Listing Requirements and KING IV, comprises at least three independent non executive members, elected by the shareholders at each annual general meeting. The members of the Audit Committee for the 2021 financial year were:

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

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

The Chief Executive Officer, Chief Financial Officer, 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 Report

Audit committee meeting attendance	03/09/2020	10/11/2020	15/03/2021	08/06/2021
AW Brink (Chairman)	Yes	Yes	Yes	Yes
KM Nyanteh	Yes	Yes	Yes	Yes
Dr AP Jammine	Yes	Yes	Yes	Yes

3. 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 in regard to safeguarding of assets and the integrity of financial information.

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

4. 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 financial statements comply, in all material respects, with the requirements of the Companies Act 71 of 2008 of South Africa, International Financial Reporting Standards (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 Audit Committee recommended the consolidated and separate annual financial statements to the Board for adoption by round robin resolution on 27 September 2021. These consolidated and separate annual financial statements will be open for discussion at the forthcoming annual general meeting.

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

AW Brink
Chairman: Audit Committee
27 September 2021

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa, 71 of 2008, as amended (Companies Act) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the 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. 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 International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors (Board) sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring that the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within pre-determined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. 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 2022 and, in light of this review and the current financial position, they are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the Group's external auditors and their report is presented on pages 11 to 18. The 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 financial statements and the auditors cannot be held responsible for any changes that may have occurred to the financial statements since they were initially presented on the website.

The financial statements set out on pages 19 to 90, which have been prepared on the going concern basis, were authorised in accordance with a round robin resolution by the Board on 27 September 2021 and were signed on their behalf by:

Approval of consolidated and separate annual financial statements

JP Myers	**GCD Stoltz**
Chairman	**Interim Chief Executive Officer**

Company secretary's certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, 71 of 2008. I certify that the group has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Mrs Han-hsiu Hsieh
Company Secretary
27 September 2021

Responsibility Statement by the Executive Director

I, Gerald Stoltz, in my capacity as CFO and interim CEO hereby confirm that:

- the annual financial statements set out on pages s 19 to 90, fairly present in all material respects the financial position, financial performance and cash flows of York in terms of International Financial Reporting Standards;
- 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 have been provided to effectively prepare the annual financial statements of York; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of King IV. Where I am not satisfied, I have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

GCD Stoltz
Interim Chief Executive Officer and Chief Financial Officer
27 September 2021

Directors' report

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of York Timber Holdings Limited (York, the Company or the Group) for the year ended 30 June 2021.

1. Nature of business

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

In the current year the group acquired businesses with interest in the farming of avocados, macadamias, fruit packing facility, lumber and pallet plant.

2. Review of the financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008 of South Africa. The accounting policies to the consolidated and separate financial statements have been applied consistently compared to the prior year.

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

3. Share capital

	2021	2020	2021	2020
Issued	R '000	R '000	Number of shares	
Ordinary shares	15 876	15 802	317 520 045	316 048 013

During the year 1 472 032 shares, previously held as treasury shares by a wholly-owned subsidiary as per note 17, were transferred to qualifying individuals in terms of the share based payment scheme awarded in 2018 under the 2015 Share plan (refer to note 18).

4. Dividends

The Board has resolved not to declare a dividend for the year ended 30 June 2021.

5. Directorate

The directors in office during the financial period:

Directors	Office	Designation	Changes
AW Brink		Non-executive Independent	
Dr AP Jammine		Non-executive Independent	
DM Mncube		Non-executive Independent	
SAU Meer		Non-executive	Resigned 01 April 2021
HM Mbanyele-Ntshinga		Non-executive Independent	
Dr JP Myers	Chairman	Non-executive Independent	
KM Nyanteh		Non-executive Independent	
GCD Stoltz	Chief Financial Officer	Executive	
PP van Zyl	Chief Executive Officer	Executive	Deceased 17 July 2021
A Zetler		Non-executive	Appointed 01 September 2021
A van der Veen		Non-executive (Alternate director)	Appointed 01 September 2021
L Dhlamini		Non-executive Independent	Appointed 21 September 2021

Directors' report

6. Directors' shareholding

As at 30 June 2021, the directors of the Company held direct beneficial interests in 1.54% (2020: 1.36%) of its issued ordinary shares, as set out below. No non-executive director holds any of the ordinary shares of the Company.

Interests in shares

Directors	2021 Direct	2020 Direct	2021 Direct	2020 Direct
PP van Zyl	4 507 410	4 507 410	1.36	1.36
GCD Stoltz	609 866	12 000	0.18	-
	5 117 276	**4 519 410**	**1.54**	**1.36**

Interests in share incentive scheme (units)

Directors	2021 Direct	2020 Direct
PP van Zyl (equity-settled share-based payment)	3 000 000	-
GCD Stoltz (equity-settled share-based payment)	-	751 880
	3 000 000	**751 880**

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

The directors held no indirect beneficial interest in the Company's shares.

Refer to point 9 below for changes in beneficial interest that occurred between the end of the reporting period and the date of this report.

7. 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's subsidiary, York Timbers Proprietary Limited, is subject to externally imposed capital requirements in the form of a debt-equity ratio requirement of below 1:1, in terms of the Land Bank loan facility (refer to note 20).

8. Special resolutions

During the year, two special resolutions were passed by the shareholders of York Timber Holdings Limited and its subsidiaries. The resolutions were for general authority to repurchase shares and financial assistance in terms of section 44 and 45 of the Companies Act, 71 of 2008, of South Africa.

9. Events after the reporting period

Pursuant to the rules of the 2015 Share Plan, the late Chief Executive Officer's restricted shares have vested and will be settled to his estate. The number of shares that vested on 19 July 2021 have a deemed value of R6 430 730.

Directors' report

10. Going concern

The South African economy was affected by the news of the first confirmed cases of the COVID-19 virus whereafter the country was placed in lockdown. The entity was affected by the lockdown implemented by the South African Government and developed health and safety protocols with a prevention and mitigation plan in place for COVID-19 and focus was placed on selling from available stock. All the operations were back to capacity from 1 July 2020 to meet the change in market demand. The total comprehensive income for the period of R141.1 million compared to a loss of R217.4 million in the preceding year.

Management has assessed the appropriateness of the use of the going concern assumption in the preparation of these financial statements through a review of the 2022 budget and cash flow forecast and based on the assessment performed, there is no material uncertainty nor conditions that may cast doubt on the company's ability to continue as a going concern.

11. Auditor

PricewaterhouseCoopers Inc. was appointed as auditor for the Group for 2021. The engagement partner appointed is Schalk Barnard.

12. Secretary

The company secretary is Mrs Han-hsiu Hsieh.

Business address:	York Corporate Office 3 Main Road Sabie 1260

13. Interest in subsidiaries

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

Directors' report

14. Shareholder profile

The shareholder profile at 30 June 2021 was as follows:

Shareholder spread	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
1 - 1 000	1 797	65.97	282 435	0.09
1 001 - 10 000	507	18.61	2 202 840	0.67
10 001 - 100 000	325	11.93	10 957 927	3.31
100 001 - 1 000 000	68	2.50	19 366 904	5.85
Over 1 000 000	27	0.99	298 430 491	90.08
Total	**2 724**	**100.00**	**331 240 597**	**100.00**

Shareholder type				
Assurance Companies	1	0.04	26 885 192	8.12
Close Corporations	15	0.55	736 746	0.22
Collective Investment Schemes	9	0.33	71 895 689	21.70
Custodians	4	0.15	4 609 033	1.39
Foundations and Charitable Funds	3	0.11	23 632	0.01
Hedge Funds	1	0.04	8 958 333	2.70
Insurance companies	1	0.04	19 125	0.01
Investment Partnerships	4	0.15	711 956	0.21
Managed Funds	1	0.04	750 000	0.23
Private Companies	61	2.24	65 714 632	19.84
Public Companies	1	0.04	100	-
Public Entities	1	0.04	95 136 513	28.73
Retail Shareholders	2 542	93.29	30 832 348	9.31
Retirement Benefit Funds	2	0.07	11 581 598	3.50
Share Schemes	1	0.04	48 200	0.01
Stockbrokers & Nominees	9	0.33	5 274 464	1.59
Trusts	67	2.46	8 061 615	2.43
Unclaimed Scrip	1	0.04	1 421	-
Total	**2 724**	**100.00**	**331 240 597**	**100.00**

Key Shareholders	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
Directors and Associates (Excl Employee Share Schemes)	2	0.07	5 117 276	1.54
Strategic Holdings (more than 10%)	1	0.03	95 136 513	28.73
Empowerment	4	0.15	72 927 802	22.02
Share Schemes	1	0.04	48 200	0.01
Non-public shareholders	8	0.29	173 229 791	52.30
Public Shareholders	2 716	99.71	158 010 806	47.70
Total	**2 724**	**100.00**	**331 240 597**	**100.00**

Beneficial Shareholders Holding > 3% of Issued Shares		
Industrial Development Corporation	95 136 513	28.72 %
Lereko Investments	32 155 010	9.71 %
Old Mutual Group	45 487 064	13.73 %
Bridge Creek Trading 10 Proprietary Limited	29 356 410	8.86 %
Agentimber Proprietary Limited	13 720 552	4.14 %
Auburn Avenue Trading 55 Proprietary Limited	11 416 382	3.45 %
Sentinel Mining Industry Retirement Funds	11 521 598	3.48 %
	238 793 529	**72.09 %**

Independent auditor's report

To the Shareholders of York Timber Holdings Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

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

What we have audited

York Timber Holdings Limited's consolidated and separate financial statements set out on pages 19 to 90 comprise:

- the consolidated and separate statements of financial position as at 30 June 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

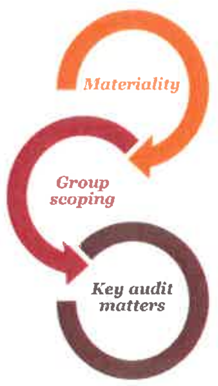
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview



Overall group materiality

- *R 18.5 million, which represents 1% of consolidated revenue*

Group audit scope

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

Key audit matters

- *Valuation of biological assets - pine and eucalyptus*
- *Impairment assessment of the Forestry Cash Generating Unit (CGU), including goodwill*

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

Materiality

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

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

Overall group materiality	*R18.5 million*
How we determined it	*1% of consolidated revenue*
Rationale for the materiality benchmark applied	We chose consolidated revenue as the benchmark because, in our view, it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatility and near break-even earnings, and it is a generally accepted benchmark. We chose 1%, which is consistent with quantitative materiality thresholds used for companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.
The consolidated financial statements are a consolidation of the Company and 14 subsidiaries, which consist of 6 trading entities and 8 dormant entities. All trading entities were subject to full scope audits based on their financial significance to the Group due to their contribution to consolidated revenue.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the group's engagement team, as well as the component auditors. The 8 dormant entities are insignificant to the Group and only consist of intergroup balances, which all eliminate on consolidation. As such, we did not rely on the work of the component auditor.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report with regard to the audit of the separate financial statements of the Company for the current period.

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Key audit matter	*How our audit addressed the key audit matter*
Valuation of biological assets - pine and eucalyptus Refer to note 5 to the consolidated financial statements. Biological assets comprise planted pine and eucalyptus trees. As at 30 June 2021, the Group recognised biological assets with a fair value of R 2.503 billion in consolidated non-current assets and R 373 million in consolidated current assets. The Group measures its biological assets at fair value less costs to sell with any resultant gain or loss recognised through profit and loss. Refer to accounting policy 1.5 for further detail in this regard. Biological assets are classified as level 3 in the accounting standard *IFRS 13 - Fair Value Measurement*. This implies that fair value is determined with reference to unobservable inputs. The Group has used the discounted cash flow method to value the biological assets. This method is complex, highly judgmental and subject to significant assumptions. The most significant judgements and assumptions applied in determining the fair value of biological assets include: 1) determination of a discount rate which is calculated as an after tax weighted average cost of capital ("WACC"); 2) determination of expected yields per log class calculated based on relevant growth models (growth rate); 3) determination of a volume adjustment factor due to the susceptibility of the plantations to the environment; 4) determination of the price per cubic meter based on the current and future expected	Our audit addressed the key audit matter as follows: We evaluated the appropriateness and consistency of the significant judgements and assumptions applied by management in the discounted cash flow calculation by performing the procedures below: - Making use of our valuations expertise, we independently calculated the WACC using external data sources, including a recalculation of the biological asset value at year end. We found the discount rate used by management to be within an acceptable range of our independent calculation. - We tested the mathematical accuracy of management's valuation model. No material differences were noted. - We evaluated the reasonableness of: a) The projected volumes, including yields, that the existing plantations are predicted to produce, through assessment against the Group's historical production volumes; b) The volume adjustment factor with reference to actual deviations based on harvested results; c) The price per cubic meter against actual results and current market prices; and d) The operational costs of the forest management activities, based on our understanding of the business, past results and the economic outlook. Based on the results of our work performed, we accepted management's projected volumes, yields, volume adjustment factor and price per cubic meter and operational costs used in their assessment. - We performed an independent sensitivity

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market prices per log class; and 5) determination of operational costs based on unit costs of the forest management activities. The valuation of the Group's biological assets was considered to be a matter of most significance to our current year audit due to : - the valuation being subject to complexity, significant judgement and management assumptions; - biological assets forming a key metric in the Group's business; and - the magnitude of the balance in relation to the consolidated statement of financial position	analysis of the fair value assessment to assess the reasonableness of management's calculation, taking in account reasonable changes in the assumed growth rates and cash flows. We did not note any aspect in this regard which required further consideration. We assessed management's significant judgements and assumptions against historical practices and the biological asset management plans. We noted no material inconsistencies in this regard.
Impairment assessment of the Forestry Cash Generating Unit (CGU), including goodwill The Group recognised goodwill with a carrying amount of R 357.6 million as at 30 June 2021. As set out in note 6 to the consolidated financial statements, goodwill is tested for impairment at each year end. For purposes of impairment testing, goodwill has been allocated to the forestry cash generating unit ("CGU"). Management performs an annual impairment assessment in respect of the CGU. The recoverable amount of the CGU is determined with reference to fair value less costs to sell. Assumptions made by management in determining the fair value less costs to sell are disclosed in note 6 to the consolidated financial statements and include projected cash flows, inflation rates, expected yields per log class, volume adjustment factors and price per cubic metre.	We evaluated the appropriateness of the level at which impairment is assessed, being the Group's CGU's. We also assessed the level at which goodwill is monitored for impairment to evaluate whether it was tested at the appropriate CGU level in accordance with International Accounting Standard (IAS) 36 - *Impairment of Assets*. We performed the following in addressing the key audit matter: We evaluated the appropriateness and consistency of the significant judgements and assumptions applied by management in the discounted cash flow calculation by performing the procedures below: - Making use of our valuations expertise, we independently calculated the WACC using external data sources, including a recalculation of the fair value less cost to sell off the CGU at year end. We found the discount rate used by management to be within an acceptable range of our independent calculation. - We tested the mathematical accuracy of

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We considered the impairment assessment of the forestry CGU, including its related goodwill, to be a matter of most significance to the current year audit due to the significant judgement, assumptions and estimation applied by management in determining the fair value less costs to sell.	management's valuation model. No material differences were noted. - We performed an independent sensitivity analysis of the fair value assessment to assess the reasonableness of management's calculation, taking into account a reasonable change in the assumed growth rates and cash flows. We did not note any aspect in this regard which required further consideration. We evaluated the reasonableness of: - The future log prices by comparing it to actual results and current market prices; - The expected yields from the plantation based on rotation which includes replantings and associated costs with reference to the Group's historical production volumes; and - The forecasted growth rates by comparing it to historical actual growth and market expectations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*York Timber Holdings Limited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2021*" and the document titled "*York Timbers Integrated Annual Report 2021*" , which includes the Directors' Report, the Audit Committee Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the directors for the consolidated and separate financial statements

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

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financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of York Timber Holdings Limited for 3 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Schalk Barnard
Registered Auditor
Mbombela
27 September 2021

Statements of Financial Position as at 30 June 2021

		Group		Company		
Figures in Rand R'000	Notes	2021	2020	2021	2020 Restated	2019 Restated
Assets						
Non-Current Assets						
Property, plant and equipment	3	905 645	844 129	-	-	-
Investment property	4	34 180	30 740	-	-	-
Biological assets	5	2 502 597	2 391 304	-	-	-
Goodwill	6	357 630	357 630	-	-	-
Intangible assets	7	9 556	6 076	-	-	-
Investments in subsidiaries	8	-	-	1 123 919	1 122 502	1 120 970
Loans to group companies	9	-	-	1 256 070	1 257 152	1 220 027
Other financial assets at amortised cost	10	97 583	53 331	-	-	-
Deferred tax	11	4 336	7 353	37	37	37
		3 911 527	**3 690 563**	**2 380 026**	**2 379 691**	**2 341 034**
Current Assets						
Biological assets	5	375 554	515 586	-	-	-
Inventories	12	183 265	229 191	-	-	-
Trade and other receivables	13	271 933	164 796	138	156	49
Current tax receivable	14	1 072	477	-	-	-
Cash and cash equivalents	15	108 030	48 430	1	-	-
		939 854	**958 480**	**139**	**156**	**49**
Non-current assets held for sale	16	750	-	-	-	-
Total Assets		**4 852 131**	**4 649 043**	**2 380 165**	**2 379 847**	**2 341 083**
Equity and Liabilities						
Equity						
Share capital	17	1 484 157	1 480 232	1 521 914	1 521 914	1 521 914
Reserves	19&18	2 193	4 148	1 363	4 759	3 227
Retained income		1 537 978	1 396 492	855 076	851 622	814 248
		3 024 328	**2 880 872**	**2 378 353**	**2 378 295**	**2 339 389**
Liabilities						
Non-Current Liabilities						
Borrowings	20	347 330	417 922	-	-	-
Lease liability	21	394	4 971	-	-	-
Retirement benefit obligation	22	25 658	26 910	-	-	-
Deferred tax	11	887 618	848 624	-	-	-
Provisions	23	16 576	16 249	-	-	-
		1 277 576	**1 314 676**	**-**	**-**	**-**
Current Liabilities						
Trade and other payables	24	337 534	234 769	1 812	1 550	1 677
Borrowings	20	167 461	165 976	-	-	-
Lease liability	21	4 690	7 331	-	-	-
Deferred income		502	-	-	-	-
Current tax payable	14	2 934	2	-	2	17
Provisions	23	256	-	-	-	-
Bank overdraft	15	36 850	45 417	-	-	-
		550 227	**453 495**	**1 812**	**1 552**	**1 694**
Total Liabilities		**1 827 803**	**1 768 171**	**1 812**	**1 552**	**1 694**
Total Equity and Liabilities		**4 852 131**	**4 649 043**	**2 380 165**	**2 379 847**	**2 341 083**

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Rand R'000	Notes	2021	2020	2021	2020 Restated
Revenue	25	1 850 670	1 438 825	4 775	4 606
Cost of sales		(1 337 549)	(1 180 758)	-	-
Gross profit		**513 121**	**258 067**	**4 775**	**4 606**
Other operating income	26	28 743	15 049	-	-
Other operating (losses) / gains	27	(9 154)	8 287	-	-
Other operating expenses		(308 439)	(363 511)	(4 771)	(4 602)
Operating profit / (loss)	28	**224 271**	**(82 108)**	**4**	**4**
Investment income	29	3 618	3 017	3 451	37 372
Finance cost	30	(48 447)	(61 049)	-	-
Other non-operating gains (losses)	31	19 227	(159 301)	-	-
Profit / (loss) before taxation		**198 669**	**(299 441)**	**3 455**	**37 376**
Taxation	32	(59 025)	81 804	(1)	(2)
Profit / (loss) for the year		**139 644**	**(217 637)**	**3 454**	**37 374**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability		2 001	361	-	-
Taxation related to remeasurements on defined benefit liability		(560)	(101)	-	-
Defined benefit plan reserve		**1 441**	**260**	**-**	**-**
Other comprehensive income for the year net of taxation		**1 441**	**260**	**-**	**-**
Total comprehensive income / (loss) for the year		**141 085**	**(217 377)**	**3 454**	**37 374**
Earnings per share					
Per share information					
Basic earnings / (loss) per share (cents)	45	44	(69)	1	11
Diluted earnings / (loss) per share (cents)	45	44	(69)	1	11

Statements of changes in equity

Figures in Rand R'000	Share capital*	Share based payment reserve	Defined benefit plan reserve	Total reserves	Retained income	Total equity
Group						
Balance as at 01 July 2019	**1 480 232**	**3 227**	**(871)**	**2 356**	**1 614 129**	**3 096 717**
Loss for the year	-	-	-	-	(217 637)	(217 637)
Other comprehensive income	-	-	260	260	-	260
Total comprehensive income / (loss) for the year	**-**	**-**	**260**	**260**	**(217 637)**	**(217 377)**
Employees share option scheme	-	1 532	-	1 532	-	1 532
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**1 532**	**-**	**1 532**	**-**	**1 532**
Balance as at 01 July 2020	**1 480 232**	**4 759**	**(611)**	**4 148**	**1 396 492**	**2 880 872**
Profit for the year	-	-	-	-	139 644	139 644
Other comprehensive income	-	-	1 441	1 441	-	1 441
Total comprehensive income for the year	**-**	**-**	**1 441**	**1 441**	**139 644**	**141 085**
Employees share option scheme	-	2 371	-	2 371	-	2 371
Employee share options vested	3 925	(5 767)	-	(5 767)	1 842	-
Total contributions by and distributions to owners of company recognised directly in equity	**3 925**	**(3 396)**	**-**	**(3 396)**	**1 842**	**2 371**
Balance as at 30 June 2021	**1 484 157**	**1 363**	**830**	**2 193**	**1 537 978**	**3 024 328**
Notes	17	18	19			

Statements of changes in equity

Figures in Rand R'000	Share capital*	Share based payment reserve	Defined benefit plan reserve	Total reserves	Retained income	Total equity
Company						
Opening balance as previously reported	1 521 914	3 227	-	3 227	939 894	2 465 035
Adjustments						
Prior period error (Refer to note 38)	-	-	-	-	(125 646)	(125 646)
Balance as at 01 July 2019 as restated	**1 521 914**	**3 227**	**-**	**3 227**	**814 248**	**2 339 389**
Profit for the year	-	-	-	-	37 374	37 374
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**37 374**	**37 374**
Employees share option scheme	-	1 532	-	1 532	-	1 532
Total contributions by and distributions to owners of the Company recognised directly in equity	**-**	**1 532**	**-**	**1 532**	**-**	**1 532**
Opening balance as previously reported	1 521 914	4 759	-	4 759	939 898	2 466 571
Adjustments						
Prior period error (Refer to note 38)	-	-	-	-	(88 276)	(88 276)
Balance as at 01 July 2020 as restated	**1 521 914**	**4 759**	**-**	**4 759**	**851 622**	**2 378 295**
Profit for the year	-	-	-	-	3 454	3 454
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**3 454**	**3 454**
Employees' share option scheme	-	2 371	-	2 371	-	2 371
Employee share options vested	-	(5 767)	-	(5 767)	-	(5 767)
Total contributions by and distributions to owners of the Company recognised directly in equity	**-**	**(3 396)**	**-**	**(3 396)**	**-**	**(3 396)**
Balance as at 30 June 2021	**1 521 914**	**1 363**	**-**	**1 363**	**855 076**	**2 378 353**
Notes	17	18	19			

* In the prior year the share capital and share premium was disclosed separately.

Statements of cash flows

		Group		Company	
Figures in Rand R'000	Notes	2021	2020	2021	2020
Cash flows from operating activities					
Cash generated from / (used in) operations	33	429 022	96 191	284	(230)
Interest received		3 618	3 017	1	2
Interest paid	30	(47 046)	(59 002)	-	-
Tax (paid) / refunded	34	(23 400)	10 506	(3)	(17)
Net cash from / (applied to) operating activities		**362 194**	**50 712**	**282**	**(245)**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(82 096)	(42 085)	-	-
Proceeds from disposal of property, plant and equipment	3	937	5 002	-	-
Purchase of investment property	4	(1 150)	-	-	-
Purchase of intangible assets	7	(3 607)	(2 603)	-	-
Acquisition of business net of cash acquired	35	(77 805)	-	-	-
Loans to group companies repaid	9	-	-	-	245
Loans advanced to group companies	9	-	-	(281)	-
Purchase of other financial assets at amortised cost	10	(62 728)	(36 680)	-	-
Proceeds from other financial assets at amortised cost	10	18 476	45 252	-	-
Net cash (applied to) / from investing activities		**(207 973)**	**(31 114)**	**(281)**	**245**
Cash flows from financing activities					
Proceeds from borrowings		101 097	11 580	-	-
Repayment of borrowings		(170 204)	(111 542)	-	-
Repayment of lease liability		(8 124)	(10 106)	-	-
Net cash applied to financing activities		**(77 231)**	**(110 068)**	**-**	**-**
Cash movement for the year		**76 990**	**(90 470)**	**1**	**-**
Cash at the beginning of the year		3 013	88 941	-	-
Effect of exchange rate movement on cash balances		(8 823)	4 542	-	-
Cash at the end of the year	15	**71 180**	**3 013**	**1**	**-**

Accounting policies

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 2021 were authorised for issue in accordance with a round robin resolution passed by the directors on 27 September 2021.

1. Significant accounting policies

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

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these consolidated and separate annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

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

The consolidated and separate annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in South African Rands, 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.

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.

Accounting policies

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 aquisition 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 aquisition 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 financial statements

Subsidiaries are entities controlled by the Group. Control exists when the Group 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 de-consolidated 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 Group.

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

1.4 Significant judgements and sources of estimation uncertainty

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

Accounting policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

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

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

1.5 Biological assets

Pine and eucalyptus trees:

Biological assets are pine and eucalyptus trees planted, 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, with any resultant gain or loss recognised as non operating profit or loss in the Statement of Profit or Loss and other Comprehensive income.

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

Unharvested fruit:

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

1.6 Investment property

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

Any gain or loss arising from a change in fair value is recognised as non operating profit or loss in the statement of Profit or Loss and other comprehensive income. An external, independent valuation company, having an appropriate, recognised professional qualification and recent experience in the location and category of property being valued, is used to value the portfolio. 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.

Accounting policies

1.6 Investment property (continued)

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

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

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

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

1.7 Property, plant and equipment

Owned assets

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

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

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

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

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

Subsequent costs

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

Depreciation

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

Accounting policies

1.7 Property, plant and equipment (continued)

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

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

1.8 Leases

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

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

The right of use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

The company has elected to apply the recognition exemption, to not recognise right of use assets and liabilities for short term leases that have lease terms of 12 months or less and leases for which the underlying asset and liability are of low value.

The right of use assets and liabilities consist mainly of warehouses leased for a period between 2 – 5 years and are measured at the present value of lease payments over the lease term at the Group's incremental borrowing rate adjusted for asset specific risks and the lease term. Lease modifications that result in the addition of one or more assets are accounted for as a newly acquired asset and lease liability. Lease modification that does not result in the addition of one or more assets i.e. rent reductions and amendment of lease terms are accounted for as a right of use asset and lease liability adjustment at the adjusted incremental borrowing rate on the effective date of the modification.

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

The company adopted the IFRS 16 practical expedient from the 2020 financial year to carry out an assessment to determine whether rent concessions received, as a direct result of the Covid-19 pandemic, will result in a lease modification.

For leases where a reduction was received that will not be recovered by the lessor, the difference in lease payments were accounted for in other operating expenses as a variable lease payment. For leases where rent reductions were deferred to future periods, the lease liability at the end of the period where increased payments were accounted for would be the same as if payments had not been altered.

1.9 Intangible assets

Goodwill

Initial measurement

Goodwill is measured at cost.

Subsequent measurement

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

Accounting policies

1.9 Intangible assets (continued)

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.

Re-assessing 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 re-assessed 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 41 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

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

Loans receivable at amortised cost

Classification

Loans to group companies (note 9) 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.

Accounting policies

1.10 Financial instruments (continued)

Recognition and measurement

Loans receivable 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 plus transaction costs, if any.

They are subsequently measured at amortised cost.

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

Impairment

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

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

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

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

Trade and other receivables

Classification

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

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Accounting policies

1.10 Financial instruments (continued)

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.

Derecognition

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

Borrowings

Classification

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

Recognition and measurement

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

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

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

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

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 41 for details of risk exposure and management thereof.

Accounting policies

1.10 Financial instruments (continued)

Trade and other payables

Classification

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

Recognition and measurement

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

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

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance cost (note 30).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 41 for details of risk exposure and management thereof.

Derecognition

Any gains or losses arising on the derecognition of trade and other payables is 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 subsequently measured at amortised cost.

Cash and cash equivalents consist of bank balances and petty cash.

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.

Accounting policies

1.11 Tax (continued)

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Tax expenses

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

1.12 Inventories

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

The cost of harvested timber and fruit produce is its fair value at the date of harvest, 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.

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

1.13 Impairment of assets

Financial assets

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

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

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

All impairment losses are recognised in profit or loss.

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

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

Accounting policies

1.13 Impairment of assets (continued)

Non-financial assets

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

The recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.14 Share capital and equity

Ordinary share capital

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

1.15 Share based payments

Equity-settled transactions

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

1.16 Employee benefits

Short-term employee benefits

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

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

Accounting policies

1.16 Employee benefits (continued)

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 and loss as incurred.

Defined benefit plans

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

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

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. 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.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in 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 administration expenses.

1.17 Provisions

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

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

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

Accounting policies

1.18 Revenue from contracts with customers

The group recognises revenue from the following major sources:

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

For sales of timber products to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been transported to customer's specific location. 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.

Revenue derived from transport services to external customers where York acts as a principle 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. When York acts in the capacity of an agent, the transport provider insures the freight and York recognises the revenue when the goods are delivered to the customer. The revenue recognised when York acts as an agent is recognised at the net amount of revenue received at a point in time.

Rendering of services - treating

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

Sale of food and beverages

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

Accommodation income

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

Accounting policies

1.18 Revenue from contracts with customers (continued)

Sale of nuts and fruits

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

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

Deferred revenue is recognised for produce where the group has received partial payment for the produce from the Agent.

For the sale of nuts revenue is recognised when the nuts are delivered to the customer.

Income from fruit packaging

Revenue is recognised at a point in time.

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

Rental income

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

1.19 Translation of foreign currencies

Foreign currency transactions

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

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

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

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

1.20 Investment income and finance cost

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

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

Finance cost comprises interest expenses on borrowings, interest expenses on lease liabilities, interest expense charged on overdue trade payables and overdraft facilities.

Figures in Rand R'000

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2021 or later periods:

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

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

The effective date of the amendment is for years beginning on or after 01 January 2022.

The group expects to adopt the amendment for the first time in the 2023 financial statements.

It is unlikely that the amendment will have a material impact on the group and company's financial statements.

3. Property, plant and equipment

Group	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	140 880	-	140 880	111 928	-	111 928
Buildings	337 319	(89 939)	247 380	295 210	(76 536)	218 674
Right of use asset	25 077	(21 265)	3 812	34 563	(24 914)	9 649
Plant and machinery	630 130	(278 040)	352 090	597 170	(219 595)	377 575
Bearer plants	23 071	(921)	22 150	-	-	-
Other equipment*	214 340	(108 359)	105 981	186 640	(90 688)	95 952
Capital - Work in progress	33 352	-	33 352	30 351	-	30 351
Total	**1 404 169**	**(498 524)**	**905 645**	**1 255 862**	**(411 733)**	**844 129**

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Additions through business combinations	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	111 928	-	28 952	-	-	-	-	140 880
Buildings	218 674	5 431	29 063	(3)	7 649	(13 320)	(114)	247 380
Right of use asset	9 649	-	-	-	-	(5 837)	-	3 812
Plant and machinery	377 575	946	7 071	(208)	25 886	(59 180)	-	352 090
Bearer plants	-	11 140	11 931	-	-	(921)	-	22 150
Other equipment*	95 952	13 826	6 166	(2 275)	14 217	(21 905)	-	105 981
Capital - Work in progress	30 351	50 753	-	-	(47 752)	-	-	33 352
	844 129	**82 096**	**83 183**	**(2 486)**	**-**	**(101 163)**	**(114)**	**905 645**

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	113 133	-	(5)	(1 200)	-	-	111 928
Buildings	222 083	12 352	(14)	(5 270)	(10 477)	-	218 674
Right of use asset	14 664	3 019	-	-	(7 879)	(155)	9 649
Plant and machinery	427 244	15 371	(25)	(10 987)	(54 028)	-	377 575
Other equipment*	106 394	14 385	(1 209)	(2 546)	(21 072)	-	95 952
Capital - Work in progress	10 373	(25)	-	20 003	-	-	30 351
	893 891	**45 102**	**(1 253)**	**-**	**(93 456)**	**(155)**	**844 129**

* Other equipment refers to furniture and fittings, motor vehicles, computer equipment and spare parts. They have been grouped together as the total net carrying value for these assets is less than 20% of the total net carrying value of property, plant and equipment.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

3. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

Landholdings amounting to 57 178 (2020: 58 050) with a carrying value of R29.8 million were encumbered in favour of Micawber 558 Proprietary Limited, as security for loans and borrowings, as per note 20.

Assets comprising the Plywood plant with a carrying value of R262.7 million (2020: R293.7 million) are subject to a notarial bond.

Assets are encumbered in terms of instalment sale agreements.

Carrying value of plant and equipment under instalment sale agreement obligation

Plant and machinery	27 613	28 097	-	-
Other property, plant and equipment	81 487	76 097	-	-

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

The present value of minimum instalment sale agreement payments due at year-end were R64 million (2020: R76.8 million) (Refer note 20).

Impairment

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

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

4. Investment property

Group		
	Valuation	Valuation
Investment property	34 180	30 740

Reconciliation of investment property - Group - 2021

	Opening balance	Additions	Classified as held for sale	Fair value adjustments	Total
Investment property	30 740	1 150	(750)	3 040	34 180

Reconciliation of investment property - Group - 2020

	Opening balance	Total
Investment property	30 740	30 740

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

An offer to purchase a residential house on Portion 5 of erf 254, Claremont, Pretoria, with a fair value of R820 thousand was signed on 20 May 2021 for a selling price of R750 thousand. The transfer of the property was not completed at year end. A fair value adjustment of R70 thousand was recognised in the Statement of Profit or Loss and Other Comprehensive Income. The property was classified as a non-current asset held for sale as the transaction is expected to be completed within 12 months.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

4. Investment property (continued)

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 valuation

The effective date of the revaluations was 21 May 2021. There were no significant change between the revaluation date and the year end date. Revaluations were performed by independent valuators, Tetragon Valuers Proprietary Limited. These valuators are not connected to the Company and have recent experience in location and category of the investment properties being valued. The valuation was based on the open market value for existing use.

The fair value measurement for investment property of R34.1 million (2020: R30.7 million) has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

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

	Group 2021	Group 2020	Company 2021	Company 2020
Rental income from investment property	1 874	1 804	-	-
Direct operating expenses from rental generating property	(1 070)	(912)	-	-
Total	**804**	**892**	**-**	**-**

Level 2 fair value

The valuation is based on market value. The comparable sales approach is used to determine market value. This approach consists of comparing the subject property to similar properties that were sold in the recent past in an open market situation, and making appropriate adjustments to the value for market trends. This results in a market value for the subject property. A 1% change in the value of investment property would result in a R0.3 million (2020: R0.3 million) adjustment to profit and loss.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

5. Biological assets

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

Pine and eucalyptus trees:

Reconciliation of biological asset: pine and eucalyptus trees

Opening balance	2 906 890	3 154 557	-	-
Reconciliation of biological assets due to changes in standing volume:				
- Increase due to growth and enumerations(1)	362 074	176 181	-	-
- Adjustment to standing timber values to reflect changes to sales price, cost and discount rate assumptions(2)	(6 484)	(143 329)	-	-
Decrease due to harvesting	(342 632)	(192 153)	-	-
Standing timber purchased	935	44 880	-	-
Standing timber harvested	(44 880)	(133 246)	-	-
Closing balance	**2 875 903**	**2 906 890**	**-**	**-**
Classified as non-current assets	2 502 597	2 391 304	-	-
Classified as current assets(3)	373 306	515 586	-	-
	2 875 903	**2 906 890**	**-**	**-**

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.

Change in discounted cash flow value (DCF) attributable to:

Opening balance	2 906 890	3 154 557	-	-
Change in product mix and age(4)*	36 761	233 049	-	-
Revenue and price(5)*	136 894	(348 350)	-	-
Operating costs*	(53 251)	85 485	-	-
Discount rate*	(107 596)	30 209	-	-
Standing timber purchased	935	44 880	-	-
Standing timber harvested	(44 880)	(133 246)	-	-
Change in volume(6)*	150	(159 694)	-	-
Closing balance	**2 875 903**	**2 906 890**	**-**	**-**

* *The total of these amounts equals the fair value adjustment disclosed in note 31.*

4 *Represents the cash flow profile change from the prior year yield forecast.*

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

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

5. Biological assets (continued)

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 32 hectares from the prior year. The DCF volumes over the 20 year period remained in line with the prior year volumes. An accuracy factor is used to calculate the accounting estimated volume. This is a downwards adjustment of harvestable volume.*

Reconciliation of standing volume (m3)				
Opening balance	6 244 607	6 277 972	-	-
Increase due to growth and enumeration(1)	744 151	367 998	-	-
Decrease due to harvesting and sales	(703 751)	(401 363)	-	-
	6 285 007	**6 244 607**	**-**	**-**

Landholding: (Hectares)				
Pine(7)	54 562	54 648	-	-
Eucalyptus(7)	289	343	-	-
Temporary unplanted areas(7)	3 804	3 772	-	-
Conservancy areas(7)	30 816	30 816	-	-
Agricultural land (7)	108	-	-	-
	89 579	**89 579**	**-**	**-**

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

Methodology and assumptions used in determining fair value

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

Volume adjustment factor: In a manner consistent to prior years, volumes expected from York plantations in MicroForest are adjusted downwards with 8% (2020: 8%). In the 2021 financial year the harvesting volumes expected from York plantations in MicroForest were further reduced by a weighted average of 5% (2020: 4%), based on the most recent actual yield reconciliation data. The further reduction in volumes were done in an effort to acknowledge deviations such as the impact from baboon damage and other natural elements, genetic defects and pest and diseases from the planned harvesting volumes.

Log prices: The price per cubic metre per log class is based on current and future expected market prices per log class. It was assumed that prices will increase at 4.40% over the next year and 4.50% over the following year and over the long term (2020: 4.60% over the next year, 4.40% over the following year, and at 4.80% over the long term). Log prices are computed at a weighted average of external market prices and internal prices, which are based on an internationally recognised log paying capability calculation. This calculation references the final product value derived from the log based on market prices.

Operating costs: The costs are based on the unit cost of the forestry management activities required for the trees to reach the age of felling. The costs include the current and expected future costs of harvesting, maintenance and risk management, as well as associated fixed overhead costs. The costs exclude the costs necessary to get the asset to the market. An inflation rate of 4.40% over the next year and 4.50% over the following year and over the long term (2020: 4.60% over the next year, 4.40% over the following year, and at 4.80% 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. Cost to sell include harvesting cost and cost to bring logs to roadside, that are part of operating cost.

Discount rate: In determining the weighted average cost of capital (WACC), a comparable group of forestry companies' Beta is used to determine the Beta applied in WACC.

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

5. Biological assets (continued)

Level 3 fair value

The valuation model considers the present value of the net cash flows expected to be generated from the plantations. The cash flow projections include specific estimates for 20 years (2020: 20 years). The expected cash flows are risk adjusted for the current economic conditions. The expected net cash flows are discounted using a risk-adjusted discount rate that takes into account the Beta factors of a comparable group of forestry companies. York applied the debt/equity ratio of the market participants included in its comparable company basket.

Key assumptions used in the calculation of the discount rate

Beta factor	1.16	1.13	-	-
Risk free rate (8)	9.26 %	9.26 %	-	-
Cost of equity	16.45 %	16.48 %	-	-
Pre-tax cost of debt	7.00 %	7.25 %	-	-
After-tax weighted average cost of capital	13.61 %	13.17 %	-	-
Debt-equity ratio (9)	25:75	29:71		

(8) The GSAB10YR yield curve was used (2020: GSAB10YR yield curve).

(9) York applied the 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 (FSC) 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.

Pledge as security

Landholdings amounting to 57 178 (2020: 58 050) with biological assets valued at R1.8 billion were encumbered in favour of Micawber 558 Proprietary Limited, as security for loans and borrowings, as per note 20.

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

5. Biological assets (continued)

Forecast volume of trees in the plantations at maturity, as used in the DCF valuation (sum of maturity volumes over the 20 year cycle) (m3)				
Balance at year end	20 055 548	20 054 497	-	-
Sensitivity analysis				
100 basis points increase in the current log price	45 282	45 075	-	-
25 basis points increase in forecasted log prices (Year 1 and 2 and long term)	88 800	90 380	-	-
25 basis point increase in the forecast cost inflation rate	(24 168)	(25 124)	-	-
50 basis points increase in the pre-tax cost of debt	(22 054)	(26 392)	-	-
25 basis points increase in the discount rate	(60 902)	(61 779)	-	-
100 basis points increase in projected volumes	37 718	37 025	-	-

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

Unharvested fruit:

Reconciliation of biological assets: unharvested fruit				
Opening balance	-	-	-	-
Additions through business combination	3 892	-	-	-
Avocados and macadamias harvested	(2 859)	-	-	-
Change in fair value of avocados and macadamias	1 215	-	-	-
	2 248	-	-	-

Methodology and assumptions used in determining fair value

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

Maturity of bearer plants

As at 30 June 2021, the Group had 108 hectares bearer plants. From the 108 hectares, 30 hectares were immature and 78 hectares were mature. During the year 379 ton of agricultural produce were harvested.

Sensitivity analysis				
100 basis point increase in market prices	24	-	-	-
25 basis point increase in harvesting cost	(2)	-	-	-
100 basis point increase in volumes	26	-	-	-

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

Classified as current assets	2 248	-	-	-

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

5. Biological assets (continued)

Total biological assets (Pine and eucalyptus trees and unharvested fruit)				
Classified as non-current assets	2 502 597	2 391 304	-	-
Classified as current assets	375 554	515 586	-	-
	2 878 151	**2 906 890**	**-**	**-**

6. Goodwill

Group	2021			2020		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	566 626	(208 996)	357 630	565 442	(207 812)	357 630

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

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

The fair value less cost to sell was determined based on the assumptions detailed below. The cash flows have been based on the approved budget for the 2022 financial year as well as a forecast to 2037 using a long-term inflation rate of 4.50% (2020: 4.80%). The period is longer than would normally be the case due to the nature of the underlying assets. The plantations are managed in rotation based on a clear-fell age for pine of approximately 20 years (2020: 20 years). The plantations are managed to harvest approximately 3 000 hectares per annum.

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

Volume adjustment factor: In a manner consistent to prior years, volumes expected from York plantations in MicroForest are adjusted downwards with 8% (2020: 8%). In the 2021 financial year the harvesting volumes expected from York plantations in MicroForest were further reduced by a weighted average of 5% (2020: 4.3%) for the first rotation period, based on the most recent actual yield reconciliation data, and in the residual period the volumes were adjusted for the expected yield. The further reduction in volumes were done in an effort to acknowledge deviations such as the impact from baboon damage and other natural elements, genetic defects and pest and diseases from the planned harvesting volumes.

Log prices: The price per cubic metre is based on current and future expected market prices per log class. It was assumed that prices will increase at 4.40% over the next year and 4.50% over the following year and over the long term (2020: 4.60% over the next year, 4.40% over the following year, and at 4.80% over the long term).

Operating costs: The costs are based on the unit cost of the forestry management activities required to enable the trees to reach the age of felling. The costs include the current and future expected costs for establishment, harvesting, maintenance and risk management, as well as associated fixed overhead costs. Cost include all costs associated to delivering the product at roadside (point of sale). A long-term inflation rate of 4.50% (2020: 4.80%) was used.

Discount rate: The Group's after-tax weighted average cost of capital (WACC) was applied to the after-taxation net cash flow.

Level 3 fair value
The valuation model considers the present value of net cash flows expected to be generated from the segment. The cash flow projections include specific estimates for 15 years, thereafter a terminal value is determined. The expected net cash flows are discounted using a risk-adjusted discount rate that takes into account the Beta factors of a comparable group of forestry companies. York applied the debt/equity ratio of the market participants included in its comparable company basket.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

6. Goodwill (continued)

Results of impairment testing				
Carrying amount of segment assets	2 418 211	2 579 689	-	-
Fair value less cost to sell (1)	(2 626 111)	(2 743 925)	-	-
Net result: (headroom) / Impairment	**(207 900)**	**(164 236)**	-	-

(1) The present value of the segment was impacted by the following:
~ Increase in volume accuracy adjustment;
~ Increase in disposal value of non-commercial areas;
~ Decrease in long term inflation forecast;
~ Decrease in the biological asset value included in the carrying amount of the segment assets.

Key assumptions used in the calculation of the discount rate				
Risk free rate (2)	9.26 %	9.26 %	-	-
Cost of equity	16.45 %	16.48 %	-	-
Pre-tax cost of debt	7.00 %	7.25 %	-	-
Debt-equity ratio (3)	25:75	29:71		
After-tax weighted average cost of capital	13.61 %	13.17 %	-	-
Beta factor	1.16	1.13	-	-

(2) The GSAB10YR *yield curve (GSAB10YR yield curve) was used.*

(3) York applied the debt/equity ratio of the market participants included in its comparable company basket.

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

Sensitivity analysis (4)				
100 basis points increase in the current log price	106 231	118 282	-	-
25 basis points increase in forecast log prices	130 100	140 217	-	-
25 basis points increase in forecast cost inflation rate	(35 301)	(71 182)	-	-
50 basis points increase in the pre-tax cost of debt	(31 824)	(43 337)	-	-
25 basis points increase in discount rate	(87 090)	(100 455)	-	-
100 basis points increase in projected volumes	47 726	39 862	-	-

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

Figures in Rand R'000

6. Goodwill (continued)

Reconciliation of goodwill - Group - 2021

	Opening balance	Additions through business combinations	Impairment loss	Total
Goodwill	357 630	1 184	(1 184)	357 630

Goodwill of R1.2 million arose from the business combination that took place in the current year as per note 35 and represents the difference between the fair value of the net assets purchased, liabilities assumed and the acquisition price. The goodwill was impaired in the current financial year, as the goodwill originated from a deferred tax liability recognised at acquisition date for immovable assets acquired for farming purposes not being deductible for taxation purposes.

7. Intangible assets

Group	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	3 175	(2 841)	334	3 311	(2 881)	430
Capital - work in progress	9 222	-	9 222	5 646	-	5 646
Total	**12 397**	**(2 841)**	**9 556**	**8 957**	**(2 881)**	**6 076**

Reconciliation of intangible assets - Group - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	430	31	(127)	334
Capital - work in progress	5 646	3 576	-	9 222
	6 076	**3 607**	**(127)**	**9 556**

Reconciliation of intangible assets - Group - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	137	436	(143)	430
Capital - work in progress	3 479	2 167	-	5 646
	3 616	**2 603**	**(143)**	**6 076**

Other information

None of the intangible assets are internally generated.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

8. Investments in subsidiaries

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

Company

Name of company	% holding 2021	% holding 2020	Carrying amount 2021	Carrying amount 2020
South African Plywood Proprietary Limited(1)	100.00 %	100.00 %	-	-
Global Forest Products Proprietary Limited(1)	100.00 %	100.00 %	1 117 743	1 117 743
York Timbers Proprietary Limited	100.00 %	100.00 %	6 176	4 759
Agentimber Proprietary Limited	100.00 %	100.00 %	-	-
Madiba Forest Products Proprietary Limited	100.00 %	100.00 %	-	-
Madiba Timbers Proprietary Limited	100.00 %	100.00 %	-	-
York Timbers Chile Limitada	100.00 %	100.00 %	-	-
York Timbers Energy (RF) Proprietary Limited	100.00 %	100.00 %	-	-
York Timbers Botswana Proprietary Limited (2)	- %	100.00 %	-	-
York Fleet Solutions Proprietary Limited	100.00 %	100.00 %	-	-
York Carbon Proprietary Limited	51.00 %	51.00 %	-	-
Mbulwa Estate Proprietary Limited	100.00 %	100.00 %	-	-
York Power (RF) Proprietary Limited	100.00 %	100.00 %	-	-
Sonrach Proprietary Limited	100.00 %	100.00 %	-	-
Stadsrivier Vallei Proprietary Limited	100.00 %	100.00 %	-	-
			1 123 919	1 122 502

Subsidiaries detail

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

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

(1) The company has a direct investment in these companies. All other companies are indirect investments.

(2) York Timbers Botswana Proprietary Limited was deregistered during the year.

Increase of investment in subsidiary through share based payment scheme

The company granted certain employees of its subsidiary, York Timbers Proprietary Limited, the right to receive 3 601 504 (2020: 4 360 902) shares. The options will vest at the end of three years at no consideration to the employees. Refer to note 18.

Fair value of options				
Value of options	-	-	2 371	1 532

9. Loans to group companies

Subsidiaries	**2021**	**2020**	**2021**	**2020 Restated**
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.	-	-	1 256 070	1 257 152

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

9. Loans to group companies (continued)

Split between non-current and current portions

Non-current assets	-	-	1 256 070	1 257 152
Current assets	-	-	-	-
	-	**-**	**1 256 070**	**1 257 152**

Face value of loan				
York Timbers Proprietary Limited	-	-	1 340 896	1 345 428

Refer to note 38 for details on the restatement.

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 intercompany loan was assessed by taking into account macro-economic factors and the solvency and liquidity for the underlying subsidiary and no credit loss was deemed necessary.

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

The carrying amount reasonably approximates its fair value.

10. Other financial assets

Other financial assets at amortised cost	97 583	53 331	-	-

Other financial assets at amortised cost				
Self insurance fund The fund is fully funded at R173 million (2020: R115 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.	97 583	53 331	-	-
	97 583	**53 331**	**-**	**-**

Split between non-current and current portions

Non-current assets	97 583	53 331	-	-

Risk exposure

The investments held by the group expose it to interest rate risk. Refer to note 41 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.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

11. Deferred tax

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

Deferred tax liability	(887 618)	(848 624)	-	-
Deferred tax asset	4 336	7 353	37	37
Total net deferred tax (liability) / assets	**(883 282)**	**(841 271)**	**37**	**37**

Reconciliation of deferred tax (liability) / asset

At beginning of year	(841 271)	(922 976)	37	37
(Decrease) / increase in tax losses available for set-off against future taxable income	(39 320)	36 647	-	-
(Deductible) / taxable temporary differences	(1 832)	45 335	-	-
Changes to other comprehensive income	(560)	(101)	-	-
Deferred tax asset not recognised	-	(176)	-	-
Prior year under provision	(299)	-	-	-
Closing balance	**(883 282)**	**(841 271)**	**37**	**37**

The balance comprises the following items:				
Capital allowances	(103 325)	(100 860)	-	-
Biological assets	(805 620)	(801 363)	-	-
Provisions	21 752	17 160	37	37
Estimated tax loss	4 234	43 554	-	-
Defined benefit plan reserve	(323)	238	-	-
	(883 282)	**(841 271)**	**37**	**37**

Deferred tax asset not recognised

Assessed loss not recognised	13 111	10 089	-	-
Potential tax benefit on assessed loss	3 671	2 825	-	-

12. Inventories

Raw materials	34 080	17 449	-	-
Work in progress	38 210	36 998	-	-
Timber products	54 941	126 078	-	-
Merchandise	1 895	202	-	-
Consumables	53 751	51 019	-	-
Agricultural produce	3 401	-	-	-
	186 278	231 746	-	-
Write-downs	(3 013)	(2 555)	-	-
Total inventory	**183 265**	**229 191**	**-**	**-**

The total movement in cost of sales regarding inventory write downs was an expense of R0.5 million (2020: expense of R1.7 million).

Finished goods at net realisable value

Finished goods carried at net realisable value	7 784	32 592	-	-

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

13. Trade and other receivables

Financial instruments:				
Trade receivables	249 205	156 624	178	178
Loss allowance	(10 057)	(13 547)	(178)	(178)
Trade receivables at amortised cost	239 148	143 077	-	-
Deposits	10 277	2 343	20	20
Employee costs paid in advance	1 804	1 668	-	-
Other receivables	7 726	7 254	-	-
Non-financial instruments:				
Value added taxation	1 565	744	35	-
Prepayments	11 413	9 710	83	136
Total trade and other receivables	**271 933**	**164 796**	**138**	**156**

Trade and other receivables pledged as security

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

Exposure to credit risk

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

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

The carrying amount reasonably approximates its fair value.

Group	2021	2021	2020	2020
Expected credit loss rate:	Estimated gross carrying amount	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount	Loss allowance (Lifetime expected credit loss)
Current	190 780	(2 098)	112 536	(1 701)
30 days	39 637	(422)	18 842	(289)
60 days and over	18 788	(7 537)	25 246	(11 557)
Total	**249 205**	**(10 057)**	**156 624**	**(13 547)**

Company	2021	2021	2020	2020
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
60 days and over	178	(178)	178	(178)

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

13. Trade and other receivables (continued)

Reconciliation of loss allowances

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

Opening balance	(13 547)	(8 768)	(178)	(178)
Provision raised on new trade receivables	(78)	(4 779)	-	-
Remeasurement of loss allowance	1 018	-	-	-
Bad debt written off	2 550	-	-	-
Closing balance	**(10 057)**	**(13 547)**	**(178)**	**(178)**

A 1% - 1.34% (2020: 1.13% - 1.52%) 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. If the customer's payment history does not indicate an expected credit loss, the customer was excluded from the credit loss allowance calculation.

Included in the credit loss ratio is an additional loss ratio of 0.25% (2020: 0.25%) applied to take account of the economic uncertaintly due to the ongoing COVID-19 pandemic.

A default loss ratio of 20% (2020: 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. Debtors not covered by CGIC relates to cash accounts or debtors accounts where credit insurance was not applied for.

All other receivables are neither past due nor impaired.

14. Current tax receivable / (payable)

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

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

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	143	171	-	-
Bank balances	74 782	48 257	1	-
Short-term deposits	33 105	2	-	-
Bank overdraft	(36 850)	(45 417)	-	-
	71 180	**3 013**	**1**	**-**
Current assets	108 030	48 430	1	-
Current liabilities	(36 850)	(45 417)	-	-
	71 180	**3 013**	**1**	**-**

The carrying amount reasonably approximates its fair value.

At year-end, the invoice discounting facility granted by Absa Bank was secured by a cession of a clearing account held with Absa bank and cession of trade receivables with a maximum exposure limit of R150 million, and Credit Guarantee Insurance Corporation of Africa Ltd (CGIC) insurance (refer note 13). The invoice discounting facility bears interest at the prime interest rate on the utilised amount. The general banking facility is available to all companies in the Group. Refer to note 41 for credit ratings on the various banks.

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

15. Cash and cash equivalents (continued)

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

The total amount of facilities available for operating activities and commitments	150 000	80 000	-	-
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	-	-

16. Non-current assets held for sale

An offer to purchase a residential house on Portion 5 of erf 254, Claremont, Pretoria, with a fair value of R820 thousand was signed on 20 May 2021 for a selling price of R750 thousand. The transfer of the property was not completed at year end. A loss in fair value adjustment of R70 thousand was recognised in the Statement of Profit or Loss and Other Comprehensive Income. The property was classified as a non-current asset held for sale as the transaction is expected to be completed within 12 months.

Assets and liabilities

Non-current assets held for sale				
Investment property	750	-	-	-

17. Share capital

Authorised				
600 000 000 ordinary shares of R0.05 each	30 000	30 000	30 000	30 000
Issued				
331 240 597 (2020: 331 240 597) ordinary shares of R0.05 each	16 562	16 562	16 562	16 562
13 720 552 (2020: 15 192 584) treasury shares of R0.05 each	(686)	(760)	-	-
Exercise of options	3 851	-	-	-
Share premium	1 464 430	1 464 430	1 505 352	1 505 352
Total	**1 484 157**	**1 480 232**	**1 521 914**	**1 521 914**
Reconciliation of shares issued:				
Opening balance	1 480 232	1 480 232	1 521 914	1 521 914
Treasury shares issued in exercise of options	74	-	-	-
Exercise of options	3 851	-	-	-
Closing balance	**1 484 157**	**1 480 232**	**1 521 914**	**1 521 914**

All issued shares are fully paid.

The Group repurchased shares during the 2016 and 2017 financial year 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 13.7 million shares (2020: 15.2 million shares) were held by the subsidiary at 30 June 2021 and are treated as treasury shares for accounting purposes.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

18. Share based payment reserve

Opening balance	4 759	3 227	4 759	3 227
Share - based payment movement	(3 396)	1 532	(3 396)	1 532
Closing balance	**1 363**	**4 759**	**1 363**	**4 759**

Opening balance (units)	4 360 902	4 360 902	4 360 902	4 360 902
Units awarded	3 000 000	-	3 000 000	-
Units vested	(3 759 398)	-	(3 759 398)	-
Closing balance (units)	**3 601 504**	**4 360 902**	**3 601 504**	**4 360 902**

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 2019 financial year, the Company granted certain employees of York Timbers Proprietary Limited, the right to receive 601 504 shares. In the 2021 financial year, the Company granted the late CEO 3 000 000 restricted shares.

In the current year, the share based payment scheme awarded in the 2018 financial year vested with 1 472 032 units awarded to qualifying individuals at an exercise price of Rnil.

The fair value of the options is estimated at grant date using the binomial pricing model, taking into account the terms and conditions upon which the instruments were granted.

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. In the company, any changes in the equity settled payment reserve were recognised as part of the investment in York Timbers Proprietary Limited.

During the period ended 30 June 2021, the company had three share based payment schemes, with the following details:

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

18. Share based payment reserve (continued)

Key assumptions used in 2019 award				
York share price at reporting date	R 1.87	R 1.38	R 1.87	R 1.38
Number of shares awarded	601 504	601 504	601 504	601 504
Award date	2019/06/19	2019/06/19	2019/06/19	2019/06/19
Expiry / vesting date	2022/06/19	2022/06/19	2022/06/19	2022/06/19
Fair value of options at grant date	R 1.90	R 1.90	R 1.90	R 1.90
Exercise price	R -	R -	R -	R -
Expected vesting rate	80 %	80 %	80 %	80 %
Vesting conditions	Three years' service	Three years' service	Three years' service	Three years' service

Chief Executive officer's share plan				
York share price at reporting date	R 1.87	R -	R 1.87	R -
Number of shares awarded	1 800 000	-	1 800 000	-
Award date	2021/03/30		2021/03/30	
Expiry / vesting date	2024/03/30		2024/03/30	
Fair value of options at grant date	R 2.34	R -	R 2.34	R -
Exercise price	R -	R -	R -	R -
Expected vesting rate	100 %	- %	100 %	- %
Vesting conditions	Achievement of a tangible net asset value (TNAV) per share at year end reporting date		Achievement of a tangible net asset value (TNAV) per share at year end reporting date	

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

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

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

18. Share based payment reserve (continued)

Chief Executive officer's share plan				
York share price at reporting date	R 1.87	R -	R 1.87	R -
Number of shares awarded	1 200 000	-	1 200 000	-
Award date	2021/03/30		2021/03/30	
Expiry / vesting date	2024/03/30		2024/03/30	
Fair value of options at grant date	R 2.34	R -	R 2.34	R -
Exercise price	R -	R -	R -	R -
Expected vesting rate	100 %	- %	100 %	- %
Vesting conditions	Achievement of a volume weighted average share price		Achievement of a volume weighted average share price	

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

- Share price of R2.31 receive nil units
- Share price of R2.43 receive 600 000 units
- Share price of R2.54 receive 800 000 units
- Share price of R2.66 receive 900 000 units
- Share price of R2.77 receive 960 000 units
- Share price of R2.89 receive 1 0000 000 units
- Share price of R3 receive 1 200 000 units

19. Defined benefit plan reserve

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

	Group 2021	Group 2020	Company 2021	Company 2020
Opening balance	(611)	(871)	-	-
Movement through other comprehensive income	1 441	260	-	-
Closing balance	**830**	**(611)**	**-**	**-**

20. Borrowings

	Group 2021	Group 2020	Company 2021	Company 2020
Held at amortised cost				
Secured				
Land Bank term loan	274 385	317 258	-	-
Land Bank Plywood Expansion Project loan	79 495	159 386	-	-
Land Bank Press loan	16 482	23 294	-	-
Absa Capital fund loan (Stadsrivier Vallei Proprietary Limited)	74 837	-	-	-
Instalment sale agreements	64 089	76 767	-	-
Loan raising fee	(1 411)	(786)	-	-
Absa Capital fund loan (Sonrach Properties Proprietary Limited)	6 914	7 979	-	-
	514 791	**583 898**	**-**	**-**

Split between non-current and current portions

	Group 2021	Group 2020	Company 2021	Company 2020
Non-current liabilities	347 330	417 922	-	-
Current liabilities	167 461	165 976	-	-
	514 791	**583 898**	**-**	**-**

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

20. Borrowings (continued)

Land Bank Term loan: This loan bears interest at an interest rate of prime less 0.5% (2020: prime less 0.5%) per annum and is payable monthly in arrears over 7 years of which 5 are remaining.

Refer to Financial instruments and risk management, note 41, for detail on loan covenants.

Land Bank Plywood Expansion Project loan: This loan bears interest at an interest rate of prime less 0.5% (2020: prime less 0.5%) per annum and is payable monthly in arrears, after interest and capital holiday for the first 12 months and capital holiday for the second 12 months, over 7 years, of which 1 is remaining.

Refer to Financial instruments and risk management, note 41, for detail on loan covenants.

Land Bank Press loan: This loan bears interest at an interest rate of prime less 0.5% (2020: prime less 0.5%) per annum and is payable monthly in arrears, over 5 years and 6 months, of which 2 years and 5 months are remaining.

Security over the Land Bank debt:

- Guarantee by security special purpose vehicle (SPV), Micawber 558 Proprietary Limited, 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 (2020: 58 050) 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.
- A notarial covering bond(s) over the movable assets of the Borrower, in respect of the Sabie Plywood plant for an amount of R306 million in favour of the Security SPV Guarantor.

Absa Capital fund loans (Stadsrivier Vallei Proprietary Limited): The loan for the business combination as per note 35 bears interest at prime and is repayable over 5 years of which 4 years and 10 months are remaining. The interest is repayable on a quarterly basis and quarterly capital repayments of R1.5 million from 31 March 2024.

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

- a pledge and cession of all the shares, securities and other ownership interests held by Stadsrivier Vallei Proprietary Limited, together with all its debt claims (on 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 the 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.

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 note 30).

Absa Capital fund loan (Sonrach Properties Proprietary Limited): This loan bears interest at an interest rate of prime less 0.75% (2020: prime less 0.75%) per annum and is payable in monthly instalments in arrears, over a period of 10 years of which 5 are remaining.

The carrying amounts reasonably approximates its fair value.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

20. Borrowings (continued)

Exposure to liquidity risk

Refer to note 41 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.

Interest rate sensitivity analysis

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

Group	2021	2021	2020	2020
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Finance cost	997	(997)	5 037	(5 037)
Taxation	(279)	279	(1 410)	1 410
	718	**(718)**	**3 627**	**(3 627)**

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

20. Borrowings (continued)

These liabilities consist of 164 (2020: 170) instalment sale agreements, payable over a period of five years at effective interest rates of between 6% - 9% (2020: 6% - 10%) per annum. These liabilities are secured by plant and equipment and motor vehicles with a carrying value of R109.1 million (2020: R104.2 million), refer to note 3. These instalment sale agreements have no escalation clauses. Repayments are based on the outstanding debt at the prevailing interest rate.

Instalment sale agreement obligation				
- within one year	35 127	38 070	-	-
- in second to fifth year inclusive	34 237	45 741	-	-
Total	69 364	83 811	-	-
Less: future finance charges	(5 275)	(7 044)	-	-
Present value of minimum instalment sale agreement payments	**64 089**	**76 767**	**-**	**-**

Instalment sale providers	**Quantity**	**Interest rate**	**Quantity**	**Interest rate**
Absa Bank	124	6% - 7.75%	125	6% - 9%
Mercedes Finance	23	6.5% - 6.75%	14	6.25% - 7.25%
Toyota Finance	17	6% - 6.5%	30	6.25% - 9%
WesBank	-		1	6.3%

Present value of minimum instalment sale agreement payments				
- within one year	32 044	33 904	-	-
- in second to fifth year inclusive	32 045	42 863	-	-
	64 089	**76 767**	**-**	**-**

21. Lease liability

Non-current liabilities	394	4 971	-	-
Current liabilities	4 690	7 331	-	-
	5 084	**12 302**	**-**	**-**

Contractual undiscounted cash flows				
Less than one year	4 897	8 122	-	-
One to five years	349	5 195	-	-
	5 246	**13 317**	**-**	**-**

The lease liability relates to the warehouse facilities rented by the company for 2 to 5 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 lease term. The lease liability is measured at amortised cost using the effective interest method.

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

21. Lease liability (continued)

Assumptions used				
Lease terms	2 - 5 years	2 - 5 years		
Group's incremental borrowing rate	9.50% - 9.75%	9.50% - 9.75%	- %	- %
Adjustment to asset specific risk - unsecured debt	0.25 %	0.25 %	- %	- %
Adjustment over the lease term	0.25 %	0.25 %	- %	- %
Effective interest rate	10.00% - 10.25%	10.00% - 10.25%	- %	- %

Refer to note 3 for disclosure around the right of use assets, accumulated depreciation, impairment and depreciation, note 28 for the depreciation, variable lease payments, short term leases and leases of low value assets and note 30 for finance cost on leases.

22. Retirement benefit obligation

Defined benefit plan

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

Present value of defined benefit obligation

Opening balance	(26 910)	(26 764)	-	-
Service cost	(3)	(4)	-	-
Interest cost	(3 067)	(2 703)	-	-
Actuarial gain	2 001	361	-	-
Benefits paid	2 321	2 200	-	-
Closing balance	**(25 658)**	**(26 910)**	**-**	**-**

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

The actuarial gain for the current year consists of two factors, demographic and financial. The demographic factors contributed a loss of R0.4 million (2020: gain of R0.4 million) and the financial factors a gain of R2.4 million (2020: loss of R61 thousand).

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

22. Retirement benefit obligation (continued)

Sensitivity analysis

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

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	223	257	-	-
100 basis points increase: Increase in defined benefit obligation	2 079	2 247	-	-

A 1% change in the investment discount rate would have the following effects:

100 basis points increase: Increase / (decrease) in aggregate of the service and interest cost	46	(227)	-	-
100 basis points increase: Decrease in defined benefit obligation	(1 796)	(1 936)	-	-

Limitations to sensitivity analysis:

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

Contributions towards defined benefit plan

Current service cost	2 633	2 389	-	-

Key assumptions used

Average number of members	8	8	-	-
Retired number of members	37	38	-	-
Total number of members	45	46	-	-
Expected rate of return on reimbursement rights (%)	7.60	7.90	-	-
Average expected remaining working lifetime (years)	2.10	2.75	-	-
Discount rate (estimated corporate bond yield)	10.70 %	11.40 %	- %	- %
Medical contribution inflation rate	8.70 %	9.40 %	- %	- %

Defined contribution plan: Retirement fund

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

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

22. Retirement benefit obligation (continued)

The number of members of the Provident Fund at year-end:

Hospitality and General Provident Fund	243	194	-	-
York Timbers Provident Fund	1 874	2 034	-	-
Alexander Forbes Provident Fund	283	566	-	-

Defined contribution plan: Pension fund and Retirement annuity

The Group has two pension funds and 1 retirement annuity, with the following number of members at year end:

Alexander Forbes Pension Fund	7	7	-	-
Momentum Pension Fund	108	-	-	-
Allan Gray Retirement Annuity	7	-	-	-

Defined contribution plan: Medical aid fund

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

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

22. Retirement benefit obligation (continued)

Contributions towards defined contribution funds:				
Hospitality and General Provident Fund	1 810	1 373	-	-
York Timbers Provident fund	21 180	19 897	-	-
Alexander Forbes Provident Fund	11 424	11 650	-	-
Alexander Forbes Pension Fund	550	817	-	-
Momentum Pension Fund	376	-	-	-
Allan Gray Retirement Annuity	130	-	-	-
	35 470	**33 737**	**-**	**-**

Expected contributions for the next year				
Hospitality and General Provident Fund	1 919	1 455	-	-
York Timbers Provident fund	22 451	21 091	-	-
Alexander Forbes Provident Fund	12 110	12 349	-	-
Alexander Forbes Pension Fund	583	866	-	-
Momentum Pension Fund	398	-	-	-
Allan Gray Retirement Annuity	138	-	-	-
	37 599	**35 761**	**-**	**-**

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

Below is the undiscounted maturity analysis of the defined benefit obligation. The weighted average duration is 17 years for Pensioners and 2.1 years for the active members (2020: 18.5 years for Pensioners and 2 years for the active members).

2021	**Pensioners**	**Actives**	**Total**
Less than a year	2 570	27	2 597
1 - 2 years	2 695	21	2 716
2 - 5 years	8 759	17	8 776
More than 5 years	76 987	2	76 989
	91 011	**67**	**91 078**

2020	**Pensioners**	**Actives**	**Total**
Less than a year	2 606	53	2 659
1 - 2 years	2 759	20	2 779
2 - 5 years	9 156	26	9 182
More than 5 years	97 564	3	97 567
	112 085	**102**	**112 187**

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

23. Provisions

Reconciliation of provisions - Group - 2021

	Opening balance	Additions	Utilised during the year	Total
Environmental rehabilitation	16 249	653	(70)	16 832

Reconciliation of provisions - Group - 2020

	Opening balance	Additions	Utilised during the year	Total
Environmental rehabilitation	15 738	598	(87)	16 249

	Group 2021	Group 2020	Company 2021	Company 2020
Non-current liabilities	16 576	16 249	-	-
Current liabilities	256	-	-	-
	16 832	**16 249**	**-**	**-**

Environmental liability

The provision of R16.6 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 re-assessed. The expected timing of the outflow of economic benefits is estimated to be during the next two to five years. The re-assessment in the current year comprises an inflation adjustment only. The inflation rate applied during the year was 4.1% (2020: 3.9%).

R0,3 million originated at the closure of a treating facility in the 2019 financial year. The expected timing of the outflow of economic benefits is estimated to be within the next 12 months.

24. Trade and other payables

	Group 2021	Group 2020	Company 2021	Company 2020
Financial instruments:				
Trade payables	210 934	142 837	51	131
Payroll related accruals	108 690	83 081	1 761	1 281
Solidarity fund and TERS payments	-	3 507	-	-
Accruals	5 398	587	-	-
Deposits received	328	82	-	-
Other payables	4 296	976	-	-
Non-financial instruments:				
Value added taxation	7 888	3 699	-	138
	337 534	**234 769**	**1 812**	**1 550**

Exposure to liquidity risk

Refer to note 41 Financial instruments and financial risk management for details of liquidity risk exposure and management.

The carrying amounts reasonably approximates its fair value.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

25. Revenue

Revenue from contracts with customers				
Sale of goods	1 825 365	1 428 840	-	-
Rendering of services	24 300	8 849	4 775	4 606
Rental income	1 005	1 136	-	-
	1 850 670	**1 438 825**	**4 775**	**4 606**

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

Sale of goods				
Food and beverage sales	7 296	2 120	-	-
Lumber sales (1)	989 589	887 144	-	-
Plywood sales (1)	702 656	456 846	-	-
Fruit and nut sales	2 110	-	-	-
Sundry income* (1)	57 959	29 720	-	-
Log sales (2)	65 755	53 010	-	-
	1 825 365	**1 428 840**	**-**	**-**
Rendering of services				
Administration and management fees received	-	-	4 775	4 606
Transport income (1), (2) and (3)	8 561	2 672	-	-
Income from fruit packed	10 426	-	-	-
Treating income (1)	3 841	4 313	-	-
Accommodation income	1 472	1 864	-	-
	24 300	**8 849**	**4 775**	**4 606**
Other revenue				
Rental income	1 005	1 136	-	-
Total revenue from contracts with customers	**1 850 670**	**1 438 825**	**4 775**	**4 606**

1) A portion of the lumber and plywood sales, sundry income, transport income and treating income is disclosed as part of the external sales of the processing, agricultural and wholesale operating segment in note 36.

2) The log sales and a portion of the transport income is included in the external sales of the forestry and fleet operating segment in note 36.

3) In some instances the customer requires the company to arrange transport with the sale of goods. The performance obligation on the sale of goods are then satisfied when the goods are delivered to the customer.

* Sundry income mainly consists of sawdust and chips income.

Notes to the consolidated and separate annual financial statements

		Group		Company	
Figures in Rand R'000		2021	2020	2021	2020

25. Revenue (continued)

Timing of revenue recognition

	Group 2021	Group 2020	Company 2021	Company 2020
At a point in time				
Sale of goods	1 825 365	1 428 840	-	-
Rendering of services	22 828	6 985	4 775	4 606
	1 848 193	**1 435 825**	**4 775**	**4 606**
Over time				
Rendering of services	1 472	1 864	-	-
Other revenue	1 005	1 136	-	-
	2 477	**3 000**	**-**	**-**
Total revenue from contracts with customers	**1 850 670**	**1 438 825**	**4 775**	**4 606**

Refer to note 36 for revenue per geographical area.

26. Other operating income

	Group 2021	Group 2020	Company 2021	Company 2020
Profit on sale of assets	18	216	-	-
Other rental income(1)	4 300	4 849	-	-
Bad debts recovered	1	44	-	-
Sundry income	3 952	3 524	-	-
Insurance claims(2)	17 904	5 532	-	-
Scrap sales	2 568	884	-	-
	28 743	**15 049**	**-**	**-**

(1) *Other rental income relates to income derived from rental income on Telecommunication infrastructure placed on York's property and other property rental.*

(2) *Insurance claim received relates to an insurance claim for business interruption in the 2018 financial year.*

27. Other operating (losses) / gains

	Note	Group 2021	Group 2020	Company 2021	Company 2020
(Losses) / gains on disposals and scrappings					
Property, plant and equipment	3	(1 549)	3 749	-	-
Foreign exchange (losses) / gains					
Net foreign exchange (losses) / gains		(8 820)	4 538	-	-
Fair value gains (losses)					
Biological assets: unharvested fruit	5	1 215	-	-	-
Total other operating (losses) / gains		**(9 154)**	**8 287**	**-**	**-**

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

28. Operating profit / (loss)

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

Auditor's remuneration - external				
Audit fees	4 221	3 649	-	-
Other consultation services	-	40	-	-
Total auditor's remuneration	**4 221**	**3 689**	**-**	**-**
Remuneration, other than to employees				
Administrative and managerial services	4 965	3 805	632	517
Consulting and professional services	14 108	9 613	-	-
Total remuneration, other than to employees	**19 073**	**13 418**	**632**	**517**
Employee costs				
Salaries, wages, bonuses and other benefits	160 897	146 371	3 371	2 823
Employee cost included in cost of sales	229 688	196 858	-	-
Other short-term costs	1	-	-	-
Retirement benefit plans: defined benefit expense	3 129	2 770	-	-
Equity settled share-based payment expense	2 371	1 532	-	-
Total employee costs	**396 086**	**347 531**	**3 371**	**2 823**
Leases				
Variable lease payments	-	(358)	-	-
Short term leases	1 759	724	-	-
	1 759	**366**	**-**	**-**
Depreciation and amortisation				
Depreciation of property, plant and equipment	101 163	93 456	-	-
Amortisation of intangible assets	127	144	-	-
Total depreciation and amortisation	**101 290**	**93 600**	**-**	**-**

Depreciation of property, plant and equipment that forms part of the production process is included in cost of sales and all other depreciation and amortisation are included in operating expenses.

Impairment losses				
Property, plant and equipment	114	155	-	-

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

28. Operating profit / (loss) (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:

Changes in inventories of finished goods and work in progress	910 127	983 900	-	-
Employee costs	396 086	347 531	3 371	2 823
Operating lease charges	1 759	366	-	-
Depreciation, amortisation and impairment (excluding impairment on goodwill)	101 404	93 755	-	-
Other expenses	235 608	118 717	1 400	1 779
Total expenses by nature	**1 644 984**	**1 544 269**	**4 771**	**4 602**

29. Investment income

Interest income	**2021**	**2020**	**2021**	**2020 Restated**
Investments in financial assets:				
Bank and other cash	498	570	1	2
Other financial assets	3 120	2 447	-	-
Loans to group companies:				
Subsidiaries	-	-	3 450	37 370
Total interest income	**3 618**	**3 017**	**3 451**	**37 372**

Interest was generated from financial assets at amortised cost.

Refer to note 38 for details on the restatement.

30. Finance cost

Trade and other payables	420	2	-	-
Lease liabilities	908	1 622	-	-
Interest on borrowings held at amortised cost	43 093	55 404	-	-
Loan raising fee - amortised	524	425	-	-
Other interest paid	3 502	3 596	-	-
Total finance costs	**48 447**	**61 049**	**-**	**-**

31. Other non-operating gains / (losses)

Biological assets: pine and eucalyptus trees	5	12 958	(159 301)	-	-
Bargain purchase		4 413	-	-	-
Investment property	4	3 040	-	-	-
Impairment of goodwill	6	(1 184)	-	-	-
Total other non-operating gains / (losses)		**19 227**	**(159 301)**	**-**	**-**

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

32. Taxation

Major components of the tax expense (income)

Current	**2021**	**2020**	**2021**	**2020 Restated**
Local income tax: current period	25 737	2	1	2
Deferred				
Deferred tax: current period	32 989	(81 806)	-	-
Deferred tax: prior periods	299	-	-	-
	33 288	**(81 806)**	**-**	**-**
Total	**59 025**	**(81 804)**	**1**	**2**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28%	(28.00)%	28.00 %	28.00 %
Legal fees, fines, penalties, intergroup interest and impairment of goodwill	1.50 %	0.20 %	(27.97)%	(27.99)%
Learnership agreements and bargain purchase	(1.18)%	(0.78)%	- %	- %
Assessed loss not recognised	1.24 %	1.34 %	- %	- %
Prior year under provision	0.15 %	- %	- %	- %
Capital gains tax	- %	(0.09)%	- %	- %
	29.71 %	**(27.33)%**	**0.03 %**	**0.01 %**

The corporate income tax rate of 28% remains unchanged.

Refer to note 38 for details on the restatement.

Taxation related to components of other comprehensive income

Re-measurements of defined benefit liability	(560)	(101)	-	-

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

33. Cash generated from / (used in) operations

	2021	2020	2021	2020 Restated
Profit / (loss) before taxation	198 669	(299 441)	3 455	37 376
Adjustments for:				
Depreciation and amortisation	101 290	93 600	-	-
Loss / (gains) on disposal of assets	1 549	(3 749)	-	-
Loss / (gains) on foreign exchange	8 820	(4 538)	-	-
Interest income	(3 618)	(3 017)	(3 451)	(37 372)
Finance cost	48 447	61 049	-	-
Fair value (gains) / losses	(20 442)	159 301	-	-
Impairments of property, plant and equipment and goodwill	114	155	-	-
Purchase of biological assets	(935)	(44 880)	-	-
Harvesting of purchased biological assets	47 739	133 246	-	-
Movements in retirement benefit liabilities	256	507	-	-
Movements in provisions	583	129	-	-
Share-based payment expenses: equity-settled	2 371	1 532	-	-
Changes in working capital:				
Inventories	48 238	145 362	-	-
Trade and other receivables	(107 137)	56 443	18	(107)
Trade and other payables	102 576	(199 508)	262	(127)
Deferred income	502	-	-	-
	429 022	**96 191**	**284**	**(230)**

Refer to note 38 for details on the restatement.

Changes in liabilities arising from financing activities (Group)	**Borrowings**	**Lease liabilities**	**Total**
Balance as at 01 July 2020	583 898	12 302	596 200
Cash flow movements:			
Proceeds from borrowings	101 097	-	101 097
Repayment of borrowings	(170 786)	-	(170 786)
Lease payments	-	(8 140)	(8 140)
Non-cashflow movements:			
Loan raising fee	524	-	524
Finance cost	-	908	908
Disposal	-	14	14
Balance as at 30 June 2021	**514 733**	**5 084**	**519 817**

Balance as at 01 July 2019	683 436	18 147	701 583
Cash flow movements:			
Proceeds from borrowings	11 580	-	11 580
Repayment of borrowings	(111 542)	-	(111 542)
Lease payments	-	(10 106)	(10 106)
Non-cashflow movements:			
Loan raising fee	424	-	424
Finance cost	-	1 622	1 622
Increase in lease liabilities	-	2 997	2 997
Variable lease payments	-	(358)	(358)
Balance as at 30 June 2020	**583 898**	**12 302**	**596 200**

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

34. Tax (paid) refunded

Net balance at the beginning of the year	475	10 983	(2)	(17)
Current tax recognised in profit or loss	(25 737)	(2)	(1)	(2)
Net balance at the end of the year	1 862	(475)	-	2
Total	**(23 400)**	**10 506**	**(3)**	**(17)**

35. Business combinations

Aggregated business combinations

Property, plant and equipment (including bearer plants)	83 182	-	-	-
Biological assets: unharvested fruit	3 892	-	-	-
Deferred tax	(8 163)	-	-	-
Inventories	2 312	-	-	-
Trade and other payables	(189)	-	-	-
Total identifiable net assets	81 034	-	-	-
Goodwill	1 184	-	-	-
Bargain purchase gain in a business combination	(4 413)	-	-	-
Consideration paid	**77 805**	**-**	**-**	**-**

Funded through

Cash	(2 805)	-	-	-
Borrowing facility	(75 000)	-	-	-
	(77 805)	**-**	**-**	**-**

Net cash outflow on acquisition				
Cash consideration paid	(77 805)	-	-	-

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

35. Business combinations (continued)

Twycross

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

The acquisition will enable the Group to diversify its earnings.

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

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

Acquisition costs of R618 970 were incurred for legal fees and due diligence cost. The costs have been included as part of the other operating expenses in the Statement of Profit or Loss and other Comprehensive Income as well as cash flow from operating activities in the Statement of Cash Flow for the period ended 30 June 2021.

Fair value of assets acquired and liabilities assumed

Property, plant and equipment (including bearer plants)	69 682	-	-	-
Biological assets: unharvested fruit	3 471	-	-	-
Deferred tax	(6 558)	-	-	-
Inventories	2 312	-	-	-
Trade and other payables	(189)	-	-	-
Total identifiable net assets	68 718	-	-	-
Gain on a bargain purchase in a business combination	(4 413)	-	-	-
Consideration paid	**64 305**	**-**	**-**	**-**

Figures in Rand R'000

35. Business combinations (continued)

Tropicado

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

The acquisition will enable the Group to diversify its earnings.

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

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

Acquisition costs of R68 122 were incurred for legal fees. The costs have been included as part of the other operating expenses in the Statement of Profit or Loss and other Comprehensive Income as well as cash flow from operating activities in the Statement of Cash Flow for the period ended 30 June 2021.

Fair value of assets acquired and liabilities assumed

Property, plant and equipment (including bearer plants)	13 500	-	-	-
Biological assets: unharvested fruit	421	-	-	-
Deferred tax	(1 605)	-	-	-
Total identifiable net assets	12 316	-	-	-
Goodwill	1 184	-	-	-
	13 500	**-**	**-**	**-**

Revenue and profit contribution:

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

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

36. Operating segments

The Group has four reportable segments (2020: three reportable segments), due to the inclusion of the businesses acquired as per note 35, as described below, which are the Group's strategic divisions. Management has identified the segments based on the internal reports reviewed monthly by the Group's Chief Operating Decision-Maker (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 financial statements.

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

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

The Group operates in three geographical areas, namely South Africa, countries in the Southern Africa Development Community (SADC) and non-SADC regions. Refer to the section on credit risk in note 41 for disclosure on major customers.

Performance in internal management reports is measured based on earnings before interest, taxation, depreciation and amortisation (EBITDA). 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 financial statements.

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

Transactions between segments are done at arm's length.

The segment information for the year ended 30 June 2021:

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

36. Operating segments (continued)

2021	Processing plants	Wholesale	Forestry and Fleet	Agriculture	Total
Revenue: External sales	1 219 940	542 601	66 512	19 021	1 848 074
Revenue: Inter-segment sales	304 732	-	812 168	3 420	1 120 320
	1 524 672	**542 601**	**878 680**	**22 441**	**2 968 394**

Depreciation, amortisation and impairments	(70 630)	(7 093)	(19 389)	(1 685)	(98 797)
Reportable segment profit / (loss)*	150 486	34 163	145 117	4 492	334 258
Other non-cash item:					
- Fair value adjustment to biological assets (pine and eucalyptus trees)	-	-	12 958	-	12 958
Capital expenditure	41 482	282	25 156	12 079	78 999

* Being earnings before interest, taxation, depreciation and amortisation (EBITDA) and fair value adjustments on pine and eucalyptus biological assets.

2020	Processing plants	Wholesale	Forestry and Fleet	Total
Revenue: external sales	933 437	448 816	53 119	1 435 372
Revenue: inter-segment sales	218 883	-	645 376	864 259
	1 152 320	**448 816**	**698 495**	**2 299 631**

				Total
Depreciation, amortisation and impairments	(61 117)	(8 386)	(18 780)	(88 283)
Reportable segment profit/ (loss)*	8 187	9 147	(4 977)	12 357
Other non-cash item:				
-Fair value adjustment to biological assets	-	-	(159 301)	(159 301)
Capital expenditure	27 457	409	13 379	41 245

* Being earnings before interest, taxation, depreciation and amortisation (EBITDA) and fair value adjustments on pine and eucalyptus biological assets.

Reconciliation of reportable segment revenue and profit				
Revenue				
Total revenue for reportable segments	2 968 394	2 299 631	-	-
Other revenue	10 425	12 797	-	-
Elimination of inter-segment revenue	(1 128 149)	(873 603)	-	-
Consolidated revenue	**1 850 670**	**1 438 825**	**-**	**-**
Profit				
Total EBITDA for reportable segments	334 258	12 357	-	-
Depreciation and amortisation for reportable segments	(98 797)	(88 283)	-	-
Depreciation and amortisation and impairment for non-reporting segments	(2 607)	(5 472)	-	-
Non-reporting segments EBITDA	(8 583)	(710)	-	-
Operating profit / (loss)	**224 271**	**(82 108)**	**-**	**-**

Refer to note 41 where sales to the three largest customers are disclosed. Refer also to note 28, where the components of operating profit are disclosed.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

36. Operating segments (continued)

Revenue per geographical area				
South Africa	1 538 666	1 177 936	-	-
Southern Africa Development Community (SADC)	204 375	167 823	-	-
International (Non-SADC)**	107 629	93 066	-	-
Total	**1 850 670**	**1 438 825**	**-**	**-**

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

37. Commitments

Authorised capital expenditure

Already contracted for but not provided for				
• Property, plant and equipment	16 749	20 322	-	-
Not yet contracted for				
• Property, plant and equipment	49 315	91 694	-	-

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.

38. Prior period error

In the 2019 financial year, the loan to group companies in York Timber Holdings Limited's separate financial statements, were not stated at amortised cost on the adoption of IFRS 9 and subsequently investment income was not recorded. This restatement relates to the company's separate financial statements only and has no impact on the consolidated annual financial statements where intercompany transactions are eliminated. The comparative amounts for the 2020 financial year for York Timber Holdings Limited's separate financial statements have been restated.

The effect on the financial statements is summarised below:

Company 2020	**Balance as previously stated**	**Adjustment**	**Restated balance**
Loans to group companies	1 345 428	(88 276)	1 257 152
Retained income	(939 898)	88 276	(851 622)
Investment income	-	(37 370)	(37 370)

Company 2019			
Loans to group companies	1 345 673	(125 646)	1 220 027
Retained income	(939 894)	125 646	(814 248)

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

39. 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
Other related entities	York Timbers Community Proprietary Limited York Timber Staff Proprietary Limited
Directors	Refer to note 40.

* 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 (2020: 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, respectively. The holdings in and voting power of York Timber Holdings Limited in all subsidiaries is 100%, except in York Carbon Limited, where it is 51%.

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

Related party balances

Refer to note 9.

Related party transactions

	Group 2021	Group 2020	Company 2021	Company 2020
Recoveries received				
York Timbers Proprietary Limited	-	-	(4 775)	(4 606)
Investment income from loan to group companies				
York Timbers Proprietary Limited	-	-	(3 450)	(37 370)

The directors held 5 117 276 shares (2020: 4 519 410 shares) in York Timber Holdings Limited.

Figures in Rand R'000

40. Directors' emoluments

Executive

2021

	Emoluments	Other benefits*	Total
GCD Stoltz	2 312	1 886	4 198
PP van Zyl	5 253	1 073	6 326
	7 565	**2 959**	**10 524**

2020

	Emoluments	Other benefits*	Total
GCD Stoltz	2 322	210	2 532
PP van Zyl	5 145	1 050	6 195
	7 467	**1 260**	**8 727**

* Other benefits relate to performance related payments, expense allowance and pension fund contributions.

Non-executive

2021

	Directors' fees	Total
AW Brink	443	443
Dr AP Jammine	442	442
HM Mbanyele-Ntshinga	362	362
SAU Meer	238	238
DM Mncube	477	477
Dr JP Myers	1 024	1 024
KM Nyanteh	385	385
	3 371	**3 371**

2020

	Directors' fees	Total
AW Brink	389	389
Dr AP Jammine	392	392
HM Mbanyele-Ntshinga	319	319
SAU Meer	203	203
DM Mncube	412	412
Dr JP Myers	740	740
KM Nyanteh	324	324
	2 779	**2 779**

40. Directors' emoluments (continued)

Equity settled share based payment

2021

	Awards held at the beginning of the year (units '000)	Awards awarded / (vested) during the year (units '000)	Awards held at the end of the year (units '000)	Fair value of options at grant date (R)	Total value provided at the end of the year (R'000)
PP van Zyl	-	3 000	3 000	2.34	589
GCD Stoltz	752	(752)	-	-	-

2020

	Awards held at the beginning of the year (units '000)	Awards awarded / (vested) during the year (units '000)	Awards held at the end of the year (units '000)	Fair value of options at grant date (R)	Total value provided at the end of the year (R'000)
GCD Stoltz	752	-	752	2.60	889

41. 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 (excluding derivative financial liabilities) disclosed in note 20, cash and cash equivalents disclosed in note 15, 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.

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

Borrowings repayable within one year	20	167 461	165 976
Borrowings repayable after one year	20	347 330	417 922
Total borrowings		**514 791**	**583 898**
Cash and cash equivalents	15	(71 180)	(3 013)
Net borrowings		**443 611**	**580 885**
Equity		3 024 328	2 880 872
Gearing ratio		15 %	20 %

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

41. 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 its 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 monitors its forecasted 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 forecasted economic conditions.

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

The Group and Company's forecasted financial risk position with respect to key financial objectives and compliance with treasury practice 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 customer and investment securities.

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

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

Figures in Rand R'000

41. Financial instruments and risk management (continued)

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

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

Group		2021			2020		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Other financial assets at amortised cost	10	97 583	-	97 583	53 331	-	53 331
Trade and other receivables	13	269 012	(10 057)	258 955	167 889	(13 547)	154 342
Cash and cash equivalents	15	108 030	-	108 030	48 430	-	48 430
		474 625	**(10 057)**	**464 568**	**269 650**	**(13 547)**	**256 103**

Company		2021			2020 Restated		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Loans to group companies (1)	9	1 256 070	-	1 256 070	1 257 152	-	1 257 152
Trade and other receivables	13	198	(178)	20	198	(178)	20
Cash and cash equivalents	15	1	-	1	-	-	-
		1 256 269	**(178)**	**1 256 091**	**1 257 350**	**(178)**	**1 257 172**

(1) Refer to note 38 for details on the restatement.

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 30% (2020: 29%) of the Group's revenue is attributable to sales transactions with three (2020: three) multi-national customers. These are customers of the processing plants and wholesale.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

41. Financial instruments and risk management (continued)

Customer				
A	13 %	12 %	-	-
B	9 %	9 %	-	-
C	8 %	8 %	-	-
	30 %	**29 %**	**-**	**-**

The risk rating grade of cash and cash equivalents is set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

	Credit ratings of financial institution	**Cash and cash equivalents R '000**
FirstRand Bank Limited	P -3	38 883
Standard Bank	P -2	69
Absa Bank	P 3	32 085
		71 037

Figures in Rand R'000

41. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting its obligations associated with its 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 it will always have sufficient liquidity to meet its 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 marketable securities, the availability of funding through an adequate level of committed credit facilities and ensuring an ability to close out market positions. 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 manages liquidity risk through an on-going 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 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 - 2021

	Notes	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Non-current liabilities						
Borrowings	20	-	77 871	270 432	438	348 741
Current liabilities						
Trade and other payables	24	329 646	-	-	-	329 646
Borrowings	20	167 461	-	-	-	167 461
Bank overdraft	15	36 850	-	-	-	36 850
		533 957	**77 871**	**270 432**	**438**	**882 698**

Figures in Rand R'000

41. Financial instruments and risk management (continued)

Group - 2020

	Notes	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Non-current liabilities						
Borrowings	20	-	160 638	193 749	64 321	418 708
Current liabilities						
Trade and other payables	24	231 070	-	-	-	231 070
Borrowings	20	165 976	-	-	-	165 976
Bank overdraft	15	45 417	-	-	-	45 417
		442 463	**160 638**	**193 749**	**64 321**	**861 171**

Company - 2021

	Note	Less than 1 year	Total
Current liabilities			
Trade and other payables	24	1 812	1 812

Company - 2020

	Note	Less than 1 year	Total
Current liabilities			
Trade and other payables	24	1 412	1 412

Figures in Rand R'000

41. 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 Company operates in three geographical segments, namely South Africa, countries within the Southern African Development Community (SADC) and non-SADC regions. All transactions with customers in the SADC countries are denominated in SA Rand and do not expose the Company to currency risks. Transactions with non-SADC countries are denominated in United States Dollar (USD).

The company sells to foreign customers in USD and collects the money in the USD 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 Company to currency risks. Most of the Company's purchases are denominated in SA Rand. However, certain engineering machinery and equipment denominated in US Dollars (USD) was purchased during the year. This exposed the Company to changes in the foreign exchange rates. Sales denominated in foreign currency provides a natural hedge to purchases denominated in foreign currency. This is done on an ad-hoc basis, as deemed appropriate or when required by the supplier. An unrealised net loss of R8.8 million (2020: profit of R4.5 million) was realised.

The Company's borrowings and cash deposits are all denominated in SA Rand and USD.

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency, of the above exposure were as follows:
US Dollar exposure:

Current assets:				
Cash and cash equivalents	4 326	2 047	-	-

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company 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	2021	2021	2020	2020
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
South African Rand	619	(619)	373	(373)

Figures in Rand R'000

41. Financial instruments and risk management (continued)

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.

Sensitivity analysis of interest is disclosed in note 20.

Interest rate profile

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

	Note	**Average effective interest rate**		**Carrying amount**	
Group		2021	2020	2021	2020
Liabilities					
Borrowings	20	6% - 7.75%	6% - 9%	516 202	584 684

42. 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 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.

		Group		Company	
Figures in Rand R'000		2021	2020	2021	2020

42. Fair value information (continued)

Levels of fair value measurements

Level 2

Recurring fair value measurements

Assets	Note				
Investment property	4				
Investment property		34 180	30 740	-	-
Total		**34 180**	**30 740**	**-**	**-**

Level 3

Recurring fair value measurements

Assets	Notes				
Biological assets	5				
Pine and eucalyptus trees		2 875 903	2 906 890	-	-
Unharvested fruit		2 248	-	-	-
Total biological assets		**2 878 151**	**2 906 890**	**-**	**-**
Goodwill	6				
Goodwill		357 630	357 630	-	-
Total		**3 235 781**	**3 264 520**	**-**	**-**

43. Going concern

The South African economy was affected by the news of the first confirmed cases of the COVID-19 virus whereafter the country was placed in lockdown. The entity was affected by the lockdown implemented by the South African Government and developed health and safety protocols with a prevention and mitigation plan in place for COVID-19 and focus was placed on selling from available stock. All the operations were back to capacity from 1 July 2020 to meet the change in market demand. The total comprehensive income for the period of R141.1 million compared to a loss of R217.4 million in the preceding year.

Management has assessed the appropriateness of the use of the going concern assumption in the preparation of these financial statements through a review of the 2022 budget and cash flow forecast and based on the assessment performed, there is no material uncertainty nor conditions that may cast doubt on the company's ability to continue as a going concern.

44. Events after the reporting period

Pursuant to the rules of the 2015 Share Plan, the late Chief Executive Officer's restricted shares have vested and will be settled to his estate. The number of shares that vested on 19 July 2021 has a deemed value of R6 430 730.

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

45. Earnings per share

Basic earnings / (loss) per share				
Basic earnings / (loss) per share (cents)	44	(69)	1	11
Diluted basic earnings / (loss) per share (cents)	44	(69)	1	11

The bonus element of the share-based payment did not have a dilutive effect on the shares (2020: did not have a dilutive effect).

Reconciliation of profit / (loss) for the year to basic earnings				
Profit / (loss) for the year attributable to equity holders of the parent	139 644	(217 637)	3 454	37 374

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	316 416	316 048	331 241	331 241
Adjusted for:				
Bonus element of share-based payment	664	2 825	664	2 825
	317 080	**318 873**	**331 905**	**334 066**

Headline earnings and diluted headline earnings per share

Headline earnings / (loss) per share (cents)	43	(70)	1	11
Diluted headline earnings / (loss) per share (cents)	43	(70)	1	11

The bonus element of the share-based payment did not have a dilutive effect on the shares (2020: did not have a dilutive effect).

Reconciliation between basic earnings / (loss) and headline earnings / (loss)				
Basic earnings / (loss)	139 644	(217 637)	3 454	37 374
Adjusted for:				
Loss / (profit) on sale of assets	1 549	(3 749)	-	-
Tax on profit on sale of assets	(434)	1 050	-	-
Impairment of property, plant and equipment	114	155	-	-
Tax on impairment of property, plant and equipment	(32)	(43)	-	-
Fair value adjustment on investment property	(3 040)	-	-	-
Tax on fair value adjustment on investment property	851	-	-	-
Bargain purchase	(4 413)	-	-	-
Impairment of goodwill	1 184	-	-	-
Headline earnings / (loss)	**135 423**	**(220 224)**	**3 454**	**37 374**

Notes to the consolidated and separate annual financial statements

	Group		Company	
Figures in Rand R'000	2021	2020	2021	2020

45. Earnings per share (continued)

Core earnings per share

Core earnings / (loss) per share (cents)	41	(33)	1	11
Diluted core earnings / (loss) per share (cents)	41	(33)	1	11

Reconciliation between basic earnings / (loss) and core earnings / (loss)				
Basic earnings / (loss)	139 644	(217 637)	3 454	37 374
Adjusted for:				
Fair value adjustment on biological assets	(14 173)	159 301	-	-
Tax on fair value adjustment on biological assets	3 968	(44 604)	-	-
Core earnings / (loss)	**129 439**	**(102 940)**	**3 454**	**37 374**