



ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

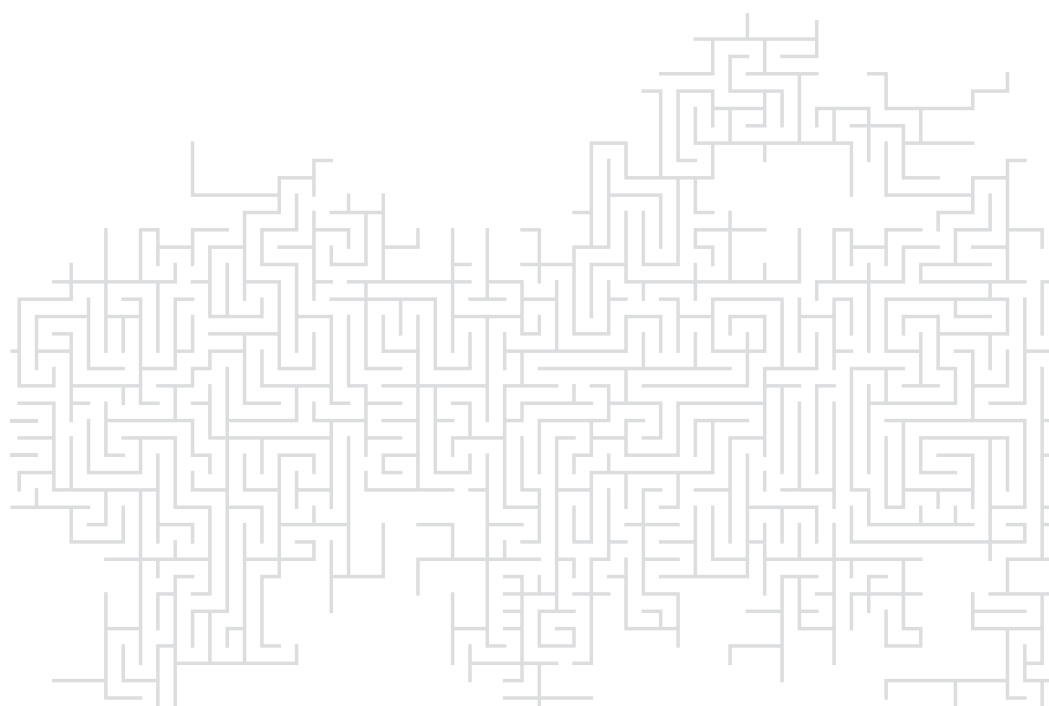


Santova

INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

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DIRECTORS' RESPONSIBILITY AND APPROVAL STATEMENT

for the year ended 28 February 2022

The directors of Santova Limited ("Santova") have the pleasure of presenting the consolidated and separate financial statements ("the financial statements") for the year ended 28 February 2022.

In terms of the Companies Act of South Africa No. 71 of 2008, as amended ("the Companies Act"), the directors are required to prepare the financial statements that fairly present the state of affairs and business of the Group and Company at the reporting date and of the financial performance for that reporting period. To achieve the highest standards of financial reporting, the consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the JSE Limited ("JSE") Listings Requirements, and in terms of the requirements of the Companies Act.

On the recommendation by the Audit and Risk Committee, the directors considered and are satisfied that the internal controls, systems and procedures in operation provide reasonable assurance that all assets are safeguarded, that transactions are properly executed and recorded, and that the possibility of material loss or misstatement is minimised. The directors are of the opinion that the financial statements fairly present, in all material respects, the state of affairs and business of the Group and Company as at 28 February 2022 and of the profit for that reporting period.

The directors have reviewed the Group and Company's cash flow forecasts for the next 12 months from date of approval of the financial statements and, in light of this review, taking into account the ongoing impact of the COVID-19 pandemic and Santova's current financial position, they are satisfied that the Group and the Company have, or have access to, adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

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

The external auditors are responsible for independently examining and reporting on the financial statements and their report is presented on pages 9 to 11.

PREPARATION OF THE FINANCIAL STATEMENTS

The preparation of the financial statements for the year ended 28 February 2022 has been supervised by the Group Financial Director of Santova, Mr RM Herselman, CA (SA).

APPROVAL OF THE FINANCIAL STATEMENTS

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

WA Lombard
Chairman

GH Gerber
Chief Executive Officer

Durban
16 May 2022

CEO AND CFO RESPONSIBILITY STATEMENT

for the year ended 28 February 2022

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

- (a) the annual financial statements set out on pages 15 to 79, fairly present in all material respects the financial position, financial performance and cash flows of Santova Ltd in terms of IFRS;
- (b) no facts have been omitted or untrue statements made that would make the financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to Santova Ltd and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Santova Ltd; and
- (d) 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 the King Codes. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action.

GH Gerber
Chief Executive Officer

RM Herselman
Group Financial Director

Durban
16 May 2022

COMPLIANCE STATEMENT BY THE COMPANY SECRETARY

for the year ended 28 February 2022

The Company Secretary of Santova hereby certifies that in terms of section 88(2) of the Companies Act, the Company has filed all such returns and notices as are required of a public company with the Companies and Intellectual Property Commission of South Africa and that all such returns are true, correct and up to date in respect of the reporting period ended 28 February 2022.

JA Lupton, FCG
Company Secretary

16 May 2022

REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the reporting period ended 28 February 2022.

In compiling this report cognisance has been given to the principles of the King IV™ Report on Corporate Governance for South Africa, 2016 ("King IV™") and the requirements of the Institute of Directors Southern Africa Principle 8.

ROLE AND RESPONSIBILITIES

The Audit and Risk Committee ("the Committee") is an independent statutory committee appointed by the shareholders and its statutory duties are set down in Section 94(7) of the Companies Act of South Africa ("SA"). The Board has delegated the monitoring of risk management to the Committee and this report covers all these duties and responsibilities.

AUDIT AND RISK COMMITTEE CHARTER

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

COMPOSITION OF COMMITTEE AND ATTENDANCE

The membership of the Committee comprises three independent non-executive directors, one of whom, ESC Garner, is the Chairperson of the Committee. The Committee met four times during the reporting period and every Committee member attended all four meetings.

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

GROUP EXTERNAL AUDITOR APPOINTMENT AND INDEPENDENCE

Moore Johannesburg Inc. ("Moore") (previously known as Moore Stephens Johannesburg) was the appointed external auditor during the reporting period, with Candice Jenkins acting as the designated audit partner for the reporting period ended 28 February 2022.

Moore:

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

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

The Committee, in consultation with executive management, approved the terms and authorised the signing of the engagement letter, as well as the audit plan and budgeted audit fees for the 2022 reporting period.

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

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

The Committee has nominated for re-election at the Annual General Meeting ("AGM"), Moore as the Group External Auditor and Candice Jenkins as the designated audit partner responsible for performing the functions of auditor for the 2023 reporting period.

FINANCIAL STATEMENTS AND ACCOUNTING PRACTICES

The Committee has reviewed the accounting policies and the financial statements for the Company and the Group for the year ended 28 February 2022 and is satisfied that they are appropriate and comply with IFRS.

INTERNAL FINANCIAL CONTROLS

The Committee has overseen a process by which it has assured itself of the effectiveness of the Company's system of internal controls and risk management, including internal financial controls through assurance received from formal financial, legal, IT and customs' reports provided by management and external and internal assurance providers. Based on this assurance, the Committee made a recommendation to the Board for the Board to report thereon. The Board's report referring to the effectiveness of the system of internal controls is included in the Directors' Responsibility and Approval Statement on page 2 of the Annual Financial Statements ("AFS") for the year ended 28 February 2022. The Committee supports the opinion of the Board in this regard.

DUTIES ASSIGNED BY THE BOARD

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

INTEGRATED REPORTING AND COMBINED ASSURANCE

The Committee fulfills an oversight role regarding the Company's Annual Integrated Report ("AIR") and the reporting process.

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

SIGNIFICANT AREAS OF JUDGEMENT

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

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

GOING CONCERN

The Committee has reviewed a documented assessment, including key assumptions, prepared by management, of the going concern status of the Company and the Group and has made recommendations to the Board. The Board's statement on the going concern status of the Company and the Group, as supported by the Committee, is included in the Directors' Responsibility and Approval Statement on page 2 of the AFS for the year ended 28 February 2022.

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

Further detailed information on the governance of risk, how the Group has adopted the recommended practices of King IV™ Principle 11, and members of the relevant sub-committees is included in the "Risk Management Report" on pages 10 to 13 of the 2022 AIR.

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

INTERNAL AUDIT

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

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

Whilst there is not a specifically designated internal audit department, there are several specialised individuals, divisions and committees within the Group who review high risk areas on a continual basis. These include role players who are independent of the subsidiaries and business units ("BUs") that they review and audit. Furthermore, there is a specialised

network of independent suppliers whose role assists in the audit of risk within the Group. In addition, appropriate members of the Group Executive Committee ("EXCO") team, during their visits to subsidiary companies, regularly review the internal controls adopted at subsidiary level for both adequacy and effectiveness. These assurances are now documented and collated in an Internal Audit Evidence Index, which is reviewed by the Committee at every meeting.

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

The Committee confirms that nothing has come to its attention that would indicate any material breakdown in the adequacy or effectiveness of the internal controls of the Group during the reporting period.

The Committee is satisfied that it has complied with its legal, regulatory, and other responsibilities.

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

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

APPROVAL OF ANNUAL INTEGRATED REPORT AND FINANCIAL STATEMENTS

The Committee reviewed the AIR and the financial statements for the year ended 28 February 2022 and recommended them to the Board for approval.

The Committee is satisfied that it has fulfilled its responsibility in accordance with its terms of reference for the year ended 28 February 2022.

ESC Garner

Chairman of the Audit and Risk Committee
16 May 2022

SOCIAL AND ETHICS COMMITTEE REPORT

We are pleased to present our report for the reporting period ended 28 February 2022.

ROLES AND RESPONSIBILITIES

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

SOCIAL AND ETHICS COMMITTEE CHARTER

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

COMPOSITION AND DUTIES OF THE COMMITTEE

During the period under review, the Committee was comprised of three independent non-executive directors and the Group Legal Advisor. Collectively, they hold sufficient qualifications, skills and experience in the relevant areas to fulfill their duties. Further information on the Committee members, their qualifications and experience may be found on pages 28 and 29 of the 2022 AIR. The CEO is a permanent invitee to the Committee and attended all meetings and, in the interests of broadening knowledge of the Company, all other directors and prescribed officers, who are not members of the Committee are invited to attend meetings and usually do so.

The Committee met twice during the financial year. There was 100% attendance by all members during the reporting period.

Committee Members	July 2021	October 2021
EM Ngubo (Chairman)	•	•
ESC Garner	•	•
AKG Lewis	•	•
WA Lombard	•	•

PRIMARY AREAS OF ACTIVITY

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



SOCIAL AND ECONOMIC DEVELOPMENT



GOOD CORPORATE CITIZENSHIP



THE ENVIRONMENT



HEALTH AND PUBLIC SAFETY



CONSUMER RELATIONS



LABOUR AND EMPLOYMENT



ETHICAL AND REPUTATIONAL ISSUES

DUTIES AND FUNCTIONS OF THE COMMITTEE

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

ACT	As an Advisory Committee	To refrain from performing any management functions or assuming any management responsibilities.
	As an Independent Committee	To play an objective oversight role on behalf of the entire Group.
MONITOR	The Group's activities in the Primary Areas of Activity listed on the previous page	To ensure compliance by all regions and entities.
	The Committee	To monitor and review the Committee's own performance against its mandate set out in its Charter.
CONSIDER	Reports from Management	To provide assurance to the Committee that the relevant governance, controls and risk management are in place for the Primary Areas of Activity referred to on the previous page.
	Legal and Regulatory Requirements	To the extent that they are applicable to the duties of the Committee.
REVIEW	The Group's Policy and Procedure	To certify compliance of the internal rules and procedures with the Primary Areas of Activity listed on the previous page and in the Committee's Charter.
	New and Proposed Legislation	To monitor and enforce developments in laws and practices governing the Primary Areas of Activity listed on the previous page both locally and internationally.
UTILISE	The Social and Ethics Register	To guide its assessment and interrogation of the Primary Areas of Activity and the overall functioning of the Committee.
	The Group's Culture and Values (as set out on page 2 of the 2022 AIR)	To guarantee the respect and enforcement of the Group's Code of Ethics.
COMPLY	With the Group's Culture and Values	To guarantee the respect and enforcement of the Group's Code of Ethics.
	With King IV™ and other relevant Codes of Good Practice	To safeguard good governance and risk management of the functioning of the Committee.
REPORT	To the Board	To communicate and report on relevant matters within the Committee's mandate and to submit to an annual review by the Board.
	To the Shareholders	To report to the shareholders in terms of this formal report in the financial statements and at the AGM.

SOCIAL AND ETHICS COMMITTEE REPORT continued

KEY FOCUS AREAS DURING THE PERIOD

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

- ▣ **Social and Ethics Register** – This is a summarised register of every element and sub-element making up the broad collection of laws, protocols and codes, referred to in Section 72(4) of the Companies Act read with Regulation 43(5)(a). In accordance with its duties, the Committee utilised the Social and Ethics Register to review its compliance.
- ▣ **Committee Charter** – The Committee Charter was reviewed and updated during the year under review as required in terms of the Committee Work Plan.
- ▣ **Committee Work Plan** – The Committee Work Plan was updated throughout the year to align with the latest needs and requirements of the Committee. This included a review of the reports to be provided to the Committee by management. The Company is looking to automate the reports directly from the various systems in the coming year.
- ▣ **Management Reporting** - The Committee received a comprehensive management report, presented by the Group Legal Advisor, at each meeting on all the matters related to the Primary Areas of Activity.
- ▣ **Policy and Procedure** – The Committee continued its oversight and review of the Group's Policy and Procedure that are related to the Primary Areas of Activity. A total of 18 existing policies and statements were reviewed as part of the Committee's mandate in the period under review. This included a detailed review of the Whistle Blowing Policy (as outlined on page 30 of the 2022 AIR) and the Supplier Code of Conduct, which were materially updated during the period to ensure best practice. Furthermore, the new Social Media Policy was drafted and approved during the year.
- ▣ **'Santova For You'** – Santova is committed to ensuring that there is a productive and rewarding working environment for its employees and has traditionally achieved this objective through the implementation of financial-based rewards and incentives. In order to support these objectives further, the Committee authorised the implementation of an incentive-based programme called 'Santova For You' in the previous reporting period. This programme was continued in the period under review and awards eligible employees with a collection of non-permanent benefits of a predominantly non-financial nature, to motivate, uplift and enhance both employee careers and improve their overall working environment. The awards fit into the following three broad categories: Wellness, Culture, and Career. Examples include additional categories of special leave and formal length of service recognition incentives.
- ▣ **Occupational Health and Safety** - The Committee requested and managed the development of updated templates and procedures to ensure continued effective compliance with Sections 37(1) and (2) of the Occupational Health and Safety Act.
- ▣ **Ethical Culture** - The Committee reviewed the non-statutory duties of the Committee and specifically, the established ethical culture, against the recommendations of the Institute of Ethics.
- ▣ **New Legislation Review** - The Committee reviewed the General Legal Update, which summarises the latest legal developments specific to the ambit of the Social and Ethics Committee.
- ▣ **Human Resources ("HR") Mobile Application ("App")** - The Committee supervised the initial development of an HR App for use globally by the HR departments. The development of this App is expected to be completed in the coming financial year.
- ▣ **Social and Environmental ("S&E") Report** – Further information on the Primary Areas of Activity within the Santova Group for the period under review may be found in the S&E Report on the Company's website (www.santova.com).

The Committee is satisfied that it has fulfilled its responsibility in accordance with its terms of reference set out in the Social and Ethics Committee Charter for the year ended 28 February 2022.

EM Ngubo

Chairman of the Social and Ethics Committee

16 May 2022

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANTOVA LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Santova Limited (the company), set out on pages 15 to 79 which comprise the consolidated and separate statements of financial position as at 28 February 2022, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Santova Limited as at 28 February 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT continued

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of goodwill impairment and the related impairment of the investment in the subsidiaries (refer to note 4) Refer to the following notes in the consolidated financial statements: □ Note 1.3: Significant estimates and judgements. □ Note 4.3: Intangible assets (Goodwill). Judgement applied regarding the impairment of goodwill. Due to the number of business combinations that the Group has historically entered into, the Group's net assets include a significant amount of goodwill at the reporting date. The goodwill relates to cash-generating units that are significant to the Group's Statement of Financial Position as a whole and subject to potentially sensitive assumptions that could result in an impairment of relevant cash generating units. As required by IAS 36: Impairment of Assets (IAS 36), the directors conducted an annual impairment test on the goodwill balance to assess the recoverability of the carrying value of this goodwill. There is a potential risk that these businesses may not trade in line with expectations and forecasts, resulting in a potential impairment of the carrying amount of goodwill allocated to these businesses in each cash generating unit There are several key assumptions made in determining the inputs into the valuation model which include: future cash flow forecasts specifically for conflict markets where reliable economic data is not available, expense growth rates, operating margins, terminal value growth rates and discount rates (weighted average cost of capital). As a result of the significant judgements, the valuation of this goodwill is considered to be a key audit matter.	We focused our testing with regards to the impairment of goodwill on the key assumptions made by management. Our audit procedures included, amongst others: □ Critically evaluated whether the model used by the management in calculating the value in use of the cash generating units complied with IAS 36 Impairment of Assets. □ Validated the assumptions used to calculate the discount rates and long-term growth rates. □ Analysed the future projected cash flows, with respect to the capital expenditure, earnings before interest and tax, ("EBITDA") and working capital, used in the valuation model, to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash generating unit. □ Compared the growth rates used to historical data regarding economic growth rates included in the relevant cash generating units. □ Tested the inputs into the cash flow forecast against historical performance and in comparison, to the directors' strategic plans in respect of each cash generating unit. □ Compared the projected cash flows, including the assumptions relating to revenue growth rates, operating margins and commodity prices against historical performance in order to test the accuracy of management's projections. □ Assessed the related disclosures requirements relating to the calculation around the impairment of goodwill in terms of IFRS.
Other Information The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit and Risk Committee's Report and the Social and Ethics Committee's Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report, and the Annual Integrated Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditors' report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. Responsibilities of the Directors for the Consolidated and Separate Financial Statements The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.	

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Johannesburg Inc. has been the auditor of Santova Limited for four years.

Moore Johannesburg Inc

Moore Johannesburg Inc.

Registered Auditors

Per: **CA Jenkins**
Partner
Registered Auditor

16 May 2022

50 Oxford Road
Parktown
2193

REPORT OF THE DIRECTORS

for the year ended 28 February 2022

The directors have the pleasure of presenting their report for the year ended 28 February 2022, which forms part of the annual financial statements.

1. NATURE OF BUSINESS

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

2. GROUP RESULTS

The profit for the year attributable to owners of the Company amounted to R170 092 million (2021: R69 680 million), which resulted in basic earnings per share of 122,60 cents (2021: 46,51 cents).

The financial results of the Group, including its financial position, results of its operations for the period under review and detailed notes thereto, are set out in the financial statements on pages 15 to 79.

3. IMPACT OF COVID-19

The COVID-19 pandemic has had a significant impact in South Africa and across the world. The first impact was noted in the Group in March 2020, with major markets all impacted from this date onwards. Based on the magnitude of the pandemic and its potential impact on the financial statements, management has conducted a review of all possible financial effects the pandemic could have on the measurement, presentation and disclosure provided. The results of this assessment are disclosed in note 30 of the financial statements.

4. GOING CONCERN STATEMENT

Following due consideration of the operating budgets, an assessment of Group debt covenants and funding requirements, solvency and liquidity, the key risks, outstanding legal, insurance and tax issues, the impact of the COVID-19 pandemic and other pertinent matters presented by management, the directors have recorded that they have reasonable expectations that the Company and the Group have adequate resources and the ability to continue in operations for the foreseeable future. As a result, the financial statements have been prepared on the going concern basis.

5. DIVIDENDS

The directors have declared that given the Group's continued focus on building value per share, the Group's cash resources are best applied by reinvesting in the business and therefore no dividend has been declared for the 2022 reporting period.

6. SHARE CAPITAL

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

The total issued shares in the Company at the reporting date amounted to 138 420 252 ordinary shares of no par value (2021: 161 481 045).

7. CONTROLLING AND MAJOR SHAREHOLDERS

At the reporting date the Company had 7 995 (2021: 5 057) shareholders. Controlling and major shareholders holding in excess of 5% of the Company's share capital are detailed on page 40 of the AIR.

8. EVENTS AFTER THE REPORTING DATE

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

9. INVESTMENT IN SUBSIDIARIES

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

10. SPECIAL RESOLUTIONS

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

Company

- ▣ Approval of non-executive directors' remuneration for 2021/2022: 26 July 2021;
- ▣ General authority to provide financial assistance in terms of Section 44 of the Companies Act: 26 July 2021;
- ▣ General authority to provide financial assistance in terms of Section 45 of the Companies Act: 26 July 2021;
- ▣ General authority to buy own shares: 26 July 2021; and
- ▣ Ratification of reacquisition: 26 July 2021.

Subsidiaries

Authority to provide financial assistance in the form of a suretyship and cession of claims in favour of Nedbank Ltd for the obligations of Santova Ltd was passed by the following subsidiaries on 26 July 2021:

- ▣ Santova International Holdings (Pty) Ltd
- ▣ Santova Logistics (Pty) Ltd

A general authority to provide financial assistance to related companies in terms of Section 45 of the Companies Act was passed by the following subsidiaries on 26 July 2021:

- ▣ Santova International Holdings (Pty) Ltd
- ▣ Santova Logistics (Pty) Ltd
- ▣ Santova Corporate Services (Pty) Ltd
- ▣ Santova International Trade Solutions (Pty) Ltd
- ▣ Santova Financial Services (Pty) Ltd

11. DIRECTORS

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

Non-executive

- ▣ WA Lombard, *Chairman*
- ▣ ESC Garner
- ▣ EM Ngubo

Executive

- ▣ GH Gerber, *Chief Executive Officer*
- ▣ RM Herselman, *Group Financial Director*
- ▣ AL van Zyl

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

REPORT OF THE DIRECTORS continued

for the year ended 28 February 2022

12. DIRECTORS' INTERESTS

Details of the direct and indirect beneficial and non-beneficial interests of directors and prescribed officers of the Company and directors of its subsidiary companies in the share capital of the Company at 28 February 2022 are included on page 41 of the AIR. There have been no changes in the directors' interests from those reported at 28 February 2022 to the approval date of the financial statements.

13. COMPANY SECRETARY

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

Highway Corporate Services (Pty) Limited

14 Hillcrest Office Park
2 Old Main Road
Hillcrest
3610

PO Box 1319
Hillcrest
3650
KwaZulu-Natal

14. SHARE REGISTRARS

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

Rosebank Towers
15 Bierman Avenue
Rosebank
2196

Private Bag X9000
Saxonwold
Johannesburg
2132

15. AUDITOR

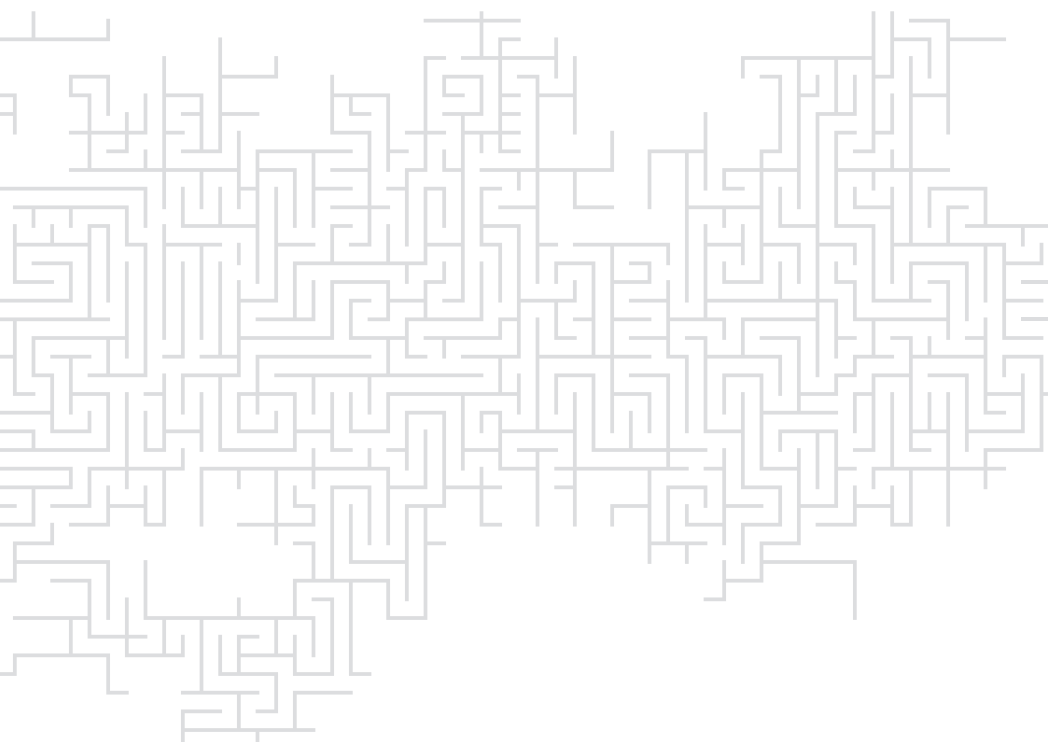
Moore Johannesburg Inc. ("Moore") is the appointed auditor of the Company.

16. NUMBER OF EMPLOYEES

The number of permanent employees within the Group at 28 February 2022 was 245 (2021: 259).

17. COMPANIES ACT

The Company is in compliance in all material respects with the requirements of the Companies Act and operates in conformity with its Memorandum of Incorporation.



STATEMENTS OF FINANCIAL POSITION

for the year ended 28 February 2022

		Group		Company	
	Notes	2022 R'000	2021 R'000	2022 R'000	2021 R'000
ASSETS					
Non-current assets		383 466	403 015	135 993	136 046
Property, plant and equipment	2	25 766	27 752	-	-
Right-of-use ("ROU") assets	3	36 330	39 989	-	-
Intangible assets	4	298 052	312 177	802	991
Investments in subsidiaries	5	-	-	134 332	134 008
Investment in associate	6	1 592	1 342	-	-
Financial assets at fair value through profit or loss	7	6 571	7 558	-	-
Deferred tax assets	8	15 155	14 197	859	1 047
Current assets		1 255 298	915 760	553	31 509
Trade and other receivables	9	981 988	725 102	337	212
Current tax assets		724	179	-	30
Amounts owing by related parties	10	-	-	-	29 564
Financial assets at fair value through profit or loss	7	1 781	448	-	-
Cash and cash equivalents		270 805	190 031	216	1 703
Total assets		1 638 764	1 318 775	136 546	167 555
EQUITY AND LIABILITIES					
Capital and reserves		765 847	619 040	59 925	131 700
Stated capital	11	163 998	221 096	150 366	221 096
Treasury shares		(5 699)	(48 095)	-	-
Equity-settled share-based payment reserve	27	8 764	8 607	8 764	8 607
Revaluation reserve		36	36	-	-
Foreign currency translation reserve		43 804	52 684	-	-
Retained earnings/(deficit)		554 804	384 613	(99 205)	(98 003)
Attributable to owners of the Company		765 707	618 941	59 925	131 700
Non-controlling interest		140	99	-	-
Non-current liabilities		47 636	43 350	758	984
Interest-bearing borrowings	12	22 380	12 810	-	-
Employee benefit obligations	13	758	984	758	984
Financial liabilities at fair value through profit or loss	7	-	857	-	-
Lease liabilities	14	24 487	27 966	-	-
Deferred tax liabilities	8	11	733	-	-
Current liabilities		825 281	656 385	75 863	34 871
Trade and other payables	15	518 492	391 354	289	234
Current tax liabilities		21 171	9 447	-	-
Interest-bearing borrowings	12	31 811	19 781	-	-
Amounts owing to related parties	16	288	285	75 574	34 637
Financial liabilities at fair value through profit or loss	7	2 078	19 482	-	-
Lease liabilities	14	14 204	14 512	-	-
Provisions	17	11 334	-	-	-
Overdrafts and bank facilities	18	225 903	201 524	-	-
Total equity and liabilities		1 638 764	1 318 775	136 546	167 555

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2022

	Notes	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Gross billings	19	6 418 867	4 463 487	4 140	4 640
Revenue	19	611 022	434 612	4 140	4 640
Net interest income	19	8 090	7 582	-	-
Interest and financing fee income	22	21 987	21 135	-	-
Interest and financing fee expense	23	(13 897)	(13 553)	-	-
Revenue and net interest income	19	619 112	442 194	4 140	4 640
Other income		26 158	21 385	-	-
Depreciation, amortisation and impairment loss on non-financial assets		(29 181)	(27 124)	(189)	(248)
Administrative expenses		(381 427)	(333 057)	(3 464)	(3 086)
Impairment loss on trade receivables	9	(6 216)	(6 182)	-	-
Operating profit	20	228 446	97 216	487	1 306
Finance income	22	28	110	-	-
Finance costs	23	(4 268)	(5 520)	(1 571)	(1 267)
Profit/(loss) before share of associate's profit		224 206	91 806	(1 084)	39
Share of profit of associate, net of tax	6	250	96	-	-
Profit/(loss) before tax		224 456	91 902	(1 084)	39
Income tax expense	24	(54 326)	(22 184)	(217)	(71)
Profit/(loss) for the year		170 130	69 718	(1 301)	(32)
Other comprehensive income for the year, net of tax					
Items that may be reclassified subsequently to profit or loss					
- Exchange differences arising from translation of foreign operations		(8 877)	16 299	-	-
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements of post-retirement medical aid benefit liability		99	(15)	99	(15)
Other comprehensive (loss)/income for the year		(8 778)	16 284	99	(15)
Total comprehensive income/(loss) for the year		161 352	86 002	(1 202)	(47)
<i>Profit/(loss) for the year attributable to:</i>					
Owners of the Company		170 092	69 680	(1 301)	(32)
Non-controlling interest		38	38	-	-
		170 130	69 718	(1 301)	(32)
<i>Total comprehensive income/(loss) for the year attributable to:</i>					
Owners of the Company		161 311	85 969	(1 202)	(47)
Non-controlling interest		41	33	-	-
		161 352	86 002	(1 202)	(47)
Basic earnings per share (cents)	25	122,60	46,51		
Diluted earnings per share (cents)	25	119,56	45,92		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2022

	Stated capital R'000	Treasury shares R'000	Equity-settled share-based payment reserve R'000	Revaluation reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total equity attributable to owners of the Company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 29 February 2020	220 995	(15 649)	7 741	36	36 396	314 948	564 467	66	564 533
Profit for the year	-	-	-	-	-	69 680	69 680	38	69 718
Other comprehensive income	-	-	-	-	16 288	(15)	16 273	(5)	16 268
Treasury shares acquired	-	(32 446)	-	-	-	-	(32 446)	-	(32 446)
Equity-settled share-based payment expense	-	-	917	-	-	-	917	-	917
Shares issued under share option scheme	102	-	(51)	-	-	-	51	-	51
Share issue costs	(1)	-	-	-	-	-	(1)	-	(1)
Balance at 28 February 2021	221 096	(48 095)	8 607	36	52 684	384 613	618 941	99	619 040
Profit for the year	-	-	-	-	-	170 092	170 092	38	170 130
Other comprehensive income	-	-	-	-	(8 880)	99	(8 781)	3	(8 778)
Treasury shares acquired	-	(15 194)	-	-	-	-	(15 194)	-	(15 194)
Treasury shares cancelled	(57 590)	57 590	-	-	-	-	-	-	-
Equity-settled share-based payment expense	-	-	324	-	-	-	324	-	324
Shares issued under share option scheme	494	-	(167)	-	-	-	327	-	327
Share issue costs	(2)	-	-	-	-	-	(2)	-	(2)
Balance at 28 February 2022	163 998	(5 699)	8 764	36	43 804	554 804	765 707	140	765 847

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2022

	Stated capital R'000	Equity-settled share-based payment reserve R'000	Retained deficit R'000	Total R'000
Balance at 29 February 2020	220 995	7 741	(97 956)	130 780
Loss for the year	-	-	(32)	(32)
Other comprehensive income	-	-	(15)	(15)
Equity-settled share-based payment expense charged in subsidiaries	-	917	-	917
Shares issued under share option scheme	102	(51)	-	51
Share issue costs	(1)	-	-	(1)
Balance at 28 February 2021	221 096	8 607	(98 003)	131 700
Loss for the year	-	-	(1 301)	(1 301)
Other comprehensive income	-	-	99	99
Share buy-back ¹	(71 222)	-	-	(71 222)
Equity-settled share-based payment expense charged in subsidiaries	-	324	-	324
Shares issued under share option scheme	494	(167)	-	327
Share issue costs	(2)	-	-	(2)
Balance at 28 February 2022	150 366	8 764	(99 205)	59 925

¹During the current reporting period, 23 279 097 treasury shares originally purchased from the open market by Santova Financial Services (Pty) Ltd were cancelled, resulting in a reduction of the total issued share capital of the Company. Refer to note 11.

STATEMENTS OF CASH FLOWS

for the year ended 28 February 2022

		Group		Company	
	Notes	2022 R'000	2021 R'000	2022 R'000	2021 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	26.1	163 693	175 985	480	1 444
Finance income	22	28	110	-	-
Finance costs		(4 257)	(5 244)	(1 571)	(1 267)
Tax paid	26.2	(44 827)	(21 141)	-	-
Net cash from/(used in) operating activities		114 637	149 710	(1 091)	177
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of plant and equipment	2	(2 508)	(1 939)	-	-
Acquisition and development of intangible assets	4	(3 641)	(4 459)	-	-
Proceeds on disposals of plant and equipment		350	72	-	-
Funds repaid by related parties		-	-	6 796	1 156
Settlement of contingent consideration	7	(18 294)	(20 398)	-	-
Acquisition of interest in associate	26.3	-	(835)	-	-
Net cash (used in)/from investing activities		(24 093)	(27 559)	6 796	1 156
CASH FLOWS FROM FINANCING ACTIVITIES*					
Proceeds from interest-bearing borrowings		30 000	-	-	-
Repayment of interest-bearing borrowings		(7 662)	(19 694)	-	(14 936)
Payment of lease liabilities		(14 431)	(21 491)	-	-
Proceeds from issue of share capital		325	50	325	50
Treasury shares acquired		(15 194)	(32 446)	-	-
Proceeds from related party loans		3	-	34 942	11 195
Repayment of related party loans		-	(9)	(42 459)	(900)
Net cash used in financing activities		(6 959)	(73 590)	(7 192)	(4 591)
Net increase/(decrease) in cash and cash equivalents					
		83 585	48 561	(1 487)	(3 258)
Effect of movements in exchange rates on cash held		(2 800)	7 057	-	-
Cash and cash equivalents at beginning of year		190 020	134 402	1 703	4 961
Cash and cash equivalents at end of year		270 805	190 020	216	1 703
<i>Cash and cash equivalents comprises:</i>					
Cash and cash equivalents		270 805	190 031	216	1 703
Less: Bank overdrafts	18	-	(11)	-	-
Cash and cash equivalents at end of year		270 805	190 020	216	1 703

*The Company shares that were acquired in a share buy-back from a subsidiary during the reporting period constituted a non-cash transaction.

GROUP SEGMENT ANALYSIS

for the year ended 28 February 2022

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

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

The Group has identified three reportable segments:

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

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

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

REPORTABLE SEGMENTS	Logistics Services R'000	Financial Services R'000	Head Office R'000	GROUP R'000
2022				
Gross billings	7 361 963	8 352	41 652	7 411 967
External	6 410 489	7 764	614	6 418 867
Internal	951 474	588	41 038	993 100
Revenue and net interest income	610 748	8 352	12	619 112
Depreciation and amortisation	(20 938)	(27)	(327)	(21 292)
Impairment loss on intangible asset	(7 889)	-	-	(7 889)
Operating profit/(loss)	228 667	2 934	(3 155)	228 446
Finance income	3 061	35	(3 068)	28
Finance costs	(2 461)	(72)	(1 735)	(4 268)
Share of profit of associate, net of tax	250	-	-	250
Income tax (expense)/benefit	(53 629)	(930)	233	(54 326)
Profit/(loss) for the year	175 888	1 967	(7 725)	170 130
Capital expenditure	5 798	14	7	5 819
Segment assets	1 362 824	1 462	274 478	1 638 764
Segment assets excluding investment in associate	1 361 232	1 462	274 478	1 637 172
Investment in associate	1 592	-	-	1 592
Segment liabilities	813 950	1 079	57 888	872 917

GROUP SEGMENT ANALYSIS continued

for the year ended 28 February 2022

REPORTABLE SEGMENTS	Logistics Services R'000	Financial Services R'000	Head Office R'000	GROUP R'000
2021				
Gross billings	4 767 542	7 808	36 739	4 812 089
External	4 455 888	7 176	423	4 463 487
Internal	311 654	632	36 316	348 602
Revenue and net interest income	440 421	7 808	(6 035)	442 194
Depreciation and amortisation	(26 655)	(58)	(411)	(27 124)
Impairment loss on intangible asset	(781)	-	-	(781)
Operating profit	92 169	3 003	2 044	97 216
Finance income	1 624	121	(1 635)	110
Finance costs	(2 487)	(176)	(2 857)	(5 520)
Share of profit of associate, net of tax	96	-	-	96
Income tax expense	(20 270)	(1 524)	(390)	(22 184)
Profit/(loss) for the year	71 132	1 424	(2 838)	69 718
Capital expenditure	7 440	18	163	7 621
Segment assets	1 227 400	61 435	29 940	1 318 775
Segment assets excluding investment in associate	1 226 058	61 435	29 940	1 317 433
Investment in associate	1 342	-	-	1 342
Segment liabilities	760 603	31 993	(92 861)	699 735

GEOGRAPHICAL INFORMATION	LOGISTICS SERVICES				
	Africa R'000	Asia Pacific R'000	United Kingdom R'000	Europe R'000	TOTAL R'000
2022					
Gross billings	2 624 848	1 257 061	1 832 775	1 647 279	7 361 963
Revenue and net interest income	151 932	78 843	190 526	189 447	610 748
Operating profit	46 711	34 647	47 364	99 945	228 667
Profit for the year	35 560	28 968	38 233	73 127	175 888
Segment assets	561 909	142 502	389 533	268 880	1 362 824
Segment liabilities	317 432	132 264	233 759	130 495	813 950

2021					
Gross billings	1 936 614	566 654	1 134 173	818 447	4 455 888
Revenue and net interest income	120 776	62 046	131 936	125 663	440 421
Operating profit	9 463	23 424	27 328	31 954	92 169
Profit for the year	6 519	19 344	22 520	22 749	71 132
Segment assets	544 275	160 926	286 316	235 883	1 227 400
Segment liabilities	325 228	94 288	170 040	171 047	760 603

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2022

1. ACCOUNTING POLICIES

Santova Limited ("the Company") is incorporated in South Africa ("SA") and listed on the Main Board of the JSE Limited ("JSE"). The principal activities of the Company and its subsidiaries ("the Group") are described on page 12 of the financial statements.

1.1. STATEMENT OF COMPLIANCE

The consolidated and separate financial statements ("the financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") as issued by the International Accounting Standards Board ("IASB"), the South African Institute of Chartered Accountants' ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listing Requirements and the Companies Act of South Africa No. 71 of 2008, as amended ("the Companies Act").

The financial statements were authorised for issue by the Board of Directors ("the Board") on 16 May 2022 and are subject to the approval of the shareholders at the annual general meeting ("AGM").

1.2 BASIS OF PREPARATION

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

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

1.3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

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

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

▣ lease term: whether the Group is reasonably certain to exercise extension options (refer to notes 3 and 14)

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

Information about assumptions and estimation uncertainties at 28 February 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next reporting period as follows:

▣ measurement of defined benefit obligations: key actuarial assumptions (refer to note 13)

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

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

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

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

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

To calculate value-in-use, the discount rate is based on current observable market data including interest rates, equity risk premiums, debt to capital ratios and income tax rates for similar assets in similar regions, that reflect the time value of money and the risks specific to the CGU. Estimated inputs for cash flows relating to the revenue and expense forecasts require a

significant degree of judgement as to the future performance of CGUs. Growth rates are based on objective assessments of external observable inflation data and long-term market forecasts of growth rates.

▣ **measurement of expected credit loss ("ECL") allowance for trade receivables: key assumptions in determining the weighted-average loss rate (refer to note 29)**

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

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

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

1.4 BASIS OF CONSOLIDATION

Business combinations

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

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

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

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

Subsidiaries

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

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

Non-controlling interests ("NCI")

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

Loss of control

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

Interest in associate

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

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

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Transactions eliminated on consolidation

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

1.5 FOREIGN CURRENCY

1.5.1 FOREIGN CURRENCY TRANSACTIONS

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

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

1.5.2 FOREIGN OPERATIONS

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

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

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

1.6 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, except for land and buildings, which are measured in terms of the revaluation model.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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

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

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

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

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

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

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

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

1.7 INTANGIBLE ASSETS

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

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

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

Computer software 1 to 10 years

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

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

1.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

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

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1.9 FINANCIAL INSTRUMENTS

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement: Financial assets

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

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

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

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

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

- ▣ it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ▣ its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Business model assessment

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

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

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

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

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

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

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

Subsequent measurement and gains and losses

Financial assets at amortised cost

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

Financial assets at FVTPL

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

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

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

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

- ▣ Forward exchange contracts.

iii. Classification and subsequent measurement: Financial liabilities

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

iv. Derecognition

Financial assets

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

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

Financial liabilities

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

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

v. Offsetting

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

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vi. Impairment

Non-derivative financial assets

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

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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

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

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

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

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

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

Where there is objective evidence that a financial asset is impaired, the credit loss are assessed specific to the respective balance and the ECLs not applied.

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

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

1.10 REVENUE

Logistics and related services

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

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

Insurance commission and management fees

Revenue from insurance commission and management fees comprises:

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

Provision of credit facilities

Revenue from the provision of credit facilities comprises:

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

Refer to note 19 for additional information on revenue recognition.

Dividend revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

1.11 LEASES

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

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

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

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

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the ROU asset reflects that the Group will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

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

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

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

Short-term leases and leases of low-value assets

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

1.12 EMPLOYEE BENEFITS

1.12.1 Short-term employee benefits

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

1.12.2 Post-employment benefits

Defined benefit plans

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

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

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

Defined contribution plans

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

1.12.3 Share-based payment arrangements

Equity-settled share-based payment arrangements granted to employees are measured at the fair value of the equity instruments at the grant date.

The grant-date fair value is recognised as an expense over the vesting period of the awards, with a corresponding increase in equity.

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

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

1.13 FINANCE INCOME AND FINANCE COSTS

The Group's finance income and finance costs include:

- ▣ interest income;
- ▣ interest expense;
- ▣ dividend income;
- ▣ the net gain or loss on financial assets at FVTPL;
- ▣ the foreign currency gain or loss on financial assets and financial liabilities;
- ▣ impairment losses (and reversals) on investments in debt securities measured at amortised cost; and
- ▣ the fair value loss on contingent consideration classified as a financial liability.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

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

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

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

1.14 INCOME TAX

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

Current tax

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

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

Deferred tax

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

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Deferred tax is not recognised for:

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

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

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

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

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

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

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

1.15 STATED CAPITAL

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

1.16 TREASURY SHARES

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

1.17 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

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

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	On 23 January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 Presentation of Financial Statements based on the contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)	On 14 May 2020, the IASB issued 'Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.
Definition of Accounting Estimates (Amendments to IAS 8)	On 12 February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023
Reference to the Conceptual Framework (Amendments to IFRS 3)	On 14 May 2020, the IASB issued 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.
Annual Improvements to IFRS Standards 2018–2020	On 14 May 2020, the IASB issued 'Annual Improvements to IFRS Standards 2018–2020'. The pronouncement contains amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 as result of the IASB's annual improvements project. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.
IAS 12 Amendments to Deferred Tax related to Assets and Liabilities arising from a Single Transaction	On 7 May 2021, the IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023.

NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 28 February 2022

	2022			2021		
	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying amount R'000	Cost/ valuation R'000	Accumulated depreciation R'000	Carrying amount R'000
2. PROPERTY, PLANT AND EQUIPMENT GROUP						
Land and buildings	16 927	-	16 927	17 249	-	17 249
Plant and equipment	4 301	(3 088)	1 213	4 619	(2 956)	1 663
Motor vehicles	1 899	(1 445)	454	2 498	(1 879)	619
Furniture and fittings	7 981	(5 750)	2 231	8 224	(5 680)	2 544
Leasehold improvements	3 497	(1 675)	1 822	4 246	(2 406)	1 840
Office equipment	13 440	(12 040)	1 400	14 578	(12 389)	2 189
Computer equipment	12 570	(10 851)	1 719	12 722	(11 074)	1 648
	60 615	(34 849)	25 766	64 136	(36 384)	27 752

Assets with a carrying amount of R17 228 519 (2021: R832 741) are pledged as security for the Scottish Pacific Business Finance (Pty) Ltd and Barclays Bank plc facilities (refer to note 18).

Land and buildings are categorised as level 2 in the fair value hierarchy. The Group's policy is to revalue on a regular basis or when there is indication that the carrying amount of land and buildings may differ materially from the previous reporting period and the current value is considered to be representative of fair value. The valuations are based upon market-related sales prices achieved for comparable land and buildings. There has been no indication that this amount would have materially changed in the current reporting period.

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

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

	Carrying amount at beginning of year R'000	Additions R'000	Disposals R'000	Depreciation R'000	Effects of exchange differences R'000	Carrying amount at end of year R'000
2022						
Land and buildings	17 249	-	-	-	(322)	16 927
Plant and equipment	1 663	-	(1)	(414)	(35)	1 213
Motor vehicles	619	-	(99)	(66)	-	454
Furniture and fittings	2 544	568	(120)	(687)	(74)	2 231
Leasehold improvements	1 840	499	-	(484)	(33)	1 822
Office equipment	2 189	145	(2)	(869)	(63)	1 400
Computer equipment	1 648	1 296	(4)	(1 226)	5	1 719
	27 752	2 508	(226)	(3 746)	(522)	25 766
2021						
Land and buildings	16 445	-	-	-	804	17 249
Plant and equipment	1 992	32	-	(463)	102	1 663
Motor vehicles	839	-	(123)	(97)	-	619
Furniture and fittings	3 157	130	(6)	(819)	82	2 544
Leasehold improvements	1 101	772	-	(130)	97	1 840
Office equipment	3 014	169	(13)	(1 181)	200	2 189
Computer equipment	2 025	836	(35)	(1 233)	55	1 648
	28 573	1 939	(177)	(3 923)	1 340	27 752

NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 28 February 2022

	2022			2021		
	Cost R'000	Accumulated depreciation R'000	Carrying amount R'000	Cost R'000	Accumulated depreciation R'000	Carrying amount R'000
2. PROPERTY, PLANT AND EQUIPMENT continued						
COMPANY						
Computer equipment	332	(332)	-	332	(332)	-
	332	(332)	-	332	(332)	-

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

	Carrying amount at beginning of year R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying amount at end of year R'000
2022					
Computer equipment	-	-	-	-	-
	-	-	-	-	-
2021					
Computer equipment	1	-	-	(1)	-
	1	-	-	(1)	-

	Carrying amount at beginning of year R'000	Additions R'000	Disposals R'000	Depreciation R'000	Effects of exchange differences R'000	Carrying amount at end of year R'000
3. RIGHT-OF-USE ASSETS GROUP						
2022						
Buildings	36 692	10 981	(302)	(13 133)	(982)	33 256
Motor vehicles	2 891	1 651	(808)	(993)	(148)	2 593
Office equipment	406	385	(77)	(217)	(16)	481
	39 989	13 017	(1 187)	(14 343)	(1 146)	36 330
2021						
Buildings	48 525	6 120	(1 308)	(19 693)	3 048	36 692
Motor vehicles	2 559	2 083	(301)	(1 547)	97	2 891
Office equipment	600	102	(36)	(300)	40	406
	51 684	8 305	(1 645)	(21 540)	3 185	39 989

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

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

Further information on the effect on profit or loss for the reporting period is included in note 14.

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
4. INTANGIBLE ASSETS				
4.1 Computer software				
Cost	24 338	19 077	1 619	1 619
Accumulated amortisation and impairment losses	(7 837)	(6 107)	(1 363)	(1 116)
Carrying amount at beginning of year	16 501	12 970	256	503
Additions*	3 311	4 459	-	-
Disposals	(62)	-	-	-
Amortisation	(3 203)	(1 661)	(189)	(247)
Impairment losses**	(7 889)	-	-	-
Effects of exchange differences	(749)	733	-	-
Carrying amount at beginning of year	7 909	16 501	67	256
Comprising:				
Cost	22 368	24 338	1 207	1 619
Accumulated amortisation and impairment losses	(14 459)	(7 837)	(1 140)	(1 363)

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

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

4.2. Trademarks and licences				
Cost	1 516	1 605	735	735
Accumulated amortisation and impairment losses	(781)	-	-	-
Carrying amount at beginning of year	735	1 605	735	735
Additions	330	-	-	-
Impairment loss***	-	(781)	-	-
Effects of exchange differences	-	(89)	-	-
Carrying amount at end of year	1 065	735	735	735
Comprising:				
Cost	1 846	1 516	735	735
Accumulated impairment losses	(781)	(781)	-	-

***The impairment loss in the prior period relates to the write-off of a customs licence held in Mauritius.

NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 28 February 2022

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
4.3. Goodwill				
Carrying amount at beginning of year	294 941	282 601	-	-
Effects of exchange differences	(5 863)	12 340	-	-
Carrying amount at end of year	289 078	294 941	-	-
<i>Goodwill is allocated to the Group's CGUs as follows:</i>				
	289 078	294 941	-	-
- Santova Logistics GmbH (Germany)	5 058	5 344	-	-
- Santova Logistics (Pty) Ltd (South Africa)	44 562	44 562	-	-
- Santova Financial Services (Pty) Ltd (South Africa)	2 827	2 827	-	-
- Santova Logistics Pty Ltd (Australia)	12 540	13 107	-	-
- Santova Logistics B.V. (Netherlands)	2 134	2 255	-	-
- Tradeway (Shipping) Ltd (United Kingdom)	57 439	58 534	-	-
- W.M. Shipping Ltd (United Kingdom)	81 451	82 994	-	-
- SAI Logistics Ltd (United Kingdom)	47 036	47 931	-	-
- ASM Logistics (S) Pte Ltd (Singapore)	11 638	11 611	-	-
- MLG Maritime Cargo Logistics GmbH (Germany)	24 393	25 776	-	-
For more detail on investments in subsidiaries, refer to note 5.				
Total intangible assets	298 052	312 177	802	991

Impairment testing of goodwill

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

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

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

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

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

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

	South Africa	United Kingdom
■ Pre-tax discount rate	14% - 15%	5% - 6%
■ Terminal value growth rate	5%	2%
■ Average revenue growth rate over forecast period	5%	3% - 5%
■ Average expense growth rate over forecast period	5%	1% - 2%

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

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

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

	Country of incorporation	Ownership interest*		Carrying amount	
		2022 %	2021 %	2022 R**	2021 R**
5. INVESTMENTS IN SUBSIDIARIES					
DIRECTLY HELD					
Santova Corporate Services (Pty) Ltd	South Africa	100	100	4 369 871	4 181 311
Santova Logistics (Pty) Ltd	South Africa	100	100	40 734 781	40 707 465
Santova International Holdings (Pty) Ltd	South Africa	100	100	85 484 192	85 427 062
Santova Financial Services (Pty) Ltd	South Africa	100	100	3 252 076	3 252 076
Santova International Trade Solutions (Pty) Ltd	South Africa	100	100	491 304	440 090
Santova NVOCC (Pty) Ltd	South Africa	100	100	100	100
INDIRECTLY HELD					
Subsidiaries of Santova International Holdings (Pty) Ltd					
Santova Logistics Pty Ltd	Australia	100	100	-	-
Santova Logistics Ltd	United Kingdom	100	100	-	-
W.M. Shipping Ltd	United Kingdom	100	100	-	-
Santova Logistics B.V.	The Netherlands	100	100	-	-
Santova Logistics Ltd	Hong Kong	100	100	-	-
Santova Logistics GmbH	Germany	100	100	-	-
Tradeway (Shipping) Ltd	United Kingdom	100	100	-	-
Tradeway North West Ltd	United Kingdom	100	100	-	-
Jet Air & Ocean Freight Services Ltd	Mauritius	100	100	-	-
ASM Logistics (S) Pte Ltd	Singapore	100	100	-	-
Santova Logistics Vietnam Co. Ltd	Vietnam	99	99	-	-
Santova Express South Africa (Pty) Ltd	South Africa	100	-	-	-
Santova Express Singapore Pte Ltd	Singapore	100	-	-	-
Santova Holdings Inc.	USA	100	-	-	-

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for the year ended 28 February 2022

		Ownership interest*		Carrying amount	
	Country of incorporation	2022 %	2021 %	2022 R**	2021 R**
Subsidiary of Santova Holdings Inc. (USA)					
Santova Logistics Inc.	USA	100	-	-	-
Santova Container Lines Inc.	USA	100	-	-	-
Subsidiary of Santova Logistics Ltd (Hong Kong)					
Santova Patent Logistics Co. Ltd	Hong Kong	51	51	-	-
Subsidiary of Tradeway (Shipping) Ltd (United Kingdom)					
SAI Logistics Ltd	United Kingdom	100	100	-	-
Subsidiary of Santova Logistics B.V. (Netherlands)					
MLG Maritime Cargo Logistics GmbH	Germany	100	100	-	-
Subsidiaries of MLG Maritime Cargo Logistics GmbH (Germany)					
MLG Maritime Warehouse GmbH	Germany	100	100	-	-
MLG Maritime Administration GmbH	Germany	100	100	-	-
Subsidiaries of ASM Logistics (S) Pte Ltd (Singapore)					
ASM Global Logistics Ltd	Mauritius	100	100	-	-
Atlantic Pacific Agencies Ltd	Hong Kong	100	100	-	-
				134 332 324	134 008 104

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

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

There have been no indicators of impairment at the reporting date and based on an assessment of the underlying values of the businesses housed in the subsidiaries listed above, the directors are of the opinion that there has been no impairment in the above investments or the underlying goodwill at 28 February 2022 (refer to note 4.3).

Reconciliation of movements for the year:	2022 R**	2021 R**
Balance at beginning of year	134 008 104	133 090 663
Equity contribution for shares granted to subsidiary employees in terms of the Group Share Option Schemes	324 220	917 441
Balance at end of year	134 332 324	134 008 104

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

			Ownership interest*		
	Principal activity	Country of incorporation	2022 %	2021 %	
6. INVESTMENT IN ASSOCIATE					
	ASM Logistics (Thailand) Co. Ltd	Logistics Services	Thailand	49	49
			2022 R'000	2021 R'000	
Net assets of associate			835	835	
Goodwill			411	411	
Investment at cost			1 246	1 246	
Equity-accounted proportionate share of profits					
Current period			250	96	
Prior period			96	-	
Carrying amount of investment in associate			1 592	1 342	

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

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

Acquisition of ASM Logistics (Thailand) Co. Ltd

During the prior period the Group acquired 49% of the issued share capital of ASM Logistics (Thailand) Co. Ltd, effective 1 March 2020. This acquisition is consistent with the strategic growth plan of further entrenching the Group's presence in Southeast Asia.

The total transaction value was THB 2,52 million (R1,25 million) with the purchase consideration payable as follows:

- ▣ THB 1,69 million (R835 100) paid upon conclusion of the transaction; and
- ▣ Two payments of THB 414 800 (R205 500), each payable within 90 days of the first and second anniversary of the closing date, subject to a minimum profit before tax of THB 612 400 (R333 900) per annum.

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for the year ended 28 February 2022

	Level	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
7. FINANCIAL ASSETS AND FINANCIAL LIABILITIES					
Financial assets at fair value through profit or loss					
Non-current					
Future profit share on rental agreement ¹	2	3 502	3 502	-	-
Guardrisk cell captive ²	2	3 069	4 056	-	-
		6 571	7 558	-	-
Current					
Forward exchange contracts	2	1 781	448	-	-
		1 781	448	-	-
Financial liabilities at fair value through profit or loss					
Non-current					
Contingent considerations ³	3	-	(857)	-	-
		-	(857)	-	-
Current					
Contingent considerations ³	3	(558)	(19 207)	-	-
Forward exchange contracts	2	(1 520)	(275)	-	-
		(2 078)	(19 482)	-	-

Fair value hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

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

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

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

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

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

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

The cell has received premiums in excess of the R750 000 minimum required during the current reporting period. The Group drew dividends of R2 000 000 during the reporting period (2021: R3 000 000).

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

³ This represents the fair value of the remaining contingent purchase obligations arising from acquisitions during the current and prior reporting periods. The fair value of the liabilities has been calculated as the net present value of the warranty payments, which management reasonably expects to be achieved, as set out in the agreements of sale, discounted at the weighted average cost of capital for the acquired entities. The financial liability is reconciled as follows:

	2022 R'000	2021 R'000
Balance at beginning of year	20 064	36 300
Contingent consideration recognised on acquisition of ASM Logistics (Thailand) Co. Ltd	-	411
Fair value loss	443	1 753
Fair value gain	(1 011)	-
Foreign exchange (gain)/loss on translation	(32)	325
Foreign exchange (gain)/loss on translation recognised in foreign currency translation reserve	(612)	1 673
Settled during the period	(18 294)	(20 398)
Balance at end of year	558	20 064

The remaining contingent consideration relates to the following acquisitions that were successfully completed during prior reporting periods:

Acquiring company	Target company	Remaining contingent consideration at (R'000)
Santova International Holdings (Pty) Ltd	ASM Logistics (Thailand) Co. Ltd	213
Santova Logistics B.V.	MLG Maritime Cargo Logistics GmbH	345

Management has assessed the sensitivity of the level 3 fair value measurement to changes in unobservable inputs and do not believe that reasonably expected changes therein would materially affect the fair value.

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for the year ended 28 February 2022

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
8. DEFERRED TAX				
Non-current assets				
Deferred tax assets	15 155	14 197	859	1 047
Non-current liabilities				
Deferred tax liabilities	(11)	(733)	-	-
	15 144	13 464	859	1 047
<i>Deferred tax comprises:</i>				
- Capital allowances, accruals and allowance for credit losses	14 564	10 712	457	508
- Assessed losses	580	2 752	402	539
	15 144	13 464	859	1 047
Reconciliation of deferred tax:				
Balance at beginning of year	13 464	11 194	1 047	1 118
<i>Movements during the year attributable to:</i>				
- Temporary differences	3 083	2 652	(61)	(59)
- Adjustments relating to prior periods	(1 172)	(560)	-	31
- Change in tax rate	(80)	-	(37)	-
- Exchange rate adjustments	(180)	221	-	-
- Movement in assessed losses	29	(43)	(90)	(43)
Balance at end of year	15 144	13 464	859	1 047

Management expects sufficient future taxable income in the relevant subsidiaries to enable these companies to utilise the unutilised tax losses at 28 February 2022.

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
9. TRADE AND OTHER RECEIVABLES				
Trade receivables				
Trade receivables	778 250	631 967	111	106
Loss allowance	(45 038)	(40 199)	-	-
	733 212	591 768	111	106
Other receivables				
Recoverable disbursements	230 795	111 778	-	-
VAT receivable	8 013	7 185	13	-
Prepayments	3 744	5 042	213	106
Rental deposits and staff loans	6 224	9 329	-	-
	248 776	133 334	226	106
Total trade and other receivables	981 988	725 102	337	212
Movement in loss allowance on trade receivables:				
Balance at beginning of year	40 199	12 092	-	-
Net remeasurement of loss allowance ¹	11 055	34 289	-	-
Amounts written off	(6 216)	(6 182)	-	-
Balance at end of year	45 038	40 199	-	-

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

- additional loss allowance has been recognised for some customers who have traded above their credit limits and are therefore not fully covered by the Group's credit underwriters.
- increased individual credit exposures due to abnormally high shipping rates.
- the Group's loss allowance recognised in 2021, which represented 6,36% of trade receivables constitutes a benchmark loss rate based on historical trends and is subsequently adjusted for the effect of forward-looking events and market conditions including global geo-political uncertainty, high inflation, economic downturn and potential delayed negative effects of COVID-19.

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

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

Refer to note 29.3 for further details.

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for the year ended 28 February 2022

Certain trade receivables included above have been ceded to various banks as security for the respective invoice discounting and overdraft facilities included in overdrafts and facilities (refer to note 18). Details of ceded trade receivables within the Group are as follows:

		Group	
		2022 R'000*	2021 R'000*
Nedbank Ltd	South Africa	411 255	386 357
Scottish Pacific Business Finance Pty Ltd	Australia	43 573	27 730
ABN AMRO Bank	The Netherlands	80 054	55 225
HSBC Bank plc	United Kingdom	122 970	58 348
Barclays Bank plc	United Kingdom	73 937	-
Finnaxar Capital	Singapore	18 620	13 897
		750 409	541 557

* Includes intercompany balances eliminated on consolidation.

Trade receivables are generally settled on 30 to 60 day terms and credit guarantee insurance cover is purchased for most SA trade receivables at a coverage rate of 80% of the total balance.

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

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

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
10. AMOUNTS OWING BY RELATED PARTIES				
Santova Financial Services (Pty) Ltd	-	-	-	22 768
Santova International Holdings (Pty) Ltd	-	-	-	6 796
	-	-	-	29 564

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

No loss allowance has been recognised for expected credit losses on amounts owed by related parties given that the Group intends on supporting the subsidiaries and can therefore ensure it is recoverable.

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

The loans were fully repaid during the current reporting period.

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
11. STATED CAPITAL				
Authorised				
300 000 000 ordinary shares of no par value (2021: 300 000 000 Ordinary shares of no par value)				
Issued				
138 420 252 Ordinary shares of no par value (2021: 161 481 045 ordinary shares of no par value)	163 998	221 096	150 366	221 096
Total stated capital	163 998	221 096	150 366	221 096
Reconciliation of the carrying amount of ordinary shares in issue:				
Balance at beginning of year	221 096	220 995	221 096	220 995
Exercise of share options ¹	494	102	494	102
Share issue costs	(2)	(1)	(2)	(1)
Treasury shares cancelled ²	(57 590)	-	(71 222)	-
Balance at end of year	163 998	221 096	150 366	221 096

	Group		Company	
	2022 '000 Shares	2021 '000 Shares	2022 '000 Shares	2021 '000 Shares
Reconciliation of number of ordinary shares in issue:				
Balance at beginning of year	140 872	154 432	161 481	161 361
Exercise of share options ¹	218	120	218	120
Treasury shares acquired ³	(4 001)	(13 680)	-	-
Treasury shares cancelled ²	-	-	(23 279)	-
Balance at end of year	137 089	140 872	138 420	161 481

¹ During the reporting period three participants of the Santova Share Option Scheme exercised options for 218 304 ordinary shares in the Company at a weighted average price of 226 cents (2021: 120 000 ordinary shares at 85 cents) per share.

² During the current reporting period, 23 279 097 treasury shares originally purchased from the open market by Santova Financial Services (Pty) Ltd were cancelled, resulting in a reduction of the total issued share capital of the Company.

³ During the current reporting period, Santova repurchased a total of 4 000 763 (2021: 13 679 514) of its ordinary shares on the open market for a total consideration of R15,2 million (2021: R32,4 million). The above repurchase transactions were executed in terms of the general authority granted by shareholders at its AGM.

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 28 February 2022

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
12. INTEREST-BEARING BORROWINGS				
Medium-term loan ¹	9 574	-	-	-
Medium-term loan ²	17 640	-	-	-
Medium-term loan ³	13 968	18 436	-	-
Medium-term loan ⁴	-	420	-	-
Loan - F Heuer ⁵	13 009	13 735	-	-
Less: current portion	(31 811)	(19 781)	-	-
Non-current portion	22 380	12 810	-	-

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

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

³ This loan was taken by Santova International Holdings (Pty) Ltd during the 2019 reporting period. The loan bears interest at a variable rate linked to the SA prime rate less 0,5%. The loan is repayable over six years. The payments for the first year were on an interest-only basis. The loan is then repayable over the next five years at quarterly instalments of R1 421 215 (2021: R1 414 427). This loan is secured by cross-company sureties supplied by subsidiaries.

⁴ This loan was taken by ASM Logistics (S) Pte Ltd. It bears interest at a floating rate of 0,5% above the Singapore Bank's Business Instalment Loan board rate. It is repayable over three years beginning in September 2019. This loan was settled in full in the current period.

⁵ This loan was taken out as part of the agreement regarding the purchase of MLG Maritime Cargo Logistics GmbH (Germany) whereby the seller advanced funds of €740 000 to Santova Logistics B.V. The initial agreement was for a period of one year and is subsequently renewable on the agreement of both parties. The loan bears interest at a flat rate of 4%.

The first three loans have been granted by Nedbank Limited, the Group's primary bankers. As a condition of granting the loans above, the Group banking facilities contain certain covenants with respect to minimum levels of actual shareholders' funds, a maximum ratio of debt to EBITDA* and a minimum ratio of EBITDA* to interest cover. These covenants are monitored on an ongoing basis by management and reviewed and confirmed annually with the Group's bankers. At the reporting date, none of the covenants have been breached.

*EBITDA - Earnings before interest, tax, depreciation and amortisation

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
13. EMPLOYEE BENEFIT OBLIGATIONS				
Post-retirement medical aid contributions				
- Present value of obligation	758	984	758	984
- Less: liability already recognised	(984)	(1 096)	(984)	(1 096)
Decrease in liability	(226)	(112)	(226)	(112)
Movement represented by:				
- Actuarial (gain)/loss recognised in OCI ¹	(99)	15	(99)	15
- Interest cost recognised in profit or loss	55	75	55	75
- Contributions paid by employer	(182)	(202)	(182)	(202)
Decrease in liability	(226)	(112)	(226)	(112)

The Company contributes to a medical aid scheme for the benefit of 8 (2021: 10) retired employees and their dependants. During the reporting period there were two exits from the scheme amongst the continuing members (2021: 1). The Company contributes 75% of the monthly contribution (to a maximum of R1 600 per retired employee) and the retired employees contribute the remainder.

The liability was actuarially determined at the reporting date, using a projected unit credit method, by 3One Consulting Actuaries (Pty) Ltd, independent qualified actuaries. The liability will be actuarially valued as and when there are material changes to the underlying retired employee numbers

¹ Actuarial remeasurements:

Explanatory factor:

Change in financial assumptions	(58)	57	(58)	57
Actual vs expected membership profile	(41)	(42)	(41)	(42)
Total remeasurements	(99)	15	(99)	15

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

- Medical aid inflation rate: 6,1% per annum (2021: 4,5%);
- Discount factor of 8,0% per annum (2021: 6,3%); and
- Mortality rates published in the PA(90) Ultimate Mortality Tables.

Sensitivity analysis:

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

Assumption	Variation	Change in accrued liability R'000	Change in annual expense R'000
Mortality	PA(90) -1	31	3
	PA(90) -2	63	5
Discount rate	+1%	(30)	4
	-1%	33	(5)

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 28 February 2022

	Group	
	2022 R'000	2021 R'000
14. LEASE LIABILITIES		
The maturity analysis for lease liabilities is as follows:		
Less than one year	15 549	15 808
One to five years	24 727	28 948
More than five years	1 603	3 287
Total undiscounted cash flows	41 879	48 043
Total lease liabilities	38 691	42 478
Current	14 204	14 512
Non-current	24 487	27 966
Amounts recognised in statement of cash flows		
Total cash outflow for leases*	25 986	24 045
Amounts recognised in profit and loss	25 898	28 577
- Expenses relating to short-term leases included in administrative expenses**	9 669	4 482
- Interest on lease liabilities included in finance costs (refer to note 23)	1 886	2 555
- Depreciation (refer to notes 3 and 20)	14 343	21 540

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

**The Group entered into short-term leases over office space and motor vehicles and leases of low-value over office equipment.

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
15. TRADE AND OTHER PAYABLES				
Trade payables ¹	329 742	258 287	16	48
Accruals ²	99 266	75 886	184	-
Employee-related accruals ³	69 946	40 835	-	-
Other payables ⁴	19 538	16 346	89	186
	518 492	391 354	289	234

¹ Trade payables are non-interest bearing, and normally settled within 30-day terms.

² Accruals comprise recoverable disbursements where invoices have not yet been received and other operating expenses.

³ Employee-related accruals comprises bonuses and leave pay.

⁴ Other payables include VAT liabilities owed to the respective tax authorities and overpayments received from customers.

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
16. AMOUNTS OWING TO RELATED PARTIES				
Patent International Co. Ltd ¹	288	285	-	-
Santova Corporate Services (Pty) Ltd ¹	-	-	24 938	14 480
Santova Financial Services (Pty) Ltd ¹	-	-	28 510	-
Santova International Holdings (Pty) Ltd ¹	-	-	7 004	-
Santova International Trade Solutions (Pty) Ltd ¹	-	-	2 050	1 850
Santova Logistics (Pty) Ltd ²	-	-	13 072	18 307
	288	285	75 574	34 637

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

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

	Group	
	2022 R'000	2021 R'000
17. PROVISIONS		
Provision for legal claims	11 334	-
	11 334	-

A provision of R11,3 million has been recognised in the current reporting period representing the potential exposure of the Group to legal costs and commercial claims for matters that were unresolved prior to the approval of the financial statements. While management have accrued for legal and settlement costs based on similar historical matters, the matter remains unresolved at year-end with the final settlement amount not yet determined. Management expects final settlement of the matter to take place in the upcoming financial year ending 28 February 2023.

Reconciliation of movements for the year:

Balance at beginning of year	-	-
Provision raised	11 334	-
Balance at end of year	11 334	-

NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 28 February 2022

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
18. OVERDRAFTS AND BANK FACILITIES				
Bank overdrafts	-	11	-	-
Invoice discounting facilities	225 903	201 513	-	-
	225 903	201 524	-	-

The Group has the following unutilised facilities available:

Country	Local currency '000	2022	2021	Security provided	Security holder	Interest rate
		Functional currency R'000	Functional currency R'000			
Invoice discounting - repayable on settlement of ceded debts						
South Africa ¹	124 097	124 097	148 489	Sale of book debts, cession of credit insurance policies and cross-company suretyships with the Company and certain subsidiaries	Nedbank Ltd	Variable, linked to SA prime rate
Australia	1 500	16 668	17 423	Security interest in personal property	Scottish Pacific Business Finance (Pty) Ltd	Australian base rate +4,25%
Singapore	300	3 401	677	Sale of book debts	Finaxxar Capital	20,40% effective rate
Loan facility - repayable in instalments						
South Africa ¹	33 818	33 818	56 564	Cross-company sureties	Nedbank Ltd	Variable, linked to SA prime rate
Bank overdraft - repayable on demand						
South Africa	5 000	5 000	4 989	Ceded debit bank balances	Nedbank Ltd	Variable, linked to SA prime rate
The Netherlands	1 210	20 843	8 648	Cession of book debts	ABN AMRO Bank NV	Euro base rate +2,3%
United Kingdom	750	15 456	-	Fixed and floating charges over the assets of the business	Barclays Bank Plc	Bank of England rate +3,15%
		219 283	236 790			

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

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

As a condition of granting the facilities above, the Group banking facilities contain certain covenants with respect to minimum levels of actual shareholders' funds, a maximum ratio of debt to EBITDA and a minimum ratio of EBITDA to interest cover, a minimum cover of unencumbered book debt to debt. These covenants are monitored on an ongoing basis by management and reviewed and confirmed annually with the Group's bankers. At the reporting date, none of the covenants have been breached.

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
19. REVENUE				
Gross billings	6 418 867	4 463 487	4 140	4 640
Less: recoverable disbursements	(5 799 755)	(4 021 293)	-	-
Revenue and net interest income	619 112	442 194	4 140	4 640
Revenue from contracts with customers				
Revenue from the provision of services comprises:	611 022	434 612	4 140	4 640
Logistic services	603 246	427 436	-	-
Insurance commission and management fees	7 764	7 176	-	-
Other revenue ¹	12	-	4 140	4 640
Net interest income from the provision of credit facilities comprises:	8 090	7 582	-	-
Interest and financing fee income	21 987	21 135	-	-
Interest and financing fee expenses	(13 897)	(13 553)	-	-
Revenue and net interest income	619 112	442 194	4 140	4 640

Disaggregation of revenue

Revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition as follows:

Primary geographical market:	619 112	442 194	4 140	4 640
Africa	160 296	122 549	4 140	4 640
United Kingdom	190 526	131 936	-	-
Europe	189 447	125 663	-	-
Asia Pacific	78 843	62 046	-	-
Timing of revenue recognition:	619 112	442 194	4 140	4 640
Revenue earned over time from the provision of credit facilities	8 090	7 582	-	-
Revenue earned at a point in time from the provision of services	611 022	434 612	4 140	4 640

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 28 February 2022

Contract balances

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

Performance obligations and revenue recognition policies

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

Logistics and related services

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

In terms of a contract resulting from a shipping instruction:

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

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

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

Provision of credit facilities

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

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

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

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

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

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

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

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

Financing component

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

Financial services

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

The Group's performance obligations are:

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

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

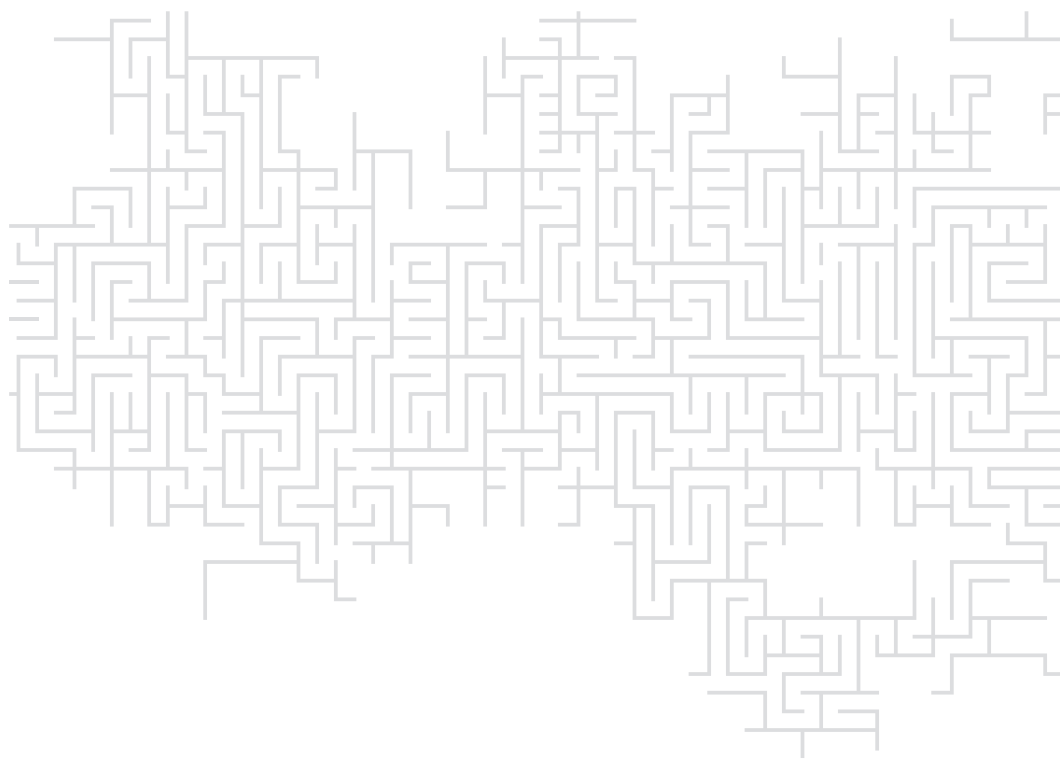
Insurance commission

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

Management fees

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

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



NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 28 February 2022

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
20. OPERATING PROFIT				
Operating profit includes:				
Income				
Commission and exchange gains on foreign currency transactions and balances	13 106	10 539	-	-
Profit on disposal of property, plant and equipment	71	56	-	-
Fair value gain on financial assets and liabilities	1 013	1 400	-	-
Expenditure				
Auditor's remuneration	4 376	4 014	566	688
- In respect of audit services	3 828	3 502	566	688
- In respect of other services	548	512	-	-
Depreciation and amortisation	21 292	27 124	189	248
- Plant and equipment (refer to note 2)	3 746	3 923	-	1
- Intangible assets (refer to note 4)	3 203	1 661	189	247
- ROU assets (refer to note 3)	14 343	21 540	-	-
Loss on disposal of property, plant and equipment	9	161	-	-
Foreign exchange loss	2 958	2 396	-	-
Impairment loss on intangible asset	7 889	781	-	-
Impairment loss on trade receivables	6 216	6 182	-	-
Employee benefit expenses	261 770	217 805	9	(121)
- Short-term employee benefits (including directors' remuneration)	248 750	203 265	9	(121)
- Defined contribution plan expense ¹	13 020	14 540	-	-
Share-based payment expense	324	917	-	-

¹ Defined contribution plans

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

	Directors' fees R'000	Salary R'000	Retirement, medical and other benefits R'000	Total guaranteed pay R'000	Travel allowance R'000	Performance bonus R'000	Share-based payments	Total R'000
21. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION 2022								
Executive Directors								
GH Gerber	-	3 667	189	3 856	-	4 677	-	8 533
AL van Zyl	-	2 441	193	2 634	-	3 182	-	5 816
RM Herselman	-	1 901	255	2 156	-	2 599	-	4 755
Prescribed Officers								
GP Fourie	-	1 583	437	2 020	-	2 428	-	4 448
AKG Lewis	-	1 961	635	2 596	-	2 386	-	4 982
Non-executive Directors								
ESC Garner*	399	-	-	399	-	-	-	399
WA Lombard	557	-	-	557	-	-	-	557
EM Ngubo	262	-	-	262	-	-	-	262
	1 218	11 553	1 709	14 480	-	15 272	-	29 752
<i>Paid by:</i>								
The Company	1 218	-	-	1 218	-	-	-	1 218
Subsidiaries	-	11 553	1 709	13 262	-	15 272	-	28 534
	1 218	11 553	1 709	14 480	-	15 272	-	29 752
2021								
Executive Directors								
GH Gerber	-	3 641	55	3 696	264	1 988	-	5 948
AL van Zyl	-	2 347	168	2 515	75	1 274	-	3 864
RM Herselman	-	1 819	243	2 062	51	121	-	2 234
Prescribed Officers								
GP Fourie	-	1 592	320	1 912	38	987	-	2 937
AKG Lewis	-	1 974	440	2 414	-	891	-	3 305
Non-executive Directors								
ESC Garner*	378	-	-	378	-	-	-	378
WA Lombard	530	-	-	530	-	-	-	530
EM Ngubo	248	-	-	248	-	-	-	248
	1 156	11 373	1 226	13 755	428	5 261	-	19 444
<i>Paid by:</i>								
The Company	1 156	-	-	1 156	-	-	-	1 156
Subsidiaries	-	11 373	1 226	12 599	428	5 261	-	18 288
	1 156	11 373	1 226	13 755	428	5 261	-	19 444

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 28 February 2022

A summary of share options granted, forfeited and still to be exercised by executive directors and prescribed officers in terms of the Group Share Option Schemes (refer to note 27 for further information) is as follows:

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

	Options as at 1 March 2020	Options awarded	Options lapsed	Options exercised	Options as at 28 February 2021	Option price (cents)	Vesting date	Expiry date
2021								
Executive Directors								
GH Gerber	800 000	-	-	-	800 000	85	30 November 2015	29 November 2021
	500 000	-	-	-	500 000	186	26 May 2017	25 May 2023
	562 165	-	-	-	562 165	415	22 February 2019	21 February 2025
	437 835	-	-	-	437 835	415	22 February 2021	21 February 2024
	266 000	-	-	-	266 000	298	18 May 2023	17 May 2026
	500 000	-	-	-	500 000	194	26 February 2025	26 February 2028
	3 066 000	-	-	-	3 066 000			
RM Herselman	120 000	-	-	-	120 000	194	26 February 2025	26 February 2028
	120 000	-	-	-	120 000			
AL van Zyl	350 000	-	-	-	350 000	186	26 May 2017	25 May 2023
	168 649	-	-	-	168 649	415	22 February 2019	21 February 2025
	131 351	-	-	-	131 351	415	22 February 2021	21 February 2024
	151 000	-	-	-	151 000	298	18 May 2023	17 May 2026
	200 000	-	-	-	200 000	194	26 February 2025	26 February 2028
	1 001 000	-	-	-	1 001 000			
Prescribed Officers								
GP Fourie	250 000	-	-	-	250 000	415	22 February 2021	21 February 2024
	102 000	-	-	-	102 000	298	18 May 2023	17 May 2026
	200 000	-	-	-	200 000	194	26 February 2025	26 February 2028
	552 000	-	-	-	552 000			
AKG Lewis	199 000	-	-	-	199 000	85	30 November 2015	29 November 2021
	150 000	-	-	-	150 000	186	26 May 2017	25 May 2023
	253 537	-	-	-	253 537	415	22 February 2019	21 February 2025
	197 463	-	-	-	197 463	415	22 February 2021	21 February 2024
	110 000	-	-	-	110 000	298	18 May 2023	17 May 2026
	200 000	-	-	-	200 000	194	26 February 2025	26 February 2028
	1 110 000	-	-	-	1 110 000			
	5 849 000	-	-	-	5 849 000			

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for the year ended 28 February 2022

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
22. FINANCE INCOME				
Cash and cash equivalents	28	110	-	-
Included in profit or loss	28	110	-	-
Interest and financing fee income included in revenue (refer to note 19)	21 987	21 135	-	-
Total finance income	22 015	21 245	-	-
23. FINANCE COSTS				
Lease liabilities (refer to note 14)	1 886	2 555	-	-
Interest-bearing borrowings (refer to note 12)	2 182	2 951	-	870
Amounts owing to related parties (refer to note 16)	-	-	1 515	397
Other interest paid	200	14	56	-
Included in profit or loss	4 268	5 520	1 571	1 267
Interest and financing fee expenses included in revenue (refer to note 19)	13 897	13 553	-	-
Total finance costs	18 165	19 073	1 571	1 267

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
24. INCOME TAX EXPENSE				
South African normal tax				
Current tax				
- Current year	16 982	6 856	-	-
- Prior year adjustment	(64)	(475)	29	-
Deferred tax				
- Current year	(3 209)	(2 384)	151	102
- Prior year adjustment	(419)	557	-	(31)
- Change in tax rate	80	-	37	-
	13 370	4 554	217	71
Foreign tax				
- Current tax	39 268	17 852	-	-
- Deferred tax	1 688	(222)	-	-
	40 956	17 630	-	-
Income tax expense recognised in profit or loss	54 326	22 184	217	71
Current tax recognised in profit or loss	56 186	24 233	29	-
Deferred tax recognised in profit or loss	(1 860)	(2 049)	188	71
Income tax expense recognised in profit or loss	54 326	22 184	217	71
Reconciliation of tax rate	%	%	%	%
South African normal tax rate	28,0	28,0	28,0	28,0
Adjusted for:	0,2	0,1	(42,4)	230,9
Learnership allowances	(0,1)	(0,3)	-	-
Fair value adjustments	(0,1)	0,5	-	-
Non-deductible interest	0,6	0,6	(39,8)	229,1
Other items*	(0,2)	(0,7)	(2,6)	1,8
- Change in tax rate	-	-	(2,9)	-
- Foreign exempt income	(0,2)	(2,9)	-	-
- Foreign tax differential	(4,4)	(2,3)	-	-
- Prior year: current tax	-	0,6	(2,7)	-
- Prior year: deferred tax	0,6	0,6	-	(78,8)
Effective tax rate	24,2	24,1	(20,0)	180,1

*Other items comprises exempt income.

The tax losses available for offset in the future across the Group amounted to R2,1 million (2021: R9,4 million).

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		Group	
		Actual 2022	Actual 2021
25. EARNINGS PER SHARE			
Basic earnings per share	(cents)	122,60	46,51
Headline earnings per share ("HEPS")	(cents)	126,81	47,08
Diluted earnings per share	(cents)	119,56	45,92
Diluted HEPS	(cents)	123,66	46,49

	Profit from ordinary activities R'000	Taxation effect R'000	Non- controlling interest R'000	Net effect R'000
Reconciliation between basic and headline earnings:				
2022				
Profit for the period/Basic earnings	224 456	(54 326)	(38)	170 092
<i>Adjusted for:</i>				
- Profit on disposal of property, plant and equipment	(62)	17	-	(45)
- Impairment loss on intangible asset	7 889	(1 999)	-	5 890
Headline earnings	232 283	(56 308)	(38)	175 937
2021				
Profit for the period/Basic earnings	91 902	(22 184)	(38)	69 680
<i>Adjusted for:</i>				
- Loss on disposal of property, plant and equipment	105	(30)	-	75
- Impairment loss on intangible asset	781	-	-	781
Headline earnings	92 788	(22 214)	(38)	70 536

	2022 Shares 000's	2021 Shares 000's
Number of shares used in the calculations:		
Shares in issue at end of year	138 420	161 481
Weighted Average Number of Ordinary Shares ("WANOS") at end of year*	138 737	149 826
Diluted WANOS at end of year	142 270	151 739
Reconciliation of WANOS to diluted WANOS:		
WANOS at end of year*	138 737	149 826
Effect of unexercised share options	3 533	1 913
Diluted WANOS at end of year	142 270	151 739

*The Group holds 1 329 736 (2021: 20 608 070) treasury shares through a subsidiary, which have been excluded from the WANOS calculations.

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
26. NOTES TO THE STATEMENTS OF CASH FLOWS				
26.1 Cash generated from operations				
Profit/(loss) before tax	224 456	91 902	(1 084)	39
<i>Adjustments for:</i>				
Depreciation and amortisation	21 292	27 124	189	248
(Profit)/loss on disposal of plant and equipment	(62)	105	-	-
Impairment loss on intangible asset	7 889	781	-	-
Finance income	(28)	(110)	-	-
Finance costs	4 268	5 520	1 571	1 267
Foreign exchange gains	(349)	(2 203)	-	-
Fair value loss	330	3 322	-	-
Movement in defined benefit plan liability	(127)	(127)	(127)	(127)
Equity-settled share-based payment expense	324	917	-	-
Share of profit of associate, net of tax	(250)	(96)	-	-
Modification on lease liability	(15)	(259)	-	-
<i>Working capital changes:</i>				
Increase/(decrease) in discounting of trade receivables	24 379	(16 579)	-	-
(Increase)/decrease in trade and other receivables	(256 886)	(88 160)	(124)	40
Increase/(decrease) in trade and other payables and provisions	138 472	153 848	55	(23)
	163 693	175 985	480	1 444
26.2 Tax paid				
Balance at the beginning of the year	(9 268)	(5 955)	30	30
Income tax expense recognised in profit or loss	(56 186)	(24 233)	(30)	-
Foreign exchange translation	180	(221)	-	-
Net balance at the end of the year	20 447	9 268	-	(30)
	(44 827)	(21 141)	-	-
26.3 Acquisition of associate				
Investment in associate	-	1 246	-	-
Net assets acquired	-	1 246	-	-
Contingent consideration	-	(411)	-	-
Settled in cash	-	835	-	-

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27. SHARE-BASED PAYMENTS

Equity-settled share-based payment plans

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

Group Share Option Scheme Number 1

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

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

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

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

	2022		2021	
	Number of share options	Weighted average exercise price (cents)	Number of share options	Weighted average exercise price (cents)
Outstanding at the beginning of the year	3 732 101	107	3 852 101	105
Granted during the year	-	-	-	-
Forfeited during the year	(50 000)	93	-	-
Exercised during the year	(180 000)	93	(120 000)	43
Outstanding at the end of the year	3 502 101	108	3 732 101	107
Exercisable at the end of the year	3 429 351	108	3 659 351	107

Group Share Option Scheme Number 2

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

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

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

Of the total of 6 700 000 shares approved to be awarded under this scheme, 2 300 351 shares remain available to be awarded.

	2022		2021	
	Number of share options	Weighted average exercise price (cents)	Number of share options	Weighted average exercise price (cents)
Outstanding at the beginning of the year	4 424 649	317	4 424 649	317
Granted during the year	-	-	-	-
Forfeited during the year	(25 000)	298	-	-
Exercised during the year	(38 304)	415	-	-
Outstanding at the end of the year	4 361 345	312	4 424 649	317
Exercisable at the end of the year	1 898 345	415	1 936 649	415

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

The inputs into the model were as follows:

		Group	
		2022	2021
Scheme 1 Issue 1			
Weighted average share price	(cents)	85,0	85,0
Weighted average exercise price (Net of 50% company contribution)	(cents)	42,5	42,5
Expected volatility	(%)	45,56	45,56
Expected option lifetime	(years)	3	3
Risk-free rate based on zero-coupon government bond yield	(%)	5,11	5,11
Expected dividend yield	(%)	2,98	2,98
Scheme 1 Issue 2			
Weighted average share price	(cents)	186,00	186,00
Weighted average exercise price (Net of 50% company contribution)	(cents)	93,00	93,00
Expected volatility	(%)	37,70	37,70
Expected option lifetime	(years)	3	3
Risk-free rate based on zero-coupon government bond yield	(%)	7,36	7,36
Expected dividend yield	(%)	3,00	3,00
Scheme 1 Issue 3			
Weighted average share price	(cents)	415,00	415,00
Weighted average exercise price (Net of 50% company contribution)	(cents)	207,50	207,50
Expected volatility	(%)	19,48	19,48
Expected option lifetime	(years)	3	3
Risk-free rate based on zero-coupon government bond yield	(%)	8,63	8,63
Expected dividend yield	(%)	1,50	1,50
Scheme 1 Issue 4			
Weighted average share price	(cents)	178,00	178,00
Weighted average exercise price (Net of 50% company contribution)	(cents)	89,00	89,00
Expected volatility	(%)	44,00	44,00
Expected option lifetime	(years)	3	3
Risk-free rate based on zero-coupon government bond yield	(%)	8,16	8,16
Expected dividend yield	(%)	1,50	1,50
Scheme 2 Issue 1			
Weighted average share price	(cents)	415,00	415,00
Weighted average exercise price	(cents)	415,00	415,00
Expected volatility	(%)	16,52	16,52
Expected option lifetime	(years)	5	5
Risk-free rate based on zero-coupon government bond yield	(%)	8,63	8,63
Expected dividend yield	(%)	1,50	1,50

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		Group	
		2022	2021
Scheme 2 Issue 2			
Weighted average share price	(cents)	298,12	298,12
Weighted average exercise price	(cents)	298,12	298,12
Expected volatility	(%)	20,86	20,86
Expected option lifetime	(years)	5	5
Risk-free rate based on zero-coupon government bond yield	(%)	7,90	7,90
Expected dividend yield	(%)	1,50	1,50
Scheme 2 Issue 3			
Weighted average share price	(cents)	194,00	194,00
Weighted average exercise price	(cents)	194,00	194,00
Expected volatility	(%)	21,10	21,10
Expected option lifetime	(years)	5	5
Risk-free rate based on zero-coupon government bond yield	(%)	8,15	8,15
Expected dividend yield	(%)	1,50	1,50

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

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

The share-based payment reserve is realised as options are exercised by employees through the transfer to an issue of shares, or where the employee forfeits their options through a transfer to retained earnings. There were no transfers in the current or prior reporting period.

The Group recognised an expense related to these equity-settled share-based payment transactions during the reporting period, which has been disclosed in note 20.

28. RELATED PARTIES

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

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

Amounts owing from and to related parties are included in notes 10 and 16 respectively.

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

The ultimate parent of the Group is Santova Ltd. Members of key management include the Group's directors and executive management team and are disclosed in note 21.

	Net of gross billings for goods and services		Net outstanding balances arising from sale/purchase of goods and services	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Goods and services sold to:				
Jet Air & Ocean Freight Services Ltd (Mauritius)	-	-	54	54
Santova Corporate Services (Pty) Ltd	71	586	-	-
Santova Financial Services (Pty) Ltd	157	82	-	-
Santova International Holdings (Pty) Ltd	3	60	-	-
Santova International Trade Solutions (Pty) Ltd	56	22	-	-
Santova Logistics (Pty) Ltd	2 527	4 333	-	-
Santova Logistics B.V. (Netherlands)	401	400	-	-
Santova Logistics GmbH (Germany)	58	58	-	-
Santova Logistics Ltd (Hong Kong)	102	102	-	-
Santova Logistics Pty Ltd (Australia)	209	209	35	35
Tradeway (Shipping) Ltd (United Kingdom)	321	321	-	-
W.M. Shipping Ltd (United Kingdom)	463	463	-	-
	4 368	6 636	89	89

	Interest paid on loans from related parties		Loans to/ (from) related parties	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
COMPANY				
Santova Corporate Services (Pty) Ltd	-	-	(24 938)	(14 480)
Santova Financial Services (Pty) Ltd	-	-	(28 510)	22 768
Santova International Holdings (Pty) Ltd	-	-	(7 004)	6 796
Santova International Trade Solutions (Pty) Ltd	-	-	(2 050)	(1 850)
Santova Logistics (Pty) Ltd	(1 515)	(870)	(13 072)	(18 307)
	(1 515)	(870)	(75 574)	(5 073)

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	Notes	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
29. FINANCIAL RISK MANAGEMENT					
Categories of financial instruments					
<i>Financial assets</i>					
Financial assets at amortised cost		739 436	601 097	111	29 670
Trade receivables	9	733 212	591 768	111	106
Other receivables	9	6 224	9 329	-	-
Amounts owing from related parties	10	-	-	-	29 564
Financial assets at fair value through profit or loss		8 352	8 006	-	-
Held for trading					
Forward exchange contracts	7	1 781	448	-	-
Designated					
Gaurdrisk cell captive	7	3 069	4 056	-	-
Future profit share on rental agreement	7	3 502	3 502	-	-
Cash and cash equivalents		270 805	190 031	216	1 703
<i>Financial liabilities</i>					
Financial liabilities at amortised cost		648 815	535 165	75 863	34 870
Trade payables	15	329 742	258 287	289	233
Amounts owing to related parties	16	288	285	75 574	34 637
Lease liabilities	14	38 691	42 478	-	-
Interest-bearing borrowings	12	54 191	32 591	-	-
Overdrafts and bank facilities	18	225 903	201 524	-	-
Financial liabilities at fair value through profit or loss		2 078	20 339	-	-
Held for trading					
Contingent consideration	7	558	20 064	-	-
Forward exchange contracts	7	1 520	275	-	-

Financial risk management objectives

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

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

On the following page, a summary of the Group's oversight role and management of all risk is presented before each of the above specific risks are discussed in more detail according to their numbered sections.

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

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

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

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

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

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

29.1 Foreign currency risk

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

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

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

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29.1 Foreign currency risk continued

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

		2022						
	Notes	Total R'000	Total Euro'000	Total GBP'000	Total AU\$'000	Total HK\$'000	Total MUR'000	Total SGD'000
Assets								
Property, plant and equipment	2	21 799	17	985	67	35	16	35
ROU assets	3	27 571	325	591	679	182	-	166
Intangible assets	4	249 561	2 262	9 022	1 128	-	-	1 069
Trade receivables	9	456 123	5 475	10 027	3 753	47 820	1 870	1 641
Other receivables	9	145 706	4 062	3 155	703	404	509	169
Current tax assets		-	-	-	-	-	-	-
Cash and cash equivalents		257 229	6 065	4 165	1 787	19 052	1 225	802
Liabilities								
Trade and other payables	15	(525 052)	(9 444)	(11 210)	(2 746)	(42 644)	(4 549)	(1 346)
Current tax liabilities		(21 168)	(512)	(468)	-	(891)	-	(84)
Interest-bearing borrowings	12	(13 009)	(755)	-	-	-	-	-
Financial liabilities	7	(345)	(20)	-	-	-	-	-
Lease liabilities	14	(28 124)	(328)	(613)	(679)	(201)	-	(167)
Overdrafts and bank facilities	18	-	-	-	-	-	-	-
		570 291	7 147	15 654	4 692	23 757	(929)	2 285

		2021						
		Total R'000	Total Euro'000	Total GBP'000	Total AU\$'000	Total HK\$'000	Total MUR'000	Total SGD'000
Notes								
Assets								
Property, plant and equipment	2	23 571	36	1 023	72	29	22	48
ROU assets	3	31 959	477	613	728	729	-	47
Intangible assets	4	244 766	2 295	8 572	987	-	-	1 017
Trade receivables	9	276 641	4 213	5 092	2 279	26 853	1 168	1 227
Other receivables	9	48 246	231	1 819	384	403	377	40
Current tax assets		-	-	-	-	-	-	-
Cash and cash equivalents		164 871	3 525	2 609	1 569	7 750	50	1 113
Liabilities								
Trade and other payables	15	(287 783)	(5 139)	(5 581)	(1 273)	(23 830)	(4 504)	(1 257)
Current tax liabilities		(8 891)	(85)	(257)	-	(390)	-	(106)
Interest-bearing borrowings	12	(14 155)	(754)	-	-	-	-	(37)
Financial liabilities	7	(19 654)	(404)	(585)	-	-	-	-
Lease liabilities	14	(30 271)	(350)	(636)	(728)	(784)	-	(49)
Overdrafts and bank facilities	17	(2)	-	-	-	-	-	-
		429 298	4 045	12 669	4 018	10 760	(2 887)	2 043

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

Sensitivity analysis	Group	
	2022 R'000	2021 R'000
+ 10%	57 029	42 930
- 10%	(57 029)	(42 930)

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

	2022 Group						
	Total R'000	Total Euro'000	Total GBP'000	Total AU\$'000	Total HK\$'000	Total MUR'000	Total SGD'000
Profit or loss for the year attributable to equity holders of the Company	144 903	4 200	2 117	834	8 274	711	337
	2021 Group						
	Total R'000	Total Euro'000	Total GBP'000	Total AU\$'000	Total HK\$'000	Total MUR'000	Total SGD'000
Profit or loss for the year attributable to equity holders of the Company	74 674	1 174	1 602	632	3 579	(2 711)	355

Foreign currency sensitivity analysis

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

Sensitivity analysis	Group	
	2022 R'000	2021 R'000
+ 10%	14 490	7 468
- 10%	(14 490)	(7 468)

29.2 Interest rate risk

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

Interest rate sensitivity

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

Sensitivity analysis	Group	
	2022 R'000	2021 R'000
If the interest rates had been 50 basis points higher/lower and all other variables held constant, the Group's profit (pre-tax) would increase/decrease by:	410	287

29.3 Credit risk

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

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

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

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

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

In the case of trade receivables within the Group's foreign subsidiaries, the materiality of potential financial losses as a result of default is not deemed to be as significant due to the fact that these operations are not required to fund recoverable disbursements on behalf of customers. Therefore, the Group does not take out credit insurance cover in its foreign operations, but recognises adequate loss allowance in respect of credit risk.

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

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

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

	Notes	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Not past due		458 769	462 377	111	106
Past due but not impaired:					
- 0 to 30 days		221 968	81 800	-	-
- 31 to 60 days		61 125	15 321	-	-
- over 60 days		11 852	52 387	-	-
- impaired		24 536	20 082	-	-
Trade receivables		778 250	631 967	111	106
Loss allowance (refer to note 9)		(45 038)	(40 199)	-	-
Total trade receivables	9	733 212	591 768	111	106

NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 28 February 2022

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

		Balance R'000	ECL rate* %	Loss allowance R'000
2022	Notes			
Not past due		458 769	2,42	11 116
Past due:				
- 0 to 30 days		221 968	1,81	4 014
- 31 to 60 days		61 125	6,28	3 840
- over 60 days		11 852	12,93	1 532
- impaired		24 536	100,00	24 536
	9	778 250	5,79	45 038
2021	Notes			
Not past due		462 377	2,62	12 136
Past due:				
- 0 to 30 days		81 800	2,10	1 717
- 31 to 60 days		15 321	5,56	852
- over 60 days		52 387	10,33	5 412
- impaired		20 082	100,00	20 082
	9	631 967	6,36	40 199

*ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for the following factors:

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

- ▣ GDP performance;
- ▣ Inflation;
- ▣ Interest rates; and
- ▣ COVID-19 impact.

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

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

Cash and cash equivalents

The Group held cash and cash equivalents of R271 million at 28 February 2022 (2021: R190 million). The Group limits its exposure in respect of cash balances by only dealing with well-established financial institutions of high quality credit standing.

The loss allowance on cash and cash equivalents has been measured on a 12-month ECL basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

29.4 Liquidity risk

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

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

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

	Notes	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Facilities available					
Bank overdraft	18	41 299	13 648	-	-
Medium-term loans	12	75 000	75 000	-	-
Invoice discounting facilities	18	370 069	368 102	-	-
Total facilities available		486 368	456 750	-	-
Facilities utilised at reporting date					
Bank overdraft	18	-	11	-	-
Medium-term loans	12	41 182	18 436	-	-
Invoice discounting facilities	18	225 903	201 513	-	-
Total facilities utilised		267 085	219 960	-	-
Available unutilised facilities					
Bank overdraft	18	41 299	13 637	-	-
Medium-term loans	12	33 818	56 564	-	-
Invoice discounting facilities	18	144 166	166 589	-	-
Total available unutilised facilities		219 283	236 790	-	-

NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 28 February 2022

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

Non-derivative financial assets

	Notes	Within one month R'000	One to three months R'000	Three to twelve months R'000	Greater than twelve months R'000	Total R'000
2022						
Non-interest bearing						
Trade receivables	9	494 228	-	-	-	494 228
Other receivables	9	-	-	6 224	-	6 224
Interest-bearing						
Trade receivables	9	142 393	96 591	-	-	238 984
		636 621	96 591	6 224	-	739 436
2021						
Non-interest bearing						
Trade receivables	9	324 545	-	-	-	324 545
Other receivables	9	-	-	9 329	-	9 329
Interest-bearing						
Trade receivables	9	121 048	146 175	-	-	267 223
		445 593	146 175	9 329	-	601 097

Non-derivative financial liabilities

	Notes	Within one month R'000	One to three months R'000	Three to twelve months R'000	Greater than twelve months R'000	Total R'000
2022						
Non-interest bearing						
Trade payables	15	329 742	-	-	-	329 742
Interest-bearing						
Amounts owing to related parties	16	288	-	-	-	288
Lease liabilities	14	1 184	3 551	9 469	24 487	38 691
Interest-bearing borrowings	12	1 093	17 840	13 008	22 380	54 321
Overdrafts and bank facilities	18	135 006	92 407	-	-	227 413
		467 313	113 798	22 477	46 867	650 455
2021						
Non-interest bearing						
Trade payables	15	258 287	-	-	-	258 287
Interest-bearing						
Amounts owing to related parties	16	285	-	-	-	285
Lease liabilities	14	1 209	3 628	9 675	27 966	42 478
Interest-bearing borrowings	12	113	14 680	5 391	14 287	34 471
Overdrafts and bank facilities	18	91 530	111 425	-	-	202 955
		351 424	129 733	15 066	42 253	538 476

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

Derivative financial assets

	Notes	Within one month R'000	One to three months R'000	Three to twelve months R'000	Greater than twelve months R'000	Total R'000
2022						
Forward exchange contracts	7	1 781	-	-	-	1 781
Profit share on rental agreement	7	-	-	-	3 502	3 502
Insurance cell captive	7	-	-	-	3 069	3 069
		1 781	-	-	6 571	8 352
2021						
Forward exchange contracts	7	448	-	-	-	448
Profit share on rental agreement	7	-	-	-	3 502	3 502
Insurance cell captive	7	-	-	-	4 056	4 056
		448	-	-	7 558	8 006

Derivative financial liabilities

		Within one month R'000	One to three months R'000	Three to twelve months R'000	Greater than twelve months R'000	Total R'000
2022						
Contingent consideration	7	-	-	558	-	558
Forward exchange contracts	7	1 520	-	-	-	1 520
		1 520	-	558	-	2 078
2021						
Contingent consideration	7			19 207	857	20 064
Forward exchange contracts	7	275	-	-	-	275
		275	-	19 207	857	20 339

NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 28 February 2022

29.5 Capital risk management

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

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

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

The Group is subject to externally imposed capital requirements by its primary transactional bankers arising in the ordinary course of securing funding facilities (refer to note 18). These capital requirements relate to minimum required levels of shareholders' funds, maximum ratio of debt to EBITDA, and minimum interest cover ratios, and there have been no breaches or defaults of these capital requirements during the reporting period.

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

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

	Group	
	2022 R'000	2021 R'000
Interest-bearing borrowings, overdrafts and discounting facilities	280 095	234 115
Less: cash and cash equivalents	(270 805)	(190 031)
Net debt	9 290	44 084
Total capital and reserves	765 847	619 041
Gearing ratio	1,2%	7,1%

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

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

30. IMPACT OF COVID-19

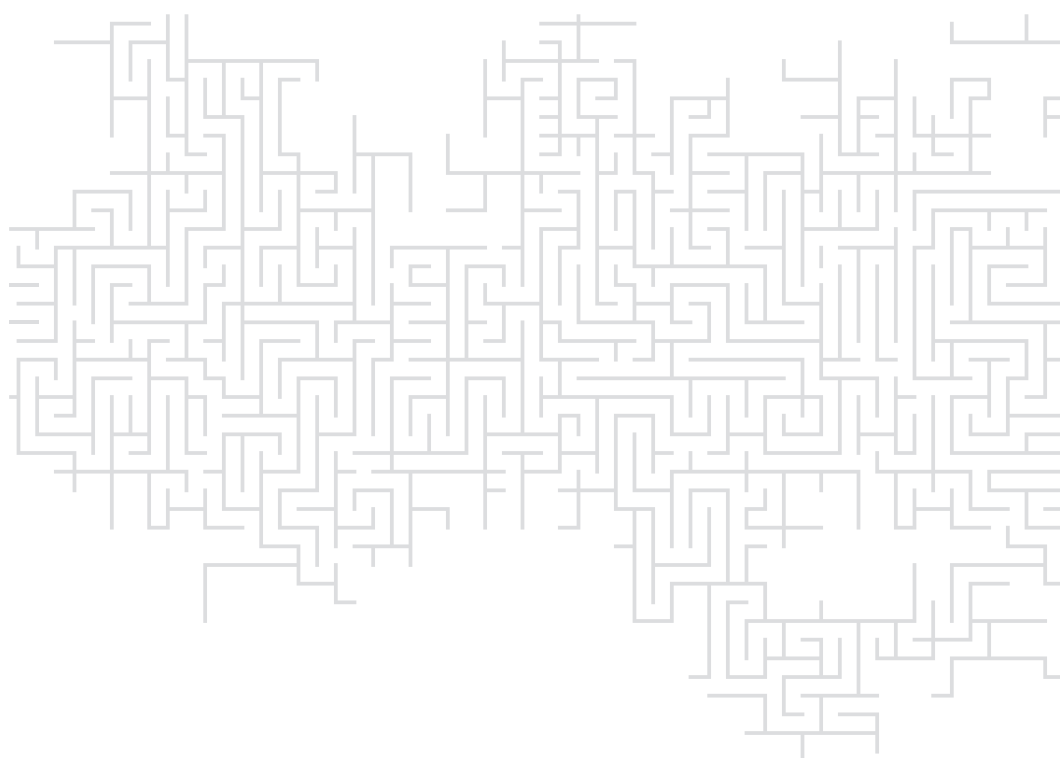
COVID-19 continues to disrupt the operations and financial reporting processes of the majority of businesses globally, including the Group's customers, employees and other stakeholders. As reflected by its performance in the current reporting period, the Group benefited from the post COVID-19 economic rebound in key regions where it operates. Management considers the potential impact of COVID-19 to be low due to the probability of any significant impact materialising reducing during the current reporting period. Management has carefully considered all possible financial effects the virus could have on the measurement, presentation and disclosure provided with any potential impact disclosed within the specific note.

31. EVENTS AFTER THE REPORTING PERIOD

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

32. GOING CONCERN

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



CORPORATE INFORMATION

SANTOVA LIMITED

Country of Incorporation

Republic of South Africa

Registration Number

1998/018118/06

Share Code

SNV

ISIN

ZAE000159711

NATURE OF BUSINESS

International logistics solutions provider

DIRECTORS

Independent Non-Executive Directors

WA Lombard (Chairman)

ESC Garner

EM Ngubo

Executive Directors

GH Gerber (Chief Executive Officer)

RM Herselman (Group Financial Director)

AL van Zyl

COMPANY SECRETARY

JA Lupton, FCG

Highway Corporate Services (Pty) Ltd

PO Box 1319, Hillcrest, 3650, South Africa

JSE SPONSOR

River Group

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Pretoria, 0145, South Africa

GROUP AUDITOR

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2193, South Africa

SHARE REGISTRAR

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CORPORATE BANKERS

Nedbank Limited

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Sandown, 2196, South Africa

**A Specialist Provider of Innovative
Global Trade Solutions.**

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

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