



2023 AUDITED FINANCIAL STATEMENTS

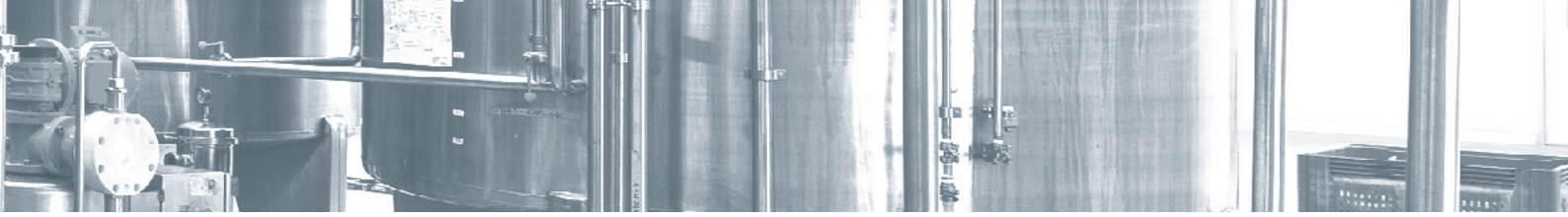
for the year ended 1 October 2023





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APPROVAL OF FINANCIAL STATEMENTS

The directors are responsible for the preparation and integrity of the financial statements and other information contained therein which were prepared in accordance with the International Financial Reporting Standards (IFRS). In order to discharge this responsibility, the company maintains internal financial control and operational control systems, designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded, in accordance with the company policies and procedures.

The financial statements as set out on page 1 and pages 4 to 25 were approved by the board of directors on 17 November 2023 and are signed on their behalf by:

WP Hanekom
Chief executive officer

CC Schoombie
Chief financial officer

STATEMENT OF RESPONSIBILITY

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

- the financial statements set out on pages 4 to 25, fairly present in all material respects the financial position, financial performance and cash flows of the Group for the 52 week period ended 1 October 2023 in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the company and its subsidiaries have been provided to effectively prepare the financial statements of the company;
- the internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit, risk and information technology committee and the external auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

WP Hanekom
Chief executive officer

CC Schoombie
Chief financial officer

CERTIFICATE BY THE COMPANY SECRETARY

In accordance with section 88(2)(e) of the Companies Act, No 71 of 2008, for the year ended 1 October 2023, it is hereby certified that the company and its subsidiaries have lodged with the Companies and Intellectual Property Commission all such returns that are required and that such returns are true, correct and up to date.

BM Lakey
Company secretary



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RFG HOLDINGS LIMITED

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of RFG Holdings Limited (or 'Company') set out on page 9 to 25, which comprise the separate statement of financial position as at 1 October 2023, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the company as at 1 October 2023, and its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the 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 of the Company and 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 of the Company and 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 separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters pertaining to these separate financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 25 page document titled "RFG Holdings Limited Audited Annual Financial Statements for the year ended 1 October 2023", which includes the Statement of responsibility, Certificate by the company secretary, Report of the directors, and Report of the audit, risk and information technology committee as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. Other information does not include the separate financial statements and our auditor's report thereon.

Our opinion on the 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 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 separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the separate financial statements

The directors are responsible for the preparation and fair presentation of the 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

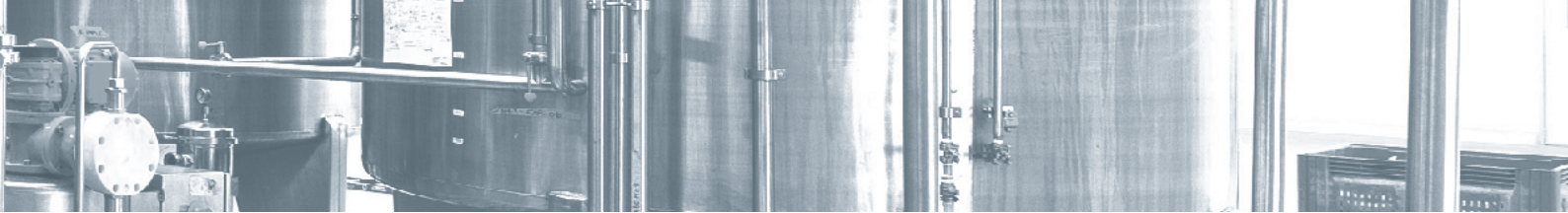
In preparing the separate financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate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

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

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

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

- Identify and assess the risks of material misstatement of the 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.



INDEPENDENT AUDITOR'S REPORT CONTINUED

- 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

Ernst & Young Inc.

Ernst & Young Inc.

Director: Lucian Rolleston
Registered Auditor
Chartered Accountant (SA)

3rd Floor, Waterway House
3 Dock Road, V&A Waterfront
Cape Town
8001

20 November 2023

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report for the year ended 1 October 2023.

NATURE OF BUSINESS

RFG Holdings Limited is a company domiciled in the Republic of South Africa and listed in the Food Producers sector of the JSE Limited. The company is the holding company of a group of companies. The main business of the company is the rendering of management services to the group.

GENERAL REVIEW

The results of the activities for the year under review and financial position of the company are set out in the attached financial statements. No other facts or circumstances, except those disclosed below, require further disclosure.

EVENTS SUBSEQUENT TO REPORTING DATE

Refer to the dividends section below for more information regarding the final dividend for the year ended 1 October 2023 which was declared on 17 November 2023.

The board of directors is not aware of any other matter or circumstance of a material nature arising since the end of the year ended 1 October 2023, otherwise not dealt with in the financial statements, which significantly affects the financial position of the company or the results of its operations.

GOING CONCERN

The board of directors believes that the company has adequate financial resources available within the group to continue its operations for the foreseeable future and accordingly the financial statements have been prepared on the going concern basis.

STATED CAPITAL

The authorised and issued share capital remained unchanged for the year under review.

DIVIDENDS

On 23 January 2023 a dividend of 45.8 cents per share for the year ended 2 October 2022 was paid. The total dividend amounted to R120.3 million.

On 17 November 2023 the board of directors declared a final gross dividend of 62.0 cents per share for the year ended 1 October 2023.

DIRECTORS

The directors in office during the year under review and at the date of this report are as follows:

Name	Position
Dr YG Muthien	Independent non-executive director (Chairperson)
TP Leeuw	Independent non-executive director (Lead independent director)
WP Hanekom	Executive director (Chief Executive Officer)
S Maitisa	Independent non-executive director
SV Naidoo ¹	Independent non-executive director
BN Njobe	Independent non-executive director
CC Schoombie	Executive director (Chief financial officer)
CL Smart	Non-executive director
GJH Willis	Non-executive director
MR Bower ²	Independent non-executive director (Former lead independent director)
BAS Henderson ³	Non-executive director

¹ Appointed 1 May 2023

² Retired 30 June 2023

³ Retired 30 April 2023

COMPANY SECRETARY

BM Lakey

REGISTERED ADDRESS OF THE COMPANY

Pniel Road
Groot Drakenstein
7680

FINANCIAL YEAR END

The company's financial year ends on or about 30 September, and as a result the reporting date may differ year on year.

The previous reporting period included an extra trading week.

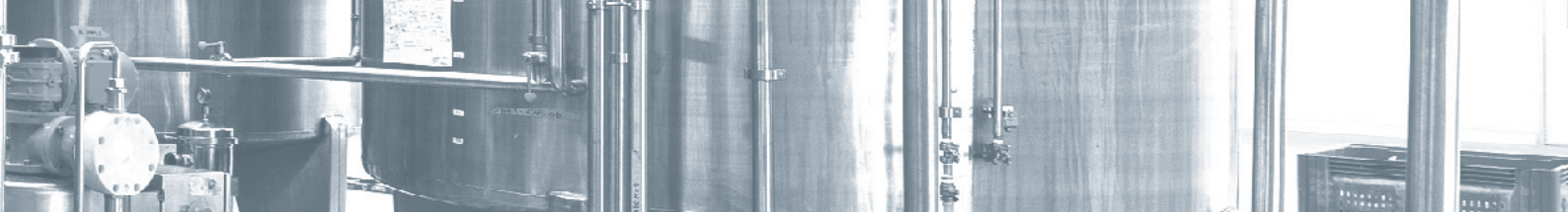
The financial statements were prepared for the 52 week year ended 1 October 2023 (2022: 53 week year ended 2 October 2022).

AUDITORS

Ernst & Young Inc. were the auditors for the year under review.

PREPARER OF FINANCIAL STATEMENTS

These financial statements were prepared under the supervision of CC Schoombie, CA(SA), chief financial officer.



REPORT OF THE AUDIT, RISK AND INFORMATION TECHNOLOGY COMMITTEE

INTRODUCTION

RFG Holdings Limited and its subsidiaries (the “Group”) audit, risk and information technology committee (“the committee”) report is presented to shareholders in compliance with the Companies Act, 2008 (“the Companies Act”) and the principles of the King IV Code of Corporate Governance (“King IV”).

The committee has both a statutory role in terms of the Companies Act and an independent role with accountability to the board and shareholders. The committee operates according to a formal charter and complies with all relevant legislation, regulations and governance codes.

ROLE OF THE COMMITTEE

AUDIT

The committee provides independent oversight of the effectiveness of the internal financial controls and the operating control environment to support the board in ensuring and monitoring the integrity of the Group’s financial statements and related external reports. The committee also oversees the effectiveness of the Group’s assurance functions and services, with particular focus on combined assurance, including external assurance providers, internal audit and the finance function.

RISK

Support the board in setting the direction for the manner in which risk is managed and addressed while adopting a stakeholder-inclusive approach. The committee must ensure that the Group has implemented an effective policy and plan for risk management and compliance encompassing the opportunities and associated risks to be considered when developing strategy and the potential positive and negative effects of the same risks on the achievement of the Group’s strategic objectives.

INFORMATION TECHNOLOGY

Assist the board in fulfilling its oversight responsibilities with respect to the role of information technology in executing the business strategy, including major technology investment, technology strategy, operational performance, cyber risk and technology trends.

RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the committee are as follows:

AUDIT

- Ensure that management has designed and maintained an effective internal financial and operating control environment in the Group.
- Report to the board on the effectiveness of internal financial controls.
- Consider all factors and risks that may impact on the integrity of the financial statements and related external reports.
- Ensure that management has established appropriate financial reporting procedures and that those procedures are operating and include all entities included in the consolidated financial statements.
- Ensure that the committee has access to all financial information of the Group to allow the Group to effectively prepare and report on the consolidated financial statements.
- Consider factors that may result in management presenting a misleading picture, including significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that brings into question previously published information, forward-looking statements or information.
- Review and consider the possible impact of the key audit matters raised by the external auditor in their report on the audit of the financial statements.
- Review the solvency and liquidity, working capital and going concern statements before any dividends are declared by the board.
- Review and approve key financial policies.
- Monitor standards of governance, reporting and compliance.
- Oversee integrated reporting and ensure the integrity of the Integrated Report.
- Review the disclosure of sustainability issues in the Integrated Report to ensure the information is reliable and does not conflict with the financial disclosure.
- Consider management’s basis for determining both financial and impact materiality for external reporting.
- Review the separate and consolidated financial statements of the Group.
- Review the disclosure of climate and sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects.
- Review the content of the interim results and report of the Group.
- Review SENS announcements dealing with the financial results of the Group.
- Nominate the external auditor for appointment by shareholders annually.
- Approve the terms of engagement and remuneration of the external auditor.
- Ensure the appointment of the external auditor complies with applicable legislation.
- Monitor and report on the independence of the external auditor.
- Review the quality and effectiveness of the external audit process.
- Ensure that a process is implemented for the committee to be informed of any Reportable Irregularities (as identified in the Auditing Profession Act, 2005) identified and reported by the external auditor and review such concerns.
- Determine a policy for non-audit services which may be provided by the external auditor and approve non-audit service assignments.
- Review the annual JSE proactive monitoring reports and ensure that the company complies with the recommendations.
- Review the appropriateness of the experience and expertise of the chief financial officer.
- Review the resources and experience of the finance function.
- Approve an internal audit charter.
- Evaluate the effectiveness of the internal audit process.
- Approve the risk-based internal audit coverage plan.
- Oversee that the combined assurance model enables an effective internal control environment.

REPORT OF THE AUDIT, RISK AND INFORMATION TECHNOLOGY COMMITTEE CONTINUED

RISK

- Ensure that business, financial and other risks have been identified, assessed and are being suitably managed.
- Review the risk framework and policy.
- Assess whether appropriate processes and controls are in place to manage risks to an acceptable level, in line with the board's risk appetite and tolerance.
- Review the effectiveness of the risk management processes.
- Review and approve the combined assurance model.
- Review the adequacy of the Group's insurance portfolios.
- Review the impact that material litigation could have on the Group.
- Monitor information to identify and respond to reputational risks.
- Ensure that the risk and compliance department is sufficiently resourced to provide adequate assurance to the committee.
- Review the compliance monitoring plan and policy.
- Review processes for employees to raise concerns in confidence about possible wrongdoing, with independent investigation and appropriate follow up action.
- Review the Group's procedures for detecting and preventing fraud and bribery and receiving reports on non-compliance.

INFORMATION TECHNOLOGY

- Approve the direction of the management of information technology and information and oversee management's implementation thereof.
- Review the information technology strategy and ensure that associated risks are being suitably managed.
- Ensure that the Group has robust cyber security defences.

COMPOSITION OF THE COMMITTEE

The committee comprises three independent non-executive directors.

The chairperson of the board may not serve on the committee.

The committee comprised the following members during the year and to the date of this report:

Committee member	Qualifications
SV Naidoo (Chairperson) ¹	BAcc, PGDA, CA(SA), SEP
TP Leeuw	BCom, BCompt (Hons), MAP
S Maitisa	BCom, MBA, MAP
MR Bower (Former chairperson) ²	BCom, BCompt (Hons), CA(SA)

¹ Appointed 1 May 2023; appointed as Chairperson 1 July 2023.

² Retired 30 June 2023.

Biographical details of the committee members are available on the Group's website www.RFG.com.

Fees paid to the committee members are detailed in note 13 of the financial statements.

Based on the financial and business qualifications as well as the extensive work experience in finance, accounting and corporate business, the members of the committee are considered to have the required financial expertise and experience required of an audit committee member.

Non-executive directors, executive directors, external auditors and internal auditors attend meetings at the invitation of the committee.

MEETING ATTENDANCE

The committee met four times during the year. The chairperson provided feedback to the board on the activities of the committee after each meeting of the committee. The board approved matters that were recommended for their approval by the committee.

Committee meetings and attendance for the year:

Committee member	11 Nov 2022	9 Dec 2022	18 May 2023	11 Sep 2023
SV Naidoo (Chairperson) ¹			✓	✓
TP Leeuw	✓	✓	✓	✓
S Maitisa	✓	✓	✓	✓
MR Bower (Former chairperson) ²	✓	✓	✓	

¹ Appointed 1 May 2023; appointed as Chairperson 1 July 2023.

² Retired 30 June 2023.

The internal and external auditors attended the meetings on 11 November 2022, 18 May 2023 and 11 September 2023.

The company secretary is the secretary of the committee meetings.

The board has satisfied itself on the competence, qualifications and experience of the company secretary, BM Lakey. The company secretary has unrestricted access to the board while also maintaining an arm's length relationship with the board.

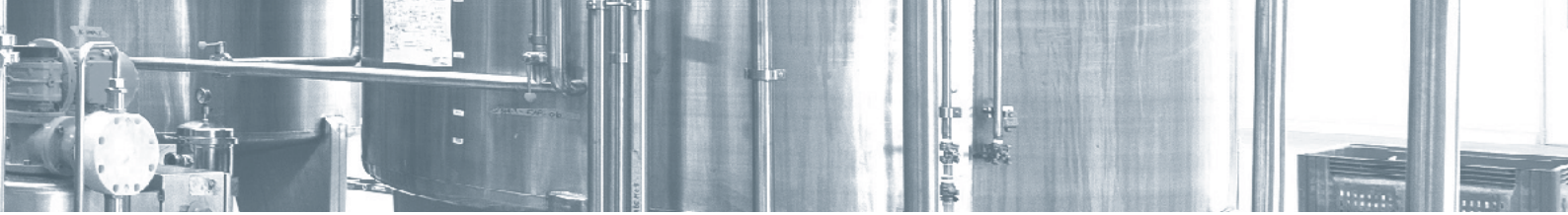
The chairperson has regular individual meetings with the internal and external auditors.

EXTERNAL AUDIT

The committee assessed the independence, expertise and objectivity of the external auditor, Ernst & Young Inc. and the designated audit partner, Lucian Rolleston, as well as approving the fees paid to the external auditor for the 2023 financial year (refer to note 12 in the financial statements).

The committee received confirmation from the external auditor that the partners and staff responsible for the audit comply with all legal and professional requirements with regard to rotation and independence, including the stipulation that they should not own shares in RFG Holdings Limited.

The committee reviewed the representation made by the external auditors and satisfied itself that the external auditor is independent of the company, as set out in section 94(8) of the Companies Act, and suitable for re-appointment by considering, *inter alia*, the information detailed in paragraph 22.15(h) of the JSE Limited Listings Requirements. The committee has satisfied itself that the audit firm and designated audit partner are not included on the JSE list of disqualified auditors and their advisors.



REPORT OF THE AUDIT, RISK AND INFORMATION TECHNOLOGY COMMITTEE CONTINUED

NON-AUDIT SERVICES

The company has a policy on non-audit services which can be provided by the external auditor. All non-audit services are approved in advance by the committee. The policy requires Ernst & Young Inc. to satisfy the committee that the delivery of non-audit services does not compromise their independence in undertaking normal audit assignments.

During the year under review Ernst & Young Inc. were paid R65 832 for non-audit services (2022: R156 076).

INTERNAL CONTROL

Systems of internal control are designed to manage the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against misstatement or loss.

No material matter has come to the attention of the committee that has caused the directors to believe that the company's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

INTERNAL AUDIT

The internal audit function is outsourced to PricewaterhouseCoopers Inc. who support management in controlling risk, monitoring compliance, improving efficiency and the effectiveness of internal control systems and governance processes.

The internal audit function is mandated by the board and its responsibilities are determined by the committee. The internal audit service provider is appointed and removed by the committee, and reports on administrative matters to the chief financial officer. The internal audit service provider has direct and unrestricted access to the chairperson of the committee.

The committee has satisfied itself as to the effectiveness of the internal audit function and the internal audit service provider.

STATEMENT OF COMBINED ASSURANCE

The combined assurance policy and framework provide a coordinated approach to all assurance activities.

The combined assurance policy and framework aim to optimise the assurance coverage obtained from management, internal assurance providers and external assurance providers on the key risk areas affecting the company.

Activities are coordinated to maximise the level of assurance achieved by each of the assurance providers. This enables an effective control environment and ensures the integrity of information used for internal decision making and supports the integrity of external reports.

The combined assurance framework is integrated within the risk management process, including reporting to and oversight from the committee.

The committee has reviewed the combined assurance results for the company to satisfy itself that appropriate assurance activities are in place in relation to the controls operating over the key risks identified.

EVALUATION OF THE CHIEF FINANCIAL OFFICER

The committee has satisfied itself as to the appropriateness of the expertise and experience of the company's chief financial officer, CC Schoombie. This is based on the qualifications, levels of experience, continuing professional development and the board's assessment of the financial knowledge of the chief financial officer.

The committee also satisfied itself as to the expertise, resources and experience of the company's finance function.



REPORT OF THE AUDIT, RISK AND INFORMATION TECHNOLOGY COMMITTEE CONTINUED

ACTIVITIES OF THE COMMITTEE

The committee is required to meet at least three times each year, with two meetings coinciding with the key dates of the financial reporting and audit cycle. Minutes of the meetings of the committee are circulated to all directors and supplemented by an update from the committee chairperson at each board meeting.

The chairperson of the committee is required to attend all statutory shareholder meetings to respond to questions on the committee's activities.

The committee performed the following activities during the year under review:

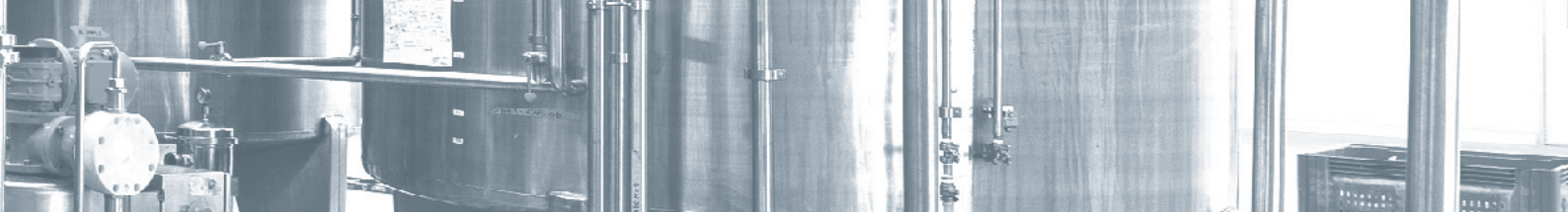
- Approved the terms of engagement and remuneration of the external auditor for the 2023 financial year, and monitored their independence, objectivity and effectiveness.
- Ensured that the Group's internal financial control and financial risk management systems were adequate and effective.
- Ensure that management has established appropriate financial reporting procedures and that those procedures are operating and include all entities included in the consolidated financial statements. This ensure that the committee has access to all financial information of the Group to enable the Group to effectively prepare and report on the consolidated financial statements.
- Reviewed the responsibility statement of the chief executive officer and chief financial officer in the financial statements.
- Evaluated the appropriateness of the expertise and experience of the chief financial officer.
- Evaluated the expertise, resources and experience of the Group's finance function.
- Reviewed the key audit matter as per the report of the external auditor on the financial statements and the possible impact thereof on the financial statements.
- Reviewed and recommended to the board for approval the interim, separate and consolidated financial statements.
- Reviewed and recommended to the board for approval the Integrated Report and the relevant SENS announcements.
- Reviewed and monitored the Group's internal audit function.
- Evaluated the Group's risk monitor and residual risks.
- Monitored the activities of the combined assurance forum.
- Evaluated significant matters relating to the interim, separate and consolidated financial statements, including the key audit matter.
- Reviewed the Group's compliance with the JSE's report on the proactive monitoring of financial statements for compliance with IFRS where appropriate and practical.
- Reviewed and monitored the activities of the information technology department via the information technology steering committee.
- Monitored the continuation of the implementation of compliance controls and capabilities.
- Monitored to completion the implementation of the business continuity project aimed at minimising the disruption effects of disaster on the business.

APPROVAL OF THE COMMITTEE REPORT

The committee confirms that it has functioned in accordance with its terms of reference for the 2023 financial year and that its report to shareholders has been approved by the board.

SV Naidoo
Chairperson

Audit, Risk and Information Technology Committee
17 November 2023



STATEMENT OF FINANCIAL POSITION

as at 1 October 2023

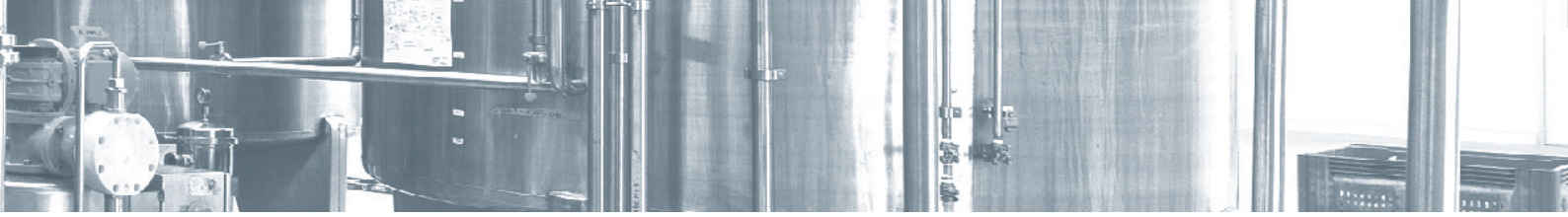
	Notes	2023 R'000	2022 R'000
ASSETS			
Non-current assets			
		132 123	132 114
Investment in subsidiary	5	132 000	132 000
Deferred taxation asset	6	123	114
Current assets			
		768 179	886 944
Accounts receivable	7	542	526
Loans and other receivables	8	767 636	886 416
Cash and cash equivalents	9	1	2
Total assets		900 302	1 019 058
EQUITY AND LIABILITIES			
Capital and reserves			
		897 261	1 017 572
Stated capital	10	1 563 446	1 563 446
Accumulated loss		(666 185)	(545 874)
Current liabilities			
		3 041	1 486
Accounts payable and provisions	11	3 020	1 471
Taxation payable	14	21	15
Total equity and liabilities		900 302	1 019 058



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 1 October 2023

	Notes	2023 R'000	2022 R'000
Revenue	2.3	8 831	9 353
Other income		–	–
Operating costs		(8 785)	(9 304)
Profit before taxation	12	46	49
Taxation	14	(12)	(17)
Profit for the year		34	32
Other comprehensive income		–	–
Total comprehensive income for the year		34	32



STATEMENT OF CHANGES IN EQUITY

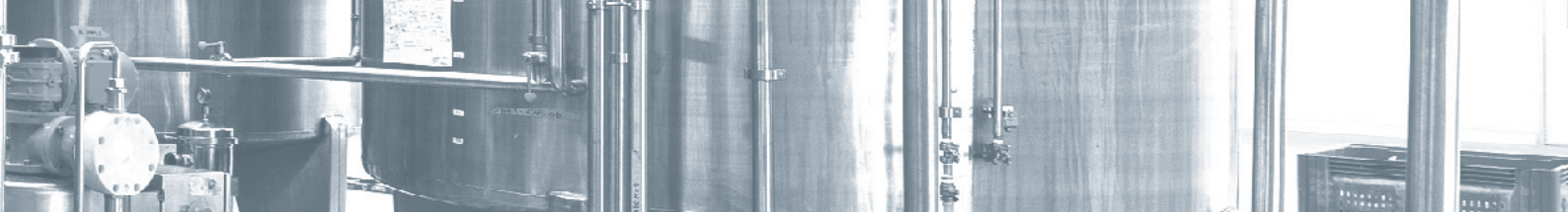
for the year ended 1 October 2023

	Note	Stated capital R'000	Accumulated loss R'000	Total R'000
Balance at 26 September 2021		1 563 446	(469 442)	1 094 004
Total comprehensive income for the year		–	32	32
Dividend paid	18	–	(76 464)	(76 464)
Balance at 2 October 2022		1 563 446	(545 874)	1 017 572
Total comprehensive income for the year		–	34	34
Dividend paid	18	–	(120 345)	(120 345)
Balance at 1 October 2023		1 563 446	(666 185)	897 261

STATEMENT OF CASH FLOWS

for the year ended 1 October 2023

	Notes	2023 R'000	2022 R'000
Cash generated from operations	15.1	1 579	744
Taxation paid	15.2	(15)	-
Net cash inflow from operating activities		1 564	744
Cash flows from investing activities			
Loan to subsidiary repayments received		118 780	75 721
Net cash inflow from investing activities		118 780	75 721
Cash flows from financing activities			
Dividend paid	18	(120 345)	(76 464)
Net cash outflow from financing activities		(120 345)	(76 464)
Net (decrease)/increase in cash and cash equivalents		(1)	1
Cash and cash equivalents at beginning of the year		2	1
Cash and cash equivalents at end of the year	9	1	2



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 October 2023

1. GENERAL INFORMATION

The financial statements are prepared in accordance with International Financial Reporting Standards, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, The JSE Listings Requirements and the requirements of the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis except for certain assets and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 FINANCIAL INSTRUMENTS

2.1.1 Initial recognition

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

2.1.2 Equity instruments

The company recognises equity only where there is a contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

2.1.3 Loans receivable, accounts receivable, cash and cash equivalents

The company has classified these financial assets as subsequently measured at amortised cost since the assets are held only for collection of principal and interest payments. These assets are initially measured at their fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial assets. Subsequent movements are accounted for as follows:

- Interest income is included in profit or loss using the effective interest rate method.
- Impairment losses and gains on derecognition are recognised in profit or loss.

2.1.4 Investment in subsidiaries

These are equity investments measured at cost.

These investments are initially measured at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequent movements are accounted for as follows:

- Dividends are recognised in profit or loss as revenue when the right to receive payments is established, if it is probable that economic benefits will flow to the company and the amount can be measured reliably.
- The investment in subsidiary is tested annually for impairment.

2.1.5 Loans payable, accounts payable, accruals and bank overdraft

These are financial liabilities that are not held for trading and have not been designated as at fair value through profit or loss. The financial liabilities have therefore been classified as subsequently measured at amortised cost. Initial measurement is at fair value net of directly attributable transaction costs. Subsequent movements are accounted for as follows:

- Interest expense is included in profit or loss using the effective interest rate method.
- Gains or losses on derecognition are recognised in operating costs in the statement of profit or loss.

2.1.6 Impairment of financial assets

A forward looking allowance for expected credit losses is recognised for all financial instruments not at fair value through profit or loss, excluding investment in subsidiaries. Expected credit losses are based on the difference between contractual cash flows and the cash flows the company expects to receive, discounted at the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

The impairment methodology applied depends on whether there has been significant increase in credit risk:

- For credit exposures with no significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss).
- For credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.1 FINANCIAL INSTRUMENTS CONTINUED

2.1.6 *Impairment of financial assets* continued

The company reviews its trade receivables at year end for evidence of default, such as financial difficulty of the issuer or default in receiving payments when due. A specific credit loss allowance is recognised for impairments identified. For trade receivables not considered impaired, a simplified approach is applied to calculate expected credit losses. Lifetime expected credit losses are estimated using a provision matrix and historical credit loss experience.

2.1.7 *Derecognition of financial assets*

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it is transferred and the transfer qualifies for derecognition.

2.1.8 *Derecognition of financial liabilities*

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

2.2 TAXATION

Income tax expense represents the sum of current taxation and deferred taxation.

The current taxation is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted by the financial year end.

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be realised.

Deferred taxation is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled. Deferred taxation is charged or credited in the statement of profit or loss and other comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is also recognised in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

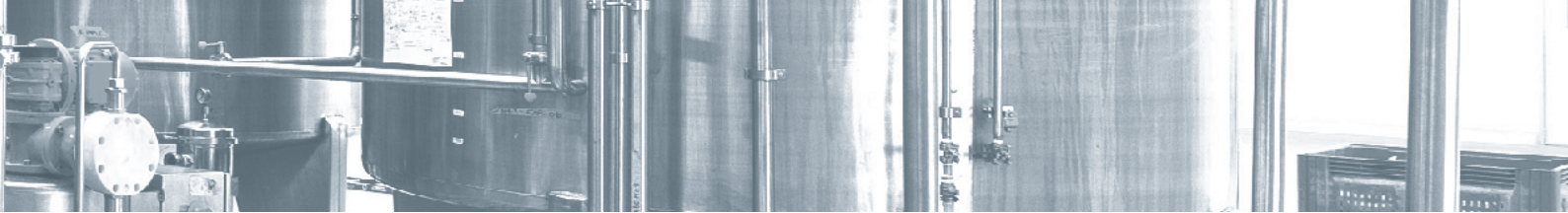
2.3 REVENUE RECOGNITION

The company earns a fee for services provided to its subsidiaries. These fees are charged on a monthly basis.

Revenue represents the following:

2.3.1 *Rendering of services*

Revenue from the rendering of services is recognised when the stage of completion of the transaction can be reliably estimated at the end of the reporting period. The outcome of a transaction can be estimated reliably when the amount of the revenue can be measured reliably; it is probable that the economic benefits associated with the transaction at the end of the reporting period can be measured reliably; and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.



NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the company's accounting policies, which are described in note 1, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

3.1 RECOVERABILITY OF LOAN RECEIVABLES

The recoverability of loan receivables is assessed by taking into consideration the financial position of the counter party and past payment history. When assessing the recoverability of loan receivables, management reviews prior history of losses and any information currently available.

4. ADOPTION OF NEW AND REVISED STANDARDS

4.1 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE IN THE CURRENT YEAR

Management has considered all standards, interpretations and amendments that are in issue but not yet effective. The company has not early adopted the following standards, interpretations and amendments which are relevant to the company but which are not expected to have a material impact on the company's financial statements:

4.1.1 *Amendments to IAS 1, Classification of Liabilities as Current or Non-current*

The amendment provides a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date, and clarifies the requirements for classifying liabilities as current or non-current.

The amendments are effective for annual periods beginning on or after 1 January 2024.

4.1.2 *Amendments to IAS 12 Deferred tax relating to Assets and Liabilities arising from a single transaction*

Amendments to IAS 12 Income Taxes which narrow the scope of the initial recognition exception under IAS 12, to the effect that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments are effective for annual periods beginning on or after 1 January 2023.

4.1.3 *Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies*

Amendments to IAS 1 require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. Amendments to IFRS Practice Statement 2 Making Materiality Judgements provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments are effective for the annual periods beginning on or after 1 January 2023.

4.1.4 *Amendments to IAS 8, Accounting policies, Changes in Accounting Estimates and Errors: definition of accounting estimates*

Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies distinguishing between changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for the annual periods beginning on or after 1 January 2023.

4.2 EARLY ADOPTION OF STANDARDS AND INTERPRETATIONS

The company has not early adopted any Standards and Interpretations. The company intends to adopt these new and amended standards and interpretations, which are relevant to the company, when they become effective.

4.3 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED AND EFFECTIVE IN THE CURRENT YEAR

The company has not identified any Accounting Standards or Interpretations issued and effective that will have a material impact on the company's financial statements in the future.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

5. INVESTMENT IN SUBSIDIARY

	2023 R'000	2022 R'000
Unlisted shares		
RFG Foods Proprietary Limited	132 000	132 000

The company has pledged in favour of Nedbank Limited all of the shares held in RFG Foods Proprietary Limited, which is domiciled in the Republic of South Africa.

6. DEFERRED TAXATION ASSET

In February 2022 the South African corporate income tax rate was adjusted to 27.0% from 28.0%. This affected all companies with a year end on or after 31 March 2023. Management considered the period in which these temporary differences would be realised and recognised a credit to profit or loss and other comprehensive income amounting to R2 477 in the prior year.

The major components of the deferred tax balances, together with movements during the year are as follows:

2023	Opening balance R'000	Charge/(credit) to profit or loss for the year R'000	Closing balance R'000
Tax effect of:			
Difference between tax and accounting treatment of:			
– Other provisions	(114)	(9)	(123)
2022	Opening balance R'000	Charge/(credit) to profit or loss for the year R'000	Closing balance R'000
Tax effect of:			
Unutilised tax losses	(12)	12	–
Difference between tax and accounting treatment of:			
– Other provisions	(104)	(10)	(114)
	(116)	2	(114)

7. ACCOUNTS RECEIVABLE

	2023 R'000	2022 R'000
Trade receivables	542	515
Less: Lifetime expected credit loss allowance	–	–
Net trade receivables	542	515
VAT receivable	–	11
	542	526
Trade receivables		
Of the trade receivables balance at the end of the year, the following amount is due from the company's largest customer:		
RFG Foods Proprietary Limited	542	515

The above customer represented 100% (2022: 100%) of the total balance of the company's trade receivables at the end of the current year.

In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the financial year end. As at the financial year end no allowance for expected credit loss has been raised (2022: Rnil).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

8. LOANS AND OTHER RECEIVABLES

	2023 R'000	2022 R'000
Current assets		
RFG Foods Proprietary Limited	767 636	886 416

The loan to RFG Foods Proprietary Limited bears no interest and is repayable on demand. The company issued a guarantee and pledge in favour of Nedbank Limited relating to any claims against RFG Foods Proprietary Limited.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following amounts recorded in the statement of financial position:

	2023 R'000	2022 R'000
Bank balances and cash on hand at end of the year	1	2

10. STATED CAPITAL

	2023 R'000	2022 R'000
Authorised		
1 800 000 000 ordinary shares		
Issued ordinary shares of no par value		
262 762 018 (2022: 262 762 018) ordinary shares	1 563 446	1 563 446

The unissued shares are under the control of the board of directors until the forthcoming annual general meeting of the company.

11. ACCOUNTS PAYABLE AND PROVISIONS

	2023 R'000	2022 R'000
Trade payables	1 079	129
Accruals	1 792	1 342
VAT payable	149	–
	3 020	1 471

The company pays its suppliers within the agreed credit period which is normally 30 days from date of statement. No interest is charged on the trade payables within the credit period granted.

The company has financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame.

12. PROFIT BEFORE INTEREST AND TAXATION

Profit before interest and taxation is arrived at after taking the following items into account:

	2023 R'000	2022 R'000
Expenses		
Auditors' remuneration	449	415
Directors' remuneration	3 451	3 180
Management fee paid to Capitalworks ¹	863	814

¹ Management fees paid to Capitalworks Private Equity Advisor Proprietary Limited include the remuneration paid for services rendered as directors by CL Smart and GJH Willis.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

13. REMUNERATION PAID TO DIRECTORS

13.1 EXECUTIVE DIRECTORS

Fees for services as director	2023	2022	2023	2022
	R'000	R'000	R'000	R'000
	WP Hanekom		CC Schoombie	
	<i>Chief Executive Officer</i>		<i>Chief Financial Officer</i>	
Basic salary	5 021	4 733	3 303	3 112
Cash-settled short term incentive	4 296	–	2 186	–
Equity-settled long term incentive	–	242	–	299
Travel allowance	396	396	161	161
Contributions under medical scheme	185	163	–	–
Contributions under pension fund	752	716	528	472
Contributions under disability and funeral scheme	53	43	–	26
	10 703	6 293	6 178	4 070

The remuneration of WP Hanekom and CC Schoombie is paid by RFG Foods Proprietary Limited for services rendered to the Group. There are no service contracts with directors of the Group with a notice period greater than one year and with compensation on termination greater than one year's salary.

Interest in stated capital	2023	2022	2023	2022
Direct interest	WP Hanekom		CC Schoombie	
Number of direct ordinary shares held	47 761	47 761	–	–
Value of direct ordinary shares held (R'000)	523	526	–	–
Beneficial interest	Relta 38 Proprietary Limited		Schoombies Investments Proprietary Limited	
Number of indirect beneficial ordinary shares held	1 990 757	1 990 757	3 927 942	3 927 942
Value of indirect beneficial ordinary shares held (R'000)	21 799	21 918	43 011	43 247

Interest in share appreciation rights and performance shares in terms of share schemes

RFG 2015 Share Plan ("the 2015 Plan")

The 2015 Plan is a long term (share based) incentive scheme for executives and qualifying senior managers of the company and its subsidiaries. These employee benefits are accounted for as equity settled. The 2015 Plan rules give the board of directors the discretion to determine whether to settle in cash or equity and they have decided to settle any vested benefits in terms of the 2015 Plan by purchasing RFG shares in the open market and transferring those to the relevant executives and managers.

In March 2022 the 2015 Plan was replaced by the RFG Holdings Limited 2021 Share Plan ("the 2021 Plan"). From this date all new awards and grants to executives and managers are made in terms of the rules of the 2021 Plan. Unvested offers made before March 2022 will continue to vest in terms of the rules of the 2015 Plan.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

13. REMUNERATION PAID TO DIRECTORS CONTINUED

13.1 EXECUTIVE DIRECTORS CONTINUED

Interest in share appreciation rights and performance shares in terms of share schemes continued

Reconciliation of outstanding share appreciation rights and performance shares as at 1 October 2023:

	Date of allocation/award	Balance at 2 October 2022	Vested 2023	Exercised 2023	Forfeited 2023	Balance at 1 October 2023
RFG 2015 Share Plan						
WP Hanekom						
<i>Unvested share appreciation rights</i>						
Share appreciation rights	1-Dec-17	10 813	(10 813)	–	–	–
Share appreciation rights	3-Dec-18	28 622	(14 311)	–	–	14 311
Share appreciation rights	2-Dec-19	43 066	(14 355)	–	–	28 711
Share appreciation rights	1-Dec-20	83 946	–	–	–	83 946
		166 447	(39 479)	–	–	126 968
<i>Exercisable share appreciation rights</i>						
Share appreciation rights	1-Dec-17	–	10 813	–	–	10 813
Share appreciation rights	3-Dec-18	–	14 311	–	14 310	28 621
Share appreciation rights	2-Dec-19	–	14 355	–	–	14 355
Share appreciation rights	1-Dec-20	–	–	–	–	–
		–	39 479	–	14 310	53 789
Performance shares	2-Dec-19	41 109	–	–	(41 109)	–
Performance shares	1-Dec-20	83 946	–	–	–	83 946
		125 055	–	–	(41 109)	83 946
CC Schoombie						
<i>Unvested share appreciation rights</i>						
Share appreciation rights	1-Dec-17	14 114	(14 114)	–	–	–
Share appreciation rights	3-Dec-18	35 176	(17 588)	–	–	17 588
Share appreciation rights	2-Dec-19	52 929	(17 643)	–	–	35 286
Share appreciation rights	1-Dec-20	75 033	–	–	–	75 033
		177 252	(49 345)	–	–	127 907
<i>Exercisable share appreciation rights</i>						
Share appreciation rights	1-Dec-17	–	14 114	–	–	14 114
Share appreciation rights	3-Dec-18	–	17 588	–	17 588	35 176
Share appreciation rights	2-Dec-19	–	17 643	–	–	17 643
Share appreciation rights	1-Dec-20	–	–	–	–	–
		–	49 345	–	17 588	66 933
Performance shares	2-Dec-19	50 893	–	–	(50 893)	–
Performance shares	1-Dec-20	72 147	–	–	–	72 147
		123 040	–	–	(50 893)	72 147

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

13. REMUNERATION PAID TO DIRECTORS CONTINUED

13.1 EXECUTIVE DIRECTORS CONTINUED

Interest in share appreciation rights and performance shares in terms of share schemes continued

Reconciliation of outstanding share appreciation rights and performance shares as at 2 October 2022:

	Date of allocation/ award	Balance at 26 September 2021	Vested 2022	Exercised 2022	Forfeited 2022	Balance at 2 October 2022
RFG 2015 Share Plan						
WP Hanekom						
<i>Unvested share appreciation rights</i>						
Share appreciation rights	1-Dec-16	7 478	–	–	(7 478)	–
Share appreciation rights	1-Dec-17	21 626	–	–	(10 813)	10 813
Share appreciation rights	3-Dec-18	42 932	–	–	(14 310)	28 622
Share appreciation rights	2-Dec-19	43 066	–	–	–	43 066
Share appreciation rights	1-Dec-20	83 946	–	–	–	83 946
		199 048	–	–	(32 601)	166 447
<i>Exercisable share appreciation rights</i>						
Share appreciation rights	1-Dec-16	–	–	–	–	–
Share appreciation rights	1-Dec-17	–	–	–	–	–
Share appreciation rights	3-Dec-18	–	–	–	–	–
Share appreciation rights	2-Dec-19	–	–	–	–	–
Share appreciation rights	1-Dec-20	–	–	–	–	–
		–	–	–	–	–
Performance shares	3-Dec-18	40 980	–	(18 701)	(22 279)	–
Performance shares	2-Dec-19	41 109	–	–	–	41 109
Performance shares	1-Dec-20	83 946	–	–	–	83 946
		166 035	–	(18 701)	(22 279)	125 055
CC Schoombie						
<i>Unvested share appreciation rights</i>						
Share appreciation rights	1-Dec-16	9 760	–	–	(9 760)	–
Share appreciation rights	1-Dec-17	28 228	–	–	(14 114)	14 114
Share appreciation rights	3-Dec-18	52 764	–	–	(17 588)	35 176
Share appreciation rights	2-Dec-19	52 929	–	–	–	52 929
Share appreciation rights	1-Dec-20	75 033	–	–	–	75 033
		218 714	–	–	(41 462)	177 252
<i>Exercisable share appreciation rights</i>						
Share appreciation rights	1-Dec-16	–	–	–	–	–
Share appreciation rights	1-Dec-17	–	–	–	–	–
Share appreciation rights	3-Dec-18	–	–	–	–	–
Share appreciation rights	2-Dec-19	–	–	–	–	–
Share appreciation rights	1-Dec-20	–	–	–	–	–
		–	–	–	–	–
Performance shares	3-Dec-18	50 734	–	(23 152)	(27 582)	–
Performance shares	2-Dec-19	50 893	–	–	–	50 893
Performance shares	1-Dec-20	72 147	–	–	–	72 147
		173 774	–	(23 152)	(27 582)	123 040
BAS Henderson						
Performance shares	3-Dec-18	95 480	–	(43 572)	(51 908)	–
Performance shares	2-Dec-19	95 779	–	(43 709)	(52 070)	–
Performance shares	1-Dec-20	135 778	–	(61 962)	(73 816)	–
		327 037	–	(149 243)	(177 794)	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

13. REMUNERATION PAID TO DIRECTORS CONTINUED

13.1 EXECUTIVE DIRECTORS CONTINUED

Interest in share appreciation rights and performance shares in terms of share schemes continued

RFG Holdings Limited 2021 Share Plan

Shareholders approved the 2021 Plan at the annual general meeting of the company held on 16 March 2022. The 2021 Plan replaces the 2015 Plan with effect from 16 March 2022 and any new awards and grants from that date are made in terms of the 2021 Plan rules.

The 2021 Plan is a long term (share based) incentive scheme for executives and qualifying senior managers of the company and its subsidiaries. These employee benefits are accounted for as equity settled. The Plan rules give the board of directors the discretion to determine whether to settle in cash or equity and they have decided to settle any vested benefits in terms of the 2021 Plan by purchasing RFG shares in the open market and transferring those to the relevant executives and managers.

Reconciliation of outstanding performance shares as at 1 October 2023:

RFG Holdings Limited 2021 Share Plan	Date of award	Balance at 2 October 2022	Awarded 2023	Exercised 2023	Forfeited 2023	Balance at 1 October 2023
WP Hanekom						
Performance shares	16-Mar-22	370 492	–	–	–	370 492
Performance shares	9-Dec-22	–	366 796	–	–	366 796
		370 492	366 796	–	–	737 288
CC Schoombie						
Performance shares	16-Mar-22	213 980	–	–	–	213 980
Performance shares	9-Dec-22	–	211 845	–	–	211 845
		213 980	211 845	–	–	425 825

Reconciliation of outstanding performance shares as at 2 October 2022:

RFG Holdings Limited 2021 Share Plan	Date of award	Balance at 26 September 2021	Awarded 2022	Exercised 2022	Forfeited 2022	Balance at 2 October 2022
WP Hanekom						
Performance shares	16-Mar-22	–	370 492	–	–	370 492
CC Schoombie						
Performance shares	16-Mar-22	–	213 980	–	–	213 980

13.2 INDEPENDENT NON-EXECUTIVE DIRECTORS

	2023 R'000	2022 R'000
Fees for services as director		
Dr YG Muthien	860	812
TP Leeuw	669	609
S Maitisa	580	548
SV Naidoo (Appointed 1 May 2023)	232	–
BN Njobe	537	489
MR Bower (Retired 30 June 2023)	573	722
	3 451	3 180
Direct interest in stated capital		
Number of direct ordinary shares held		
Dr YG Muthien	63 380	60 530
TP Leeuw	61 000	61 000
BN Njobe	11 025	7 200
MR Bower (Retired 30 June 2023)	86 666	86 666
	222 071	215 396

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

13. REMUNERATION PAID TO DIRECTORS CONTINUED

13.2 INDEPENDENT NON-EXECUTIVE DIRECTORS CONTINUED

Direct interest in stated capital Value of direct ordinary shares held	2023 R'000	2022 R'000
Dr YG Muthien	694	666
TP Leeuw	668	672
BN Njobe	121	79
MR Bower (Retired 30 June 2023)	949	954
	2 432	2 371

13.3 NON-EXECUTIVE DIRECTORS

Fees for services as director	2023 R'000	2022 R'000
CL Smart	384	362
GJH Willis	479	452
BAS Henderson (Retired 30 April 2023)	267	432
	1 130	1 246

Fees for services rendered as non-executive directors by CL Smart and GJH Willis are paid as a management fee to Capitalworks Private Equity Advisor Proprietary Limited.

Beneficial interest in stated capital	2023		2022		2023		2022	
	BAS Henderson		CL Smart		GJH Willis			
Number of indirect beneficial ordinary shares held	16 815 824	16 815 824	4 117 654	4 117 654	353 012	353 012		
Value of indirect beneficial ordinary shares held (R'000)	184 133	185 142	45 088	45 335	3 865	3 887		
Number of encumbered indirect beneficial shares ¹	–	–	4 117 654	4 117 654	353 012	353 012		

¹ Includes indirect economic interest held by non-executive directors CL Smart and GJH Willis, through discretionary trusts. The encumbered indirect beneficial ordinary shares serve as collateral for funding raised by Capitalworks RFG Partnership to acquire shares in RFG Holdings Limited.

The above represents the aggregate shareholding of the directors as at 1 October 2023 and until the date of approval of the financial statements. Other than as disclosed above, the shareholding of the directors is not subject to security, guarantee or any collateral.

No associate of the directors held any ordinary shares in the company at 1 October 2023 and until the date of the approval of the financial statements.

14. TAXATION

	2023 R'000	2022 R'000
<i>Taxation: South Africa</i>		
Current taxation		
– current year	21	15
Deferred taxation		
– current year	(9)	2
	12	17
	%	%
<i>Tax rate reconciliation</i>		
Standard rate	27.00	28.00
Prior year adjustment	–	3.73
Tax rate change	–	3.75
Effective tax rate	27.00	35.48

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

15. STATEMENT OF CASH FLOWS

15.1 CASH GENERATED FROM OPERATIONS

Reconciliation of profit before taxation to cash generated from operations.

	2023 R'000	2022 R'000
Profit before taxation	46	49
Operating cash flows before working capital changes	46	49
Working capital changes	1 533	695
(Increase)/Decrease in accounts receivable	(16)	614
Increase in accounts payable and provisions	1 549	81
Cash generated from operations	1 579	744

15.2 TAXATION PAID

	2023 R'000	2022 R'000
Amount outstanding at beginning of the year	(15)	–
Current taxation charged through profit or loss	(21)	(15)
Amount outstanding at end of the year	21	15
	(15)	–

16. FINANCIAL INSTRUMENTS

Financial instruments consist of loans, trade and other receivables, cash and cash equivalents and trade and other payables resulting from normal business activities.

16.1 CAPITAL RISK MANAGEMENT

The capital structure of the company consists of equity, comprising ordinary stated capital and accumulated losses.

The company manages its capital to ensure that it will be able to continue as a going concern. The company's overall strategy has remained unchanged from the prior year.

16.2 SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

16.3 FINANCIAL RISK MANAGEMENT OBJECTIVE

The company seeks to minimise the effects of fair value interest rate risk and price risk through active management processes. The company does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

16.4 FOREIGN CURRENCY RISK

The company does not transact in foreign currency.

16.5 CREDIT RISK MANAGEMENT

Potential concentrations of credit risk consisted principally of trade receivables, short-term cash investments and loans.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. All changes to credit limits are reviewed and authorised by management. Allowance for doubtful debts is raised for based on the customer's cash status, long-outstanding debts and customers in liquidation, and are assessed by the directors on an ongoing basis. Refer to note 8 for further detail on credit risk relating to trade receivables. Short-term cash investments are placed with banks with a high credit rating. Loans are monitored and provision is made, where necessary, for any irrecoverable amounts. At year end the directors deemed there was not any significant credit risk that was not provided for.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

16. FINANCIAL INSTRUMENTS CONTINUED

16.6 LIQUIDITY AND INTEREST RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company is able to actively source financing from its shareholders.

Liquidity and interest risk tables

The company's undiscounted cash flow exposure to interest rate risk and the effective rates on the financial instruments at the financial year end are as follows:

2023	Interest rate %	Year 1 R'000	Year 2 to 5 R'000	Over 5 years R'000	Total R'000
Assets					
Accounts receivable	Interest free	542	–	–	542
Loan receivable from related parties	Interest free	767 636	–	–	767 636
Cash and cash equivalents	Variable	1	–	–	1
		768 179	–	–	768 179
Liabilities					
Accounts payable	Interest free	2 871	–	–	2 871
2022					
Assets					
Accounts receivable	Interest free	515	–	–	515
Loan receivable from related parties	Interest free	886 416	–	–	886 416
Cash and cash equivalents	Variable	2	–	–	2
		886 933	–	–	886 933
Liabilities					
Accounts payable	Interest free	1 471	–	–	1 471

16.7 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the financial assets and liabilities reported in the statement of financial position approximate fair values at the year end, except where noted otherwise in the notes.

16.8 ANALYSIS PER CATEGORY OF FINANCIAL INSTRUMENTS

The financial instruments included in the liquidity and interest risk tables are categorised as "subsequently measured at amortised cost".

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 1 October 2023

17. RELATED PARTY TRANSACTIONS

The company, in the ordinary course of business, entered into various transactions with the following related companies:

- RFG Foods Proprietary Limited is a related party as it is a 100% held subsidiary of the company.

RFG Foods Proprietary Limited's subsidiaries are as follows:

- RFG Eswatini Proprietary Limited (95.3% shareholding).
- Rhodes Foods Eswatini Proprietary Limited (100% shareholding).
- Pacmar Properties Proprietary Limited (100% shareholding).
- Pakco Proprietary Limited (100% shareholding).
- Ma Baker Pies Proprietary Limited (100% shareholding).
- Ma Baker Properties (Pietermaritzburg) Proprietary Limited (100% shareholding).
- Tradecor SA Proprietary Limited (100% shareholding).

RFG Foods Proprietary Limited's associate of a subsidiary are as follows:

- Ma Baker Xpress Proprietary Limited (49% shareholding).

Capitalworks Private Equity Advisor Proprietary Limited is a related party as it is the advisor to Capitalworks Rhodes Food Investment Partnership and RFG Holdings GP Partnership, both of whom are shareholders in the company.

During the year the company entered into the following transactions with related parties:

	2023 R'000	2022 R'000
Income		
RFG Foods Proprietary Limited Management fee	8 831	9 353
Expenses		
Capitalworks Rhodes Food Investment Partnership Management fee	863	814
At year end the following amounts were receivable from related parties		
Included in trade receivable:		
RFG Foods Proprietary Limited	542	515
Included in loans receivable:		
RFG Foods Proprietary Limited	767 636	886 416

No amounts have been provided during the year in respect of bad or doubtful debts owing by related parties.

Guarantees issued on behalf of related parties

The company has pledged in favour of Nedbank Limited all of the shares held in RFG Foods Proprietary Limited.

18. DIVIDEND PAID

On 23 January 2023 a dividend of 45.8 cents per share for the year ended 2 October 2022 (2022: 29.1 cents for the year ended 26 September 2021) was paid. The total dividend amounted to R120.3 million (2022: R76.4 million).

19. GOING CONCERN

The board of directors believes that the company has adequate financial resources available within the group to continue its operations for the foreseeable future and accordingly the financial statements have been prepared on the going concern basis.

20. EVENTS SUBSEQUENT TO REPORTING DATE

On 17 November 2023 the board of directors declared a final gross dividend of 62.0 cents per share for the year ended 1 October 2023.

The board of directors is not aware of any other matter or circumstance of a material nature arising since the end of the year ended 1 October 2023, otherwise not dealt with in the annual financial statements, which significantly affects the financial position of the company or the results of its operations.

21. FINANCIAL YEAR END

The company's financial year ends on or about 30 September, and as a result the reporting date may differ year on year. The previous reporting period included an extra trading week. The financial statements were prepared for the 52 week year ended 1 October 2023 (2022: 53 week year ended 2 October 2022).

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